

Market Call - January 2024

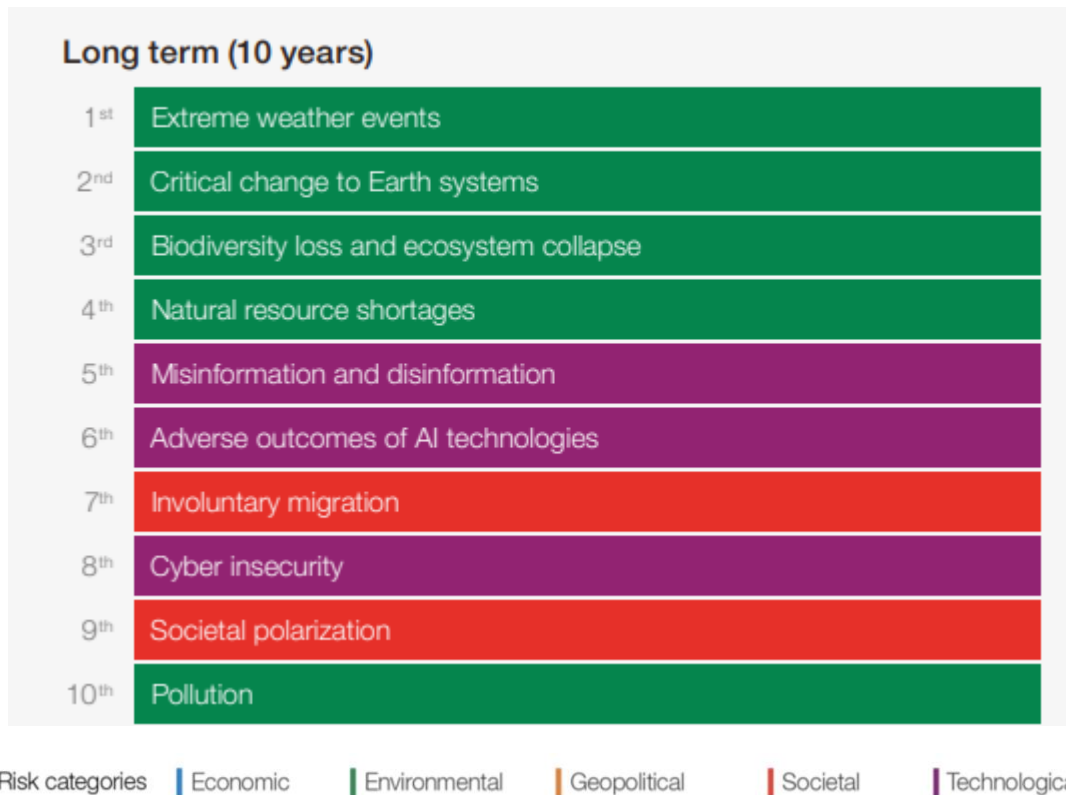
SUSTAINABILITY OF THE PANAMA CANAL

Ilya Espino de Marotta

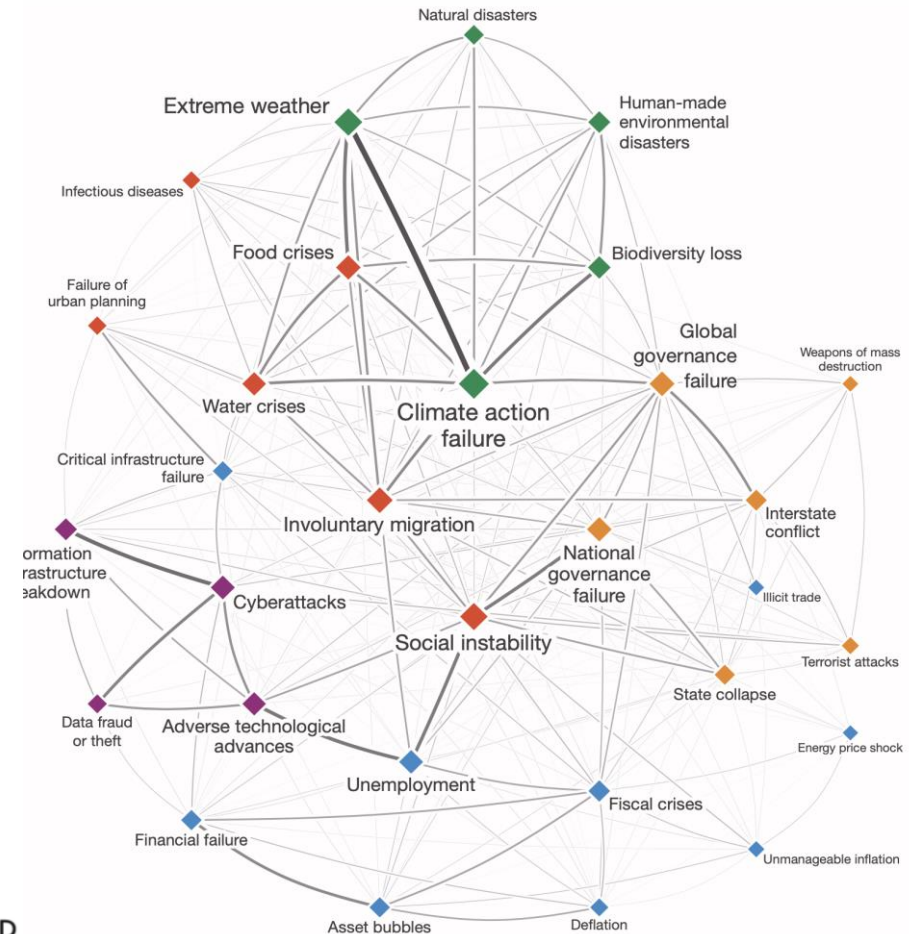
Deputy Administrator

Operating in an era of climate risk

The World Economic Forum asked business leaders around the world to identify the top ten risks for the coming decade.



Source: World Economic Forum Global Risks Perception Survey 2023-2024.



Source:

