

Sustainable financing framework 2025

Contents

We are accelerating our climate action	3
Sustainable financing framework	5

Wallenius Wilhelmsen	6
Our strategy and governance	7
Our net-zero 2040 ambition and transition plan	10
Overcoming roadblocks and embracing game changers	19
Partnerships	20

Green finance	21
1. Use of proceeds	22
2. Process for project evaluation and selection	23
3. Management of proceeds	23
4. Reporting	24

Sustainability-Linked Finance	25
1. Selection of Key Performance Indicators (KPIs)	26
2. Calibration of Sustainability Performance Targets (SPTs)	28
3. Financial characteristics	29
4. Reporting	30
5. Verification	30

Appendix	31
Abbreviations and definitions	31

We are accelerating our climate action

The impact of climate change is undeniable. Its effects are felt on every continent and in every country. It affects the lives of people and the planet. Wallenius Wilhelmsen's global operations significantly impact the environment, particularly our climate. This brings both financial risks and opportunities, and we take this responsibility to heart.

Commitment to shaping our industry. We have spent many years reducing our carbon emissions and are now accelerating our efforts to reach net-zero by 2040. This commitment is rooted in our 160-year history of leading industrial advancements, from sails to steam power, and now from fossil fuel to low-carbon fuel sources. Our board, executives, and employees are all dedicated to this pivotal transition. Our customers rely on us to decarbonize our shipping and logistics services, which is essential for them to achieve their own net-zero targets. Our impact on their value chain emissions is significant, making it crucial to manage the transition together.

An investment to be future-fit. Transitioning to a fossil-free future is challenging, but essential. Climate change requires new technologies, infrastructure, low-carbon fuels, energy-efficient operations and partnerships. The cost of achieving net-zero is significant – but insignificant compared to doing nothing. The transition is an investment in the future. It positions us for long-term benefits like reduced fuel consumption, optimized operations, and a lower risk profile.

We believe that decarbonization represents one of the greatest opportunities of our time. Through our green and sustainability-linked financing framework, we invite our investors and lenders to join us on the journey toward net-zero.



Lasse Kristoffersen
Chief Executive Officer



44% EEOI reduction
by 2030

97% EEOI reduction
by 2040

2000

2010

2020

2030

2040

2004:
GHG emissions from
shipping disclosed
for the first time

2009:
First sustainability
report published

2009:
Responsible ship
recycling

2011:
Founding member of
Maritime Anti-Corruption
Network (MACN)

2018:
Started using low
sulphur fuel voluntarily

2019:
Identification of
climate related risks
and opportunities

2022:
Sustainability-linked
framework v/1.0
Sustainability-linked
bond NOK 1,250m
Sustainability-linked
facilities USD 875m

2023:
Sustainability-linked
bond NOK 1,000m

Targets

2027:
Net-zero end-to-end
service: transport and
all processing services
from a vehicle factory
to the end customer,
shall be net-zero.

2030:
Reduce absolute
emissions at group
level (scope 1-3) with
40 % by 2030 from a
2022 base year.

2040:
We are committed
to reach net-zero.

We reduced fleet CO₂ intensity from 2008 to 2022 by more than 39 % measured on tank-to wake gCO₂e/tkm. The new targets includes well-to-wake figures, reported in gCO₂e/ tonne nautical miles. This has been recalculated from the baseline year 2022.

Our target and pathway
are validated by Science
Based Target Initiative



SCIENCE
BASED
TARGETS

Sustainable financing framework

Achieving net-zero by 2040 is a significant challenge. To meet this goal, we are dedicated to making substantial investments in fleet renewal, trucks, and equipment, while progressively transitioning to low-carbon fuels.

In 2022, we introduced our first Sustainability-linked financing framework, aiming to reduce carbon intensity by 27.5 percent from 2019 to 2030¹. This framework is more ambitious and aligns with our commitment to achieving net-zero greenhouse gas emissions by 2040. Our targets aim to be consistent with the EU's climate targets and the UN's Sustainable Development Goal for climate action. They have been validated by the Science-Based Target initiative (SBTi) ensuring that our targets adhere to the latest climate science and sector pathways to meet the Paris Agreement's 1.5°C target.

This framework sets out the terms under which the Wallenius Wilhelmsen Group may raise financing through:

- **Green bonds, loans, and derivatives**
(referred to as "Green Finance Instruments"); and
- **Sustainability-linked bonds, loans and derivatives**
(referred to as "Sustainability-Linked Finance Instruments")

We have engaged S&P Global Ratings to issue an independent opinion of the framework. You can find this opinion, the framework, and all related reports on our website [Investors Relations – Wallenius Wilhelmsen](#) under Sustainable Finance.

This framework is aligned with the Green Bond Principles and Sustainability-Linked Bond Principles published by the International Capital Market Association (ICMA) and the Green Loan Principles and Sustainability-linked Loan Principles published by the Loan Market Association (LMA).



Green Loan Principles



Sustainability-linked Loan Principles

¹ All documents relevant to framework v1.0 are available here: [Investors Relations – Wallenius Wilhelmsen](#) under Sustainable finance

