



Date November 21st, 2024

Subject **Customer Advisory: Updates to EU Emission Trading System (ETS)**

Dear Customer,

Why are we writing

We would like to provide you with an update about changes in the **EU Emission Trading System (ETS)** regulation that affect the global shipping industry. The inclusion of CO2 emissions from all large ships¹ since 2024 reflects the EU's commitment to achieving its climate goals and ensuring a sustainable future.

What will change

The EU ETS is a cap-and-trade system, where shipping companies need to surrender emission for a portion of their verified emissions each year. This share will increase to 70% from January 01, 2025. The cap equals the amount of issued allowances, i.e. the maximum amount of CO2 that can be emitted under the system.

What are the implications

It is important to understand that **EU ETS has no direct decarbonization** effect for your ocean freight shipping.

Given the increased emissions for which allowances need to be surrendered (from 40% in 2024 to 70%) **we expect an increase in the already existing ETS surcharges by carriers.** The updated Danmar EU ETS surcharge for our Customers will be released early December, 2024.

How DHL can help you

We can offer a facilitated **sustainable marine fuel (SMF) switch, via our GoGreen Plus service**, for any ocean freight shipment. **For all our customers who buy Ocean Freight GoGreen Plus from us, we will waive any applicable EU ETS surcharge.** With this, **customers directly benefit by reducing their emissions** and not having to pay the EU ETS surcharge.

If you have any questions, please contact your local DHL Global Forwarding Sales or Customer Service representative. We appreciate your continued partnership and understanding.

Kind regards
DHL Global Forwarding

¹ The system covers 50% of emissions from voyages starting or ending outside of the EU and 100% of emissions that occur between two EU ports and when ships are within EU ports.