

Sustainability-linked finance progress report 2023

Comment from the Chief Sustainability Officer

Wallenius Wilhelmsen's [Sustainability-linked financing framework](#) (“the framework”) was published in January 2022. We have since issued USD 1.1 billion of Sustainability-linked bank and bond debt across the group: two bonds of in total NOK 2,250 million and USD 875 million of bank debt including undrawn debt. (see Appendix I). This is a progress report on the status of the key performance indicator (KPI) and should be read in conjunction with the “Planet chapter” on pages 59 to 71 in the [2023 annual report](#).

The framework allows us to link pricing of our financing with Wallenius Wilhelmsen’s target to reduce CO₂ intensity by 27.5 percent from 2019 to 2030. The chosen KPI for the framework is the fleet weighted average CO₂ intensity in line with IMO’s CII regulation. This report discloses the performance of the KPI of the framework for the calendar year 2023.

In 2023, we met the targeted CO₂ intensity. The KPI result was 5.54 gCO₂ per GT.nm which is below the target of 5.56, and compared to 5.89 gCO₂ per GT.nm in 2022.

The improved emission performance in 2023 is a result of a multitude of initiatives undertaken to improve vessel energy efficiency and reduce emissions across the fleet this year. At the same time, we expanded the portfolio of possible vessel upgrades in line with our strategic ambition to intensify efforts in this critical area.

Also, several B30 biofuel blend products were successfully and safely bunkered and used on three vessels. B30 contains 30 percent biofuel feedstock and 70 percent conventional fuel and brings approximately 25 percent lower CO_{2e} emissions. Biofuel is now an integrated part of our fuel mix, and we expect a significant ramp up of biofuel consumption for selected vessels in 2024 and the coming years.

Composition for the controlled fleet

During 2023, Wallenius Wilhelmsen operated 128 vessels under this framework, down from 132 in 2022. The reduction is due to a cautious approach to charters despite capacity needs.

Please see Appendix II for a complete list of vessels that are included in the IMO DCS reporting for the reported period.

Update on strategy and regulations relevant to the KPI and SPT

During 2023, our strategy was significantly sharpened: We raised our carbon ambitions and developed our transition plan towards net zero by 2040. The plan identifies a range of decarbonization levers to reduce the emissions of our current fleet, constructing near zero fuel capable vessels and eliminating emissions from our land-based operations. We will also rely on achieving negative emissions elsewhere to offset any residual emissions in our value chain. Achieving net zero by 2040 will be challenging, but still a feasible emission target in line with the Paris agreement, and we are committed to reaching it.

At its core is our ambition to lead the transformation of shipping and logistics towards the goal of net-zero emissions. To achieve this, we have established a dedicated and cross-functional taskforce which reports directly to the CEO. The key priority for the taskforce is to introduce a net-zero end-to-end service offering by end of 2027.

As part of our transition plan, we are partnering with our customers to decarbonize their supply chains by offering a reduced carbon service through the introduction of sustainably certified biofuel in our energy mix. Whilst the amounts involved have not yet had an impact on our total emissions for 2023, we aim to increase the share of biofuel to more than 10 percent of the fuel consumption in 2024.

The inclusion of biofuel follows developments of IMO regulations which are the basis of the KPI of our sustainability-linked financing framework. IMO decided in 2023 to include carbon reduction benefits for biofuels in CII calculations to encourage the use of alternative fuels with lower emissions¹. According to IMO's interim guidance, sustainably certified biofuels are for CII allowed to be assigned a carbon factor corresponding to the value of greenhouse gas emissions from the fuel from well to wake. The inclusion of biofuel for calculating CII, therefore, follows the latest valid method according to regulatory description and is consistent with the conditions described in the framework. This does not have any impact on the 2019 baseline as biofuels were not part of our fuel mix at that time.

KPI performance compared to trajectory

DNV has verified the relevant information for our controlled fleet for the calendar year 2023. The verification can be found here [Investors Relations – Wallenius Wilhelmsen](#):

Period	1 January – 31 December 2023
No. of vessels included in the Controlled Fleet:	128
Total CO ₂ emissions, mt:	4,211,728
Total gross tonnage, GT:	8,058,079
Total distance travelled, nm:	12,089,171
Key Performance Indicator, gCO₂ / GT.nm / Δ% from 2019:	5.54 / -4.2%
Change in Key Performance Indicator versus 2019:	-0,24
Trajectory target 2023 – Interim KPI / Δ% from 2019:	5.56 / - 3.9%
Trajectory Adjustments:	No change
Alignment with the Trajectory target 2023:	Reached

We confirm that there are no changes to the baseline year 2019 nor the trajectory adjustments.

