

## NOTICE TO CUSTOMERS - REVISED BAF AND ETS PROTOCOL

**Date:** 20<sup>th</sup> December 2024

Please find the below details of BAF and ETS surcharges for **JANUARY 2025**

### **BAF SURCHARGE ANNOUNCEMENT**

Last month average is presenting an increase of 1.50% mainly due to strengthened USD currency. BAF for January 2025 will be adjusted to **77.50%**, up from 76.00% last month.

### **ETS SURCHARGE ANNOUNCEMENTS**

ETS market prices have been stable during the last month. However, the ETS scheme for shipping demands 70% of the emissions as from 1<sup>st</sup> January 2025, up from 40% in 2024. Further info on page 2 of this notice.

ETS surcharge for January 2025 will be adjusted to **14,14%**.

ETS quota prices can be found at the following link:

<https://www.ice.com/products/18709519/EUA-Daily-Future/data?+marketId=400431&span=1&marketId=400431>

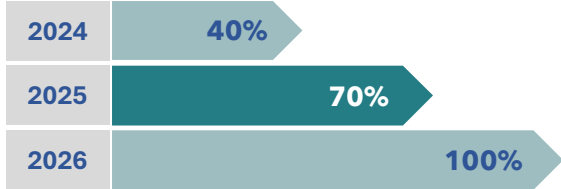
We appreciate your understanding and support.

# Shipping regulations under the EU Emissions Trading System (ETS)



The ETS is an emissions cap-and-trade system to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG. The ETS aims to create a financial incentive for shipping companies to reduce their GHG emissions in accordance with EU’s aim of being climate neutral by 2050. In 2024, the ETS for shipping was implemented to address GHG emissions in the shipping industry. In effect, this means that any company with vessels operating between ports in the EU/EEA area will have to pay EU allowances (EUAs) for any GHG emission.

ETS for shipping is being implemented over a period of 3 years.



Sea-Cargo is aiming at being market leader in green transport solutions and is already well underway to cut GHG emissions, with Rotor Sail installation in 2021 a perfect example. It has already been proven through the last period that Sea-Cargo has reduced its emissions year by year. Despite this, Sea-Cargo, as well as other shipping companies, are not able to avoid the introduction of an ETS surcharge.

### What’s new in 2025?

For 2025, the ETS surcharge will cover **70% of shipping emissions** and will also include the costs to comply with the new FuelEU Maritime regulations. The surcharges will continue to be adjusted monthly, based on forecasted emissions and previous month prices of allowances.

We greatly value your understanding and support.

Tore Knudsen  
Director Shipping Division  
Sea-Cargo AS