



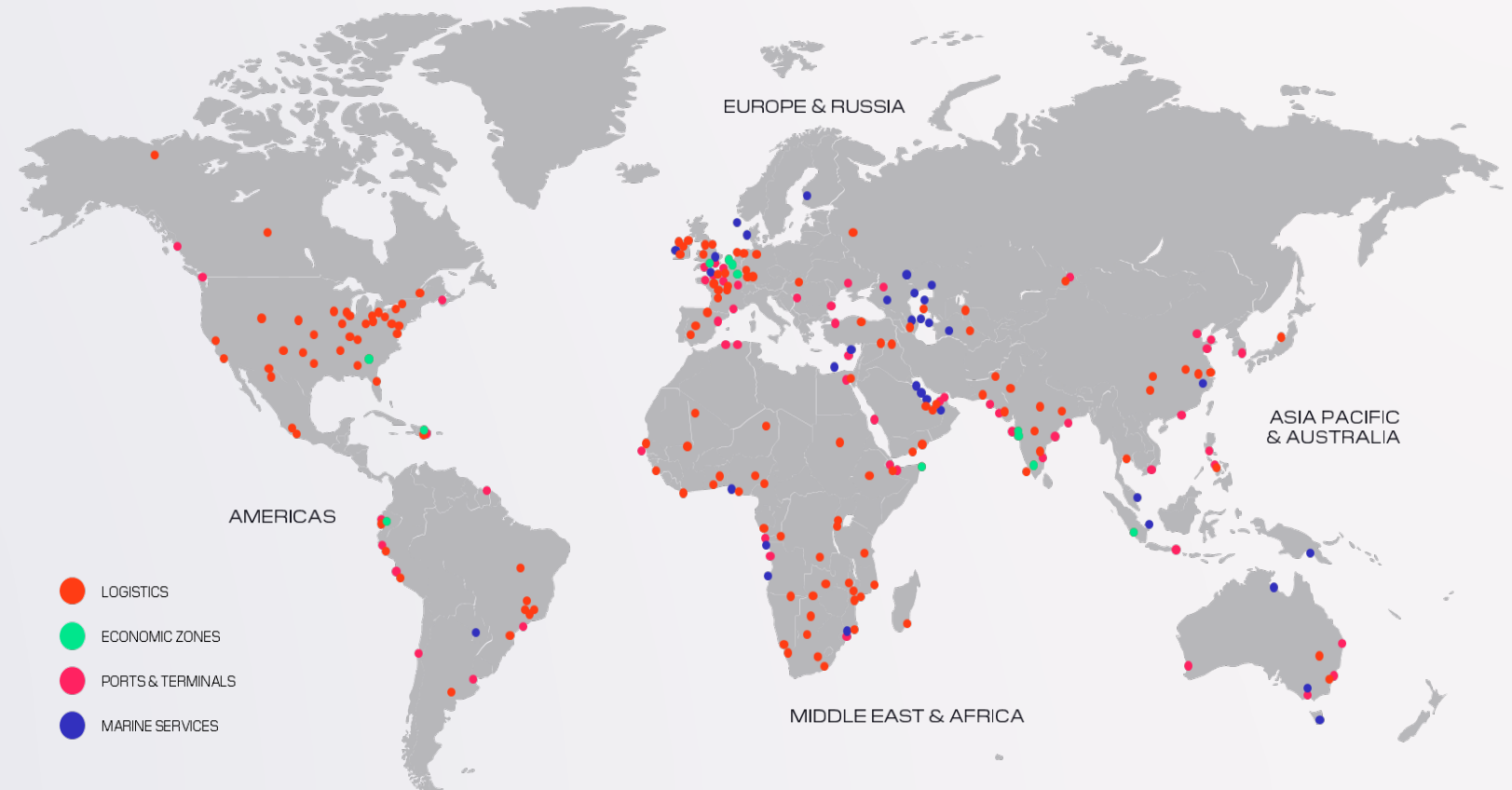
# DECARBONIZING PORTS: BUILDING A NET-ZERO CARBON ROADMAP

Integrating Policy Tools for Maximum Impact

# PREAMBLE: CHALLENGING REGULATORY LANDSCAPE

## DP World Driven by “Our World Our Future”

- At DP World, we handle 10% of world trade and **are committed to net-zero by 2050 via SBTi Verification.**
- As an end-to-end logistics provider, we need net-zero solutions for our Ports, Logistics, Maritime, and Economic Zone businesses.
- Regulation is upon us, but there are **limitations of isolated policies**
  - Regulation without subsidies, such as emission caps / efficiency requirements **result in financial burden**
  - Subsidies without mandates **may be slow to adopt**, especially if economic benefits are deferred


