



## Color Line will introduce the ETS fee for freight transport from 2024

### What is the EU ETS?

The EU ETS is an emissions cap and trading system that aims to reduce emissions of greenhouse gases (GHG) by setting a limit, or cap, on GHG emissions for certain sectors of the economy.

Each year a limited number of EU quotas (EUA) are made available for trading in the market, this is reduced annually for the EU to reach the target of a 55% reduction in greenhouse gas emissions by 2030 compared to 2000, and net zero by 2050.

### The implementation timeline for ship freight

The EU legislative bodies have adopted a revision of the EU ETS Directive to include shipping from 2024.

### Timeline for the introduction of the EU ETS.

This involves a three-year phase-in period that increases in scope from 40% of emissions in 2024 to 70% in 2025 and 100% in 2026.

### EU ETS cost implications

The purchase of ETS emission quotas will be costly for Color Line and other shipping companies. Color Line will introduce an ETS fee per meter which comes in addition to sea freight and BAF. The ETS is calculated monthly based on the price of EU quotas, as well as the average emissions of greenhouse gases per line.

Color Line is working on a transparent calculation method for the ETS fee that we will have in place during the autumn. The fee will be implemented from 1 January 2024.

Preliminary figures show that the fees will be approx. amounts as follows:

- Oslo/Kiel/Oslo NOK 23 per meter
- Larvik/Hirtshals/Larvik NOK 16 per meter
- Kristiansand/Hirtshals/Kristiansand NOK 16 per meter
- Sandefjord/Strømstad/Sandefjord NOK 4 per meter

### Color Line works actively to reduce emissions and will reach the EU's emissions targets for 2030 and 2050.

We work actively for energy-efficient operation of ships to reduce CO2 emissions. Since 2000, Color Line has reduced emissions from our ships by more than 45% and we are on track to reach the target in 2030 with a 55% reduction. We don't stop there; continuous improvement will continue towards 2050 to reach the zero emissions target.

### Color Line Cargo

September 2023