

ESG



Euronav's Road to Decarbonisation

Thursday, 5th May 2022

Introduction

Hugo De Stoop

CEO, Euronav

Welcome

Good morning, good afternoon, everyone, and welcome to Euronav's decarbonisation road, the webinar that we have organised to explain what we have done in the past and what we intend to do in the future. Next slide, please.

Aim of today's presentation

So today's presentation is really an opportunity to showcase what we have done so far. It is the first time that we organise a webinar. Nevertheless, we have done a lot, and I would even claim that we have done a lot since the very creation of Euronav as a company.

Transportation of oil is what we do. We are extremely proud of it. We believe it is essential to do it. And on the right-hand side, you see that our footprint is totally global. We transport oil all over the place, specifically on two type of ships called VLCCs and Suezmax.

What is essential for us is that we operate safely in what is often very, very harsh condition. You have to imagine the type of ship that we operate in the middle of the ocean, and you will directly understand the kind of skill set that are required to make sure that this transportation is done in the safest manner. That is why we apply the highest standards possible on all facets of the business.

Today, we will obviously focus a little bit more on the environment, our carbon footprint, etc. But we believe that a company can only be sustainable when it applies the dual standards on a global basis.

Talking about sustainability, it is about delivering and a credible decarbonisation story, a decarbonisation road map. It is very easy to claim that we will be net zero by 2050. It is a completely different story to demonstrate how we will get there, and to demonstrate it in a very credible way. That is what we are going to show you, and we hope that the milestone will show you that this is totally possible. So why do not we ask ourselves the first question that is in the mind of many people today? Next slide.

Crude oil transportation <> Sustainability. Is it possible?

And that is, is this crude oil transportation versus sustainability possible? Is there incompatibility or high compatibility, where as far as we are concerned, we do not only believe that it is possible. We believe that it is needed. And we are going to show you how. Next slide.

The last 12 months have taught us that energy transition & security are not mutually exclusive

The last 12 months have taught us that the energy transition and the energy security are absolutely not mutually exclusive. In fact, when we talk about a transition, we talk about an evolution and not a revolution. We understand very well and we hope that everyone understands that today, the crude oil and with the right product form an essential part of the energy mix.

As a matter of fact, that mix has not evolved dramatically in the last couple of years. If we compare to 2000 and 2019, it was exactly the same. Fossil fuels in general, represented 81%. We do recognise and we encourage and we are very happy about the fact that renewables are set to grow significantly, but oil will remain a key part of the energy mix because it is very difficult to replace.

When you look at the graph, we even believe that oil will continue to grow until probably the middle, if not the end of this decade before reaching a peak and then slowly and gradually be phased out and replaced over several decades. Next slide, please.

Sustainability – Nothing new at Euronav

What we do at Euronav, as I said earlier in my comments, is not new. In fact, we chose a tagline that is “The Ocean is our Environment” back in 2005. I think the three letters, ESG, were not used at that time. Some people were talking about CSR, corporate social responsibility. And we have always embraced our responsibility. Back then, we were a smaller company. Today, we are a much larger company, and we have decided to take leadership on that front.

The picture that you see on your screen is the cover of the Annual Report that we have produced since 2005. And it is a great satisfaction to us that when you go back and they are all on our website and you flip through them, you will find a relatively thick section about what is it that we do above and beyond the transportation of crude oil that is we believe necessary for the society at large. Next slide.

Euronav's vision

At the same time, as we chose the tagline, “The Ocean is our Environment”, we rewrote our vision statement that was back in 2005. When you look at it, it is to responsibly lead the global crude tanker industry, responsibly being the key word in the sentence, to seize every opportunity to reshape our industry in an era of unprecedented change. And that is what we continue to do today.

We are trying to influence the industry by showing the best behaviour possible. So that is a very, very important vision that we have had for the last 17 years.

Finally, we promote and support sustainable programmes to minimise the environmental impact of ourselves, but of course, of our industry. And we always try to apply positive lobby so that the industry will self-regulate in a positive way that will meet the goal of minimising the environmental impact. Next slide.

Mission statement

That was also translated in our mission statement, again, one that was written in 2005. We believe that we have a role to play for our society. We are delivering something that is essential. The world will not continue to spin if it was not for the crude oil that we are transporting. This is not an arrogant statement. This is a statement of fact. But we are very, very happy that we are able to do it in a safe way, minimising the environmental impact we have on the society.

For our clients, it is equally important to rely on someone that can provide high-quality and reliable service.

To a certain extent, being a public company is also an advantage because we are more transparent, because we are proud of doing what we do. We are always trying to show that there is a better way, and that goes with transparency in everything that we do.

This is also the reason why we believe we have an essential role in our industry as a public company and not as a private company, which is not under the same regulation than the public companies are. Therefore, it is essential for our shareholders and capital providers in general. And here, I am thinking about banks, but not only that they can see what is it that we do, and they can compare to other companies and then hopefully decide to invest or to provide capital to us.

Last but not least, the employees. The employees are the key assets of the company. You can have the best ships in the world. You can have the best systems in the world. If they are not employed by the best people in the world, chances are you will not reach your goal. So at Euronav, we have always believed that the employees are the true assets of the company. Next slide, please.

Agenda

Today's presentation, you are going to have a lot of keynote speakers. And in fact, they are just a sample of the people who are involved in our ESG efforts. This is just a demonstration that it is embedded in the DNA of the company. They will explain what they do in their respective department and how is it linked to the ESG efforts. But believe me when I say that they are just the centre, everybody is involved. In fact, everybody is trying to reach the same goal, which is an essential goal in the very existence of this company.

So if we move to the next slide, I am going to pass the digital floor, the virtual floor to Brian Gallagher, who is going to set the scene for today's presentation. Brian?

Setting the Scene

Brian Gallagher

Head of IR and Communications, Euronav

Tanker market structure

Thank you, Hugo. I am going to go through my two sections relatively quickly. I want to, as Hugo said, set the scene, give the background about the basics of our market, which has both opportunities, but also some challenges in terms of the tanker market as far as our sustainability positioning, and then move on to show our credentials, what we have been doing over the last 10 to 15 years, how we have positioned ourselves, and then pass it on to my colleagues who can give you more indications about what we are going to do tomorrow, the day after tomorrow and well into the future in terms of our sustainability journey.

But if we move on to the tanker market structure, you can see it has some unique aspects to it. IT is a very seasonal business. Going back over the last 30 years in the VLCC market, for instance, the industry has made most of its returns in Q1 and Q4. That makes sense for an industry that is very dominated by northern hemisphere and the movement of oil to both supply that winter pattern, but also as we move in anticipation of that winter pattern.

It is also very cyclical. You can see here that we have had a number of cycles in the last decade or so, both good and bad. And we continue to have that very, very cyclical established trading pattern.

But most of all, our industry is faced with a very different structure to most that you see out there in the industrial world. There are very few customers. We only really have 20 to 25 customers as an industry player through the refinery companies, through the national and international oil companies, and of course, with the trading companies who are becoming ever more important.

But our industry is very fragmented. There are over 100 different owners of the 850 VLCCs that are currently on the world seas. And that brings its own challenges, but also some opportunities for consolidation, and therefore, driving a better sustainability message going forward. That is the background.

Shipping already has a track record of tracking spills, threats to marine life and emissions issues

If we look in terms of what shipping's track record is, it has already got a very good one. Shipping sometimes is a little bit shy in putting that track record in front of people. You can see going back over the last 30 years, how it has improved in particular on things which were very high profile in terms of spills, how it has improved a lot of the marine life, how on a very self-regulated way, 20 years ago, it moved from single hull to double hull, which again was a big improvement. And even in the last five years, we have seen ballast water treatment regulations become applied universally and mandatory without any hiccups to world trade.