Oslo, April 29, 2024

Anette Rønnov
Chief Sustainability Officer
Wallenius Wilhelmsen

¹ Reference is made to IMO circular MEPC.1/Circ.905

Appendix I: Financial instruments and loans under the framework

Instrument: Sustainability-linked bond (ISIN NO N00012495912)

Issuer: Wallenius Wilhelmsen ASA

Volume: NOK 1,250 million

Issued: April 2022

Maturing: April 2027

Target Observation Date: 31.12.2025

Applicable Interim SPT: -10.1% vs 2019 / KPI level 5.20

Instrument: Sustainability-Linked Bank Loan

Issuer: Wallenius Wilhelmsen Ocean Holding AS

Volume: USD 600 million

Issued: August 2022

Maturing: February 2028

Target observation date: 31 December 2022, and annually thereafter

SPT from Baseline 2019 CII 5.78 gCO₂/GT-nm: -1.3% (2022), -3.9% (2023), -6.6% (2024), -10.1% (2025), -14.0% (2026) and -17.7% (2027)

Instrument: Sustainability-Linked Bank Loan

Issuer: Wallenius Wilhelmsen Ocean Holding AS

Volume: USD 200 million

Issued: August 2022

Maturing: February 2029

Target observation date: 31 December 2022, and annually thereafter

SPT from Baseline 2019 CII 5.78 gCO₂/GT-nm: -1.3% (2022), -3.9% (2023), -6.6% (2024), -10.1% (2025), -14.0% (2026), -17.7% (2027) and -21.5% (2028)

Instrument: Sustainability-Linked Bank Loan

Issuer: EUKOR Car Carriers Inc.

Volume: USD 75 million

Issued: June 2023

Maturing: June 2028

Target observation date: 31 December 2023, and annually thereafter

SPT from Baseline 2019 CII 5.78 gCO₂/GT-nm: -3.9% (2023), -6.6% (2024), -10.1% (2025), -14.0% (2026) and -17.7% (2027)

Instrument: Sustainability-linked bond (ISIN NO N00012992090)

Issuer: Wallenius Wilhelmsen ASA

Volume: NOK 1,000 million

Issued: August 2023

Maturing: August 2028

Target Observation Date: 31.12.2027

Applicable Interim SPT: -17.7% vs 2019 / KPI level 4.76

Appendix II: Controlled Fleet during 2023

Vessel Name	Type	Build year	GT
Aniara	LCTC	2008	71 673
Arabian Sea	PCTC	2010	46 800
ARC Commitment	LCTC	2011	74 255
ARC Defender	PCTC	2008	61 328
ARC Independence	LCTC	2007	72 118
ARC Integrity	LCTC	2008	72 118
ARC Resolve	PCTC	2006	60 942
Asian Captain	PCTC	1998	71 383
Asian Dynasty	PCTC	1999	55 719
Asian Emperor	PCTC	1999	55 729
Asian Empire	PCTC	1998	71 383
Asian Majesty	PCTC	1999	71 383
Asian Trust	PCTC	2000	55 719
Asian Vision	PCTC	1997	55 680
Bess	PCTC	2010	58 750
Boheme	PCTC	1999	67 264
Carmen	LCTC	2011	74 258
Don Carlos	PCTC	1997	67 141
Don Juan	PCTC	1995	55 598
Don Pasquale	PCTC	1998	67 141
Don Quijote	PCTC	1997	67 141
Dream Diamond	PCTC	2007	41 662
Elektra	PCTC	1999	67 264
Endurance	RORO	1996	72 708
Fidelio	LCTC	2007	71 583
Figaro	LCTC	2011	74 258
Grand Choice	PCTC	1999	50 309
Grand Cosmo	PCTC	2006	59 217
Grand Dahlia	PCTC	2009	59 217
Grand Pavo	PCTC	2005	59 217
Grand Quest	PCTC	1999	50 309
Grand Sapphire	PCTC	2007	59 217
Grand Uranus	LCTC	2012	72 408
Liberty	PCTC	2006	61 321
Manon	PCTC	1999	67 264
Mignon	PCTC	1999	67 264
Morning Calm	PCTC	2004	57 692
Morning Calypso	PCTC	2013	59 580
Morning Camilla	PCTC	2009	60 876
Morning Capo	PCTC	2013	59 615
Morning Cara	PCTC	2011	59 454
Morning Carina	PCTC	2007	60 876
Morning Carol	PCTC	2008	57 542
Morning Caroline	PCTC	2008	60 876