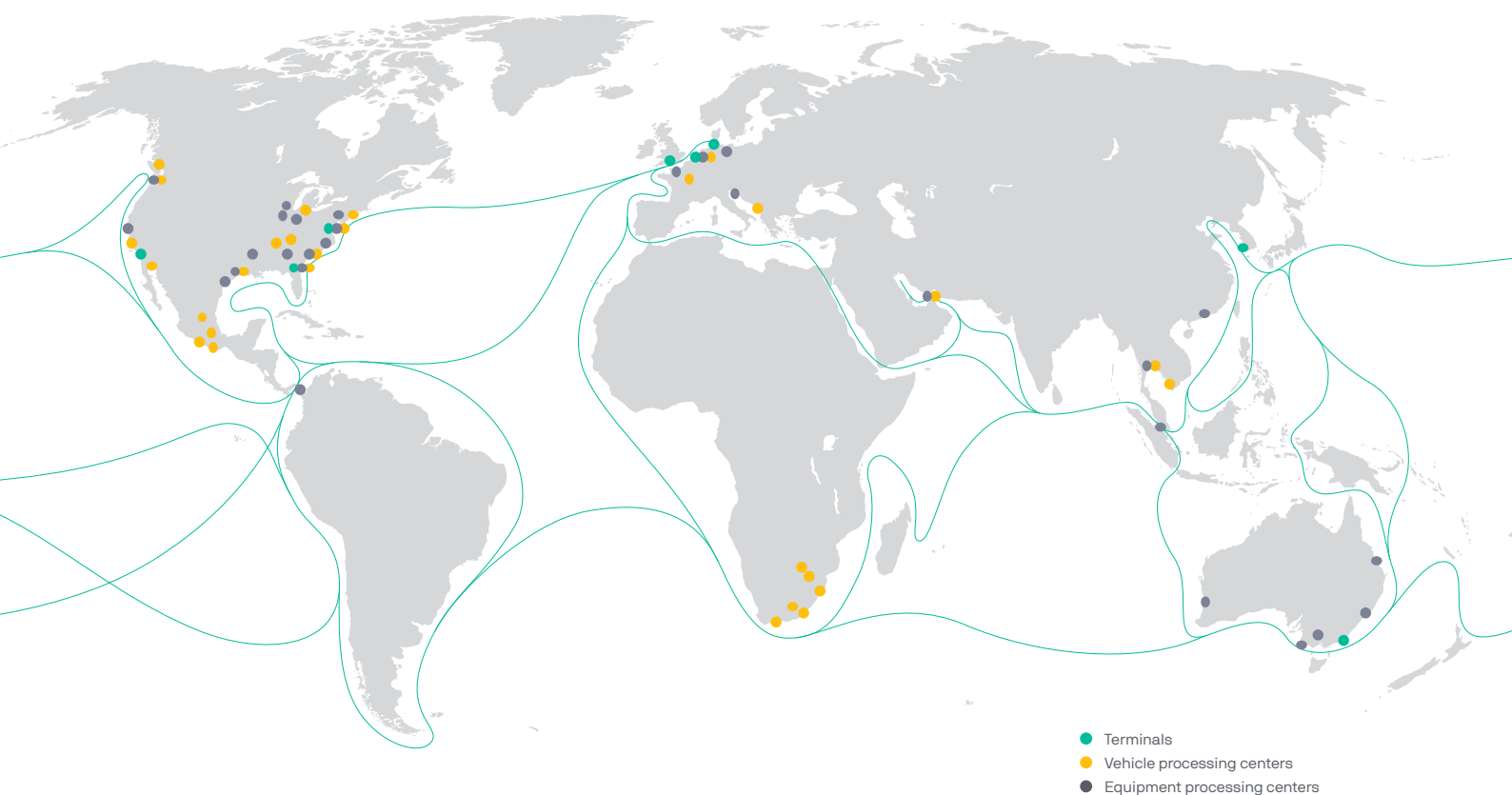
Wallenius Wilhelmsen

Wallenius Wilhelmsen is a global leader in integrated vehicle transportation and logistics solutions. We support our customers across their supply chain, from the factory all the way to the end-customers. We operate in three key business segments: shipping, logistics, and government.²

At sea, we currently operate around 125 vessels on 15 trade routes, serving six continents. By fleet size, we are the world's largest operator of roll-on/roll-off vessels. Our vessels are equipped with hoistable decks and robust ramp capacities, this enables us to transport cargo of all sizes for our customers worldwide.

On land, we operate a comprehensive logistics network through eight terminals, 11 inland distribution networks, and 66 service and processing centers located around the world.

Wallenius Wilhelmsen is headquartered in Oslo, Norway, and listed on the Oslo Stock Exchange (OSE: WAWI). We employ around 9,500 employees in 28 countries, in addition to around 2,500 seafarers.³



² In this framework, the Shipping and Government segments are referred to collectively as shipping

³ Read more at www.walleniuswilhelmsen.com


Our strategy and governance









Our ambition is to become an integral part of our customers' supply chains, enabling them to run resilient, digitalized, and decarbonized operations. This ambition is reflected in our strategic goals:

- To be our customers' first choice in our core businesses,
- Differentiate through integrated solutions,
- Make net-zero available and affordable, and
- Create value for stakeholders.

Sustainability is anchored in the Wallenius Wilhelmsen ASA board of directors who is committed to effective and ethical leadership for a sustainable future for the Group and our stakeholders.

We structure our sustainability efforts into three main areas: environment, social, and governance and each of these includes material topics briefly summarized here.



Environment	Social	Governance
<p>Climate change</p> <p>Biodiversity</p> <p>Pollution</p>	<p>Safe & secure operations</p> <p>Diversity, equity and inclusion</p> <p>Working conditions and human rights</p>	<p>Corporate culture and governance</p>
  	   	

Environment

Climate change is identified as a material topic in our double materiality analysis, both from an impact and financial risk and opportunity angle. It is subsequently a strategic goal in our sustainable business strategy and underpins everything we do.

In addition to affecting the climate, we impact biodiversity, particularly marine life. We commit to reducing our environmental impact and implement measures to steer clear of sensitive areas and minimize waste and pollution. We also commit to preventing the spread of invasive species through cargo inspection, ballast water treatment systems and marine growth prevention measures.

Social

We acknowledge that our global operations entail risks for people working for us and our suppliers. We commit to be diligent and provide safe and inclusive workplace where human and labor rights are respected.

Governance

Our governance framework is based on ISO 37000 and a cornerstone is the code of conduct. This code outlines the expectations and standards for our behavior towards each other, our customers, the environment, and the society we operate in.

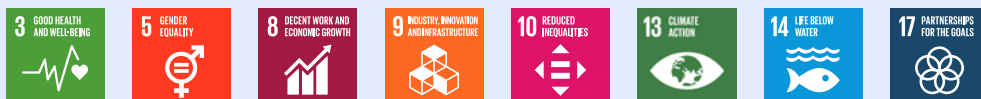
Our corporate sustainability team integrates sustainability into our management system in accordance with key ISO standards. They work closely with the CEO, the executive team, the dedicated climate team and the entire organization.

Sustainability, particularly decarbonization, is a regular agenda item for the board and its audit committee which oversees financial and sustainability reporting, internal controls, governance, risk management, compliance and regulations, and internal audits. Moreover, safety and carbon emissions are part of our long- and short-term incentive plans.

Further description of our sustainability strategy and reporting can be found in our annual report.

Sustainable development goals and material topics

Our material topics highlight our significant impacts on both people and the planet, as well as the associated financial risks and opportunities. By achieving our targets and executing our action plan for these material topics, we contribute to the United Nations' Sustainable Development Goals (SDGs). We concentrate on the following SDGs, which have been evaluated and identified as those where we can make the most substantial impact.

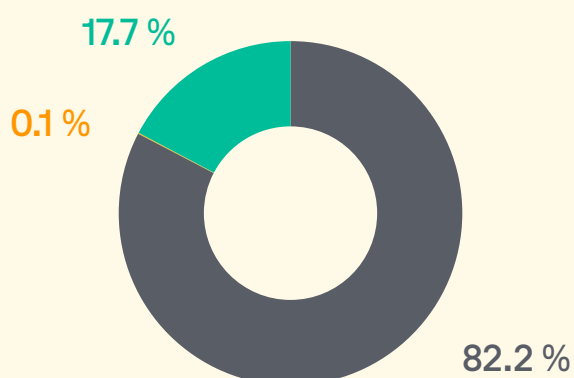


Our commitment to achieving net-zero by 2040 covers scope 1, scope 2, and scope 3 greenhouse gas emissions

Most of our emissions are **scope 1** emissions derived from tank-to-wake emissions when burning fuels on our vessels and other vehicles or equipment. In 2022, scope 1 emissions accounted for about 82 percent of our total emissions.

Scope 2 emissions, which are indirect emissions from the generation of purchased electricity, steam, heating, and cooling that we consume, represented around 0.1 percent of our emissions.

Scope 3 emissions include emissions outside of our direct control and accounted for about 18 percent of our total emissions. These emissions originate from sources associated with our partners and suppliers, including purchased fuels, goods, and services. The largest component in scope 3 is well-to-tank emissions, which encompass the production, transportation, transformation, and distribution of the fuel we utilize.



Scope 1

Direct tank-to-wake emissions by burning fuels

- Vessels (Owned and Time Charter)
- Trucks
- Heating facilities

Scope 2

Indirect emissions related to electricity purchased

- Terminals
- Offices
- District heating
- Shore power

Scope 3

Indirect emissions from purchased fuels, goods and services

- Well-to-tank emissions for fuels (approx. 76 % of total scope 3)
- Purchased goods/services

Our net-zero 2040 ambition and transition plan

To achieve our net-zero 2040 ambition, our dedicated team has developed a comprehensive transition plan in collaboration with the organization. We have established 2022 as our baseline year and identified three key milestones: 2027, 2030, and 2040. These milestones are integral to our transition plan which will evolve as new technologies and low-carbon fuels become available at feasible prices. Driven by innovation, customer focus, and a commitment to reducing our climate impact and environmental footprint, we will adjust our operations and address unexpected risks and opportunities along the way. The board of directors approved the net-zero 2040 target and transition plan in 2023.