And in particular, the IMO 2020, of which there was huge amounts of debate and discussion about how much disruption there was going to be. With the help of a global regulator, some very, very clear rules, the shipping industry has delivered without any hiccups at all to world trading flow, including the tanker markets, and 85% reduction to our sulphur emissions. So again, shipping has got a lot to be proud of, and it has got a very good track record.

We need more shipping – not less

So we would argue on the following slide, we actually need some more shipping, even more shipping is required. Shipping is by far and away the most efficient transportation means in terms of its emission and carbon footprint. You can see here the numbers are very, very imposing in comparison with air, rail and other transportation forms.

And if we look on the right-hand slide and see what has happened in terms of how the world economy has grown until the recent years with the COVID variants kicking in, you can see world trade grew at an exponential rate, and yet global shipping emissions were relatively in absolute terms actually went down. So shipping has got a very good track record, has got a good platform, but we obviously need to do things a little bit better.

Fleet modernisation & speed reduction have enabled huge consumption decrease

How can we do things better? On the following slide, you can see that shipping has delivered not only in terms some of the self-help that Alex and some other colleagues will talk about later, but also in terms of the application of new technology.

This shows you at constant speed of 13 knots per hour for the ships that have gone through the Euronav family and through the Euronav fleet and how they have improved their

emissions via how much they are consuming. Obviously, every tonne of fuel that we are consuming a day as a ship is going to have an impact in terms of how much emissions we are putting out.

And it is a little bit hard to tell from this chart, but you can see in the last two or three iterations with that new technology, and particularly since 2013, many of you will hear about the industry talking about ecoships. That is when ecoships have come through. So the run rate has been very impressive of a 25% reduction in terms of emissions due to technology over the last 20 years, but that run rate has actually accelerated over the last decade or so as those ecoships have actually been applied and run out through all shipping sectors, not just the tanker market. Clearly, as a large consumer of fuel, we are a very big player within that emission profile.

Oil part of the energy mix & here to stay

But it is not just about the shipping side of things. We move on to the next slide. What about the oil side? As Hugo alluded to, we are very firm in the view, and this chart would back it up from an industry regulating report showing that we would expect oil not to be as important in terms of the growth and the expansion as the world needs decarbonise and needs clearly and correctly to have other fuel sources going forward and taking on more and more share.

But oil still has a very key and very important role to play. A lot of key commentators with a good track record are still forecasting, as we are, that we would expect to see people sometime later this decade followed by a very, very slow and very, very measured reduction. It is that reduction on the management, as we have seen in the last 12 months in particular of oil within the energy mix, which is going to be crucial.

Direct applications of crude oil

And moving further on to the next slide on where oil is. It impacts on all our lives just in terms of moving us around, whether it be by car, whether it be by sea, whether it be by air. Oil is a key derivative and a key driver of that.

Everyday applications of crude oil

And if we move on to the following slide in terms of how oil touches our lives on a daily basis, you can see here from the range of products that oil is essential in terms of the creation and the maintenance of. Oil is a very, very big part of our lives. So far from demonising the product, and those who transport it and use it, we should be looking oil to be a central part of that decarbonisation and sustainability conversation, and that is where Euronav has tried to be for the last 15 years.

We have got a long way to go on our journey, but we intend to be a central part going forward. That is in terms of setting the scene.

Euronav sustainability credentials

We now move on and talk about our credentials. We are very proud of what we have been doing, in particular in the last five or six years in terms of our ESG footprint and our platform.

It's in our DNA

And you can see that from this chart here. We have got the best in class, best in breed from the tanker market and almost the same for the shipping market in terms of our ratings. So

independent regulators and independent bodies looking at our ratings give us the best bill of health that's out there.

Sustainability matters at Euronav

Tanker selection leading ESG foundations established

But we are not satisfied with that. Things like our CDP scoring, where we got a B rating for two years now, we are looking to improve that. We are looking to improve the depth and the scope of the scoring and the ratings that we have got because that is a reflection of the industry that we are operating in and a reflection, as Hugo said, of the DNA and the central themes that are running through all parts of our company.

But also if you look in a bit more detail now on the following slide about where that actually sits in terms of the E, I mentioned about the B rating for the carbon disclosure programme, which we are very proud of. We continue to get very good ratings from the areas such as sustainability, analytics, but also if we look at the engagement we have got with trade organizations.

The last 18 months and the dislocation that Zois and Michail have had to deal firsthand with regards to the impact from COVID, the restrictions around the world has brought a lot of shipping and the shipping family together, but that has also allowed us and we can use our platform for both trade or operations, but also in terms of our sustainability and our sustainability messaging.

And then an example of that would be the fact that we have become the first industry member of the Whale Guardian programme, a specific programme looking in terms of the protection of great whales. And this, again, is an illustration of us trying to illustrate our scale and actually bring some tangible benefits from that.

Tanker sector leading ESG foundations established

But the E does not really mean a lot without the S, and the S often gets overlooked. The Bloomberg Gender Equality Index is something we have been involved in since its inception five years ago. That is a top to bottom analysis of our company in terms of our gender metrics, how we are managing those and how we are managing those in different geographies. So that is a real audit that we have continued to improve the scoring in that particular structure. And again, it is something we continue to look to be a forward member of.

Again, Lieve and our team on the finance side have been very, very proactive in getting new leadership and new financing in what remains a very capital-intensive industry. And again, we are pleased to see we are continuing to win awards as recognition of that.

And in terms of active management of social issues, you would expect us to be key players and advocates of things like the Sailors' Society. But again, very, very innovative setups of these different trade bodies and pressure organisations is something which we are very, very keen and flexible to be part of.

But the E and S also mean quite a lot, but sometimes not so much on their own. But Euronav, and it has been central, as Hugo said in his introductory remarks, is driven by the G. It is the governance. It is the glue that holds everything together. Webber Research since 2017 have been holding a survey of the top 50-odd shipping companies that are quoted

globally around the world. And we are very proud that last year, we became second out of those 52 that they analysed. That is a real accreditation to us, and we have always been in the top 10 of that particular survey, driven by the very strong characteristics that we have at our base and as part of our DNA of governance.

We have had a Sustainability Committee since 2019. We are the only tanker company to have that, and one of the few shipping companies that have one of those. And that reflects one of the key focuses of Euronav. We have a fully independent Supervisory Board. They have complete oversight on the whole company. We have a mixed gender representation there, not because of some sort of forward plan, because that is the correct skill set we have from those particular individuals. And that fully independent Supervisory Board has led the company in the past and will continue to lead the company strongly going forward.

Active sustainability management leads to higher valuation

What does it all mean? Well, moving on to my final slide, we actually believe it means better pricing. This chart does not sort of knock you off your seat, obviously. But you can see here, this is the Webber Research looking at the top quartile share price performances of those shipping companies since they started their index in 2017 against the companies in the bottom quartile.

And whilst the performance relative of those top companies against the bottom ones has slightly drifted away in the last year or so, it has been consistent outperformance. So those very, very strong and very, very inbuilt and embedded values that we have as a company, a strong governance, good focus on society and a very, very strong focus on environmental sustainability will and has in the past will continue to drive superior pricing and share price performance.

That sets the scene and also gives you some indication of our credentials so far. I am now going to pass on to our Sustainability Manager, Konstantinos, to give you more about what is going to happen in the future.