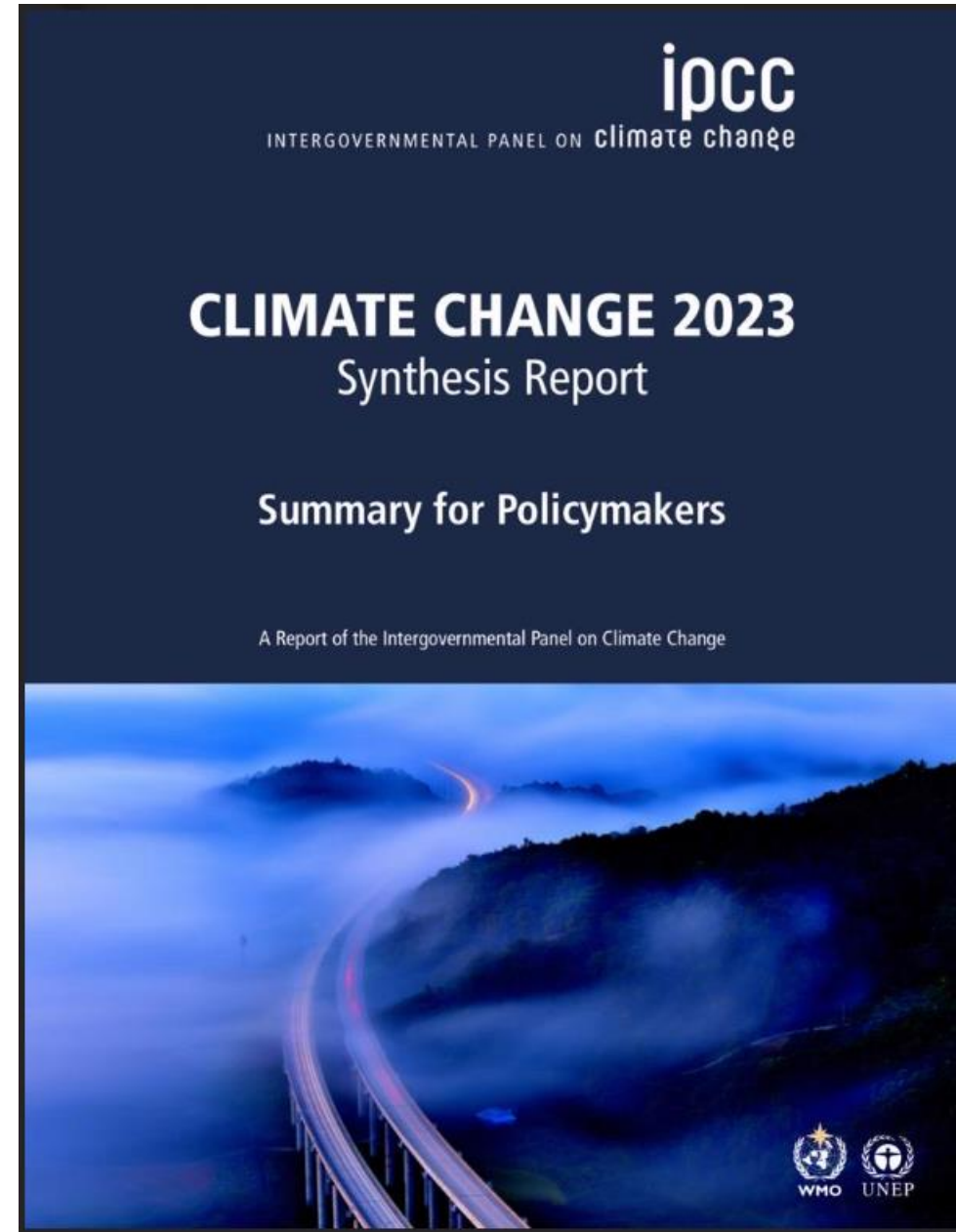


Operating in an era of climate risk

Climate impacts are upon us and will worsen.

Impacts are already occurring. These are not projections of tomorrow's problem, this is the lived experience of today.

For 127 identified key risks, assessed mid- and long-term impacts are up to multiple times higher than currently observed.



Operating in an era of climate risk

Climate-related extreme weather events have already doubled.

