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Hapag-Lloyd is unhappy with low grade in new climate rating

The German container carrier is unhappy to finish last in a new rating of climate initiatives, behind China's Cosco and others. An environmental organization explains why.

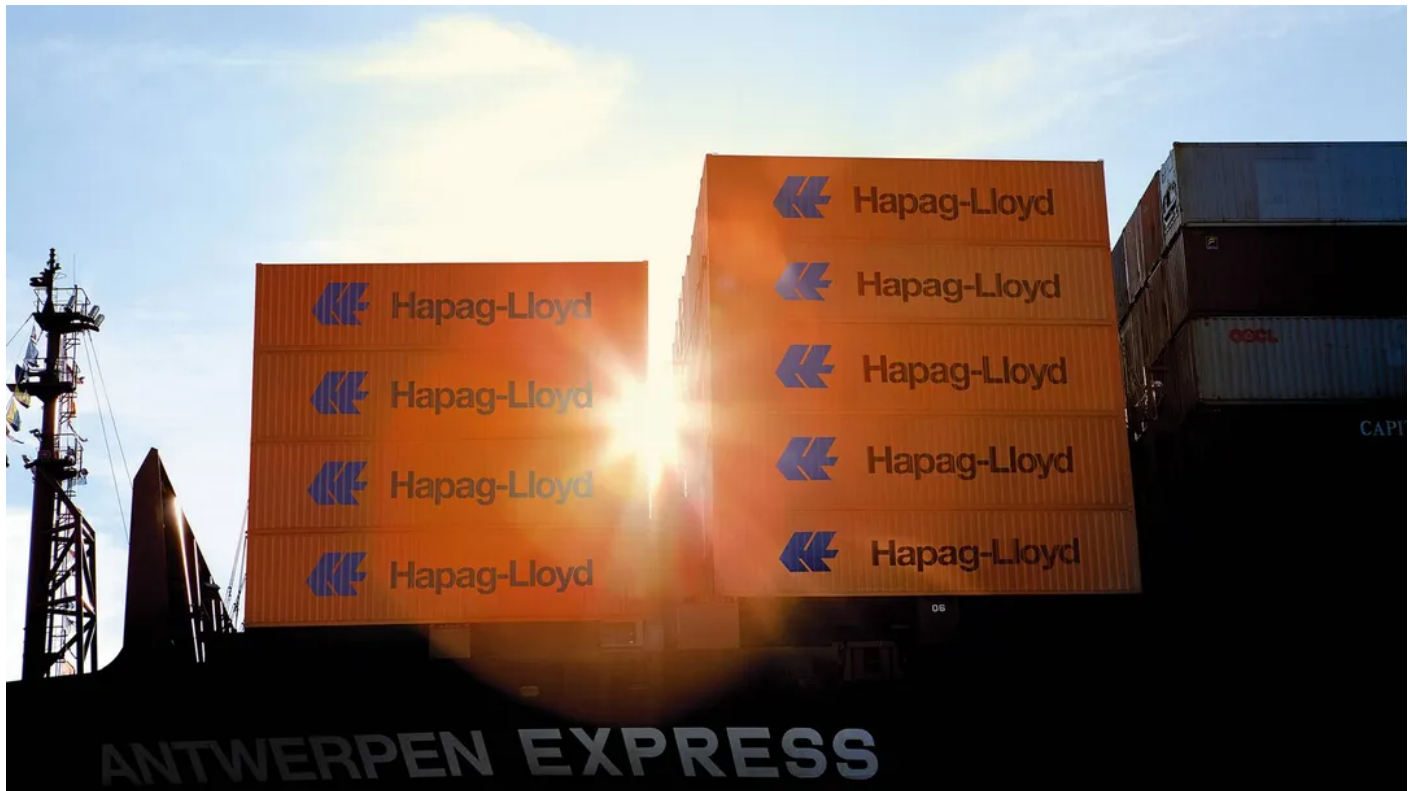


Photo: Pr / Hapag-Lloyd

BY TOMAS KRISTIANSEN

With a failing grade of F, German container shipping company Hapag-Lloyd is among the worst at taking care of the climate. This is the conclusion of a new rating of the container industry's efforts to cut CO2 emissions, recently published by a number of NGOs.

