A worker in a high-visibility vest is holding a clipboard and looking at it. The background shows a warehouse or industrial setting with a conveyor belt and a yellow and black striped safety barrier.

**Wallenius
Wilhelmsen
Logistics**

**Sustainable
Global Values**

Environmental and Social Responsibility Report

2009



WALLENIUS WILHELMSSEN
LOGISTICS

Highlights of our first decade of service

Wallenius Wilhelmsen Logistics celebrates our 10th Anniversary of service as a leader in clean, safe, efficient transport and outbound logistics worldwide.

- 1999:** Wallenius Wilhelmsen Lines is established as one of the world's largest specialised RoRo transporters with logistics activities.
- 2000:** M/V Tamesis, the first of the fourth generation of Mark IV RoRo vessels is delivered in April.
- 2005:** 50% stake in DAS, a leading American automotive logistics company is purchased.
- 2006:** Strategic shift towards fully integrated logistics services. Wallenius Wilhelmsen Lines changes name to Wallenius Wilhelmsen Logistics (WWL).
- 2007:** WWL starts to operate the world's largest car carrier (LCTC) with a capacity of 8,000 standard cars.
- 2009:** WWL celebrates its 10th anniversary and earns Honda's *Processor of the Year* in North America and *Supplier of the Year* from John Deere Worldwide Logistics.

2009 Business in brief

1.23 million units were shipped by sea, 2.6 million units processed through technical services and 1.5 million units handled through inland distribution.

More than 60 modern environmentally adapted car carriers and RoRo vessels in operation, servicing 20 trade routes to six continents.

1.5 billion USD in annual revenue.

3,200 employees worldwide.

Owned by Wallenius Lines of Sweden and Wilh. Wilhelmsen of Norway.

Main Offices:

Global Headquarters, Lysaker, Norway
Region Europe, Stockholm, Sweden
Region Americas, Woodcliff Lake, NJ, USA
Region Asia, Tokyo, Japan
Region Oceania, Sydney, Australia



Building Value



Arild B. Iversen, CEO

Worldwide economic conditions in 2009 had a notably adverse affect on the markets for automotive, agricultural and construction vehicles. Consequently, revenues at Wallenius Wilhelmsen Logistics suffered across business segments as demand for shipping and logistics services dropped.

However, even in times of global crisis, we must continue to build value for our customers. An efficient supply chain, with reduced environmental impact in every possible step, is one of the surest ways to cut costs and, at the same time benefit the environment.

Value is our goal – expanding value for our customers and our employees, and contributing sustainable environmental improvements for the future of the world we all share.

How we build value is what sets us apart.

At Wallenius Wilhelmsen Logistics, we are continuing to build and improve our efficient and sustainable factory-to-dealer

business model. We have encouraged customer and supplier collaboration to implement efficiencies through creative and innovative solutions in the supply chain. We have adopted new ideas and ways to maximize how our people perform. We remain deeply committed to the notion that a sustainable supply chain means minimal environmental impacts and risks, and that progress and accountability require that we firmly declare our objectives and measure our performance.

Building upon this formula for creating value, and based upon our sense of responsibility to our stakeholders, the following report details our commitment to the 10 principles of the U.N. Global Compact.

Most certainly, 2009 will be remembered in history as a year of crisis and economic turbulence. But at Wallenius Wilhelmsen Logistics, this past year will be remembered more for how we transformed these challenges into value.

Attention to environmental standards means reducing risk and overall costs



This is our Communication on Progress in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.

Business Value

Our products & services

At every stage of our global business model, Wallenius Wilhelmsen Logistics focuses on building value for customers and limiting risk of environmental impacts. To achieve this, we offer a comprehensive portfolio of global ocean and logistics services that make the complex process of worldwide transport simple and transparent for customers in the automotive, agricultural and construction equipment industries. We also specialise in the transportation of long, tall and heavy static cargo.

Our unique business model and supply chain products allow us to assume responsibility for the entire value chain, using the full flexibility of our network in the optimal way, whether the cargo is autos, rolling equipment or static items. Throughout this process, Wallenius Wilhelmsen Logistics ensures efficiency and reliability, whilst maintaining the highest possible level of social and environmental standards across all our ocean and inland fleet and operations.

For customers, this attention to social and environmental standards means higher quality of service, reduced risk and lower overall costs. By reducing customer risk in our business model, we add peace of mind, competitive power and agility to our customer's supply chain.