The Road to Decarbonisation

Konstantinos Papoutsis

Sustainability Manager, Euronav

IMO decarbonisation targets

Thank you, Brian. In the next couple of slides, you would get acquainted with methodological framework which we pursued in order to begin our decarbonisation strategy. Next slide, please.

So our ambition was and still is to build the methodological framework and to build a strategy, which is far more ambitious versus the current IMO 2050 decarbonisation plan, which stipulates zero-emission shipping operations somewhere around 2080 and 50% less CO2 versus 2008 somewhere around 2050. To this end, we sat together at Euronav cross-functionally with different functions of different teams, operations, ship management and fuel procurement, for instance, to build a powerful, enabling and fuel-agnostic model, which could

accommodate all the uncertainties and risks that we have identified due to the lengthy time horizon of that exercise.

And of course, to be able to utilise the latest and greatest data that we have in our position. Next slide, please.

Setting the scene

So first, we had to somehow draw the boundaries around our methodological framework. We started with the time frame. So we defined our time frame with the reference year being 2008, which aligns with the IMO reference year as well. The target year has been set in 2050, and the basis year of our data foundation was in 2020. This has been the latest year where we had verified data in Euronav.

Next one, we needed to define the emissions coverage. So we wanted to capture the full life cycle of the fuel production and consumption. And therefore, we opted for a Well-to-Wake approach. And then we opted for Scope 1 emissions, Scope 2 emissions, respectively the bunkers that we use to burden our vessels and also the electricity and energy that we use for facilities. These were the scope of our exercise.

We intentionally left out Scope 3. Scope 3 will be included once we have more precisely measured our Scope 3 emissions once we have also aligned with our suppliers in our extended value chain to be able to set decarbonisation targets specifically for Scope 3 emissions.

Next, to have operational assumptions or technical assumptions, the one that we have relying in order to be able to build our strategy. So we take into account the fleet rejuvenation pace, namely the vessels that will be entering and removed from our fleet operationally than the typical usual vessel life cycle, then the future evolution of our fleet size. And finally, a potential future dry dock planning, meaning regarding the existing and the future fleet at the level of capturing the positive impact, the CO₂ reduction, which comes as a result from dry-docking.

Finally, on that slide, we had to indicate what will be the performance tracking indicators that we are going to use, and we opted for greenhouse gases. However, for the moment, we will stick to CO₂. And rest greenhouse gases like methane will be added once we have more insights on the methane emissions and the methane slip effect.

To wrap up, we built a fuel-agnostic model, which could accommodate different types of fuel pathways. However, for the sake of this exercise, we assumed five plus one:

- Business as usual;
- an LNG pathway;
- A biofuel pathway;
- A methanol pathway; and
- Two ammonia pathways.

One should make a direct transition from HFO to ammonia and to assuming a dual-fuel vessel existence. Next slide, please.

Decarbonisation levers (2030 & beyond)

So in the question, okay, but which would be the key levers that we are going to pull in order to deliver the decarbonisation strategy and achieve our targets? We have a combination of five levers, but we have observed specific ones. Specifically, post-2030, we will mainly rely on lower zero emission fuels, which will hold the lion's share of our transition.

Next to that, as well, we will have energy efficiency technologies such as wind-assisted propulsion, such as air lubrication and other technical air dynamics and hydrodynamics measures. Next to that also, we have the fleet modernisation, which is a natural decarbonisation outcome of a fleet rejuvenation pace. And in the end, we also have operational measures such as speed reduction, for instance, in conjunction with digital innovation, where enhanced connectivity between SOR and SIP will inform our decision-making in order to optimise our voyage performance. Next slide, please.

What it means for planet and society

Now we want to better understand the impact that we are going to deliver, so the savings that we are going to drive now and till the future. And therefore, we captured two snapshots from our strategy: an actual one in 2020 and the future one in 2050. In 2020, we realised that we actually saved almost 1.5 million metric tonnes of CO₂ versus a potential probably do-nothing scenario starting from 2008. This amount of CO₂ is equal to the planting of almost 75 million trees.

Now, if we apply our net zero target, our net zero strategy, we expect that in 2015, this 1.5 million will grow and reach the level of 3.9 million metric tonnes, which this is equal to planting and growing almost 200 million trees. This is also equal of saving paper that is used to produce approximately 140 billion standard nautical chart of specific dimensions. And to go back again to another impressive element is that this 3.9 million of CO₂ tonnes equals the absorption of CO₂ from the atmosphere by 120,000 great whales. So this is the magnitude of impact that we are ahead of us. Next slide, please.

Euronav competitive advantage in industry's transition

So Euronav has developed and will be developing a fit-for-purpose transition, where human intervention will have a key role. When I say human, I mean both onshore and on board. For instance, if we want to implement immediate CO₂ reduction targets like operational loss, like speed reduction, our people on board will secure the successful implementation of those measures.

Next to that, our people on board and our people onshore will also help us to design and implement the best energy efficiency technologies with the best impact possible in order to reduce our consumption within our investment plans.

And finally, people will build the core of our system platform, which will enable, in the long-term, a switch and scale-up of zero and low-emission fuel towards our net zero targets. Next slide, please.

Short-term actions – immediate actions to reduce CO₂

I would like to dedicate a couple of seconds on the importance of short-term actions in our decarbonisation strategy, and also the fact that we believe that those short-term actions are also necessary for the shipping segment per se. So by definition, short-term actions can be

treated as speed reduction measures, but also other types of measures like virtual and just-in-time arrival.

The implementation of this serves as an unprecedented opportunity. Why? Because the current market circumstances look to be favourable, especially because of the bunker price increase, but also on the increased resilience, which is asked within the supply chain, which allows for less just-in-time operations due to supply chain disruption, and of course, due to internal geopolitical events or COVID restrictions.

We see a lot of benefits. We see an immediate economic benefit of reduced costs due to reduction of fuel consumption. But on the other hand, we see some indirect ones or less visible, as if, for instance, slow streaming has been implemented right now and which will result in reduction of CO₂, then lower needs for adoption of potentially more expensive more clean fuels of the future might be needed. So these are the economic ones.

We have also strong environmental ones, which can be, for instance, a 10% reduction on average voyage speed may result up to 20% reduction of fuel consumption and CO₂ emissions, which has been either substantiated by the geography and also by empirical case studies.

And finally, removing CO₂ molecules tomorrow due to global warming potential will result in carbon avoidance for the next 100 years. So that is how powerful are those short-term measures. And the next slide, please, which is the last one.

Euronav's pathway to decarbonisation

Therefore, Euronav is activating a decarbonisation strategy, which, relies on two different phases. The first phase is between now and 2030, where we will rely on less energy used on board, which is achieved by investments in energy technologies and other types of energy efficiency measures.

And after 2030, provided that the fuel market dynamics will deliver upon its expectations, we expect the switch to cleaner energy used on board and an immediate scale-up. So we have flagged six operational milestones, starting with carbon neutrality at laden voyage, where we expect to have that offered by 2022 through carbon offset mechanisms via our VLCCs anchored TI Pool.

Next, we step up to carbon neutrality at rounded both ballast and laden voyage, where we expect to offer that both via carbon offset mechanisms and also via tested bio blends other types of biofuels which promise lower CO₂ emission potential. Then by 2027, we expect to have delivered in our order book the first vessel running on zero emission fuels. If delivered, that means that it has been ordered two or three years earlier.

In 2030, we will align our strategic approach with a minus 40% lower CO₂ intensity at fleet broad level versus 2008. And then post-2030, and provided, of course, that the fuel market will deliver, we expect a net zero in sight by 2040, but centrally, a minus 80% CO₂ intensity versus the 2008. And finally, net zero performance by 2050 or earlier under our Scope 1 and Scope 2 and under our control operations. More insights will be circulated by Hugo.

