



**CMA CGM Answer to the public consultation
“Amendment of the Energy Transport Regulations in connection with UERs and shipping
2021” by the Netherlands Ministry of Infrastructure and Water Management (MIWM)**

The transition towards greener shipping is a major challenge for the industry. Both the European Commission in the Green Deal and the International Maritime Organization (IMO) in its 2018 Greenhouse Gas (GHG) Strategy have set ambitious targets for the maritime industry.

CMA CGM wishes to be a leader in the energy transition in the shipping sector and aims to achieve carbon neutrality by 2050. Over the past ten years, the Group has favored solutions aiming to improve the hydrodynamic performance of ships, the efficiency of engines and the optimization of routes and speed. Since 2008, the energy efficiency of CMA CGM ships has improved by 48%, to reach 54g CO₂/TEU-km.

CMA CGM has heavily invested in alternative fuels such as Liquefied Natural Gas and biofuels (which will make up at least 10% of its energy mix by 2022) and deployed an ambitious Research and Development (R&D) program to develop zero emissions technologies. In particular, more than 110 kilotons of second-generation biofuels have already been purchased by the Group and it is willing to pursue and amplify this dynamic.

The Netherlands has led the way towards reducing the impact of GHG emissions from shipping with the adoption of the HBE system, enabling Renewable Fuel Units (Hernieuwbare Brandstof-eenheden) to be credited to suppliers, including biofuels used for maritime transportation. Over the past years, this scheme has supported the use of marine biofuels which have become an increasingly integrated part of the energy fuel mix of international shipping. It has also consolidated the port of Rotterdam's position as a major international shipping and bunkering hub.

CMA CGM welcomes the opportunity to respond to the public consultation launched by the MIWM on the revision of the NL-HBE system for 2021.

For the maritime sector, CMA CGM understands that the MIWM is considering excluding feedstocks for the production of marine biofuels listed in Annex IX, part B (used cooking oil and animal fats) of the Renewable Energy Directive (RED), while maintaining “advanced biofuels” listed in part A.

CMA CGM would like to ask the MIWM to reconsider its position.

Marine biofuels derived from feedstocks listed in Annex IX, part B namely UCOME, are sustainable, available et scalable. They can be sourced more largely and thus significantly contribute to the decarbonization of the shipping sector.

In comparison, biofuels produced from feedstocks listed in Annex IX part A of are not available in large quantities. As of today, they cannot meet alone the volumes needed by the shipping industry and induce higher sourcing costs. In this context, additional measures supporting the uptake of advanced biofuels by for example counting them triple, would be very relevant.

The development of biofuels for marine use is both cost and resource intensive. Incentives such as those offered by the HBE system are essential to ensure their development. The suppression of such subsidies could jeopardize the progress made over the last years.



Thus, CMA CGM would like to make the following recommendations:

- Maintain the inclusion in the 2021 HBE-system of marine biofuels covered by part B in Annex IX of the RED to generate HBE credits;
- Include marine biofuels covered by part A in Annex IX (advanced biofuels) of the RED to generate HBE credits and triple count them to address the challenge of their availability and distribution.

Finally, on the public consultation itself, CMA CGM understands that it relates to the revision of the HBE scheme for 2021, but that it will be closely followed by another consultation for the 2022-2030 period. The Group's recommendations also apply for this timeframe.

CMA CGM would like to stress the need to send positive signals and offer predictability to stakeholders in the shipping industry committed to reduce GHG emissions.

CMA CGM sincerely hopes that its recommendations will be taken into consideration. The Group will remain available to provide any additional information to the MIWM and looks forward to further discussion on additional measures to support decarbonization of the shipping sector.