This attention to opportunity and risk applies throughout our complete range of outbound vehicle logistics services. We strive to optimise the factory to dealer supply chain, from factory to dealer or anywhere in between. As one of the world's leading providers of RoRo (roll-on/roll-off) transportation, Wallenius Wilhelmsen Logistics safely moves millions of vehicles to destinations around the globe on time and on budget.

Wallenius Wilhelmsen Logistics offers a complete range of outbound vehicle logistics services to streamline cargo distribution, storage, handling and processing at marine terminals worldwide. To prepare new or used vehicles for final sale, we also offer comprehensive technical services, such as predelivery inspection, vehicle modification and maintenance, at accredited service centres around the globe.

Our extensive inland transportation network moves vehicles to the point of sale by road, rail, barge and short-sea shipping. Every year we transport more than three million vehicles to and from factories and ports to dealers, with all parties in the supply chain having constant visibility about what is in transit, where it is and when it will arrive.

**We strive to
optimise the
factory to dealer
supply chain.**



Delivering innovative solutions

Our global offering of five products covers the entire outbound logistics value chain:

Ocean Transportation

With our century-old maritime heritage, Wallenius Wilhelmsen Logistics understands customer transportation requirements. Deep-sea transportation, transshipment and short-sea shipping are our core transportation services. Each year, we carry nearly two million cars, rolling equipment and static cargo up to 50 metres long, 6.3 metres high and 350 tonnes in weight to most global destinations on our modern fleet of more than 60 PCTC and RoRo vessels.

Supply Chain Management

From purchasing and contracting services to managing operations, information systems, quality, performance and financial services, WWL handles all aspects of the outbound supply chain. By optimising the physical flow of goods as well as the flow of information, we bring speed, accuracy, improved visibility and cost-efficiency to the outbound supply chain.

Inland Distribution

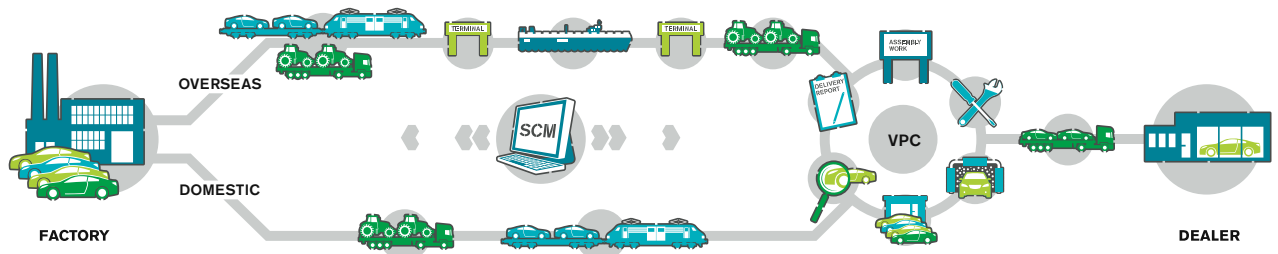
Moving vehicles and finished equipment safely and reliably to the point of sale requires first-class connections. From factory to port and from port to dealer, we have an extensive inland transportation network. This includes our own modern fleet of trucks as well as those of our preferred partners. By working with reputable partners, we also offer excellent rail and barge services at certain ports.

Terminal Services

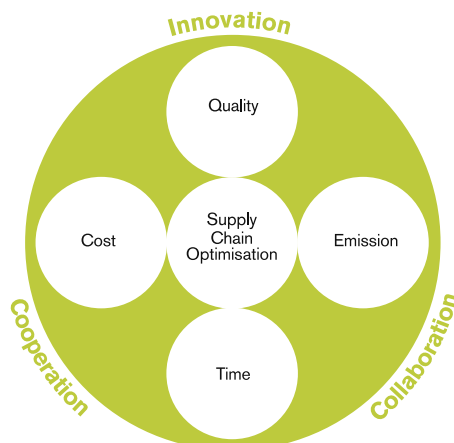
To make import and export operations at transport terminals more efficient, Wallenius Wilhelmsen Logistics owns, leases or operates terminals, and has solid alliances with partners at other terminals worldwide. Services include pre-shipment preparation, forwarding, customs clearance, cargo prioritisation, freight forwarding, on carriage, storage and road, rail and barge loading.