And now I pass it on to Rustin for the fuel technologies. Thank you.

Fuel Technology

Rustin Edwards

Head of Fuel Procurement & Development, Euronav

IMO Dates of Notice

Thank you, Konstantinos. Good afternoon and good morning to you all. Next slide, please. The road map to decarbonisation is something that has been laid out by the IMO, and there are some different dates which are of note, which need to be looked at in order to understand how we, as an industry, will need to transition from our current fuel mix into the requirements of the 2050 of 70% carbon reduction versus the 2008 baseline.

Currently, in the environment we are in right now, we are burning petroleum-based fuels which have carbon emissions of 3.1 to 3.2 metric tonnes of CO₂ versus every ton of fuel that is consumed on the ship. And as we move forward on the time line, the next big step that is coming into play as in 2030 is the implementation of the EU ETS scheme for the maritime industry.

This is going to adjust how vessel operators, owners reallocate their vessel resources into the EU and out of the EU, as well as adjust the relationship between the charterer and the charteree in the vessel because of the cost of the carbon emissions coverage going into the EU will numb those changes.

As we move forward further, we had the adaptation of the Med SECA Zone, which is coming into play, which will basically reduce the sulphur oxide emissions going from the Suez Canal to Gibraltar, which would help greatly reduce SO₂ content in the Mediterranean atmosphere. And then we will reach the first step going into 2030, which is the cut of 40% of the 2008 baseline against CO₂ emissions.

Then we have, what I call, the R&D Gap, which gets us from 2030 to 2050, which is the 70% reduction of the 2008 baseline or potentially even 100% reduction of the 2008 baseline. But this gap, in order to cover that, is going to require a tremendous amount of development and investment in new technologies, as well as rethink of logistics supply chains and moving fuel around the world to supply the needs of the maritime industry. Next slide, please.

Bridging the R&D gap

So when we look at bridging the R&D gap, there are many routes and vessel development can take in order to meet this. So again, as we have today, we have the current fuel petroleum mix that we are burning on more ships, 0.5 high-sulphur fuel oil and gas oils.

And we have seen a lot of work done in the industry. Euronav has done it as well, where we are making the adaptation of bio-blended fuels in order to start moving down the carbon emission chain to become better carbon emitters or lower carbon emitters.

As the adaptation of bio-blends move forward, then you have different routes you can go along this tree in order to find different emission solutions. You have the liquid to gas fuels, which is your LNGs, your ammonia, your green hydrogen, which all will require development around infrastructure investments, logistic distribution chains as well as production.

You have what I call the liquid fuel route, which is the implementation of full bio-blends into the mix, which if the world maritime fleet went into a full biofuel blend, it would be roughly 90

million tonnes of biofuel per year that would have to be produced to equate to a B30 blend of the entire maritime fleet.

Biofuel mixes are also on the liquid side as well as moving into methanol and then green bio-methanol at the end of the 2050 period.

On the engineering solutions side, you have kites and rotor-sails, which are in the development phase and being implemented on different ships around the world to help reduce fuel emissions and make more higher fuel efficiencies. And then you have onboard abatement and storage technologies, which are being developed to help capture CO₂ onboard the ships and keeping it for disposal on onshore.

So jumping to that 20-year gap will require investments in the new production facilities, logistics facilities, storage facilities. And as an industry to meet the 2050 requirements by the loss of efficiency and transportation that our customers have come to expect, this would be not only more production of biofuels, but also creation of green ammonia production, bio LNG production, as well as hydrogen production and storage on the industrialised scale with the associated distribution channels to achieve the necessary energy targets and overcome the energy density shortfalls to maintain the flow of international trade. Next slide.

So technology will carry us along this voyage to decarbonisation. Developments are forthcoming on new engine designs and vessel designs to accommodate new fuels and handling characteristics. Mechanical Abatement technologies are being explored even with sequestering and storage of CO₂, as mentioned earlier. And with the development of new fuels, new production will be needed in order to meet the forward requirements of demand.

Recent events in Europe show that the status quo, a single-point supplier that puts the majority of the fuel into the marketplace, is not efficient and could be dangerous for the energy transition and solutions. We, as an industry, need to develop a diversified portfolio of production, supply and logistics to maintain the energy security for the maritime industry.

Private and government alignment is key to ensure that the investments can be made and resources can be allocated in order to transition from petroleum-based fossil fuels to the fuels of the future. Next slide, please.

Euronav actions to-date

What we have done to-date in part of our voyage of decarbonisation, along with other companies, we have worked on the first steps with bio-blended fuel oils and bio-blended distillates in order to test the longevity and handling characteristics, as well as the operational stability of these fuels. It is the first step along the pathway and is not the only solution, but it is one that is worth looking at.

With the use of these bio-blends, we have been able to understand how to handle and use these fuels in the operation of the vessels. We have shown that the vessel can handle the fuels with no degradations in the machinery and the operational readiness of the vessel. We have also looked at the longer-term handling of these fuels. We have stored bio-blends on board for a period of time to reflect how the vessel is currently handling petroleum-based fuels that are used in port. This is namely with the B50 blend that we use with gas oil.

As testing had shown, when we got to our port and operational conditions on the vessel allowed, we used the gas oil mix and tested it, and it worked perfectly well with no incident to the vessel, and the vessel is able to maintain its operational readiness while it was in the port.

Further to this on the use of bio-blends, we have also looked at the construction of ships with the optionality around fuel that can be used in the future. The ships that will be built will utilise standard petroleum fuel as the initial fuel for consumption, but then have the option for the retrofit into using LNG or ammonia fuels as the infrastructure and technology develops around these lower carbon fuels.

I now will hand over to Alex Staring, our Chief Operating Officer.

Fleet Modernisation and Newbuildings

Alex Staring

Chief Operating Officer, Euronav

Welcome

Thank you, Rustin. Good afternoon. My name is Alex Staring. I am the Chief Operating Officer at Euronav, and I will now cover how we are managing our fleet and our intentions and investments in decarbonisation at Euronav. Next slide, please.

Highly regulated shipping sector with asset useful life of 15-20 years

Utilisation significantly falls after 15 years

We are operating in a highly regulated industry. Before I go into details on our plans, it is important how regulated this industry is. Below two slides, you can clearly see that next to the regulated regulations we have in place, it is also commercial and cost regulation.

On the left-hand side, on the cost regulation, you can see the cost overview over the life of a vessel, which is 20 to 25 years that every ship after five years until the 15th year anniversary will have to go dry dock. This entails a cost. In the beginning of the first five years, this cost is quite small, roughly \$1.5 million. It goes up to \$2 million, \$2.5 million towards the third special survey. And then after the 15-year age of the vessel, every 30 months after that, the vessel has to go back into dry dock, where the cost goes up quite dramatically, where here, you can clearly see that the cost to maintain an older ship and to go to that regulation is becoming quite expensive.

On the right-hand side of the slide, you can see that also from a commercial perspective, very much in relation to the vetting criteria, which is something that is governed by our customers, that they prefer ships to be younger than 15 years of age to charter. And then you can clearly see in that graph that after 15 years of age, the tonne mile that the ship is performing drops down quite dramatically.

So in the end, all the tonnage comes under a sustained and real commercial pressure because of the regulatory structure of our industry, which is a positive driver on the road to decarbonisation, as the following slides will show. Next, please.