Morning Catherine	PCTC	2008	61 002
Morning Cecilie	PCTC	2008	60 876
Morning Celesta	PCTC	2008	57 542
Morning Celine	PCTC	2009	60 931
Morning Cello	PCTC	2007	57 542
Morning Champion	PCTC	2005	57 692
Morning Chant	PCTC	2014	59 615
Morning Charlotte	PCTC	2007	61 002
Morning Cherry	PCTC	2014	59 525
Morning Chorus	PCTC	2007	57 536
Morning Christina	PCTC	2010	59 601
Morning Cindy	PCTC	2012	59 580
Morning Claire	PCTC	2012	60 928
Morning Clara	PCTC	2009	60 213
Morning Composer	PCTC	2008	57 542
Morning Concert	PCTC	2006	57 415
Morning Conductor	PCTC	2008	57 542
Morning Cornelia	PCTC	2010	61 002
Morning Courier	PCTC	2005	57 692
Morning Crown	PCTC	2005	57 692
Morning Crystal	PCTC	2011	59 524
Morning Lady	LCTC	2010	70 853
Morning Laura	LCTC	2010	70 853
Morning Lena	LCTC	2010	70 853
Morning Lily	LCTC	2011	70 687
Morning Linda	LCTC	2008	68 701
Morning Lisa	LCTC	2008	68 701
Morning Lucy	LCTC	2009	68 701
Morning Lynn	LCTC	2009	68 701
Morning Margareta	PCTC	2008	51 917
Morning Menad	PCTC	2007	41 192
Morning Ninni	PCTC	2008	51 917
Morning Peace	PCTC	2017	66 802
Morning Pilot	PCTC	2014	65 276
Morning Post	PCTC	2014	65 276
Morning Pride	PCTC	2014	65 424
Morning Prosperity	PCTC	2017	66 802
Nabucco	PCTC	2021	73 358
NOCC Atlantic	PCTC	2009	60 868
Oberon	LCTC	2008	71 673
Paganella	PCTC	2009	47 020
Paglia	PCTC	2010	47 020
Parsifal	RORO	2011	75 251
Patriot	PCTC	2006	60 979
Porgy	PCTC	2009	58 752
Salome	RORO	2012	75 251
Taipan	PCTC	2006	57 692

Talia	PCTC	2006	57 692
Talisman	RORO	2000	67 140
Tamerlane	RORO	2001	67 140
Tamesis	RORO	2000	67 140
Tanabata	PCTC	1994	49 443
Tannhauser	PCTC	2020	73 358
Tarago	RORO	2000	67 140
Tarifa	PCTC	2007	57 692
Thalatta	PCTC	2015	75 283
Theben	HERO	2016	75 283
Themis	HERO	2016	75 283
Thermopylae	PCTC	2015	75 283
Thruyton	PCTC	2018	72684
Tijuca	LCTC	2009	71 673
Tirrana	LCTC	2008	71 673
Titania	LCTC	2011	74 255
Titus	PCTC	2018	73 358
Toledo	PCTC	2005	61 482
Tombarra	PCTC	2006	61 321
Tongala	PCTC	2012	61 106
Toreador	PCTC	2008	61 328
Torino	PCTC	2009	61 328
Toronto	PCTC	2004	61 482
Torrens	PCTC	2004	61 482
Tortugas	PCTC	2006	61 321
Tosca	PCTC	2013	61 106
Toscana	PCTC	2009	61 328
Traviata	PCTC	2019	73 358
Treasure	PCTC	1999	58684
Tugela	LCTC	2011	72 295
Tulane	LCTC	2012	72 295
Turandot	PCTC	1995	55 598
Tysla	RORO	2011	75 251
Tønsberg	RORO	2011	75 251
Undine	PCTC	2002	67 378
Viking Passama	PCTC	2012	47 053
Viking Princess	PCTC	1996	9 827