Technical Services

Each year, three million vehicles and rolling equipment units pass through our technical service centres in preparation for final sale. Located in all major markets, these centres provide specialised services for new vehicles, refurbishment and repair of used vehicles, inplant services, customisation of agricultural and construction equipment, storage and maintenance.



Supply Chain Optimisation Model



Model the existing Customer supply chain from factory to dealer

Review short and long term improvement potentials

Optimise Customer scenarios and present alternatives

Implement supply chain improvements

Optimising to reduce carbon emissions

Wallenius Wilhelmsen Logistics pioneered a new model for supply chain optimisation based on innovation, cooperation and collaboration with our customers. Our rigorous focus on carbon emissions reduction factors adds another level of value to the three traditional optimisation factors of lead time, cost and quality. The new calculation and optimisation tools we developed have proved that significant potential carbon emission and cost savings can be achieved through supply chain optimisation.

Environmental Value

A dramatic sky with large, white, puffy clouds over a dark sea. The clouds are illuminated from the left, creating a bright glow and casting long shadows. The sea is dark and calm, with a clear horizon line separating it from the sky.

**We believe
our ambitious
environmental
goals are
realistically
attainable.**

Minimising environmental impact

Wallenius Wilhelmsen Logistics works to minimise the environmental impact of our global operations by improving efficiency and investing in innovative technology at local, national and international levels in support of a strong, value-driven environmental policy.

Environmental Policy

Because ours is a truly global business, we maintain a global perspective for all our activities that have a proven or potential impact on the environment. Our guiding principle is that accidents and environmental harm can be prevented by continuous improvement and prevention of pollution as an inherent part of all areas of our activities. We will continuously evaluate the environmental risk factors of our global operations from factory to dealer.

As a major participant in the transport sector we are actively working to decrease the environmental impact of our activities and reduce the use of energy and natural resources per transported unit. Our aim is to reduce the waste from our activities through efficient recycling and continuous improvement of the management of our resources. We believe our ambitious environmental goals are realistically attainable. The goals we set ourselves are measurable, as much as possible, so we can track our environmental performance and identify areas for future improvements.

Wallenius Wilhelmsen Logistics is committed to complying with both national and international environmental legislation, regulations and other requirements, and we commit to ensuring that all employees in our companies will be familiar with our environmental policy. Overall, our ambition is to always be that vital step ahead of any requirements by implementing environmental procedures and proven technology we believe will lead the way in our industry.

Environmental Objectives

Wallenius Wilhelmsen Logistics fulfills international regulations and, in fact, strives to stay ahead of them. To this end, we invest considerable effort toward seeking and implementing new technologies that provide value to our customers' supply chains whilst also reducing environmental impacts.

Our committed environmental policy includes the following key environmental objectives that we work in cooperation with our customers to achieve:

- Long-term reductions of CO₂ emissions
- Reductions of NO_x emissions
- Maintain our global practice of using bunker oil with a sulphur content below 1.5%
- Minimise invasive species threat by using Ballast Water Exchange (BWE) method and installing Ballast Water Treatment (BWT) systems on all new buildings

Five vessels now have ballast water treatment systems

Farsighted vision: no ballast water—no emissions

The E/S Orcelle represents our vision for zero-emission car carrying as it may be performed in the future. The idea combines fuel cells, wind, solar and wave power to propel this unique vessel that will also require no ballast water. Although a visionary car-carrier like the Orcelle will never be built in its entirety, we hope to see some of the most beneficiary elements in a future generation of vessels.



Green ideas get WWL funding

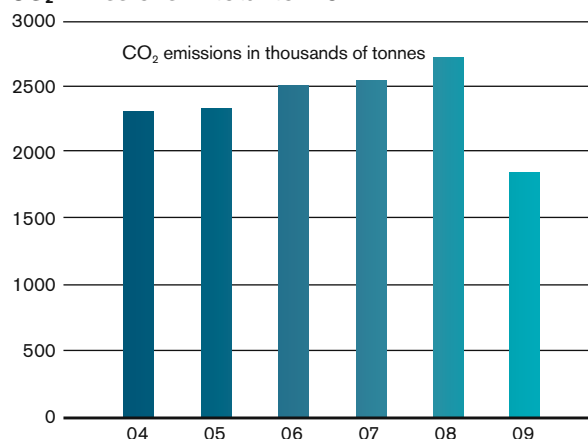
The Orcelle Fund is the philanthropic arm of Wallenius Wilhelmsen Logistics that supports the development of alternative energy initiatives aimed at making shipping more sustainable. In 2009, the Fund sponsored a project to develop a marine propulsion system based on the hydrodynamics that give fish, dolphins and penguins their amazing propulsion and swimming ability.