For the first time

Very strict time regulations with emissions at their core

It is for the first time now that we are going to have a very strict time regulations with emissions at their core. This is a regulation which comes out of IMO and is in relation to MARPOL Annex VI. As from 1st January 2023, the vessels that are floating will have to show what is their Attained EEXI. EEXI stands for Energy Efficiency for Existing Ships.

And then there is also a required EEXI, which is set by this MARPOL Annex VI regulation how much gram of CO2 per tonne mile you can actually emit. As long as you fall within these parameters, i.e., if your Attained EEXI is less than the required EEXI, you are going to be okay. You will have a technical file on board that will be verified by classification societies, and you can continue to sail at a certain speed that you are used to sail at.

The bigger problem stems when you do not meet the required EEXI. That means that at a certain instance, you will need to start limitation your power. You can do this in very different kinds. So EPL stands for Engine Power Limitation. You can do this by optimise your propulsion by energy-saving devices, for example, a Mewis Duct. And therefore, there is a computation of fluid dynamics, which can give you a bit of grace[?], whereby you will go at a higher speed but by a reduction in consumption.

A bit bigger effect is, of course, the engine optimisation or the rating, where you really need to limit power on the engine. And this will then evolve also that you need to make a renewed technical file on your emittance of NOx. And then, of course, there is another alternative in order to meet that goal, either by pulling out kites or by using a different fuel on your main engine. And that, of course, has them to being endorsed by the classification society as well as the flag society.

This makes a key operational advantage for tanker owners, therefore, to have a young fleet possible, not just for commercial leases but also for sustainable reasons, and of course, to meet our decarbonisation objectives. Next slide, please.

Older tonnage under regulatory, commercial and now emission pressure

This slide shows you a comparison between a vessel that was built in 2012, a Suezmax here, the Cap Maria, and one of our brand-new ships recently delivered in January 2022.

On the left-hand side, you see the parameters of the ship. There is the EEDI, which is very similar to the EEXI. But as of 2013, almost all newbuilding vessels need to have, when they are delivered, an EEDI, which stands for Energy Efficiency Design Index. It is a parameter whereby this is defined by a formula, which is in relation to how much your vessel consumes at 75% of the maximum continuous power it has and also the consumption for the auxiliary engines divided by, in fact, your carrying capacity and the speed that you can do at the 75%. This gives you a kind of gram per tonne mile that your vessel will consume.

You can clearly see the difference here between the Cedar, which is 2.8, versus the Cap Maria at 3.25. For the speed, how is that being obtained? This reduction, of course, is for the ships 2013 and 2014 onwards. The engines have been limited in power. And by optimising hull life, they still make good speed, albeit, a bit less. But definitely, the power is much less. Hence, the consumption is also quite less.

And here, you can see that for the 2022 vessel, we consume around 40 tonnes per day at the maximum continuous rating, where it was 67 tonnes a day on the 2012 ship. This is a 30% decrease in consumption, which is huge, especially if you know that one tonne of fuel that consumes is equivalent to 1.3 tonnes of CO₂ emittance. So roughly, this means that the younger your fleet becomes or that ship 2022, will emit 40% less CO₂ than a vessel built in 2012. Next slide, please.

Energy transition is feasible when costs incentivise the switch

Cost remains key, and that is why we can here see the difference. It compares since 2019 the price per barrel of crude with the cost of LNG from Japan expressed in the same unit per dollar equivalent of crude.

Until 12, 14 months, LNG was quite cheaper than conventional fuel. But since the current geopolitical developments, LNG has gone up quite high in price. This has resulted that, today, dual-fuel LNG ships are rather running on conventional bunkers rather than on LNG. This is, for me, a reminder that the energy transition is not static but dynamic and will always pivot to whatever the cheapest fuel source is. I will now turn to investments in new technology. Next slide, please.

The current regulatory & commercial landscapes require immediate investments

This graph gives you an overview, as already discussed with Rustin, of the different fuels that are there and they are well to propel emissions reduction in percentage compared to conventional fuel today.

So for LPG/LNG, this is roughly a 25% reduction. On green methanol, this is roughly 84% reduction. And ammonia, 93% reduction. So as we said already, there will likely be a range of different fuels for propulsion systems, for VLCC and Suezmax vessels going forward.

The potential gains, especially from ammonia, are very large where we compare it to still a fossil fuel like LNG. This technology is not yet fully available for ships, i.e., the fuel itself, but it will come. So we are expressing our hopes very much on ammonia as a fuel going forward in the future. Next slide, please.

Joint development programme to develop dual fuel ammonia vessels

And to show this commitment, especially for the six vessels we have on order as a newbuilding. We are working very closely together with the biggest shipyard in the world, Hyundai, and with the major classification societies, Lloyd's Register and DNV, to work towards probably ordering a dual-fuel ship on ammonia by 2024-2025 for having a delivery in 2027.

Already now, some of the ships we are in the phase of building. We are strengthening the deck. We make additional space to make these deck tanks. And we have the fleet equipment ready for the new fuel to come into the engine room. What we are still waiting for is for the engine manufacturer to make the big engine available for the VLCC and the Suezmax, and we estimate that this will become available by 2025.

Thank you very much for listening, and I now give the floor to my colleague, Lieve Logghe, our CFO. Thank you.

Green Financing

Lieve Logghe
CFO, Euronav

Shipping – unique financing challenges

Thank you. My name is Lieve Logghe, as Alex mentioned, CFO at Euronav. And I will now look at how financing of shipping is adjusting to the challenges of decarbonising. I make you a promise. I only will limit or show you three slides, and there is just one number to remember. So let us start with the first slide.

The challenges facing the financing of shipping have increased in scale and have become more complex in the recent years. Our industry remains capital-intensive, as already explained, and highly cyclical. And with on top, we noticed that there is an increasing regulation and additional capital requirements to invest in new technologies and cost to meet these new regulations.

And what we see is that despite this, traditional bank financing, and this is the blue block on the right-hand chart, has fallen. And this is not a number that you have to remember, but by 30% since 2015. And we noticed that the capital value of the global VLCC and Suezmax fleet in that same period has increased by 50%.

So what I want to explain is that, in short, financing shipping has become more challenging with capital intensity and environmental regulations increasing, but traditional funding sources becoming more restricted. Ship lending or funding has, however, responded proactively to these challenges, as we will show in the next slide.

Poseidon principles

Shipping initiative driving emissions reductions

Shipping's response has been what we call the Poseidon Principles. Euronav was a core partner in drafting these principles in 2019. Essentially, it brings together the majority of banks engaged in lending money to shipping and drives common standards on decarbonisation, sustainability and ESG in return for incentivised financing.

This is fairly rare to have such coordinated action amongst banks as it is pleasing to report that, as the left-hand chart on the slide shows, over 70% of banks in shipping have signed up to the Poseidon Principles. A key factor behind the principles is to encourage decarbonisation and emission reductions in the short-term.

Poseidon is committed to reduce shipping CO2 emissions by 40% by 2030 and offers incentives of lower interest rates for companies meeting or beating this trajectory every year between now and 2030.

The right-hand chart illustrates Euronav is on track to beat that target with our current fleet. We have currently an incentive of 5 basis points. So what do I mean with this? If we meet the target, interest amount to be paid is reduced by 5 basis points. In case we do not meet the target, we have to pay 5 basis points extra. Even if we could say that the incentive is small, we have a strong belief that the gap between traditional funding and sustainability-linked financing will further widen.

Sustainable financing in action - 2020

And turning now to the last slide to Euronav specifically and how we are financing ourselves. As I covered in my first slide, the number of banks lending to shipping is continuing to decrease, so Euronav has been looking to diversify its funding sources as well as driving decarbonisation within our financing structure.

