

## **An update on the European Emission Trading System and the Fuel EU Maritime regulations**

**Dear Customer,**

Following the implementation of the European Emission Trading System (EU ETS) in 2024, the EU ETS surcharge was implemented. In 2025, the EU ETS will have new changes, and the "Fuel EU Maritime" regulation will be introduced.

Here's a recap of the regulatory changes applying in 2025:

- **EU ETS enhancement:**
  - The EU ETS covers CO<sub>2</sub> emissions of journeys starting and ending in the EU\*. The trading system governance stretches to 100% of emissions for intra-EU journeys (any voyages with a start and end port in the EU) and 50% of emissions for journeys either starting or ending in the EU.
  - The EU ETS regulation states that companies must purchase emission allowances. The parties involved decided to gradually phase in shipping emissions from 2024 onwards.
    - Carriers pay for 40% of emissions in 2024
    - Carriers pay for 70% of emissions in 2025
    - Carriers pay for 100% of emissions in 2026 and onwards
  - In view of the above, this regulation's costs will roughly increase by 75% from this year to next (depending on the price of emission allowances).
- **Fuel EU Maritime:**
  - Fuel EU Maritime is a new regulation that requires the decrease of the Greenhouse Gas (GHG) emission intensity of the energy used by vessels in the EU over the full lifecycle of the fuels.
  - In 2025, it starts with a reduction target of 2% compared to the 2020 baseline for ships calling EU ports – eventually aiming for 80% by 2050.
  - To achieve this target, we must use fuels with a lower emission footprint than traditional Marine Fuel (e.g., biofuels) within EU waters.

### What does it mean for you?

- We will expand our existing EU ETS surcharge to cover the EU ETS enhancement as well as the costs arising from fuel bunkering for Fuel EU Maritime.
- We expect the EU ETS surcharge to roughly double due to regulatory updates. This is mainly driven by the expansion of EU ETS.
- If you have purchased our Ship Green product, you will receive a credit following the same structure previously shared with you.
  - Ship Green 100 customers receive 100% surcharge credit
  - Ship Green 50 customers receive 50% surcharge credit
  - Ship Green 25 customers receive 25% surcharge credit

### What are your benefits?

- **Simplicity:** The costs of EU ETS and Fuel EU Maritime will be recovered through one transparent surcharge
- **Fair cost recovery:** We follow the cost recovery principle and use renowned emission factors and market indices to determine the surcharges for your cargo – EU ETS savings from lower emission intensities will be passed on to you
- **Seamless integration with Ship Green:** Ship Green remains additional to the regulatory compliance – When you book Ship Green, we will waive (or adjust) the EU ETS charge to reflect the reduced emissions of your cargo

We are looking forward to keeping you updated with the latest developments concerning ETS. You can visit our website [here](#) to learn more about our sustainability strategy.

\* For this communication “EU” includes all countries to which EU ETS and Fuel EU Maritime apply (EU 26 plus the European Free Trade Association countries)

Best regards,



**Maria-Fernanda**

from our Customer Communications Team