



**Shell Marine**



## PRESS RELEASE

Hamburg, 27 February 2023

### **Shell and Hapag-Lloyd collaborate on marine fuel decarbonisation and sign multi-year LNG supply agreement**

Shell Western LNG B.V (Shell) and Hapag-Lloyd today announced the signing of a multi-year agreement for the supply of liquefied natural gas (LNG) to Hapag-Lloyd's ultra large dual-fuel container vessels of 23,500+ twenty-foot equivalent units (TEU). Bunkering for these twelve new vessels is expected to commence during the second half of 2023 and LNG will be supplied in the Port of Rotterdam. The modern ships will be deployed on Europe-Far East routes and call at major ports including Rotterdam, Hamburg, Singapore, and Shanghai.

Using LNG enables Hapag-Lloyd to immediately reduce the CO<sub>2</sub> intensity of these vessels by up to 23% compared to conventional fuels<sup>1</sup>. Additionally, the use of LNG supports the almost complete reduction of particle emissions<sup>2</sup>. This is another important step for Hapag-Lloyd to reduce emissions and decarbonise its fleet in line with its goal of becoming net zero carbon by 2045.

As a hard-to-abate sector, Shell is exploring the viability of, and investing in a range of fuels, technologies and solutions that will help decarbonise shipping. This includes the use of LNG, where through an extensive network of 15 LNG bunkering locations in 10 countries globally, Shell has already achieved over 1,000 safe ship-to-ship bunkering operations to its marine customers.

In addition to the LNG supply agreement, Shell and Hapag-Lloyd have entered into a strategic collaboration agreement intended to accelerate the further decarbonisation of alternative marine fuels. Initial focus will be given to developing the potential of additional low carbon fuels solutions



**Shell Marine**



## PRESS RELEASE

including liquefied biomethane and the hydrogen-based fuel liquefied e-methane. Liquefied biomethane as a marine fuel has the potential to reduce greenhouse gas emissions by between 65% and 100%<sup>3</sup>.

**Tahir Faruqi, General Manager, Head of Downstream LNG at Shell**, said: “We are delighted to have partnered with Hapag-Lloyd on this important initiative. Shipping decarbonisation must accelerate and, as the lowest-carbon fuel available at scale today, LNG is a key part of the transition to lower-carbon marine fuels. As we look to the future, we are committed to working with leading shipping companies like Hapag-Lloyd to establish the credible pathways to net zero.”

**Jan Christensen, Senior Director Global Fuel Purchasing at Hapag-Lloyd**: “We are pleased to share the execution of this long-term supply agreement. Hapag-Lloyd has finalised a contract with Shell which secures flexible LNG supply at competitive terms. Furthermore, we are excited about our agreement with Shell to explore further decarbonisation opportunities as it allows both businesses to drive impactful change in the industry. Collaborations like this are crucial in helping us deliver our sustainability strategy while also improving emissions in maritime shipping. Ultimately, this enables our customers to decrease their carbon footprint as well.”

This announcement supports Shell and Hapag-Lloyd’s long-standing collaboration, which over the past years included the LNG bunkering of the "Brussels Express", the world’s first large container ship that was converted to gas propulsion.



## PRESS RELEASE

<sup>1</sup> [2nd Life Cycle GHG Emission Study](#) on the Use of LNG as Marine Fuel” study by Sphera for SEA-LNG and SGMF (2021) The benefit is highly dependent on the engine technology installed with the 23% savings referring to a high pressure, 2-stroke slow speed diesel dual-fuel engine compared to Very Low Sulphur Fuel Oil (VLSFO).

<sup>2</sup> [2nd Life Cycle GHG Emission Study](#) on the Use of LNG as Marine Fuel study by Sphera for SEA-LNG and SGMF (2021). Local combustion pollutants, specifically sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM), are reduced when using LNG compared with conventional marine fuel oils (including HFO, VLSFO, MGO). Due to the negligible amount of sulphur in the LNG fuel, SO<sub>x</sub> emissions are reduced to near zero as long as the dual fuel engines are running mainly on LNG. NO<sub>x</sub> and particle matter is reduced by up to 95 to 96% for the case of using an otto-cycle combustion engine.

<sup>3</sup> The liquefied biomethane (LBM) potential greenhouse reduction is applicable for a 100% blend of LBM. The 65% emission reduction limit is set by the [Renewable Energy Directive II](#) for transportation of biofuels – summarised in an [ICCT Policy update](#). The actual emission reduction depends on the feedstock, process, with the correct certification in place. The carbon intensity of the LBM can vary, as it comes from a variety of feedstocks (REDII compliant and officially accredited.) The LBM carbon intensity can vary from -97 gCO<sub>2</sub>e/MJ (from REDII default values for wet manure closed digestate, using 6.7gCO<sub>2</sub>e/MJ for liquefaction) to 32.9gCO<sub>2</sub>e/MJ (the REDII threshold which requires 65% CO<sub>2</sub>e savings compared to the fossil fuel comparator value of 94 gCO<sub>2</sub>e/MJ). This is also highlighted in the [Smart Freight Centre](#) Bio-LNG (LBM) White Paper 100% CO<sub>2</sub>e emissions reduction can be reached by optimising liquefied biomethane from different feedstocks and processes with varying carbon intensities. Shell liquefied biomethane comes from waste and residue, non-food and feed feedstocks following the EU's guidelines (REDII). CO<sub>2</sub>e (CO<sub>2</sub> equivalent) refers to CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.

