

Hapag-Lloyd, ONE roll out emissions-cutting projects



Greg Knowler, Senior Editor Europe | May 24, 2023, 9:52 AM EDT

Ocean Network Express (ONE) and Hapag-Lloyd have launched green transport products as carriers continue to test the market's appetite for procuring sustainable solutions typically priced at premium levels.

Singapore-based ONE has partnered with Denmark intermodal service provider Ancotrans in a Europe-wide road freight emissions-cutting initiative, while Hapag-Lloyd has launched a "book and claim" service labeled "Ship Green" and underpinned by the use of biofuel in its vessels.

"We're quite curious to see how that product will be taken up by the market," Hapag-Lloyd CEO Rolf Habben Jansen told analysts during the carrier's first-quarter earnings

call last week. “I hope that it will be sold out soon because that will also be encouragement for all of us to do even more on that front.”

Habben Jansen’s uncertainty around market demand for the biofuel-driven solution is understandable. While Ship Green is a new product, it is not the first time Hapag-Lloyd has offered 100% emissions-free shipping using biofuel in its vessels. Habben Jansen told reporters in a March press briefing that the carrier last year was unable to use all the biofuel it had procured for its sustainable transport solutions.

Demand for carbon emissions data is increasingly finding its way into shipper bids for forwarding business, but there has been muted interest from cargo owners for the premium-priced sustainable solutions offered by service providers. The key concerns of cargo owners are the cost of green services and the reliability of emissions data across supply chains.

In a bid to partly address those concerns, DSV rolled out its own “book and claim” solution in April where the Danish forwarder will buy carbon credits from carriers using biofuel in their fleets and sell those to customers, allowing them to reduce their supply chain emissions. The process is verified by a third-party auditor and documented across the value chain, and DSV customers receive a declaration to validate their emission reductions.

Using sustainable fuel in container shipping is a process known as insetting, where carbon dioxide emissions within the cargo transport value chain are reduced as a result. That contrasts with offsetting, which involves CO2 emissions in the transportation process being compensated by external environmental projects such as planting trees.

Biofuel is increasingly being mentioned in the move to make logistics more sustainable. In March, 17 European shippers and forwarders joined the “Switch to Zero” campaign by the Port of Rotterdam Authority and decarbonization driver GoodShipping that is aimed at encouraging shippers based on the continent to have their sea freight transported using the sustainable fuel.

Improving European truck efficiency

While Hapag-Lloyd's biofuel initiative covers the ocean leg, the ONE partnership with Ancotrans is focused on inland transportation in Europe where the carrier aims to reduce its so-called “Scope 3” CO2 emissions produced by service providers. Ancotrans covers most of the major European ports and the partnership with ONE is designed to reduce reloads and avoid unnecessary empty mileage in road haulage of imports and exports.

Ancotrans CEO Anne Kathrine Steenbjerge said the intermodal provider was on course to become 100% CO2 neutral.

“One of the areas we want to improve is our operational efficiency ... our drive to obtain a broader international presence and to become a greener company remains true,” she said in a statement this week.

Both ONE and Ancotrans are also fine-tuning an operational setup for electric truck usage in Europe. Ancotrans will deploy its first fully electric trucks in Germany beginning in July and provide a tree planting project — the Anco-forest program — for their customer base to compensate for any remaining emissions. The Anco-forest program aims to offset 100% of the currently unavoidable emissions and is supported by ONE.

Transport is still heavily dependent on fossil fuels and accounts for a substantial and growing portion of global CO2 emissions. The International Transport Forum (ITF) has warned that commitments by the transport sector to reduce carbon emissions were insufficient to meet climate change targets.

“Despite efforts by some regions to decarbonize, transport emissions will not fall fast enough, as transport demand will grow in the years to come,” ITF said in its Transport Outlook 2023 report that was published Wednesday.

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