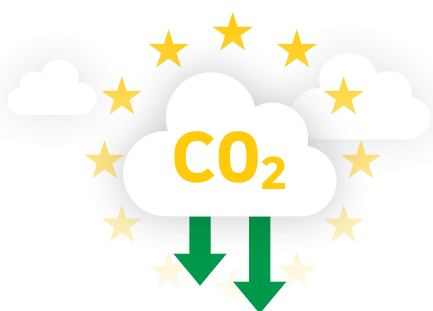




INDUSTRIALPROJECTS

NAVIGATE THE EU EMISSIONS TRADING SYSTEM (EU ETS) WITH CONFIDENCE



What is the EU ETS?

The EU ETS is a key part of the European Union's strategy to fight climate change. Essentially, it is a system introduced by the EU to control and decrease pollution by putting a cost on carbon emissions, thereby encouraging companies to lower their greenhouse gas emissions consistently.

>5,000 GT



What is the impact on the shipping industry and breakbulk shipments?

The European Union has extended the ETS to the shipping industry, effective from 2024. This means the EU ETS will now price greenhouse gas emissions from all ships over 5,000 gross tonnage, including multipurpose vessels (MPVs).

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HOW DOES THE EU ETS SYSTEM WORK?



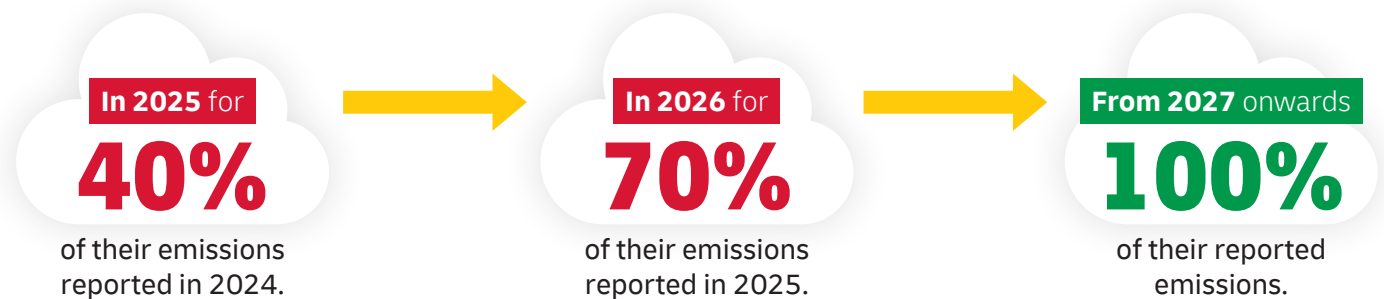
The system uses a cap-and-trade mechanism instead of direct GHG fees, where emission rights, known as EU Allowances (EUAs), are required to emit GHG legally. Each EUA permits the emission of one metric ton of GHG and must be procured through markets like exchanges, auctions or over-the-counter trading.

In contrast to other industries, shipping operators must purchase all necessary EUAs without the benefit of annual free allocations.



When and how does the EU ETS regulation for shipping come into effect?

To ensure a smooth transition, shipping companies must submit allowances for a percentage of their emissions during an initial phase-in period:



HOW MUCH WILL THE EU ETS SURCHARGE COST FOR BREAKBULK SHIPMENTS?

The new regulation states that **100% of GHG emissions from voyages between EU ports**, and **50% of emissions from voyages to or from non-EU ports**, are covered by EU Allowances (EUAs). With breakbulk carriers employing independent and varied commercial approaches, we understand this could lead to complexities and possible uncertainties.

In response to the EU ETS, we have simplified the cost implications for our customers. We have introduced a simple and consistent stated value approach to avoid unexpected cost impact to our clients. Cost per freight ton (FRT) pricing:



for voyages
to or from
non-EU ports.



for voyages
between
EU ports.



“We welcome regulatory frameworks that foster decarbonization in the transport sector. We see this as an important step and joint effort to get clarity on regulation and reporting procedures, while keeping it as simple as possible for our valued customers”.

Torben Waalkes

Vice President, Global Head of Marine Chartering, Industrial Projects at DHL Global Forwarding

Questions about the EU ETS?

At DHL Industrial Projects, we're dedicated to assisting you through this period of change, providing clear explanations of the cost mechanisms involved and ensuring that you adhere to these regulations.

Get in touch with your DHL Industrial Projects representative or email projects@dhl.com

