More and more shippers take action on seaborne GHG emissions

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Decarbonisation Sustainability Ocean Transport Teilen



Strong growth for Maersk ECO Delivery Ocean product in 2023. Over 200 customers saved more than 680,000 tons of GHG emissions. Retail, lifestyle, automotive and FMCG companies are the pioneers.

Shippers are increasingly taking action to eliminate greenhouse gas (GHG) emissions from their logistics. The latest numbers of Maersk's ECO Delivery Ocean product are a strong proof for this trend. After 480,000 standard containers (TEU) in 2022, Maersk transported more than 660,000 TEU on green fuels* last year. 212 customers opted for ECO Delivery Ocean for their seaborne

cargo in 2023 and saved over 683,000 tonnes of greenhouse gases from being emitted into the atmosphere.

We' re continually exploring sustainability opportunities across our supply chain and our overall business, as we work towards becoming a climate-neutral company by 2040, By switching to renewable fuel, we have achieved an immediate reduction in fossil CO₂ emissions from intercontinental ocean freight by at least 84% compared to fossil fuel. This initiative shows that we can act now and implement solutions that achieve significant results. We all have a responsibility to act.

Javier Varela Chief Operating Officer

Deputy CEO at Volvo Cars last July when announcing their partnership with Maersk to use ECO Delivery Ocean on large scale.

Especially for the seaborne cargo, Maersk ECO Delivery Ocean is a well-established and independently certified product to reduce the GHG emissions of an ocean transport by more than 80%.

In the beginning, we have had many customers giving ECO Delivery Ocean a first try for some of their cargo volumes. After they realized how well it is working, more and more customers either increased the cargo volume or committed themselves even to ship 100% of their seaborne cargo under Maersk care with ECO Delivery Ocean. These 100% contracts put really big smiles on the faces of me and my team members as we knew: this is the breakthrough of something that makes a real change for our climate.

Maja Nyvold

Head of Surcharges, Value Adding Services and Energy in the Ocean business segment at Maersk.

Maja's team developed the product together with other Maersk experts back in 2017/18 and introduced it as from 2019. "The increasing number of these 100% commitments is an amazing trend and commitment of our customers since green fuels are significantly more expensive than fossil fuels." Trendsetters for the 100% commitment have been global brands such as Nestlé, Inditex, Novo Nordisk (100% of their Maersk outbound logistics on ECO Delivery) or Volvo Cars (100% of their inbound logistics on ECO Delivery) as well as regional brands like the successful Danish and Norwegian retail companies Flying Tiger Copenhagen and Europris.

The success story continues with several new customers who have signed up for ECO Delivery Ocean in the new year. Among them are large retail chains like Action from the Netherlands (with 100% of their ocean volume), ICA from Sweden (with 100% of their long-haul shipments) or the chemical company Borregard from Norway with 100% of their ocean volume. Borregard is also taking the next step to piloting an e-truck solution for low emission* landside transports together with Maersk.

Reaching net zero requires changing many aspects of how we source, make, and distribute our products. The agreements we' ve signed with Maersk will help reduce emissions and deliver immediate positive impacts on our carbon footprint.

Stephanie Hart

Global Head of Operations at Nestlé, when announcing to go for 100% on ECO Delivery Ocean with the container volumes under Maersk care.

We are continuously taking action to improve our sustainability. Through our collaboration with Maersk in ECO Delivery, we are now able to reduce our greenhouse gas emissions from various factories of origin to our distribution centers across Europe by at least 60% by using green fuel instead of fossil fuels. Thanks to

green fuel innovation, even greater emission reductions are eventually within reach. We see this as an important step among many that companies must take to become sustainable.

Jens Burgers

Director Supply Chain at Action



A Maersk vessel is bunkering bio-diesel in the port of Rotterdam. This green fuel comes solely from waste streams and reduces the Greenhouse Gas (GHG) emissions by more than 80% compared to conventional fossil fuels.

In a nutshell, Maersk ECO Delivery Ocean product replaces fossil fuels with green fuels such as bio diesel and green methanol. The bio diesel is solely sourced from waste streams and lead to GHG emission reductions of above 80% on a well-to-wake basis. With the deployment and naming of the world's first methanol enabled container vessel in September 2023, Maersk introduced also green methanol as a low emission fuel in container shipping. Up to now, the green methanol's GHG reduction lies still below the figures of bio-fuels, but with the start of the scalable production of e-methanol, the emission reductions should go up to above 90% once the processes are all optimized. These significant GHG reductions of both fuel types take even emissions into account from procuring, producing, and transporting the ingredients and the green fuels – a so-called life cycle calculation.

More than 683,000 tons less greenhouse gases in our atmosphere in the past year is absolutely awesome, Many of our customer have ambitious climate targets and we are grateful that so many have decided to partner with us to enable these thousands of low and very low emission ocean transports.