Last year, we delivered on diversifying with our \$200 million Nordic bond, but also with a euro-based financing facility for an amount of €80 million. What makes this loss-flexible finance critical is the diversification we have been able to get from adding governmental infrastructure funding to the consortium of banks for this facility. The Flemish government has supported into this facility, which has the standard emission reduction requirements and incentives.

And I am already at my conclusion. What I wanted to demonstrate with those slides is that financing at Euronav has become more diverse and sophisticated over the recent years as we have adjusted to the challenges of decarbonisation, our business and plan for the future.

We have made solid progress in sustainability-linked financing by integrating the sustainability-linked feature for more than integrating in our loans. And here is the only number you have to remember, is that we already have this sustainability-linked feature in our lending portfolio for more than 40%. And we expect to increase our initiatives going forward.

I will now hand over to our General Manager, Captain Michail Malliaros, and Zois Dagkaris to run through our approach to sustainability and operations. Michail, the floor is yours.

Sustainable Operations in Tanker Shipping

Michail Malliaros

General Manager ESMH, Euronav

Ship management culture – in-house & partnerships

Thank you, Lieve. So my name is Michail Malliaros, General Manager of Euronav Ship Management Hellas. And with my colleague, Zois Dagkaris, Deputy General Manager, we will run through:

- How operations are rising to the sustainability and decarbonisation challenge;
- What we have done now; and
- Our future plans.

Euronav [inaudible 0:56:14] in the ship management operations since its establishment. The ship management culture of in-house and partnerships focused on three main aspects:

- Increase efficiency with optimal resources, including improvements and upgrades;
- Maintain high-quality standards with establishment and implementation of our internal execution policies;
- Maintain close control of all operating expenses, including [inaudible 0:56:43] development opportunities for transport, etc.

Sustainability matters at Euronav

Moving to the next slide. As I said at the start of the section, it is important for operations in corporate to dovetail for structures [inaudible 0:56:55] in our planned sustainability and decarbonisation initiatives.

At Euronav, we have established maintaining, implementing [inaudible 0:57:03] ship management system covering all onboard operations by addressing health, safety, quality and environmental policies, procedures and practice. This includes ISO certification and adaptation of the highest standards on the management of safety, environmental and energy aspects.

Safety means paramount when operating in the fuel transportation sector, and Euronav demonstrates its commitment to safety with a series of actions, including [inaudible 0:57:32] and association of leaders in the shipping industry to improve safety performance. This takes you on the next slide, short and long-term targets.

Short and long-term targets

And on the reduction of our ecological footprint, my colleague, Zois, will provide some additional details to complement previous figures regarding Euronav's decarbonisation pathway.

On the occupational work-related health and safety, we wanted to observe on a KPI, which is an ultimate long-term target of zero incident of accidents. And thanks to the combining the efforts of the entire Euronav team on board and onshore, the health and safety performance of the company is amongst the best in the industry.

Regarding our people, we aim to provide equal opportunities for all, improve development systems, applying objective performance criteria, targeting to provide a clear career path for our people. In general, we aim to make a positive impact through our business practices. Moving on to the next slide.

Wellbeing

Micro-societies on each vessel

The transportation of crude that we provide as a service to people at its core. We need to ensure we care for our staff and provide a safe and secure environment for them, and one in which they can grow and develop their career. This has been proven to be more important than ever. And for this reason, we are constantly reviewing and adjusting our practices and processes to maintain a safe and attractive working environment.

And I will now pass on to Zois, our Head of Procurement and Technology, to give more colour on how operations have been and will continue to deliver on sustainability and decarbonisation. Zois?

Sustainable Procurement in Tanker Shipping

Zois Dagkaris

Deputy General Manager ESMH, Euronav

Green procurement

Thank you, Michail. In the next couple of minutes, I will go through some of the recent initiatives we have undertaken as a team, from a procurement perspective as well digital and technological retrofits on our fleet. Next slide.

So we have made great progress in the past 18 months in improving our sustainability interface with our suppliers, and we have implemented the rate of recycling requirements on our supply chain.

In terms of some tangible targets, we expect to eliminate single use of plastics by 2024 and apply sustainability criteria across our procurement programmes. Now we buy 45% of our volume through certified ISO 14001 suppliers, but we have also been busy directly on our vessels. Next slide. Thank you.

Upgrades – retrofits investments

As Alex pointed out earlier in his presentation, our sector is highly regulated. So all of our ships, we have regular surveys, and this gives us the opportunity to retrofit and take remedial action where we need to.

Over the past five years, Euronav has invested US\$40 million on a range of retrofits and upgrade projects across our fleet. This has incorporated a large number of initiatives. For instance, we have taken the opportunity during dry-docking vessels to add advanced antifouling coatings. This low-tech, relatively low-capital investment has been highly effective in reducing fouling on friction on ships, and therefore, reducing emissions.

Large scale investments and programmes of emission reduction are very high profile. But as we saw, the smaller incremental enterprises can all adapt to make a substantial improvement in emissions performance.

Overall, these initiatives, along with fleet renewal programme, have contributed to a reduction in our carbon intensity by 25% when assessed versus a baseline of 2008. Next slide.

Energy savings technology

In the same theme as the previous slide, engineering and energy saving-focused projects can derive outsized gains from the path of decarbonisation and improved sustainability by installing variable frequency drives to control various pump speed or by engineering hull improvement devices. Our analysis suggests this, too, can yield substantial improvements.

Looking forward, as an example, we are investigating wind propulsion system. And as Rustin talked earlier, we have applied for a number of grants from the European Union and other bodies to assess this further.

But we have also improved our operation output via technology investment, as depicted on the next slide.

Case study – “FAST” platform*Fleet Automatic Statistics & Tracking*

Euronav by constant being in forefront of shipping digitalisation, introducing now a fleet platform called FAST based on vessel sensor data collection that improve fleet performance and fuel efficiency, but also acts as centralised platform for our operations, and therefore, provide insights for taking actions for reducing emissions.

I will now hand over to our CEO, Hugo De Stoop, to run through final conclusions.

Sustainability Detailed Journey Ahead

Hugo De Stoop

CEO, Euronav

Euronav – Decarbonisation progression

Thank you very much, Zois. And thank you, everyone. This was very insightful. I hope that the audience has been able to see that we take those matters very seriously at Euronav. And as I said, this is in our DNA. Everybody is involved. This is a sample of what we are doing, and we are very proud of that.

Let us try to summarise the most important message of today by looking at the next slide, please. So as we have declared today, and that was in the section handled by Konstantinos Papoutsis, our Sustainability Manager, we have divided in different steps over a time horizon. The first part of the time horizon, and it is very important, is about reducing but also making the right investment for the future.

Reducing our carbon footprint, mostly by reducing our consumption. Whatever we can save today will not end up in the atmosphere. Whatever with technology that is helping us reducing the consumption today will be very, very useful for when we consume those new fuels, which hopefully will be green, but unfortunately are likely to be more expensive. So everything that we can do today has really to impact today, but also a great impact in the future.

To go a little bit more into details, and many of you are already aware of that, we are, through the TI Pool, where we operate our VLCCs, the very first company to offer carbon offsets. We totally understand that this is not the ultimate solution. But we also understand that, as far as today is concerned, it is something that is good for the planet, and the scheme that we are offering is by planting trees, which is obviously very essential.

Moving on to 2024, we hope to achieve the first carbon-neutral voyage on board one of our vessels. So Rustin explained that we have tested B30 and B50, which basically contains 30% biofuel and 50% biofuel. And we hope to be in a position to perform a voyage with a B100, which would mean that 100% of the fuel that we are using onboard for that voyage will be coming from biofuel sources and will therefore be a completely neutral voyage in terms of carbon emissions.