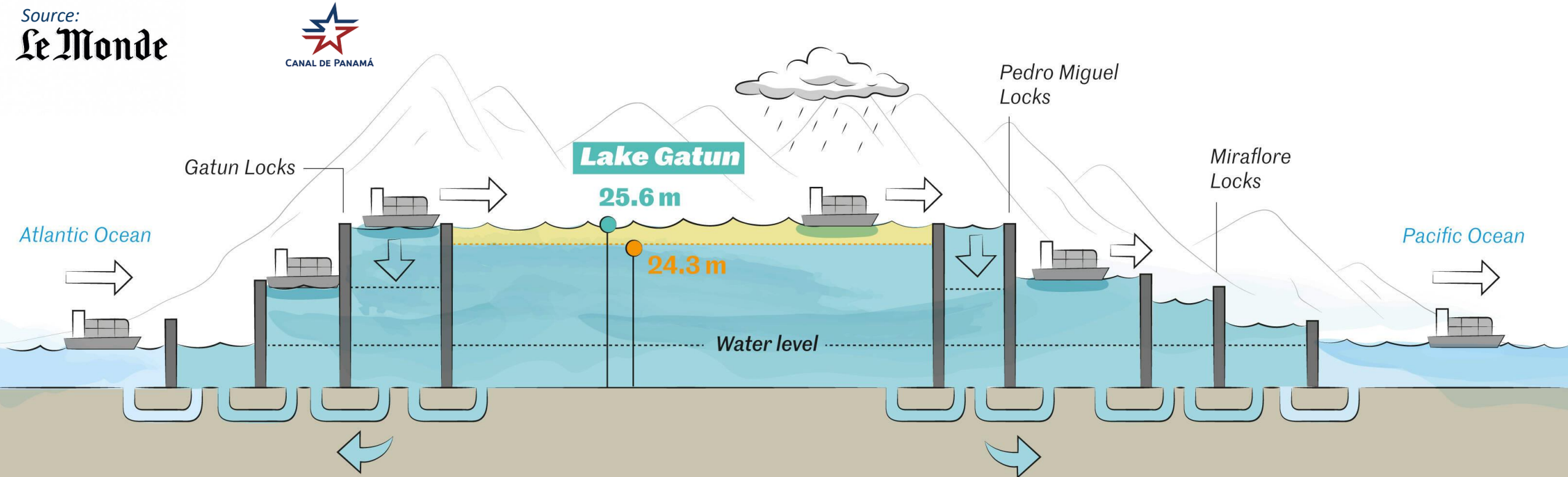
2023 was the warmest year on record

- Affecting 17% of the world's grain production.
- Europe faced a severe water crisis intensified by a multiyear drought and the **worst heatwave in 500 years**.
- Reduced water levels in the **Rhine** and **Amazon** and historical lows in the **Mississippi** impacted shipping and trade.
- The US experienced 28 separate billion-dollar climate disasters with a total cost of **\$93 billion**.
- In China, 15-20% of the population saw a rising frequency of moderate-to-severe droughts. **The intensity of drought is projected to surge by 80% by 2100.**



Operating in an era of climate risk

The Panama Canal is already affected.