Johan Sigsgaard

Executive Vice President and Chief Product Officer – Ocean.

Kaisa Helena Tikk is heading Maersk's Commercial Sustainability team. Her team members are experts and can act as advisors for Maersk's customers who want to reduce the GHG emissions in their supply chains. "We see that more and more shippers engage consciously with supply chain partners who can today help realising their climate ambitions with impactful solutions. It makes us proud that we can help our customers to reduce their GHG emissions," Kaisa shares. "A big driver is also the increased need for credible data to support science-based targets for emission reductions."

Almost 60% of Maersk's top 200 customers have committed to, or set science-based targets for their journey to net-zero. Maersk's <u>Emission Dashboard</u> is a solution for shippers to get a comprehensive overview of the emissions across all carriers and transport modes. The consolidated data facilitates best and most impactful measures to reduce GHG emissions in a next step. Finally, the overall reporting requirements in this field are another important aspect for customers, knows Kaisa: "Nowadays, a logistics partner needs to be able to provide cargo owners with reliable and robust emission data."

Some of Maersk' s ECO Delivery Ocean customers are shipping volumes of +50,000 containers and more per year on green fuels already. The good news: Maersk has enough green fuel available to serve all customers' increasing ambitions to decarbonise their ocean transports.

In 2023, we continued expanding our global bio-diesel supply infrastructure to key bunkering hubs in Europe and Asia. We will continue to rely on biodiesel as a base in our green fuel portfolio

while building up the supply of other green fuels such as green methanol, Maersk is investing in new methanol enabled vessels of which the first eight very large ships (16,000 TEU each) are entering Maersk's fleet in 2024, with the first vessel, "Ane Maersk" already deployed. The green fuels for low and very low emission ocean transports used by us are all certified to ensure fully traceable, responsible feedstock and sourcing. We are working together with our customers to drive the green transition in shipping in a partnership. The customers benefit as their transports with ECO Delivery Ocean are exempted from <u>EU</u> Emissions Trading System (ETS) charges by Maersk.

Emma Mazhari

Head of Energy Markets in Maersk' s Energy Transition department. While the ECO Delivery Ocean success continues, the teams of Maja, Kaisa and Emma as well as several other Maersk colleagues are working already on the next steps beyond low emission seaborne transports. Listening to the customers demand, Maersk launched an ECO Delivery Inland product in 2023 in select locations within the USA using owned and leased electric trucks. Further, Maersk began deploying heavy duty electrical trucks, together with partners, in Germany, Norway, Sweden, the UK and China, and pilots in Brazil. Maersk has also low and very low-emissions dry storage warehouses in several countries across the globe. Finally, Maersk has started piloting even an ECO Delivery Air product for airfreight with first automotive and lifestyle/fashion customers. In 2024, we will continue broadening our ECO Delivery Inland offerings across both geographies and transport modes, building more vendor partnerships. This includes expanding to electric rail solutions and increasing our heavy electric truck capacity, who talks to many customers from all areas about sustainability. We have received a lot of good feedback on

inland solutions, and we are open for any customer who is interested to reduce emissions on truck and rail. Our experience is that our vendors for these hinterland solutions are also keen on developing and piloting low emission transports. We started an exciting rail project for instance in Spain.

Kaisa Helena Tikk

Maersk' s Commercial Sustainability team

Maersk is dependent on its suppliers' willingness to invest in green assets, and on energy providers and energy infrastructure for green power – as in ocean transport, strong partnership is key to drive the decarbonization here as well.

Last, but not least, we need to put all the good things which are happening right now into perspective: "We have an ambitious goal to become a climate-neutral company by 2024. The 660,000 standard containers transported on green fuels in 2023 equal 3% of our global ocean transport volume and show that the low emission movement is taking large steps year-on-year. This is achieved thanks to an amazing effort together with our partners and vendors", says Johan Sigsgaard. "We are happy to continue to serve our customers' demand for climate-neutral ocean transport and are confident that together, we can achieve our goals".

* Maersk defines ' green fuels' as fuels with low (65-80%) to very low (80-95%) GHG emissions over their life cycle compared to fossil fuels. Maersk green fuels and its supply chain are verified by the International Sustainability and Carbon Certification (ISCC). The methodology for accounting emissions is based on GLEC V2 (Global Logistics Emission Council) and is certified by Smart Freight Center. We ensure auto-generated performance tracking of Maersk ECO Delivery shipments. Maersk ECO Delivery CO2e saving certificates will be issued. The method is assured by PwC in accordance with the International Standard of Assurance Engagements 3410 (ISAE 3410 – Assurance Engagements on Greenhouse Gas Statements), showing CO2e savings for the scope of the Maersk ECO Delivery agreement.