



GRIMALDI GROUP S.p.A.

Registered Office: Via Emerico Amari, 8 90139 Palermo, Italy - Share Capital € 150.000.000 full paid-up
Register of Company of Palermo, Fiscal Code 00117240820 and VAT n° IT00117240820

Naples, 28 November 2019

**TO: ALL TRANSPORTATION COMPANIES,
LOGISTIC COMPANIES,
RESERVATION AGENCIES.**

Dear Customer,

As of 1 January 2020, as known, a new European regulation will come into force imposing a global reduction of CO2 emissions with fuels, such as diesel, containing low concentrations of Sulphur.

Up to day, shipping companies have been able to use a fuel containing up to 3.5% sulphur in the Mediterranean, while from 1 January 2020 they will be obliged to use a more expensive fuel containing only 0.5% sulphur. Although the purpose of the directive is to protect the environment, there will be a significant economic impact on transport costs in the Euro-Mediterranean area.

Grimaldi Group fully supports the IMO (International Maritime Organization) new regulation which will result in a significant reduction in air pollution triggered by sulphur oxide and actions have been implemented aiming at containing emissions through an investment policy of over 300 million euros to install scrubbers (large purifiers) for most vessels of the fleet.

Both the purification and the use of fuel with a low sulphur content lead to significant additional costs for the Company.

Our Group has incurred extra costs to the fixed costs that have been further increased because of multiple improvements in services, perhaps fleet renewal and the use of new technologies for environmental protection such as lithium batteries and scrubbers.

As mentioned above, a sulphur surcharge will be added to the sea freight. The extra cost will still be moderate compared to the average announced / expected in the reference markets.

The **Environmental Sulphur Surcharge IMO 2020** will be applied to all full/empty ro-ro vehicles and will be considered as a supplement per linear meter.

In response to the **IMO regulation on CO2 emissions** and in order to continue ensuring high standards services, from 1 January 2020 Grimaldi Group will introduce the **Environmental Sulphur Surcharge IMO 2020** for full and empty vehicles as per the **attached table (Annex 1)**.

Grimaldi Group has always worked with the aim of reducing emissions and making transport increasingly sustainable; therefore, we would like to underline that this adjustment will only partially cover the extra costs incurred.

Best regards
Grimaldi's Sales Management