By 2027, we aim to launch a **net-zero end-to-end** service pilot with selected customers and partners. This service will involve new vessels sailing on low-carbon fuels, green electricity-powered terminal operations, and net-zero trucking. This will enable net-zero transportation from the vehicle factory, via the terminal and processing services, to the end customer. The pilot will provide us with valuable insights for decarbonizing our value chain.

By 2030, we commit to cutting **absolute emissions** from our shipping operations by 40 percent and achieving a 44 percent **intensity reduction** in well-to-wake emissions, driving a significant shift towards a decarbonized logistics network. For our land-based operations, the target is a 42 percent reduction in scope 1 emissions, with terminals and processing centers running entirely on renewable energy.






By 2040, we commit to **reach net-zero across all operations**, on land and at sea. Our trucks, terminals, and vessels will run on renewable energy, reducing emissions to near-zero levels. Our shipping operations target an intensity reduction of 97.1 percent in well-to-wake emissions and 96.4 percent in absolute emission reduction, while our land-based operations will achieve a 90 percent reduction in scope 1 emissions. Scope 3 emissions from our value chain will be cut by 90 percent, ensuring alignment with our net-zero targets. We will source 100 percent renewable electricity and remove any remaining emissions through carbon removal certifications.

What are science-based targets?

Science Based Targets initiative provides a rigorous framework for companies to set science-based climate targets that will reduce greenhouse gas (GHG) emissions in line the Paris Agreement. Wallenius Wilhelmsen has used this framework to set and receive validation on ambitious near- and long-term targets for achieving net-zero 2040.



Our targets to achieve net-zero as validated by the Science-Based Target initiative:

Climate targets (base year 2022)		2030		2040
	Reduction of absolute scope 1 GHG emissions from logistics operations	42 %	>	90 %
	Reduction of absolute WTW scope 1 and 3 GHG emissions from shipping operations	40 %	>	96.4 %
	Reduction of intensity WTW scope 1 and 3 GHG emissions from shipping operations per tonne nautical mile	44 %	>	97.1 %
	Increase annual sourcing of renewable electricity to 100 %	100 %	>	100 %
	Reduction of remaining absolute scope 3 GHG emissions*	-	>	90 %

* Approximately 76 % of Scope 3 emissions is covered in absolute well-to-wake GHG emissions targets for shipping operations which will be reduced significantly by 2030. The remaining absolute Scope 3 emissions is covered in the 2040 target.

Key initiatives

Although we have a long history of sustainable action, we recognize that reaching net-zero by 2040 will be demanding. To succeed, we must utilize energy sourcing and energy efficiency combined with new assets in our sea and land-based operations and a multitude of initiatives to reduce emissions are taking place.

Energy sourcing		Alternative fuels	>	<ul style="list-style-type: none"> - Drop-in fuels (biofuels/e-fuels) - Bio-LNG 	<ul style="list-style-type: none"> - Methanol - Ammonia
		Electrification	>	<ul style="list-style-type: none"> - Heating and cooling - Renewable energy 	
		After-treatment	>	<ul style="list-style-type: none"> - Carbon capture and storage - Negative emissions elsewhere 	
Energy efficiency		Technical upgrades	>	<ul style="list-style-type: none"> - Main engine upgrades & load optimization - Auxiliary power saving measures - Bulbous bow retrofits 	<ul style="list-style-type: none"> - Propeller retrofits - Propulsion improvement devices - Wind-assisted propulsion systems
		Operational measures	>	<ul style="list-style-type: none"> - Optimal vessel trade allocation to reduce emissions - Maximized vessel utilization - Speed reduction & slow steaming voyages - Voyage speed optimization 	<ul style="list-style-type: none"> - Weather routing & alternative routes - Hull and propeller anti-fouling programs, incl. new cleaning technologies - Trim & ballast optimization - Auxiliary power management
New assets		Vessels	>	<ul style="list-style-type: none"> - Dual fuel vessels ordered 	
		Vehicles	>	<ul style="list-style-type: none"> - Electric trucks and equipment - Renewable fuels 	
		Infrastructure	>	<ul style="list-style-type: none"> - Shore-power capability at terminals - EV charging points 	

Our shipping operations, which include shipping and government activities, are responsible for 96 percent of the group's total emissions. In contrast, our land-based logistics operations contribute only 1 percent to the overall emissions. The remaining 3 percent of emissions are associated with our office operations. This distribution, based on the 2022 baseline year, highlights the substantial impact of our shipping activities on our environmental footprint. Below, you will find detailed transition plans for each operation.

The transition plan for shipping

Our operations at sea account for the vast majority of our total emissions. **Transitioning from fossil fuels to low-carbon fuels** is projected to be the most significant contributor to our emission reduction efforts from the baseline year to 2040. This shift will be complemented by significant **technical and operational improvements** to our current fleet along with **efficiency gains** from new vessels. Together, these initiatives will be essential in achieving our emission reduction targets.