CLIMATE RATINGS OF CONTAINER CARRIERS

Maersk: B

Ocean Network Express: C

HMM: C

Mediterranean Shipping Company: D

Cosco: D

CMA CGM: D

Hapag-Lloyd: F

Evergreen: F

Yang Ming: F

The so-called Ship to Zero, a campaign by NGOs Pacific Environment and Stand Earth, has awarded grades to the major global container carrier, and no one does worse than the large German major.

According to ShippingWatch, the ranking has caused some frustration for the carrier, which has an ambition to go net zero by 2045, only surpassed by Maersk's goal of net zero by 2040.

"Despite our many initiatives and practices to support decarbonization, the respective score card indicates that we rank low in competitive comparison. However, sustainability is firmly anchored in our corporate strategy, and we are taking these matters very seriously. Our overarching goal remains to operate our fleet in a carbon-neutral way by 2045 — five years ahead of the Paris Climate Agreement target," Hapag-Lloyd states to ShippingWatch in a comment.

In fact, most of the container shipping companies are either at or below average, and only Maersk tops the list with a B rating. According to the NGO, this is because "few shipping companies are taking the necessary steps to decarbonize their fleets in light of the climate crisis."

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Hapag-Lloyd lost additional points for its public advocacy for EGCS [scrubbers] and LNG use

NGO Stand Earth

Both ONE and HMM receive an average grade of C, while a shipping company like CMA CGM has to settle for a D. The same grade is given to Chinese Cosco even though the shipping company has an ambition of net zero emissions in 2060 in line with China's official policy.

Hapag-Lloyd has set a short-term goal of reducing the fleet's CO2 intensity by 60 percent by 2060 that is also more ambitious than what the IMO has aimed for so far. To achieve this, the company has launched its Ship Green program where customers can choose to sail on biofuels.

The company is aiming for the new fleet of 12 of its largest container ships to run on LNG, which it sees as a temporary climate measure, but which is generally opposed by green organizations because it is still a fossil fuel with a CO2 reduction of 20-25%.

Dependent on LNG

ShippingWatch has asked Ship it Zero to explain how a container shipping company that has a zero emissions target 20 years ahead of Cosco can end up behind the Chinese shipping company in a climate rating.

It seems to be all about gas because "Hapag-Lloyd's long-term decarbonization plan is highly dependent on LNG," Stand Earth explains in an email, adding:

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Sustainability is firmly anchored in our corporate strategy, and we are taking these matters very seriously

Hapag-Lloyd

"Both Cosco and Hapag-Lloyd lost points for their investments in LNG vessels. However, Hapag-Lloyd lost additional points for its public advocacy for EGCS [scrubbers] and LNG use."

In addition to its focus on LNG, Hapag-Lloyd also loses points for its shore power plan. The NGOs posit that it is not far-reaching enough and therefore pollutes more in ports.

installations according to its 2022 sustainability report," the NGO explains.

Has previously rejected climate criticism

And, it goes on to say, since Hapag-Lloyd has only committed to switching to shore power in ports gradually, the shipping company lands on an F in that category.

This is far from the first time NGOs have spoken out about shipping companies' climate plans and criticized them for not being ambitious enough. Nor is it the first time that shipping companies have disagreed with the conclusions reached by NGOs or others.

Last year, reports from the analysis and consultancy company Position Green and PWC concluded that several specific shipping companies were not far enough ahead with their climate plans. In both cases, the shipping companies rejected the conclusions.

(Translated using DeepL with additional editing by Christian Radich Hoffman)

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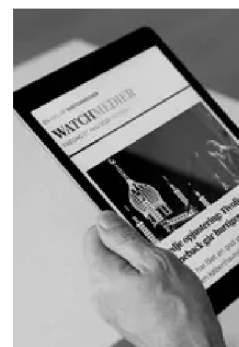
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