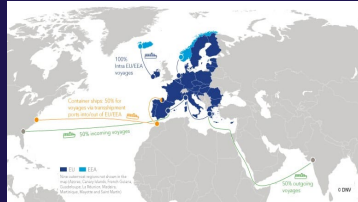
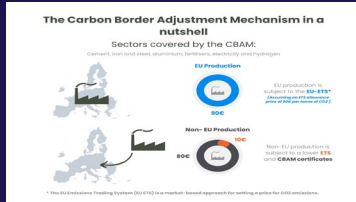





# REGULATIONS SHAPING DECARBONIZATION

## Regulations bring unique demands for shipping sector

- Each of these regulations brings unique requirements, pushing the industry toward decarbonization from different angles, and **when paired with incentives**, they become powerful tools for accelerating change
- Historical evidence shows that **regulation alone cannot drive change**
  - Fuel standards and tax subsidies for hybrids in the US ~8% emissions drop
  - “ETS” paired with elimination of fossil fuel subsidies in China resulted in 20% emissions drop for industrial sector
  - In the U.K., a combination of an announced phaseout of coal plants, a minimum price for electricity and stricter air pollution standards led to a 44% cut in emissions in the electricity sector

IMO	EU ETS	CBAM	CSRD
<ul style="list-style-type: none"> <li>20% reduction by 2030 for shipping sector</li> <li>Fuel efficiency and carbon intensity are the main “KPIs”</li> <li>Reaching target will require subsidies, new technology and deployment of large scale alternative fuel</li> </ul>	<ul style="list-style-type: none"> <li>20-30% reduction by 2030 for shipping sector in Europe</li> <li>Cap and trade system = cost for emissions and incentivizes green</li> <li>In 2025, 5000+GT vessels to submit emissions data</li> <li>€100/tonne CO2 penalty for failure to surrender allowance</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of carbon tax on imported goods into EU starting 2026</li> <li>Lifecycle emissions of imported goods included, encourages importers to choose green producers and shippers</li> <li>“Regulation on regulation” CBAM &amp; EU ETS</li> </ul>	<ul style="list-style-type: none"> <li>Reporting applies to entities &gt;250 FTE, €40M revenue, or €20M assets</li> <li>S1+2+3 reporting, emissions targets, climate risk impact, double materiality, verification &amp; assurance</li> <li>Drives transparency but SME resources required</li> </ul>
			



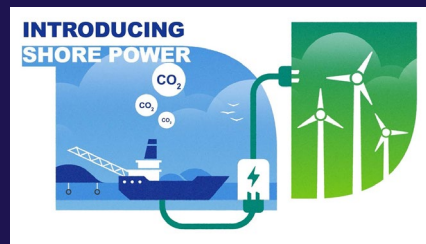
# WHAT DOES FUTURE ENABLEMENT LOOK LIKE

## Integrating Policy Tools for Maximum Impact

- A recent study analyzing over 1,500 climate policies from 41 countries revealed that **only 4% (63 policies) effectively reduced greenhouse gas** emissions.
- The study highlighted that **subsidies and regulations alone rarely achieve emissions reductions** unless combined with price-based strategies like carbon pricing and energy taxes.
- By creating a cohesive policy framework that **combines incentives with regulations**, we can drive the maritime sector's transformation into a cleaner, more sustainable industry

### Shore Power

- Shore power subsidies with carbon pricing during port stays; how to make the switch to clean energy more appealing
- Ex. "ETS" paired with elimination of fossil fuel subsidies in China resulted in 20% emissions drop for industrial sector



### Green Equipment

- New equipment emissions regulation paired with tax incentives for green or alt. fuels infrastructure
- Ex. Fuel standards and tax subsidies for hybrids in the US ~8% emissions drop



### New Fuels & Tech

- Grants or low-interest loans for port infrastructure upgrades, alternative fuels production & distribution, and carbon capture
- Ex. Phase out of coal plants and a minimum price for electricity and stricter air pollution standards led to a 44% cut in emissions in the electricity sector in the UK



Leveraging "the carrot" and the "stick"



# PARTING THOUGHTS

## Pathways to Net-Zero Through Technology

- Regulation is abundant and **we need to lobby for incentive mechanisms** paired with regulation for adoption of clean technology
- **Utilize energy management technologies** to reduce energy consumption through optimization (can already use subsidies from utility sector)
- **Collaboration is required to tackle our emissions** as well to ensure that we connect with service providers and regulators in difficult regions that we operate

# THANK YOU



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