Now we also understand that this is probably not the ultimate solution, but we are there to help the industry in general, and certainly, some part of the industry probably on smaller

ships to test those biofuel, making sure that they are not impacting the operation in a negative way.

We also believe that biofuel will be necessary for us, the larger ships, for when we adopt the green fuels, because often, we need a pilot fuel, pilot being the fuel that you are using to start the engine until the time you can switch to the green fuel itself. So those are very necessary steps in order to progress on our journey.

By 2027, again, as we mentioned earlier in this presentation, we want to have ordered a first ship that is capable of running on one or many green fuels that we have yet to identify. We have different fuels that exist today. The industry is working still on some of them. It is certainly the case for ammonia, where we hope and we are definitely helping the development of the first ammonia engine in our partnership that we have with the largest shipyard in the world, namely Hyundai, but also with the engine manufacturers and the classification society to make sure that this is a safe operation.

So we want to be in that position ahead of 2030. Because as of 2030, on the next slide, we will start the journey to switch to vessels that are capable of burning green fuels. This is a very important step because when you think about the longevity of a vessel, and Alex spoke about the fact that in our market, there are about 20 years, potentially 22, 23 years, but let us say, on average, 20 years, this is definitely the indication that we can fully decarbonise by 2050 as there is exactly 20 years between 2030 and 2050.

In the meantime, we make a promise that we will not only meet the IMO target of 40% lower CO2 intensity onboard our fleet by 2030. That is an obvious one. Brian already showed you and Lieve already showed you that we are ahead of the curve and we have the ambition to continue to be ahead of the curve. And every time we will make progress, we will update you. So that is 40% lower carbon emission by 2030.

By 2040, we set the bar at 80% in order to finally arrive at a complete net zero carbon emissions by 2050. We know that this is possible, but we also know that we cannot do that on our own. For instance, we are taking the responsibility for the shipping part, for the ships, but we need to be part of a coalition when it comes to the engine manufacturer, when it comes to the safety onboard the ships, working with classification society.

We also understand that the production of the fuel is a very important element because pretty much all the fuel that we are contemplating today are not produced in a green way today. So we will find ways and we will partner with others to make sure that those fuels are available by the time we do have the ships that are capable of burning such fuels.

I think that over the years, Euronav has been a good partner. We have demonstrated that we are definitely there in the leadership part of the shipping. We are a founding member of the Getting to Zero, which is probably the largest coalition involved in the maritime space, to make sure that, as an industry, we arrive as quickly as possible to reduce our carbon emissions. We will continue to be there, and we are very proud of what we have done. Moving on to the next slide.

Euronav's pathway to decarbonisation

This is the full picture. It is a picture that we hope to update over the years, but definitely very happy to have designed it and to demonstrate that we can get to our goal, which is

2050. And as a reminder to everyone, we are the first tanker company to commit to that, and this is well ahead of the IMO regulation. I suspect, and we all suspect at Euronav, that the IMO will also get to this goal, but it is always better and good to be ahead of the regulation and demonstrate that the leadership is coming from the industry and does not wait for the regulator to update us what we can already do on our own.

Euronav is set to deliver net zero by 2050 but aims to achieve target even earlier

Moving on to the next slide. This is a little bit of a summary of what we are trying to message today. The oil has still a critical role to play in the energy transition. We have repeated that many, many times in the past and we will probably repeat it in the future.

If you want to have a chaotic transition, then you try to make a revolution, you stop investing in companies such as Euronav, and you part those assets in the hands of the people who are less transparent. This is not the best journey to a full decarbonisation of the world in general.

We believe that every industry should have leaders that believe in decarbonisation, that believe in a smooth transition, an orderly transition that makes it possible. Let us not forget that the more expensive fossil fuel will be during the journey, the more chaotic and probably the longer the journey to full decarbonisation will be.

Secondly, and that was very well explained by Brian, shipping sector holds a very important position in the energy transition. First of all, as you have seen, this is the best means to transport any goods over a certain distance. Instead of less shipping, we need more shipping, but we need shipping to replace some of the other traditional means of transportation such as trucks, trains or planes.

So let us not be naïve about the fact that shipping is essential today. Shipping is essential tomorrow. And quite frankly, when it comes to decarbonisation, shipping is probably a better solution than any other means, unlike what people traditionally say about shipping.

The third very important point is that Euronav has built, over the years and over its entire existence, a sustainability credential that demonstrates that we can deliver on the promise that we are making today because we have delivered on all the promise that we have made over the last few decades of our existence.

It is part of our DNA and the collection of speakers that participate to the webinar today is demonstrating that every single department at Euronav has an impact on this journey that we have embarked already some time ago.

Finally, and not that I wish to repeat myself. There are some key milestones which will be met.

- 40% decarbonisation by 2030 is almost given.
- The intermediary self-imposed test of 80% by 2040 is achievable.
- And net zero by 2050 is totally, totally achievable, provided that we put the elements in the right order and we start investing or continue to invest in.

Today, we start investing in zero emission ship at the very latest date of 2030.

This concludes our presentation.

Q&A

Hugo De Stoop: We will now open the floor for a Q&A. So give us a minute to assemble some of the questions that have been asked by the audience or that have been asked today. And I am looking at them.

So has Euronav yet achieved any savings from the sustainable loan? And if not, when does Euronav think it will achieve that?

Well, that is a very good question. As we have said, we are ahead of the curve. So the Poseidon Principle, we cannot be part of it because we are not a bank, of course. But the Poseidon Principle has designed a curve that is more ambitious than the IMO.

And when we plot where Euronav is, and it was the case last year and it is the case this year, we are ahead of the curve. So we are benefiting from the five basis points that Lieve mentioned.

Now, of course, 5 basis points is not a lot, but we believe that that spread will widen and that banks will need to incentivise their clients in a different way, in a bigger way if they want them to behave, and it is definitely on the agenda. I know that because we are still part of that coalition from a partnership perspective.

So will we invest in zero emission fuels like green ammonia? That is another very good question. As I said, I think that Euronav is there to be part of coalition. It is always this idea of the chicken and the egg. Do you produce the fuel but you are not sure that you can have clients? Do you order the ships but you are not sure that the fuel will be there?

I think as far as we are concerned, we are primarily responsible for the ships. That is for sure. That is our primary responsibility. And the good thing about the chicken and egg problem is that in shipping, and at Euronav in particular, we can order the ship. Yes, they cost a little bit more, but we can order the ship which can run on dual fuel.

Dual fuel means that they can run on the traditional fuel that we are using today, but also on the future fuel when they are being produced in a green way. Because by the way, using them, if they are not produced in green way, does not really have the purpose. And through survey studies, we demonstrated that they are even more polluting[?].

So are we going to produce green ammonia? I do not think that we are going to produce green ammonia directly, but I do believe that we can be part of a coalition. We can solve partly this chicken and the egg problem and probably be enough taker of what is produced. And therefore, allowing people to start investing in those plans, be it ammonia. And by the way, that would be synthetic energy or synthetic methanol. What is important is that it is produced in a green way.

Moving on to the next question. To what respect is Euronav a forerunner as compared to the overall shipping industry? Are there other ship types or ship size which are moving faster and can be used as a reference to learn lessons from?

Yes, absolutely. And I think we have to recognise the sector in which we are embedded. I mean we transport crude oil, and it would not be fair enough to say that our clients may be a little bit slower in adopting or pushing their shipping partners and part of the supply chain into green areas. So I am going to give you a very simple example. There are coalition of people

using container ships, for instance, who are already insisting to make sure that their goods are being moved on ships operating today or tomorrow, but signing contract today, and minimising their environmental impact either entirely or partly.

