

Ship Green Terms

Valid From: 2024-02-29

Any Merchant may opt to add <u>Ship Green service</u> to his offer or booking subject to these general terms and conditions (the Ship Green Terms) and the payment of a Ship Green Fee (BIO) per TEU as per <u>Hapag-Lloyd's standard tariff</u>. Ship Green is provided by Hapag-Lloyd ("Carrier") to utilize biofuels, thereby aiming to avoid CO₂e emissions associated with the shipment.

If a Merchant selects the Ship Green service in his offer or booking, the Ship Green Terms will form an integral part of the contract of carriage once the booking is confirmed by the Carrier. The Carrier then will quarterly issue a Ship Green Declaration to the Merchant detailing the amount of avoided CO₂e emissions in relation to Merchant's bookings over a quarterly period.

The Ship Green service can also be requested by a Merchant for a specified larger amount of CO₂e reduction across multiple bookings under a separate frame contract.

Details regarding the Ship Green Fee (BIO) are available on Hapag-Lloyd's <u>website</u> (https://www.hapag-lloyd.com/de/online-business/quotation/tariffs/local-charges-service-fees.html).

Payment of the Ship Green Fee (BIO) must adhere to tariff payment terms unless expressly agreed otherwise.

Further conditions of service:

- 1. By purchasing Ship Green, the Merchant is using biofuel instead of conventional fossil fuel and by that the Merchant has avoided the respective CO₂e emissions compared to the conventional fossil fuels that otherwise would have been used to transport the respective amount of cargo. These avoided CO₂e emissions cannot be directly subtracted from the Merchants carbon footprint. Instead, the booking may be considered in the Merchants scope 3 reporting with an emission factor of zero for Ship Green 100, 50% of the standard emission factor for Ship Green 50 or 75% of the standard emission factor for Ship Green 25 respectively.
- 2. Ship Green operates on the "Book and Claim" approach, which involves tracking the global fuel mix used by the Carrier's fleet of vessels and allocating specific amounts of CO₂e emissions according to each type of fuel to individual Merchants. By doing so, Merchants can actively participate in the avoidance of greenhouse gas emissions on a global scale, by switching the fuel type, regardless of which vessel physically burns the specific energy used. This approach ensures that the use of a particular energy source is not dependent on the vessel burning it, but rather on the overall fuel mix used by the Carrier. For the sake of clarity, it is not possible for a vessel to solely operate on biofuel. The majority of their fuel consumption will continue to be conventional fuels.
- 3. Where the Merchant has satisfied all the conditions for Ship Green service and the Carrier fails to provide the Ship Green Declaration, the exclusive remedy available to the Merchant shall be limited to a refund and/or cancellation of the Ship Green Fee. In such event, the Carrier will either refund any Ship Green Fee already received or allow cancellation of the Ship Green Fee in a booking confirmation or invoice.
- 4. The Merchant may not cancel the Ship Green service once he has already received the booking confirmation issued by the Carrier.
- 5. When Ship Green is purchased, the payment of the Ship Green Fee is to be made in the same currency as the freight, as further specified on the invoice. However, Merchant and Carrier may agree on a different currency. The Ship Green Fee is shown as a component on the freight invoice.

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- The Ship Green service is available for the ocean leg only. It does not cover any inland move including truck, rail, barge nor terminal operations.
- 7. The Merchant is eligible to receive a Ship Green Declaration every quarter. The values in this Ship Green Declaration issued by Hapag-Lloyd are based on a calculation outlined in the Hapag-Lloyd Biofuel Process Report 2023. The implementation of the process as described in the report was subject of a limited assurance engagement according to ISAE 3000 (Revised) by an independent auditing firm.
- 8. Since the Ship Green service forms an integral part of the contract of carriage the Hapag-Lloyd Bill of Lading or Sea Waybill terms and Conditions shall apply unless stated otherwise in the contract of carriage.

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