Transitioning
from fossil fuels

65 %

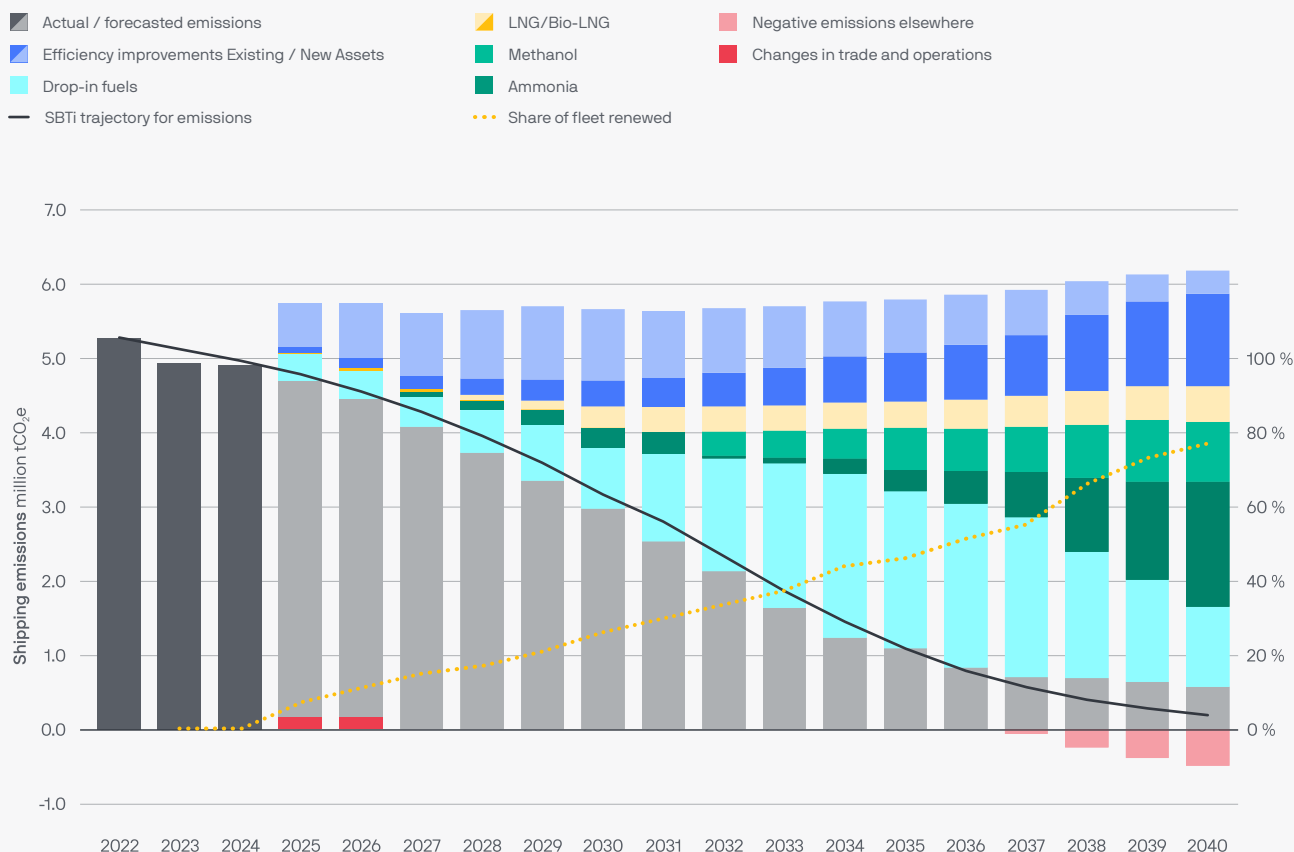
Technical and operational
improvements

20 %

Efficiency gains
from new vessels

15 %

Reduction pathway by levers



Transitioning from fossil fuels to low-carbon shipping fuels

International shipping carries about 90 percent of all goods due to global trade.⁴ Although shipping emits less carbon per unit transported than air and land transportation, it still accounts for around 2-3 percent of global greenhouse gas emissions.⁵

To achieve a decarbonized shipping industry, we need a global infrastructure that ensures availability of green methanol, green ammonia, and other low-carbon alternatives at several ports. Currently, the supply and infrastructure of green methanol and green ammonia are limited for global shipping.

Wallenius Wilhelmsen's fuel sourcing strategy focuses on integrating sustainably sourced biofuels and alternative low-carbon fuels to reduce greenhouse gas emissions. We are actively exploring low-carbon fuels worldwide, aiming to secure both short- and long-term partnerships for biofuel, methanol, and other low-carbon fuels. The transition to renewable fuels comes with significant costs and we work with customers to share the expenses.

The reduced emissions are allocated to customers using a mass-balance approach. The mass-balance approach tracks and attributes the use of biofuels and low-carbon fuels in our supply chain. It decouples the physical use of these fuels from specific cargo. This facilitates a solid accounting system that can be verified. DNV provides scope 3 emissions certificates to confirm accurate recording and allocation of total emission reductions.

Most of the low-carbon fuels required to meet our 2030 targets will be drop-in biofuels, which can be utilized by our existing vessels. Green methanol and bio-LNG will be used in new owned or chartered vessels. By using biofuel blends like B30, which consists of 30 % biofuel feedstock and 70 % conventional fuel, we can reduce greenhouse gas emissions by up to 25 percent. We have signed contracts with several fuel suppliers to ensure short-term supply of B30 blends. Additionally, we have trialed B100, a 100 % biofuel feedstock, which DNV verified resulted in approximately 90 percent emission reduction compared to conventional fuel on a well-to-wake basis. This allows us to offer our customers significant greenhouse gas reductions in our services. We will continue to explore opportunities to expand the use of biofuel blends in response to customer demand.

Low-carbon fuels:
fuels with lower
lifecycle emissions
than traditional fuels

Biofuels are produced by
use of renewable energy
sources derived from
plant or agricultural waste
material

Green methanol is
derived from renewable
electricity and/or
biogenic sources

Green ammonia relies
on renewable energy
to derive hydrogen from
water and nitrogen
from air

Bio-LNG or liquefied
biomethane, is a biofuel
made by processing
organic waste flows.
It is a low-carbon
alternative to liquefied
natural gas (LNG)

⁴ Shipping and World Trade: World Seaborne Trade | International Chamber of Shipping

⁵ Shipping emissions worldwide – statistics & facts | Statista

In collaboration with the First Movers Coalition⁶, we have publicly committed to using at least five percent zero-emission fuels as part of our energy mix in 2030, excluding biofuels. We are working with partners to source green methanol, including bio-methanol and e-methanol. We are developing new low-carbon services to ensure our customers will share the cost of transitioning to low-carbon fuels and aim to increase green methanol volumes by 2030.

In the longer term, ammonia shows promise as a green fuel, but the technology, production, and supply infrastructure are not yet mature. We anticipate it will become more viable in the next decade.

Sustainable sourcing of low-carbon fuels

We aim to use fuels with the lowest possible carbon intensity. Whilst the minimum EU requirement is a 65 percent reduction in carbon intensity, we are targeting at least an 80 percent reduction and seek fuels that have International Sustainability and Carbon Certification (ISCC-EU). We already meet this standard for biofuel and will extend it to other fuels as well.

We only use biofuels that are:

- Certified according to “ISCC EU”.
- Based on Fatty Acid Methyl Ester (FAME), such as Used Cooking Oil Methyl Ester (UCOME).
- Not based on palm oil, either directly or indirectly.
- Do not compete for water and agricultural resources used for food production.

In addition, acceptable feedstock for bio- or e-fuels, includes only waste products and residues, while the CO₂ used for producing e-fuels should be of biogenic origin or from direct air capture.



⁶ First Movers Coalition: A global coalition of companies leveraging their purchasing power to decarbonize the world's heavy-emitting sectors.

Making vessels more efficient

A combination of innovations working together creates real impact on a broad scale. We continuously assess how we manage energy consumption across our fleet, using solutions designed to optimize every aspect of, vessel performance. We are running a large portfolio with numerous improvement initiatives, and a multitude of projects are underway to enhance energy efficiency across our vessels.

Technical upgrades:



We install **upgrades and modifications to vessels' main engines** to allow more efficient operation. We utilize advanced **software to monitor, analyze and improve engine performance**.



To further conserve energy, we install **auxiliary power-saving measures**, such as variable frequency drives that control pumps, fans, and motors, while LED lighting retrofits lower energy usage and improve safety and cargo quality onboard.



We retrofit vessels with new **bulbous bows** to improve hydrodynamic efficiency, reducing fuel consumption over a broad range of operating drafts and speeds. **Propeller retrofits** and the installation of propeller boss cap fins improve propulsion efficiency and contribute further to fuel savings.



We are trialing **wind-assisted propulsion systems**, which harness renewable energy to provide additional thrust and reduce fuel consumption during voyages.

Operational measures:



We **allocate vessels to trade routes based on size, fuel efficiency, and emission levels** to minimize environmental impact and maximize performance. We ensure vessels are fully utilized through effective scheduling and cargo planning, reducing fuel consumption per distance sailed.



We reduce speed and slow steam when appropriate to significantly lower fuel consumption and emissions. Additionally, we use **advanced machine-learning software** that integrates real-time sensor data, ship data, and weather forecasts to determine optimal voyage speeds, balancing fuel efficiency with delivery timelines.



Weather routing is another important measure, guiding vessels to the most fuel-efficient routes by factoring in weather conditions.



We adhere to strict maintenance schedules for **regular hull cleaning and propeller polishing**, specifically designed to prevent biofouling and maintain smooth, clean surfaces crucial for optimizing fuel efficiency. As part of this effort, we also deploy state-of-the-art robotic systems for proactive hull cleaning.



Trim and ballast optimization further reduces hull resistance and improves overall vessel efficiency. By carefully managing **auxiliary power systems and energy utilization**, we reduce unnecessary energy consumption in different operational modes.