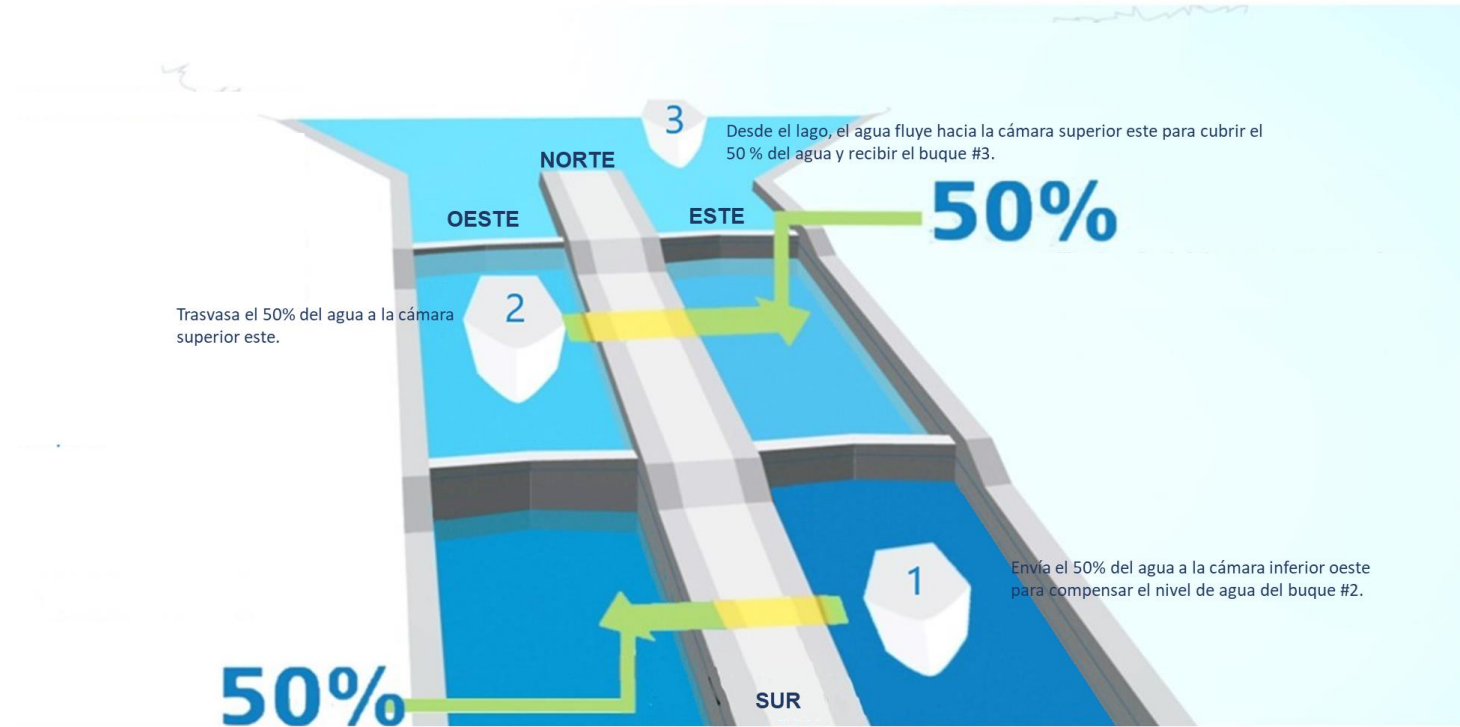


Infographic: *Le Monde* • Source: Panama Canal Authority

Operating in an era of climate risk

The Panama Canal has responded ...

1. Cross filling
2. Water saving basins
3. Hydraulic assistance
4. Short-chamber
5. Tandem Lockages



A vision of Climate Resilient Development

The Panama Canal is seeking to lead in a new era of sustainability through:



Mitigation: Working to reduce the Canal's emissions and decarbonize the maritime sector in line with global goals of net-zero by mid-century.

Adaptation: Building the capacity of people and ecosystems to respond to climate risk and achieve sustainable development goals.

Just Transition: Building a shared prosperity for all the people of Panama in the new climate economy.

A vision of Climate Resilient Development

The Panama Canal is seeking to lead in a new era of sustainability through:



Mitigation:

- Finalizing our GHG inventory & plan to publish in April.
- Commit to a science-based target and short and medium-term emissions reduction targets during FY 2024 Q4.
- Implement aggressive emissions reduction targets starting in FY 2025 (Q1).

