

Here's an update on the EU Emission Trading System (ETS)
and Emission Allowance Surcharge

Dear Customer,

During [September](#), you might have come across our article about the EU Emission Trading System (ETS). In case you did not have the time to read it, here are a few highlights:

The ETS is a key tool of the EU's policy for reducing greenhouse gas (GHG) emissions. As the world's first major carbon market, it is part of a series of legislative proposals with the main goal of achieving the EU's climate neutrality by 2050.

ETS is based on a cap-and-trade system, where the cap limits an entity's GHG emissions, and within this cap, an entity can buy emission allowances. Shipping companies are expected to give enough allowances to cover all their emissions.

The allowance acquisition will trigger an added cost for shipping companies that will be applied as a separate surcharge for cost recovery purposes to all applicable shipments, including Quick Quotes Spot and contracts.

As a note, please keep in mind that the EU ETS is not a sustainable product offered by Hapag-Lloyd.

What is new in Hapag-Lloyd's ETS approach?

Further to our update in September 2023, there are a few more details that we would like to share with you.

ETS values will depend on the port-pair combination. However, the charge only applies if the container is loaded or unloaded in an EEA country. This might influence the ETS amount per container for European Economic Area (EEA) states where the charge applies and are listed below for your reference.

- BE – Belgium
- BG – Bulgaria
- HR – Croatia
- CY – Cyprus
- CZ – Czech Republic
- DK – Denmark
- EE – Estonia

- FI – Finland
- FR – France
- DE – Germany
- GR – Greece
- HU – Hungary
- IC – Iceland
- IR – Ireland (excl. North Ireland)
- IT – Italy
- LV – Latvia
- LI – Lichtenstein
- LT – Lithuania
- LU – Luxembourg
- MT – Malta
- NL – Netherlands
- NO – Norway
- PL – Poland
- PT – Portugal
- RO – Romania
- SK – Slovakia
- SI – Slovenia
- ES – Spain
- SE – Sweden

Please note that the initial proposed surcharge calculation was impacted by earlier assumptions that were found to be overly optimistic, consequently affecting the final surcharge amount.

The EU Emission Trading System surcharge will be in effect from January 1, 2024. Our website's [tariff](#) section will be updated quarterly with detailed information on geographies and coverage.

How is this related to your [Ship Green](#) shipments*?

If you have already added [Ship Green](#) to your quote or shipment with Hapag-Lloyd, you are already avoiding 25, 50 or 100% of the CO₂e (CO₂ equivalent) emissions. Therefore, we will ensure that we credit 25%, 50%, or 100% of the ETS surcharge in the sea freight invoice of each shipment where Ship Green is active. If you would like to add Ship Green to your shipments, please [visit our website here](#) and get started on your green journey.

Please click [here](#) if you would like to read more about our Sustainability strategy. If you should have any questions, our teams are ready to assist you at your preferred [location](#).

*China Mainland (PRC) will be out of scope for EU ETS credit application.

Best regards,

Hapag-Lloyd (Japan) K.K.