New vessels

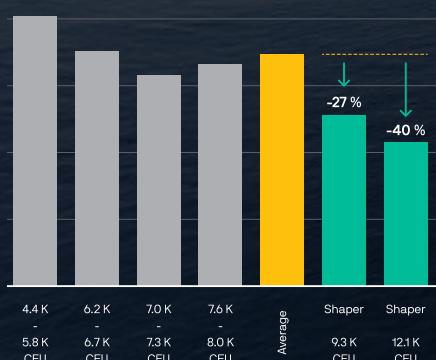
In 2023 and 2024, we ordered 14 Shaper class roll-on/roll-off vessels ranging from 9,300 to 12,100 car equivalent units (CEU). The Shaper class vessels are larger than the average vessels in our segment and even surpass the largest vessels available today. This increase in size, combined with more efficient ship and machinery design, will enhance energy efficiency by up to 40 percent compared to our existing fleet.

The Shaper class vessels are scheduled for delivery between 2026 and 2028. These vessels are methanol dual-fuel, designed to run on green methanol from the day of delivery, while also being capable of operating on conventional fuel and biofuel. Depending on scalability of green methanol, our newbuilds may operate on a mix of fossil fuels, biofuel, and methanol from delivery. Once ammonia becomes available in a safe and secure way, the methanol dual-fuel vessels can be retrofitted to run on ammonia. We also have the option to convert up to seven of the vessels to LNG dual-fuel before construction begins, should we need to diversify our future fuel mix due to the availability and price of green methanol. LNG dual-fuel vessels can operate on low-carbon alternatives from the start, including bio-methane, as well as conventional fuel and biofuel.

The Shaper class vessels will have shore power capability enabling zero emissions at berth and redefine efficiency with numerous innovations throughout the vessel.

Shaper class vessels built with economies of scale and prepared for net-zero

- AI in combination with vessel- and weather data to reduce fuel consumption
- Optimized hull form and propellers
- Energy saving and efficiency devices, such as the air lubrication system for the hull
- A battery solution for reduced energy consumption during maneuvering
- Power generation optimization
- The first vessels will be equipped with solar panels as a pilot to test the business case before further implementation

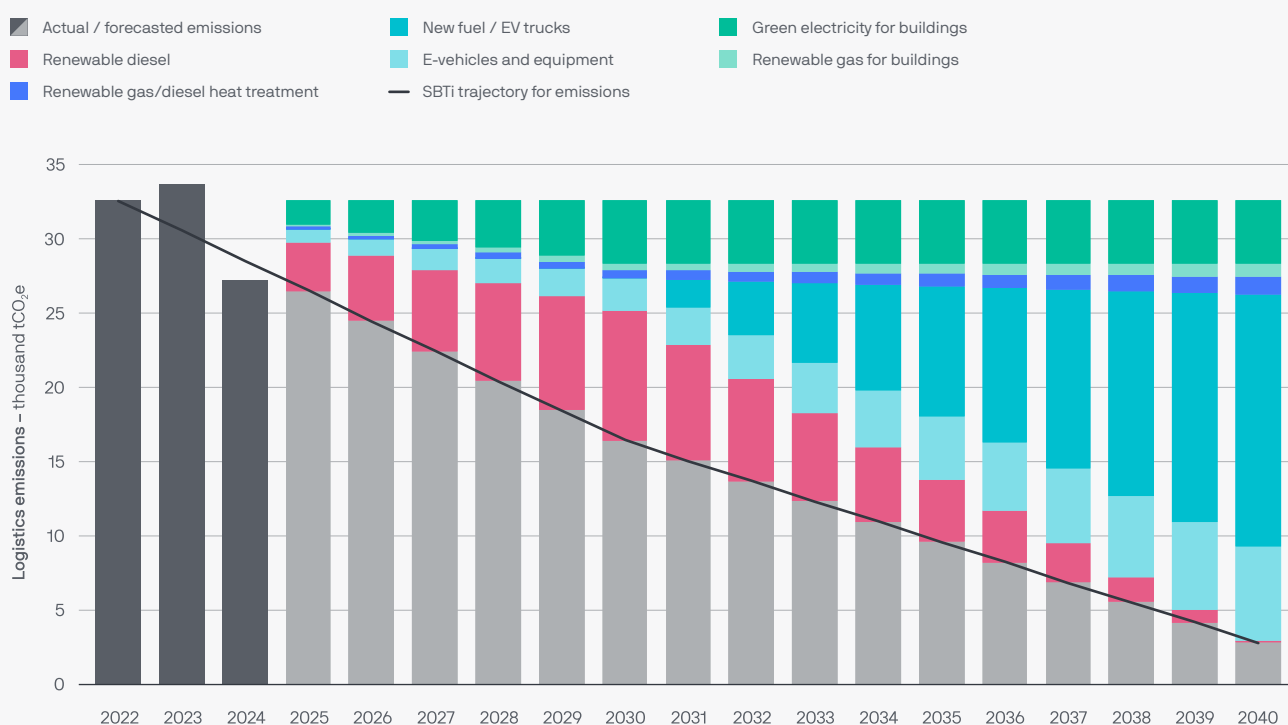


The transition plan for our land operations

Although our land-based logistics operations account for less than 1 percent of our total greenhouse gas emissions, reducing these emissions is crucial to achieving our net-zero ambitions. The challenge is magnified by regional variations in energy infrastructure development, availability, the high number of facilities and geographical location.

On land, the key strategies include introducing renewable fuels, electrifying terminal vehicles and equipment, and adopting new technologies to lower carbon emissions:

Reduction pathway by levers*



* This graph includes scope 1 and 2 from logistics operations



We will **electrify our terminals**, which currently rely on natural gas, diesel and grid electricity. Our strategy includes transitioning, or contributing using mass balancing method, to renewable energy sources such as wind, solar, hydropower and renewable natural gas. For some sites this involves installing solar panels on rooftops or setting up wind turbines. For sites heavily dependent on natural gas, renewable natural gas will be sourced.



We will explore **shore power solutions** that allow vessels to plug into the terminal's grid and use renewable electricity while at berth, thereby avoiding stationary emissions from conventional fuel.



We will **increase energy efficiency in our operations**. Electrification will be supported by charging infrastructure strategically placed for operational efficiency. Data-driven technologies will optimize energy use, with smart systems monitoring vehicle performance and consumption to reduce emissions further.



We will use **renewable fuels for our terminal vehicles and equipment**. Vehicles and equipment, such as forklifts, cranes, and tugmasters, currently run on diesel or other fossil fuels. Most of these assets will be replaced by EV versions, but renewable fuels will continue to play a role in some regions where full electrification may not be feasible by 2040 due to logistical or technical challenges, such as charging infrastructure and battery capacity.



New assets will enable the transition. We will replace our current vehicles and equipment with new assets that are operating on electricity, green hydrogen or green biogas.

Reaching net-zero for the remaining part of our value chain

Emissions from the production and disposal of assets, such as vessels, vehicles, and terminal equipment, will be important as we develop strategies to reduce emissions throughout our entire value chain.

The disposal of assets, especially vessels, can produce significant emissions if not managed responsibly. As a founding member of the Ship Recycling Transparency Initiative, we aim to improve transparency in the global ship recycling value chain by encouraging ship owners to disclose their recycling practices and related data online. This information helps cargo owners, investors, and financial stakeholders to make responsible decisions.

Wallenius Wilhelmsen has adopted a Responsible Ship Recycling policy to ensure the safety and human rights of the workers at the ship recycling yards. The policy also covers sound environmental management. Our policy includes strict criteria such as ESG due diligence audits on candidate recycling facilities and surveillance audits by specialist auditors to monitor compliance. We generally operate our vessels for 30 years and when they reach the end of their operating life they need to be recycled. Recycling a vessel involves environmental and safety risks. It also generates large amounts of waste that must be handled responsibly, especially steel.