A vision of Climate Resilient Development

The Panama Canal is seeking to lead in a new era of sustainability through:



Adaptation:

- Issued an RfP for a Climate Risk Assessment (CRA).
- CRA to be completed by end of FY 2024 Q4.
- Define short and medium-term adaptation targets for the watershed FY 2025 Q1.
- Implement aggressive emissions reduction targets starting in FY 2025.

A vision of Climate Resilient Development

The Panama Canal is seeking to lead in a new era of sustainability through:



- ACP's own operational emissions represent about 4% of our value chain emissions. We aspire to greater impact.
- We plan to work with the entire maritime value chain to create the enabling environment for climate resilient development.
- Meaningful action and engagement is our approach to collective success in a new climate economy.

Market Call - May 2024

Operations and Sustainability of the Panama Canal

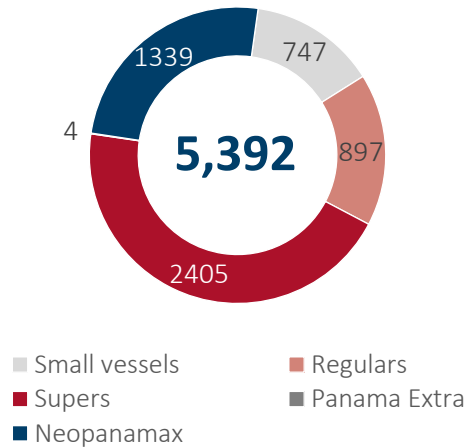
Ilya Espino de Marotta

Deputy Administrator and Chief Sustainability Officer

Operational Update

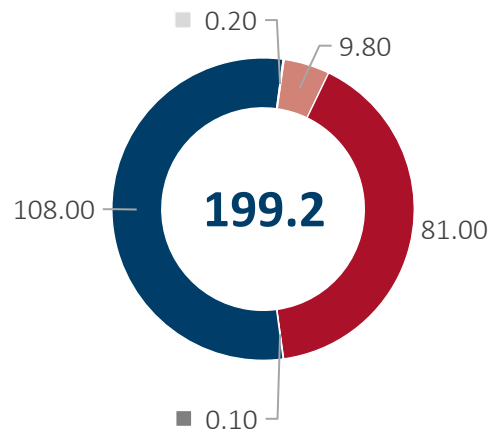
Traffic and Operation Statistics – I Sem 2024