Environmental Value

Environmental Reporting Metrics

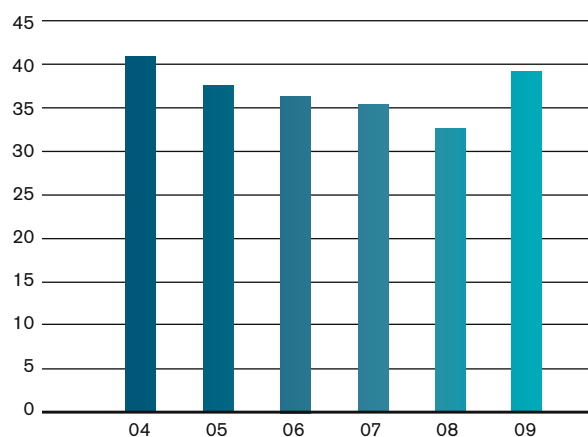
Ever since the establishment of our company the reduction of shipping emissions has been a high priority for Wallenius Wilhelmsen Logistics. Today our vessels are operated with low-sulphur fuel at sea and use marine diesel oil with lesser sulphur content for auxiliary engines at berth. Our new buildings and retrofits focus on more fuel-efficient design and equipment that reduces environmental impacts. In order to maintain our leading industry position and remain well prepared for the tougher shipping emissions regulations that lie ahead, Wallenius Wilhelmsen Logistics carefully tracks global trends and cooperates fully in the reporting of environmental metrics. Responsible environmental stewardship is a cornerstone of our integrated factory-to-dealer business model, adding value and reducing risk for our enterprise, our customers and our planet.

CO₂ Emissions in total tonne



There has been a positive environmental impact of reduced fuel consumption, with CO₂ down 32% in the 2008-2009 period.

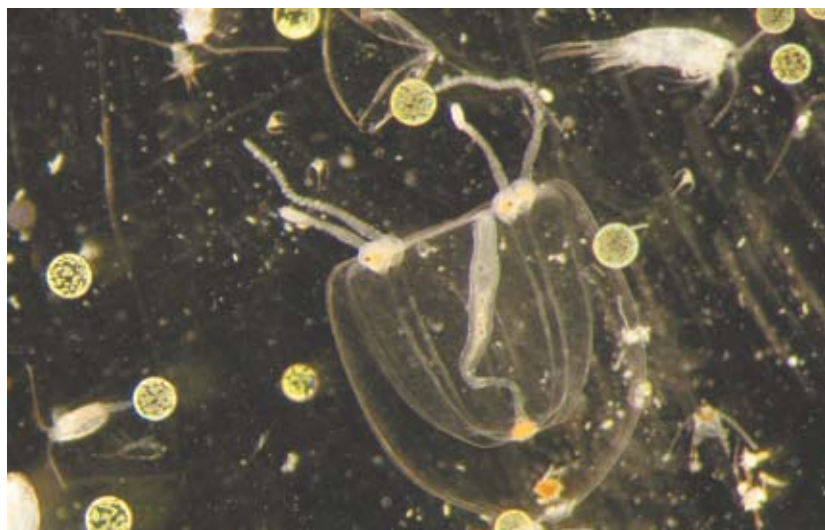
CO₂ Emissions in grams/tonne km



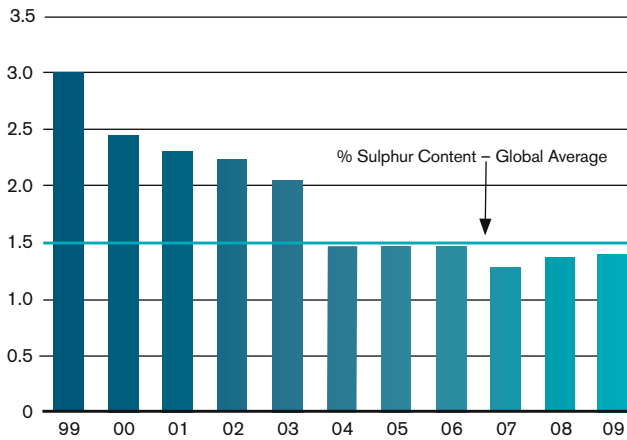
Whilst overall CO₂ emissions were lower in 2009, relative emissions per unit carried per kilometer increased 17%, above WWL's objective to reduce g/tkm CO₂ emissions by 10% compared to 2005-2006 average. This is mainly due to dramatically lower cargo volumes in 2009.

