

Please find a suggestion for the storyline and arguments for the customer in the notes under the respective slides

Ship Green

The easy way to avoid emissions.

Introduction

Avoid greenhouse gas emissions of your sea transport and join the journey to net-zero shipping

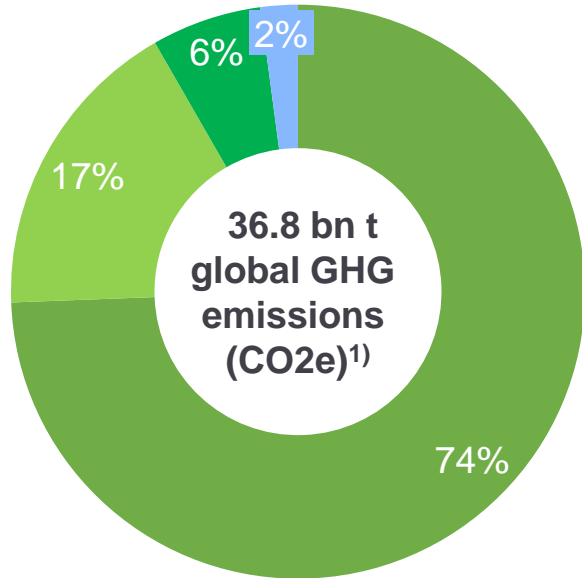
19-21/03 2024

SITL Exhibition



Greenhouse Gas emissions are the main cause of climate change – Their impact is comprehensively measured in CO₂e

Composition of Greenhouse Gas (GHG) emissions



CO₂

Carbon dioxide (CO₂)

CO₂ is primarily released by **fossil fuel burning** and other human activities, it can be absorbed by reforestation and soil improvement

CH₄

Methane (CH₄)

CH₄ emissions come from **fossil fuel use**, animal and plant agriculture, and waste

N₂O

Nitrous oxide (N₂O)

N₂O emissions primarily come from **fertilizers** containing **nitrogen**, livestock farming, and chemical industry and incineration processes

F-gases

Fluorinated gases (F-Gases)

F-gases like HFCs, PFCs, SF₆, NF₃ are emitted through **industrial processes**, refrigeration, and consumer product use



While CO₂ is the largest contributor to global GHG emissions, other gases also contribute to global warming – The key metric used to measure overall GHG impact is CO₂ equivalent (CO₂e)

1) Global energy-related emissions

Ship Green gives you the freedom to choose between three different options: Avoiding 25, 50 or 100% of emissions

Ship Green's emission avoidance options



Our climate-friendly transport solution Ship Green is based on next-generation biodiesel produced from waste and residues



We use next-generation **biodiesel** to offer **climate-friendly transport solutions**



Produced from waste and residues



Feedstocks listed in Annex IX of EU REDII



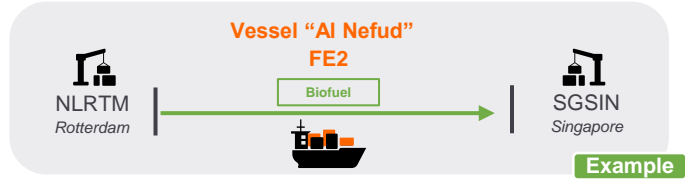
Contains no edible components


Ship Green is available globally across all voyages – Hapag-Lloyd avoids double-counting by using the Book & Claim chain of custody

Book & Claim chain of custody as basis of Ship Green



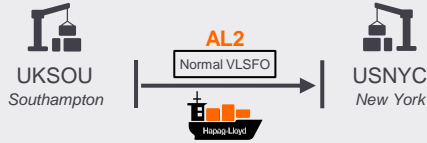
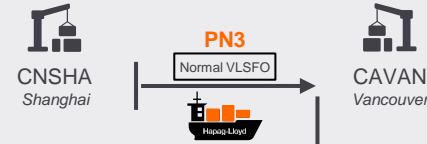
1. Hapag-Lloyd bunkers and burns biofuel (B30) on board of a **specific voyage**



