

EU Emissions Trading System (ETS)

Starting January 1st 2024, the EU will introduce ETS as a financial incentive for shipping companies to reduce their emission of greenhouse gases (GHG). As a result of this, all shipping companies sailing to and from ports in the EU will have to pay for their GHG-emissions. The introduction of the ETS directive will have a three year time span, where the companies will have to pay for 40% of their emissions in 2024, 70% in 2025 and 100% in 2026.

Shipping companies will be obligated to file emission reports for all their ships, as well as for the whole company. As a shipping company, we will have to buy EU quotas for every ton CO2 we emit. The goal is to motivate the shipping industry to contribute to reaching the EU's goal of 55% reduction in GHG emissions by 2030, as well as the zero emissions target by 2050.

WHAT DOES THIS MEAN FOR FJORD LINE?

At Fjord Line, we are dedicated to supporting the EU's ambitions regarding climate neutral energy sources and sustainable solutions in our entire organization. With the investment in our LNG ships Stavangerfjord and Bergensfjord in 2013/2014, Fjord Line were pioneers in carbon efficient maritime transportation. Since 2008, we have improved our carbon efficiency by nearly 50%. We will continue improving to strengthen our sustainability responsibilities in the future. Our goal is to increase carbon efficiency by an additional 20% from 2019 to 2030.

You can read more about sustainability in Fjord Line here:

<https://www.fjordline.com/en/p/about-fjord-line/sustainability-at-fjord-line>

Acquiring ETS quotas will entail substantial costs, for Fjord Line as well as other shipping companies. Therefore, Fjord Line will introduce a separate ETS fee on all our routes starting January 1st 2024. Fjord Lines costs in regards to ETS quotas will be divided on both freight and passengers.

We will present more information on this matter as soon as all the details are in place. The ETS fee for freight will be published monthly on our website the same way BAF is. Our preliminary calculations shows that the ETS fee from January 1st will be as follows:

Hirtshals – Stavanger/Bergen	19 NOK/meter
Hirtshals – Kristiansand	13 NOK/meter
Stavanger – Bergen (domestic)	7 NOK/meter

Kind regards,
Fjord Line Freight