### Press contacts

Nils.Haupt@hlag.com	+49 40 3001 2263
Tim.Seifert@hlag.com	+49 40 3001 2291
Shell Media Relations	+44 207 934 5550

### About Hapag-Lloyd

With a fleet of 252 modern container ships and a total transport capacity of 1.8 million TEU, Hapag-Lloyd is one of the world's leading liner shipping companies. The Company has around 14,500 employees and more than 400 offices in 137 countries. Hapag-Lloyd has a container capacity of 3 million TEU – including one of the largest and most modern fleets of reefer containers. A total of 123 liner services worldwide ensure fast and reliable connections between more than 600 ports on all the continents. Hapag-Lloyd is one of the leading operators in the Transatlantic, Middle East, Latin America, and Intra-America trades.

### About Shell

Shell plc is incorporated in England and Wales, has its headquarters in London and is listed on the London, Amsterdam, and New York stock exchanges. Shell companies have operations in more than 70 countries and territories with businesses including oil and gas exploration and production; production and marketing of liquefied natural gas and gas to liquids; manufacturing, marketing and shipping of oil products and chemicals and renewable energy projects. For further information, visit [www.shell.com](http://www.shell.com).

### Disclaimer

This press release contains forward-looking statements that involve a number of risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, uncertainties and contingencies. Actual results can differ materially from those anticipated in the Company's forward-looking statements.



## PRESS RELEASE

### Cautionary note - Shell

The companies in which Shell plc directly and indirectly owns investments are separate legal entities. In this press release “Shell”, “Shell Group” and “Group” are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. Likewise, the words “we”, “us” and “our” are also used to refer to Shell plc and its subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. “Subsidiaries”, “Shell subsidiaries” and “Shell companies” as used in this press release refer to entities over which Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as “joint ventures” and “joint operations”, respectively. “Joint ventures” and “joint operations” are collectively referred to as “joint arrangements”. Entities over which Shell has significant influence but neither control nor joint control are referred to as “associates”. The term “Shell interest” is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

### Forward-looking statements

This press release contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Shell to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “aim”, “ambition”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “milestones”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “schedule”, “seek”, “should”, “target”, “will” and similar terms and phrases. There are a number of factors that could affect the future operations of Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this press release, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell’s products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, judicial, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; (m) risks associated with the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; and (n) changes in trading conditions. No assurance is provided that future dividend payments will match or exceed previous dividend payments. All forward-looking statements contained in this press release are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Shell plc’s Form 20-F for the year ended December 31, 2022 (available at <https://www.shell.com/investors.html> and [www.sec.gov](http://www.sec.gov)). These risk factors also expressly qualify all forward-looking statements contained in this press release and should be considered by the reader. Each forward-looking statement speaks only as of the date of this press release, February 27 2023. Neither Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this press release.

### Shell’s net carbon footprint

Also, in this press release we may refer to Shell’s “Net Carbon Footprint” or “Net Carbon Intensity”, which include Shell’s carbon emissions from the production of our energy products, our suppliers’ carbon emissions in supplying energy for that production and our customers’ carbon emissions associated with their use of the energy products we sell. Shell only controls its own emissions. The use of the term Shell’s “Net Carbon Footprint” or “Net Carbon Intensity” are for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

### Shell’s net-zero emissions target

Shell’s operating plan, outlook and budgets are forecasted for a ten-year period and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next ten years. Accordingly, they reflect our Scope 1, Scope 2 and Net Carbon Footprint (NCF) targets



**Shell Marine**



## PRESS RELEASE

over the next ten years. However, Shell's operating plans cannot reflect our 2050 net-zero emissions target and 2035 NCF target, as these targets are currently outside our planning period. In the future, as society moves towards net-zero emissions, we expect Shell's operating plans to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.

### **Forward-looking non-GAAP measures**

This press release may contain certain forward-looking non-GAAP measures such as cash capital expenditure and divestments. We are unable to provide a reconciliation of these forward-looking non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc's consolidated financial statements.

The contents of websites referred to in this press release do not form part of this press release.

We may have used certain terms, such as resources, in this press release that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website [www.sec.gov](http://www.sec.gov).

### **Follow Hapag-Lloyd on Social Media:**