While our efforts at sea and on land are crucial, we must also address scope 3 emissions related to business travel, employee commuting, office buildings and IT.

For all emissions that we are not able to reduce completely, we are exploring carbon removal solutions to compensate for the emissions we cannot eliminate elsewhere.

Overcoming roadblocks and embracing game changers

The shipping industry is on the brink of an exciting transformation, shifting from fossil fuels to low-carbon alternatives like methanol and ammonia. This shift demands close collaboration with fuel suppliers, governments, and stakeholders worldwide. While there are several roadblocks to overcome, such as the high costs of developing and scaling new technologies, regulatory challenges, and the need for substantial infrastructure investments, there are also many promising opportunities on the horizon.

Potential game changers include the implementation of more affordable carbon capture and removal technologies, cost-effective alternative fuels, innovative new reactors for our sector, and the creation of larger, smarter vessels. By embracing these innovations and working together, we can overcome the challenges and pave the way for a sustainable and decarbonized future in the shipping industry.



Potential roadblocks – that could hinder the transition

Limited drop-in fuel availability	<ul style="list-style-type: none"> Scarcity of biofuel feedstock Synthetic e-diesel highly resource intensive Competition with other sectors
Delayed phase-in of methanol and ammonia	<ul style="list-style-type: none"> Delays in infrastructure and supply chain development Regulatory development and safety standards especially around ammonia Availability of suitable engines
Inability to recover costs from customers	<ul style="list-style-type: none"> Customers being cost-pressured, down-prioritizing paying for value chain emissions reductions Wallenius Wilhelmsen at different price-point compared to less ambitious competitors
Reduced vessel utilization	<ul style="list-style-type: none"> Lasting market normalization/down-turn reducing utilization Reduced cargowork compared base case scenario where cargo grows in line with CEU capacity
Less effect from energy efficiency initiatives	<ul style="list-style-type: none"> Delay in roll-out of energy efficiency initiatives and/or initiatives having less impact Inability to find additional measures



Potential gamechangers – that could speed up the transition

Negative emissions	<ul style="list-style-type: none"> High availability of negative emissions elsewhere Costs lower than shipping abatement cost
Ship-based carbon capture	<ul style="list-style-type: none"> Ship-based carbon capture becoming cost-competitive way to reduce emissions Logistics of storing onboard and offloading CO₂ solved High capture rates possible
Abundant drop-in fuel	<ul style="list-style-type: none"> Breakthrough in production of sustainable biofuel No need to shift to ammonia if sufficient amounts of bio-methanol/bio-LNG available
Small nuclear reactors	<ul style="list-style-type: none"> Fail-safe small molten salt reactors for shipping becoming proven technology Financing schemes to cover high initial investment Shift in public perception towards nuclear
Megaships	<ul style="list-style-type: none"> RoRO industry moving towards megaships of 15,000 CEU capacity Port infrastructure upgraded to handle larger ships Efficient feeder network to serve smaller ports

Partnerships

As part of Wallenius Wilhelmsen's commitment to drive sustainable shipping practices, we engage in various partnerships:



Mærsk Mc-Kinney Møller Center
for Zero Carbon Shipping

We are a mission ambassador of the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping. This is a not-for-profit, independent research and development center looking to accelerate the transition towards a net-zero future for the maritime industry. It aims to drive and facilitate the development and implementation of new technologies; build confidence in new concepts and mature viable strategic ways to drive the required systemic and regulatory change.



Smart Freight
Centre

We are member of the Global RoRo Community (GRC) of the Smart Freight Centre, a global non-profit organization focusing on climate action in the freight sector. Together with peers, we develop a uniform ISO 14083 / GLEC compliant global standard methodology for scope 3 Greenhouse Gas (GHG) emissions accounting for deep-sea Ro-Ro shipping.



First Movers
Coalition

We are a member of the First Movers Coalition, which was initiated by the World Economic Forum and the Office of the US Special Presidential Envoy for Climate. The coalition includes 96 members, such as Coca-Cola, Amazon, Ford, Google, Rio Tinto, Microsoft, and Maersk. It aims to prompt market demand for technologies critical for achieving a net-zero future.



maritime
cleantech

We have partner status in both the Green Shipping Program and Maritime CleanTech, a Norwegian private-public industry collaborator dedicated to fostering environmentally friendly shipping practices.



Alliance of
CEO Climate
Leaders

To accelerate the transition of our industry, our CEO joined a coalition of leading companies calling for urgent collaboration between governments and businesses to fulfill the pledges made by UN's Climate Change Conferences during COP 28. The pledges include tripling renewable energy, doubling energy efficiency, and moving away from fossil fuels.



Green finance

The Green Finance Instruments issued under this framework follow the Green Bond Principles⁷ 2021 (with June 2022 appendix) issued by ICMA and the 2023 version of the Green Loan Principles⁸ published by LMA. The core components are as follow:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

⁷ Green Bond Principles

⁸ Green Loan Principles

1. Use of proceeds

An amount equal to the proceeds of any Green Finance Instrument will finance or refinance, in whole or in part, investments undertaken by Wallenius Wilhelmsen Group that align with the Eligibility Criteria, as defined below.

Eligible assets and capital expenditures:

ICMA and LMA Green Category	Clean Transportation
EU Environmental Objective	Climate Change Mitigation
UN SDGs	13 Climate Change
Eligibility Criteria ⁹	<p>EU taxonomy activity</p> <p>6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities</p> <ul style="list-style-type: none"> - (a) the vessels have zero direct (tailpipe) CO₂ emissions; <p>Or where technologically and economically not feasible to comply with the criterion above, vessels that can run on zero direct emission fuels or on fuels from renewable sources, where the vessel has an:</p> <ul style="list-style-type: none"> - (b) until 31 December 2025, hybrid and dual-fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO₂ emission fuels or plug-in power for their normal operation at sea and in ports; - (c) until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea, the vessels have direct (tailpipe) CO₂ emissions, calculated using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI) (278), 50 % lower than the average reference CO₂ emissions value defined for heavy duty vehicles (vehicle sub group 5-LH) in accordance with Article 11 of Regulation 2019/1242 - (d) until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022; - (e) from 1 January 2026, the vessels that have an attained EEDI value equivalent to reducing the EEDI reference line by at least 20 percentage points below the EEDI requirements applicable on 1 April 2022, and: <ul style="list-style-type: none"> i. are able to plug-in at berth; ii. for gas-fueled ships, demonstrate the use of state-of-the-art measures and technologies to mitigate methane slippage emissions - (f) from 1 January 2026, in addition to an attained Energy Efficiency Existing Ship Index (EEXI) value equivalent to reducing the EEDI reference line by at least 10 percentage points below the EEXI IMO requirements applicable on 1 January 2023, and a yearly average GHG intensity that does not exceed applicable EU Taxonomy limits
Exclusions	Proceeds from Green Finance Instruments will not be allocated to assets dedicated to the transport of fossil fuels.

The proceeds from Green Finance Instruments can finance both new and existing eligible assets and capital expenditures by Wallenius Wilhelmsen, with no limitation on lookback period.

⁹ Eligibility Criteria is aligned with the Technical Screening Criteria ("TSC") for Substantial Contribution for Climate Change Mitigation as included in the EU Taxonomy Climate Delegated Act (Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139) including Substantial Contribution Criteria (SCC), Do No Significant Harm ("DNSH") and Minimum Safeguards.