TRANSITS



	YTD 2024	Plan FY 2024	Variation	YTD 2023	Variation
Transits	5,392	6,368	(15.3%)	7,420	(27.3%)
Oceangoing	4,645	5,480	(15.2%)	6,565	(29.2%)
Small vessels	747	888	(15.9%)	855	(12.6%)

TONS CP/SUAB (MILLIONS)



	YTD 2024	Plan FY 2024	Variation	YTD 2023	Variation
Tons	199.2	246.0	(19.0%)	260.5	(23.5%)
Oceangoing	199.0	245.7	(19.0%)	260.2	(23.5%)
Small vessels	0.25	0.31	(18.9%)	0.3	(17.2%)

Operational Update

Traffic and Operation Statistics – I Sem 2024

	YTD 2024	YTD 2023	Variation
Average daily transits	25.4	36.1	(29.6%)
Panamax	18.0	26.1	(30.8%)
Neopanamax	7.3	10.0	(26.7%)

	YTD 2024	YTD 2023
Daily Average of Vessels in Queue to Transit	14.90	26.10
Neopanamax	11.40	11.62
Booked	4.07	14.99
Non-booked	14.90	26.10

	YTD 2024		YTD 2023	
	Canal Waters Time (hours)	In-Transit-Time (hours)	Canal Waters Time (hours)	In-Transit-Time (hours)
Panamax	40.3	9.5	38.0	9.4
Booked	20.2	9.1	17.2	8.6
Non-booked	118.6	12.9	97.0	12.0
Auctioned	55.7	9.0	30.3	8.6
Neopanamax	29.7	12.2	55.3	14.8
Booked	18.9	11.8	21.2	13.5
Non-booked	150.3	19.0	254.0	21.3
Auctioned	52.1	12.6	70.1	16.3
Total	37.3	10.3	42.7	10.9

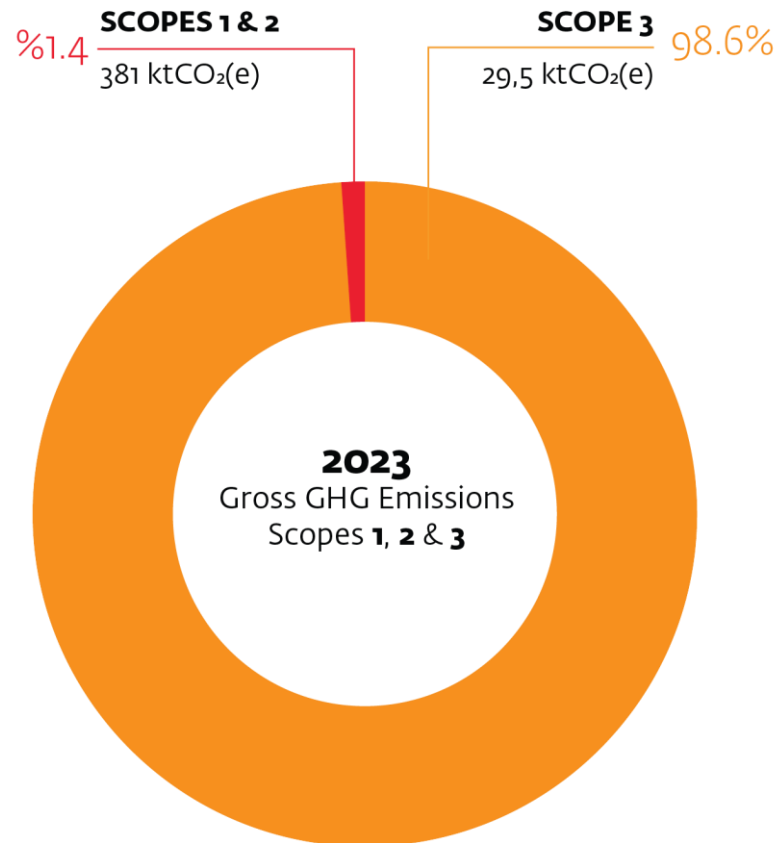
Working to reduce the Canal's emissions and decarbonize the maritime sector in line with global goals of net-zero by mid-century.