But this is normal. Those people are exposed to the retail market, where people are making judgment. And for instance, one of the partner in those coalition is Nike, the shoe manufacturer. And they want to put a label on some of the shoes they are producing that this pair of shoes was produced entirely in a green way, including the transport of those shoes into the US or into Europe when they are produced in the Far East.

So we totally understand and respect the fact that the different shipping segments will evolve at a different pace. Our responsibility is to be there when the clients will ask us to do the job that we do in a greener way or in a totally green way. That is definitely our responsibility. And we believe that despite the fact that most of our clients, if not all of our clients, have invested heavily in fossil fuel. They will nevertheless be interested in moving those fossil fuels onboard ships that are low emitters simply because the Scope 3 will at some point impact them and they will feel the pressure, and therefore, will be very much interested in decarbonising their Scope 3 as well, of which we are part of.

Next question is, to be able to fuel vessels with green fuel, you need infrastructure. Are you looking at investing in this part of the business?

That is a very good question. It is probably a question that can be answered in a yes, but let us not do that too early. I mean, today, obviously, this is not part of the core business of Euronav. I mean, I think when you are thinking about infrastructure, I think that we are very much thinking about the transportation of the fuel [inaudible 1:19:11]. Some of them are liquids, some of them are gases.

I think that the core business of Euronav is to transport liquids, crude oil and petroleum products are liquids. That is the area of expertise that we have. And from thereon, we can jump to the next generation of energy products, but probably those who are liquid. And yes, when the time comes and when I think about the times, I think about the opportunity comes, we would be very interested in transporting those new energy sources.

Again, let us make sure that we continue to do what we do in the best way possible. And in order to do that, we need experience before being called an expert, and that is a part of the strategy of Euronav.

What kind of percentage fuel volume savings can be achieved when Euronav starts to manage the Frontline fleet? I mean that is not a question I was expecting today. I am not sure what you mean by managing the Frontline fleet, to be honest, because the companies are going to be combined. Every fleet is managed by different ship managers. And we have our own ship manager. Part of our fleet is already in the hands of external ship manager. They have themselves four different managers. And for us, it is much more a question of finding the right balance between what you do internally and what you do externally, but also making sure that whoever you chose as your ship manager becomes a partner in your journey.

There is a lot of things that we have presented today that are much more difficult to achieve if you outsource completely and let it done by other people. But we also know and recognise

that there are many external ship managers who are very interested in helping the industry and their clients to decarbonise. So this is more of a partnership.

So what kind of percentage fuel volume savings can be achieved on Euronav? Yeah, I think we have answered that one. I do not know if Rustin wants to add anything to that one?

Rustin Edwards: Well, I can add economy of scale is something that you achieve when you are doubling your size of your fleet. So there would be some savings in economy of scale. But then as we look at forward future investments, having a larger footprint of vessels does give an advantage to adapt it in developing other fuels, such as green ammonia, green methanol, green hydrogen because now we have a larger mass and a larger footprint, which they can help a supplier create a coalition with infrastructure around a shared footprint with a fairly similar bunkering port.

So I can see how there could be a lot of savings achieved once the Frontline merger comes to a conclusion and things look up for the size of the ship footprint that we would have going forward.

Hugo De Stoop: Very good answer, Rustin. Probably better than mine, where I was a little bit more focused on the potential integration. Let us not forget that before we have a larger fleet, we need to go through the motion of a true merger, and that is far from done at the moment, as we all know. This is a long journey ahead.

There is another question which is, what would be your strategy for goal five, gender equality, and goal 10, reducing inequalities?

I suppose that we are talking about SDGs. And indeed, if you flip to our Annual Report, we have picked some of those goals where we take more responsibility for it. It is very funny because you may have seen in various reports, and Brian talked about that. Our Board is composed majority of female. And it happens by accident, not by design. What I mean by accident is that we simply picked the best people that we could find for the relevant skill set that we needed.

So it was not by design that we have picked a man or a woman because we wanted to be on that percentage or this percentage or because the regulator forced us to have a certain percentage of this or that type in the Board. It is simply because, again, it is in our DNA. We do not really make the difference. We offer exactly the same salary, exactly the same opportunity to all kinds of genders. And it is not something that we need to think about.

Now I understand that this is not the case for all the companies in the world. So we are in a luxury position. And nevertheless, what we can do to help gender equality is, I think, demonstrate it then even in a company that is, quite frankly, embedded in an industry that is more male-oriented, we are qualified. And Brian showed you that we are being included in many index, and particularly the Bloomberg Index, which is probably the most reputable for being recognised as a company that treats always people equal.

On the goal 10, reducing inequalities, I think that, as you all know, we do a very good job, but I would like maybe to speak about the industry and certainly the people behaving well in the industry. I think that the shipping industry is offering a lot of opportunities for people coming, indeed, from places where there is still a lot of inequality. I mean when you compare the salaries of the seafarers that are coming on board our vessels, but I do believe on board

many of other companies. This is truly an opportunity for them to improve their living standards, and not only for them, but also for their families.

So one more time, I hear very often a lot of negative things about the shipping industry. But quite frankly, if you dare to take the time and analyse what we do beyond the core business, with what we do for society at large, I think we should all be extremely proud of what we do, and we should hope that many other types of industry are doing the same.

And again, I am only speaking about the good players, but there are a collection of good players in our industry.

So the next question is, will we invest in any additional technologies such as sails, kites, which does not contradict our strategy to ammonia in order to accelerate our vessels energy efficiency?

I just would like to make the point that we are fuel-agnostic in our journey to decarbonise. It's true that we are putting a lot more efforts on to the ammonia side at the moment simply because that is a technology that is not yet mature. And this is an area where we believe we can help accelerating the development of those engine, being able to test, being able to work in partnership with the classification society to make sure that if this fuel is the right one to be used onboard large ships, it is done in a very safe way.

So above and beyond that, sails and kites, that is probably part of the first section of our journey to decarbonisation. This is until 2030, where we are trying to reduce as much as possible the consumption of the ships. This may be unfortunate, but I am not naive enough to believe that a tanker certainly of the size of VLCCs and Suezmax will one day be able to run only on sails or on kites, but I do believe that they could help propel the ships. And therefore, they could help reduce our dependence on fossil fuel.

This is the reason why, at the moment, we are engaged in two projects. They are at a very immature stage. They are very initial stage. The good news is that we are cooperating with flagship companies, one of them being Airbus. And the other good thing is that because we are European-based, we can even benefit from subsidies, which are helping reduce the cost of testing all those materials.

By the way, and I think that is also very important, those subsidies and the schemes that are available at the European level as well as the country level, they are available for large companies. And people like to invest in fairly large projects. So having a bigger platform is definitely the right approach for the journey that we talked about because some of the R&D that we will need to do will depend on subsidies that we are receiving.

And if we depend on those subsidies, we need to be equipped. We need to have the experience and the expertise inside the house on how to get those subsidies and how to make sure that they are properly used inside the company.

I do not see any more questions. And if that is the case, then I just would like to thank you all one more time. Thank you. Thank the speakers. I think that they have done an excellent job. And we are all available to answer questions, should you have any other questions after this session.

And of course, thank you, everybody, who were in the audience, for listening to us, listening to our story and hopefully be as enthusiastic as we are about the future, about the impact that we can have going forward knowing what we have done in the past.

Thank you so much, and see you soon for some of you.

[END OF TRANSCRIPT]