2. Process for project evaluation and selection

Wallenius Wilhelmsen has established a green finance committee (“GFC”) to implement a methodology for validating eligible assets and capital expenditures. The GFC includes representatives from Wallenius Wilhelmsen’s shipping, finance, and sustainability teams. Final decisions on allocating proceeds will require consensus within the GFC, and all decisions made will be documented. The GFC will meet until all proceeds are fully allocated, and to validate any changes in reported eligible assets and capital expenditures.

When making investment decisions for eligible assets and capital expenditures, Wallenius Wilhelmsen follows a selection and evaluation process aligned with the group’s internal policies for identifying and managing ESG risks in addition to applicable national and international environmental and social standards and regulations. This process includes conducting ESG risk assessments of key suppliers and monitoring identified risk factors during the construction period. The assigned senior officer of the project is responsible for these assessments and follow-ups. The final investment decision is made by the group’s top management, who are regularly informed about identified risk elements during the construction period.

3. Management of proceeds

An amount equal to the proceeds from issued Green Finance Instruments will be allocated for financing and refinancing of eligible assets and capital expenditures as defined in this framework. Group treasury will keep a register of all eligible assets and capital expenditures and the proceeds from Green Finance Instruments.

Wallenius Wilhelmsen will choose the most suitable allocation method for proceeds from any Green Finance Instruments and will state the chosen method in the Sustainable Finance Report as defined under [4. Reporting](#). Wallenius Wilhelmsen aims to fully allocate an amount equal to proceeds within 36 months from the issuance of any Green Finance Instrument, or at the latest, at the time of delivery for the newbuild vessels. If an eligible asset or capital expenditure is divested or no longer meets the eligibility criteria, it will be replaced by another eligible asset or capital expenditures if practically possible. Until the funds from any Green Finance Instrument are allocated, they may be temporally invested or used according to the Wallenius Wilhelmsen Group’s liquidity management policy, where the exclusions defined under section [1. Use of proceeds](#) apply.

4. Reporting

On an annual basis, until full allocation of proceeds, Wallenius Wilhelmsen will provide the following reporting on our Green Finance instrument(s) in a Sustainable Finance Report to be made available latest 150 days after year-end:

Allocation reporting:

- A brief description of the assets financed
- The share of financing allocated to new versus existing eligible assets and capital expenditures
- The balance of any unallocated proceeds including any short-term investments managed within our liquidity management policy (if any)

Impact reporting:

The impact reporting includes metrics on the environmental impact of the eligible assets and capital expenditures financed. Wallenius Wilhelmsen may provide an aggregated estimate of the environmental impact of the ships financed. The impact report will include at least one of the below listed metrics:

- The EEDI or EEXI, as applicable, of the vessels financed
- Annual GHG emissions avoided in tCO₂e due to employment of vessels financed

For Green Finance Instruments that are not bonds, Wallenius Wilhelmsen may choose to report directly and non-publicly, to the lenders or counterparties.

Post-issuance verification

An independent external auditor, appointed by Wallenius Wilhelmsen, will provide limited assurance review on the allocation of proceeds annually until full allocation and in case of significant re-allocations.



Sustainability-Linked Finance

Sustainability-Linked Finance Instruments issued under this framework follow the 2024 Sustainability-Linked Bond Principles¹⁰ by ICMA and the 2023 Sustainability-linked Loan Principles¹¹ published by LMA. The five core components are:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial characteristics
4. Reporting
5. Verification

¹⁰ Sustainability-Linked Bond Principles

¹¹ Sustainability-Linked Loan Principles

1. Selection of Key Performance Indicators (KPIs)

Wallenius Wilhelmsen has selected the following three KPIs, which are core, relevant and material to our business and all part of the corporate strategy. These KPIs contribute to the EU environmental objective of 'Climate Change Mitigation' as well as the UN SDG 13 'Climate Action'. The KPIs reflect our climate targets and have been validated by the Science Based Target Initiative (SBTi) to contribute to the Paris Agreement's goal of limiting global warming to 1.5°C. The SBTi Guidance for Maritime Transport Sector and the Corporate Net-Zero standard have been applied to determine the targets.



Shipping emissions

KPI 1

Energy Efficiency Operational Indicator (EEOI¹²)

44 % intensity emission reduction in well-to-wake emissions from shipping operations by 2030.



97.1 % intensity emission reduction in well-to-wake emissions from shipping operations by 2040.

Logistics emissions

KPI 2

Absolute scope 1 GHG emissions in its logistics operations

42 % absolute emissions reduction (scope 1) from logistics operations by 2030.



90 % absolute emissions reduction (scope 1) from logistics operations by 2040.

Group emissions

KPI 3

Absolute scope 1, 2 and 3 GHG emissions (Group)

40 % absolute emissions reduction (scope 1-3) at group level by 2030.



96 % absolute emissions reduction (scope 1-3) at group level by 2040.

¹² See [next page](#) for calculation details

KPI 1: Reduce EEOI from shipping operations

Methodology: The EEOI is computed on a last twelve-month basis and is defined by the International Maritime Organization (IMO). The EEOI is calculated as well-to-wake (scope 1 and 3) GHG emissions divided by transport work in tonne nautical miles. The KPI is monitored annually.

Scope: This KPI covers 100 percent of Wallenius Wilhelmsen Group's maritime emissions, which is 99.36 percent of the total scope 1 emissions and 75.87 percent of the total scope 3 emissions in 2022.¹³ All owned and chartered in vessels are included.

KPI 2: Reduce absolute scope 1 GHG emissions from logistics operations

Methodology: GHG emissions are calculated in accordance with the Greenhouse Gas Protocol Corporate Standard.

Scope: This KPI covers 100 percent of Wallenius Wilhelmsen logistics operations scope 1 emissions. Total scope 1 emissions in the logistics operations are 0.64 percent of total emissions in Wallenius Wilhelmsen Group.

KPI 3: Reduce absolute scope 1, 2 and 3 GHG emissions

Methodology: GHG emissions are calculated in accordance with the Greenhouse Gas Protocol Corporate Standard.

Scope: This KPI covers 100 percent of Wallenius Wilhelmsen Group total scope 1 and scope 2, and 75.87 percent of total scope 3 emissions. Market-based emissions are used for scope 2 emissions.

EEOI Calculation

Wallenius Wilhelmsen's first sustainability-linked financing framework used Carbon Intensity Indicator (CII) as key performance indicator. This framework use EEOI. Both EEOI and CII measure the carbon intensity of vessels per distance traveled; EEOI takes into account cargo weight, whereas CII provides a rating based on the vessel's gross tonnage.

The new scope is broader and results in higher intensity as it includes both scope 1 and scope 3 emissions. Previously, our EEOI figures were based on tank-to-wake (TTW) and reported in gCO₂ per tonne-km. The new trajectory includes well-to-wake (WTW) figures, reported in gCO₂e/ tonne nautical miles. This has been recalculated from the baseline year 2022.

FC	Fuel consumed
C _{carbon}	Carbon factor based on well-to- wake
m _{cargo}	The weight of the load
D _i	The distance travelled in nautical miles
i	Voyage

$$EEOI = \frac{\sum_i FC_i \times C_{carbon}}{\sum_i m_{cargo,i} \times D_i}$$

¹³ Within scope 3, the KPI includes shipping-related emissions for Category 3. Fuel- and energy-related activities, which constitute 99.27 percent of total emissions in the category. The remaining 0.73 % is emissions in logistics related to scope 3 Category 3. Fuel and energy-related activities, and is not in scope of the KPI.