 **2,000 tonnes** B30 are burned on voyage from **NLR TM** to **SGSIN**

 **Avoided emissions** can be used to sell **Ship Green** on **other services**

2. Hapag-Lloyd sells avoided emissions as Ship Green on several **other services/voyages** (own/partner vessels)



 **1,011**

 **850 tons**

E.g., Ship Green 100 for 1,011 TEUs

 **3,384**

 **1,150 tons**

E.g., Ship Green 50 for 3,384 TEUs

Examples

Burned volume = Sales volume

(2,000 tons of B30 avoid 100% CO₂e emissions of 1,011 TEUs and 50% CO₂e emissions of 3,384 TEUs shipped on 2 services)

Our pricing of Ship Green is transparent and fair – The Ship Green fee only consists of the additional costs for biofuel



Price of decarbonization effect per metric ton of biodiesel

Calculated based on **current prices** of MFO¹⁾ (Platts Bunkerworld) and **biodiesel** (Argus index)



Biodiesel required to avoid emissions arising from your shipment

Based on your shipment's **CO2e emissions** per TEU and **MFR²⁾ subrelation** calculated in accordance with **Clean Cargo Initiative Methodology**



Ship Green fee

Covers **only fuel costs of decarbonization** – We sell Ship Green **without margin**

You can always find the current Ship Green fees in the tariff section of our website



1) Marine Fuel Oil; 2) Marine Fuel Recovery Surcharge

The declaration proves your or your customer's emissions avoidance and serves as a basis for claiming it in your sustainability report

The Ship Green declaration

Purpose



The Ship Green declaration serves as **proof** of the amount of **proactive emission avoidance** and corresponding biofuel volumes through the purchase of Ship Green



The declaration allows you or your customer (in case the purchase of Ship Green was made on behalf of your customer) to **include the corresponding emission avoidance** in your **sustainability reporting**

Content

Automated quarterly generation of Ship Green declarations

Per customer, one consolidated declaration is emailed as a PDF file, including the following information¹⁾:



Customer name



Time period considered (quarter)



Volume shipped



Amount of CO2e avoided (TTWWTW)



Amount of biofuel used



Link to Ship Green landing page




Legally required text elements (e.g., certified by an independent auditing firm)



If you bought Ship Green, you do not need to pay the EU ETS surcharge for the avoided CO2e emissions

Emission Allowance Credit

- With Ship Green, you can **select 25%, 50% or 100% of emission avoidance** to influence your Scope 3 climate impact
- If a you added Ship Green to shipments or a contract, Hapag-Lloyd **allocates biofuel burned** in its own **fleet** to the **respective shipments**. This **avoids** the shipment's CO2e emissions
- Consequently, the shipment needs to be charged with a **proportionally lower EU ETS customer surcharge**
- We will credit 25, 50 or 100% of the EU ETS customer surcharge through the **Emission Allowance Credit (Charge Code: ETC)** respectively, based on the purchased Ship Green %

			CO2e Emission		EU ETS Surcharge		Emission allowance credit due to Ship Green purchase	
Product	Charge Code	Amount (illustrative)	Avoided	Emitted	Charge Code (illustrative)	Amount (illustrative)	Charge Code (illustrative)	Amount (illustrative)
-	-	-	0%	100%	ETS	100 USD	ETC	-
BI25	BIO	250 USD	25%	75%	ETS	100 USD	ETC	ETS * 25%
BI50	BIO	500 USD	50%	50%	ETS	100 USD	ETC	ETS * 50%
BIOF	BIO	1,000 USD	100%	0%	ETS	100 USD	ETC	ETS x 1
BIOR ¹⁾	BIO ¹⁾	1,000 USD	100%	0%	ETS	100 USD	ETC ¹⁾	ETS x 1

Conclusion : With Ship Green you can join the journey to net-zero shipping and avoid up to 100% of your sea transport's emissions through biodiesel

Avoid **25, 50,**
or **100%** of your
shipment's
ocean leg CO2e
emissions with
Ship Green



Your benefits



Fulfill your **emission avoidance targets** and be part of the journey to **net-zero shipping**



Strengthen your brand and fulfill **sustainability expectations** of your customers, investors, and employees



Benefit from our **transparent, at-cost pricing system** and only pay for fuel costs associated with your decarbonization

Ship Green Now!



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