On mitigation we promised and delivered:

- Finalized our GHG inventory covering total Scope 1, 2 and 3 GHG emissions.
- *Redesigned GHG emissions calculation* to align to
 - Industry best practice (including ISO standards, the Global Logistics Emissions Council Framework (GLEC)
 - Greenhouse Gas Protocol (GHGP)
 - Plan to disclose through CDP
- Next steps to commit to science-based targets
- Implement emissions reduction targets starting in FY 2025.



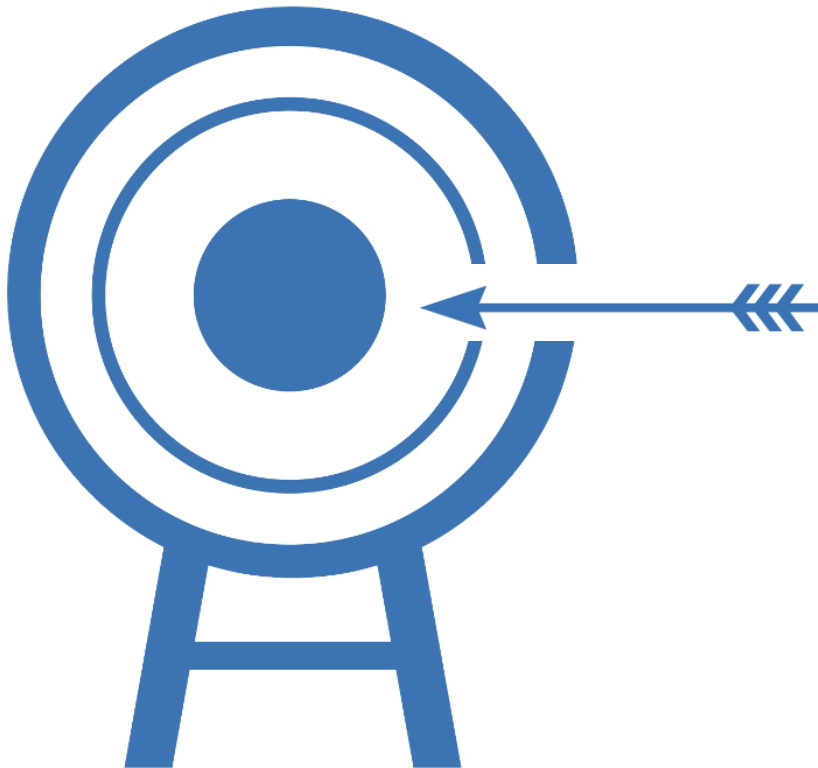
Working to reduce the Canal's emissions and decarbonize the maritime sector in line with global goals of net-zero by mid-century.



FY2023 Results:

- *Scope 3 emissions dominate: 98.6%* of ACP's total emissions come from Scope 3 (indirect emissions).
- Of the Scope 3 emissions, 82% come vessels' ocean journey, and 15% is generated in and around the Canal (transit, anchorage, etc...)
- Of the *Scope 1 & 2 emissions* approximately 60% comes from power generation and approximately 32% from floating equipment.

Building the capacity of people, ecosystems and Canal operations to respond to climate risk.



Prioritizing interventions:

- Exploring Green and Digital Shipping Corridor (GDSCs); Justin Time Arrival (JIT); incentivizing the use of Energy Saving Devices (ESDs); and screening of investment portfolio to begin addressing scope 3
- Work on *energy transition* will be focus of initial action on Scopes 1 and 2
- Prioritizing investment in physical and nature-based solutions (NBS)
- Enhance adaptive capacity in over 90 interventions identified in the Watershed.