2. Calibration of Sustainability Performance Targets (SPTs)

KPI 1 Shipping emissions

Historical performance			Sustainability Performance Targets (SPTs)								
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Shipping carbon intensity (EEOI WTW) (gCO ₂ e/t.nm)											
66.55	62.15	60.56	59.90	56.21	52.13	47.82	42.75	37.28	32.73	27.09	21.63
0 %	-6.6 %	-9.0 %	-10.0 %	-15.5 %	-21.7 %	-28.1 %	-35.8 %	-44.0 %	-50.8 %	-59.3 %	-67.5 %

SPTs related to KPI 1 are aligned with Wallenius Wilhelmsen's net-zero 2040 target. Following the SBTi Sectoral Decarbonization Approach (SDA) for Maritime, the SPTs are non-linear and based on the convergence of company-specific emission intensities to a sector-wide emission intensity. The steepness of the trajectory varies considering the emission intensity in the base year and projected growth over target setting period.

KPI 2 Logistics emissions

Historical performance			Sustainability Performance Targets (SPTs)								
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Logistics Scope 1 emissions (tCO ₂ e)											
28,299	29,486	23,862	23,842	22,356	20,871	19,385	17,899	16,413	15,055	13,696	12,338
0 %	4.2 %	-15.7 %	-15.8 %	-21.0 %	-26.3 %	-31.5 %	-36.8 %	-42.0 %	-46.8 %	-51.6 %	-56.4 %

SPTs related to KPI 2 are linear targets of the 2030 target for logistics scope 1 emissions.

KPI 3 Group emissions

Historical performance			Sustainability Performance Targets (SPTs)								
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Scope 1, 2, 3 emissions (tCO ₂ e)											
5,296,684	4,963,461	4,929,234	4,799,340	4,563,596	4,290,041	3,969,845	3,597,873	3,176,388	2,987,799	2,499,361	2,020,657
0 %	-6.3 %	-6.9 %	-9.4 %	-13.8 %	-19.0 %	-25.1 %	-32.1 %	-40.0 %	-43.6 %	-52.8 %	-61.9 %

SPTs related to KPI 3 is a combination of shipping, logistics and other emissions of Wallenius Wilhelmsen. As Shipping is the largest source of emissions, the SPTs follow the same SDA trajectory as the KPI 1.

Strategy to achieve the KPIs and external risk factors

As mentioned earlier in the framework, we are committed to be net-zero by 2040 and to be transparent on our progress. We have built a detailed transition plan¹⁴ both on our shipping and logistics segments to illustrate what is required to reach net-zero.

The primary risk to achieving our KPIs lies in the availability and cost of low-carbon fuels, as well as the global infrastructure required for securing the supply of such fuel. Additional external risk factors, such as the lack of harmonized development of international regulations, reliance on emerging technological solutions, and geopolitical instability, may also hinder the reach of our targets.

3. Financial characteristics

The financial characteristics of Sustainability-Linked Finance Instruments issued under this framework will be based on the achievement of the SPTs. Wallenius Wilhelmsen may include one or more KPI(s) and respective SPTs for each instrument, with each instrument having one or more Target Observation Date(s). The “Target Observation Date” is when the SPT is measured against the relevant KPI, being the last day of the calendar year, December 31.

The financial characteristics, such as coupon step-up, margin adjustment, or increase in redemption price, will be detailed in the final terms of each instrument. These terms will also specify the size of the change in financial characteristics that will follow the occurrence of a Trigger Event.

A “Trigger Event” is any of the following:

- Wallenius Wilhelmsen has not achieved the applicable SPT for the KPI on the relevant Target Observation Date, or
- Wallenius Wilhelmsen reporting does not meet the requirements set out in the reporting section of this framework in all material aspects, or
- The verification of the SPT(s) has not been provided and made publicly available by the Reporting End Date

Fallback mechanisms

The KPIs and SPTs in this framework will apply throughout the tenor of any instrument issued under it, even if Wallenius Wilhelmsen’s sustainability strategy or targets are updated. This includes changes in benchmarks or industry standards. Any updates to this framework will not affect the securities issued under it.

Wallenius Wilhelmsen may recalculate the baseline¹⁵ to reflect any significant change in:

- The calculation methodology of the KPIs, or
- The underlying input variables for KPIs, or
- The group structure due to e.g., acquisition, demerger, merger or spin-off of vessels¹⁶

Any recalculation must be detailed in the Sustainable Finance Report and verified by an independent, qualified external reviewer in line with the reporting and verification sections.

¹⁴ See Introduction chapter for more details of our transition roadmap

¹⁵ The SPTs, measured in percentage for both KPIs, will remain the same even if the baseline changes

¹⁶ Following the recommendation of SBTi, a threshold value for significant change is an increase or decrease of 5 percent or more in the 2022 baseline level for all KPIs

4. Reporting

Wallenius Wilhelmsen will inform investors, lenders and other stakeholders on the progress related to this framework, our sustainable strategy, KPI progress, and SPT achievements in dedicated reports (the Sustainable Finance Report). The Sustainable Finance Report will be made available annually at the latest 150 days after each year end (the Reporting End Date). This information will be made publicly available until the maturity of any outstanding Sustainability-Linked Finance instrument.

The Sustainable Finance Report will include:

- Wallenius Wilhelmsen's performance relative to the SPTs for each KPI for each reporting period and in relation to any Target Observation Date(s)
- Calculation methodology, baseline information and any baseline recalculations
- Verification of performance relative to the SPTs for each KPI and its impact on the financial characteristics
- Updates to Wallenius Wilhelmsen's sustainability strategy or governance affecting the KPIs and SPTs

Where feasible and possible, the reporting will also include:

- Explanations of the main factors behind the KPI performance
- Updates on new or proposed regulations relevant to the KPIs and SPTs

For Sustainability-Linked Finance Instruments that are not bonds, Wallenius Wilhelmsen may report, directly and non-publicly, to the lenders or counterparties.

5. Verification

The reporting will be verified by an external reviewer chosen by Wallenius Wilhelmsen, following ICMA's 2022 Guidelines for External Reviews¹⁷ ("Verification"). This verification will be made publicly available along with the Sustainable Finance Report as specified in the financial characteristics section.

¹⁷ Guidelines for External Reviews

Appendix

Abbreviations and definitions

CII	Carbon Intensity Indicator
CO₂e	CO ₂ -equivalent including carbon dioxide (CO ₂) and other gases like methane (CH ₄) and nitrous oxide (N ₂ O)
EEDI	Energy Efficiency Design Index
EEOI	Energy Efficiency Operational Indicator
EEXI	Energy Efficiency Existing Ship Index
GBP	Green Bond Principles
GLP	Green Loan Principles
ICMA	International Capital Market Association
IMO	International Maritime Organization
KPI	Key Performance Indicator
LMA	Loan Market Association
OSE	Oslo Stock Exchange
RoRo	Roll-on Roll-Off
SBTi	Science-Based Targets Initiative
SDG	Sustainable Development Goals
SLBP	Sustainability-Linked Bond Principles
SLLP	Sustainability-Linked Loan Principles
SPT	Sustainability Performance Target
Scope 1	Direct emissions from owned or controlled sources.
Scope 2	Scope 2 emissions are indirect emissions from the generation of purchased energy
Scope 3	All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions
Tank-to-wake	The emissions from combustion of fuel in the ship
Well-to-tank	Emissions refer to the environmental impact of fuel extraction, refinement, and delivery before it reaches the vehicle's tank
Well-to-wake	The life-cycle emissions of fuel, including upstream production and transportation and those from combustion of fuel in the ship

