

01.12.2023

Dear Valued Customer,

As Arkas Line we are working to refine our sustainability strategy in alignment with our Group's principles, vision and goals. Part of this work involves measuring our carbon footprint and take precautionary steps to reduce CO2 emission by following the International Regulations set by IMO and EU.

By the EU decision taken on 05 June 2023, CO2 emissions from ships have been included in the scope of EU ETS (Emission Trading System) as of 01 January 2024. In this context, shipping companies are required to purchase the emission allowance (European Union Allowance - EUA) corresponding to the amount of carbon emissions from the fuels used in the voyages covered by the EU ETS concept.

EU ETS calculations will vary basis on the voyage pattern of the vessels, for the vessel voyage between the two EU countries, 100% of the carbon emissions will be subject to ETS and for the voyage from a Non-EU port to EU port or vice versa will be subject to 50% of the carbon emissions.

The percentage of emission allowances to be purchased by shipping companies will increase every year gradually;

- 40% of the emissions for 2024
- 70% of the emissions for 2025
- 100% of the emissions (CH₄+N₂O+CO₂) for 2026

As of 01 January 2024, EUA purchases from our emissions are planned to be made through EEX and ICE exchanges authorized by the EU. Under cost recovery framework, EUA amount arising from our voyages that will be included in the scope of EU ETS will be reflected in the bookings separately as a surcharge called **"ETS Surcharge"**.

Due to the fact that the carbon market is a volatile market and Cap-Trade system, the EUA price is volatile. Therefore; **"ETS Surcharge"** price may increase or decrease in direct proportion to the market and will be revised every quarters.

For the first quarter of 2024, **"90 Euro"** is considered as the first quarter price of 2024 and the price can be revised until 30 December 2023.

As a result of this new regulation, as of 1st January 2024 Arkas Line will apply ETS Surcharge with below mentioned tariffs for the shipments to /from EU ports;



TRADE	DRY (EUR per teu)	REEFER (EUR per teu)
Intra Mediterranean	25	38
Mediterranean to West Africa	35	53
West Africa to Mediterranean	20	30
Mediterranean to USA	50	75
USA to Mediterranean	25	38
North Europe to West Africa	20	30
West Africa to North Europe	20	30

Should you have any further enquiries, please do not hesitate to contact your local Arkas Line Agent.

Thank you very much for your support and understanding.

Best Regards,
Arkas Container Transport S.A