Mapping Ocean Biomass

Wallenius Wilhelmsen Logistics partnered with Volvo Ocean Race and Wallenius Water to advance scientific knowledge of invasive species and the impact of international shipping. By collecting water samples from across the oceans, this nine-month project generated valuable data about invasive species, one of the four major threats to the world's oceans.

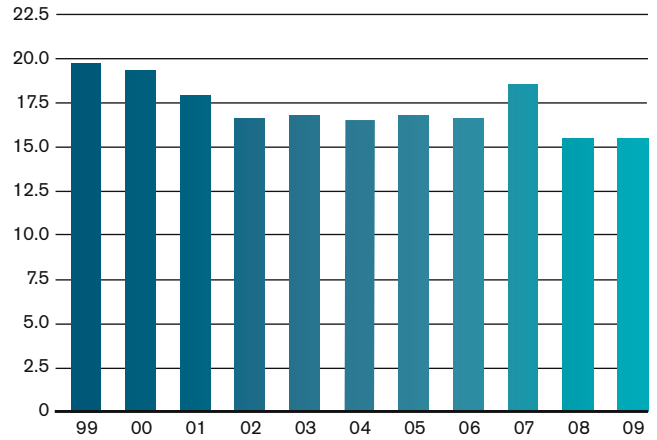


Bunker Sulphur Content



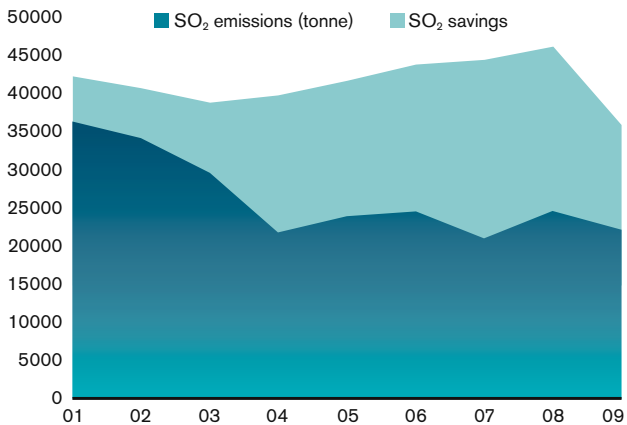
For the sixth year in a row, we have kept the sulphur content of our bunker fuel below 1.5%.

NOx Emissions in grams/kilowatt hour



NOx Emissions in g/kwh remained steady in 2009 compared to 2008.

Sulphur Emissions Savings



Our 1.5% Global Low Sulphur Fuel Policy has saved 135,000 tonnes of sulphur from being emitted over the nine years.

Our vessels are operated globally with low-sulphur fuel.



Working with WWF for healthier oceans

United by a common desire to sustain a healthy marine environment, Wallenius Wilhelmsen Logistics is proud to partner with WWF, the global conservation organization, as the sole sponsor of the High Seas Conservation Programme. This enables us to strengthen WWF's Global Marine Programme, which strives to improve high seas conservation and governance, through promoting flag state responsibility, spatial planning of maritime activities and sustainable shipping practices.



People
Value



Our people put our corporate values into practice every day.

Maximising performance

The value that Wallenius Wilhelmsen Logistics provides to customers and to the environment extends to the people who make our factory-to-dealer transport model work. Across a wide range of professional disciplines and expertise our people put our corporate values into practice every day. It is their dedication and motivation to our mission of clean, efficient and cost effective global performance that literally delivers on our promises.

Company Values

Wallenius Wilhelmsen Logistics makes every effort to ensure that every employee is aware of and committed to the company values that guide how to work efficiently and with high ethical standards. To promote success for ourselves, our customers and the world in which we live, and to guide the performance of all employees, Wallenius Wilhelmsen Logistics states our established company values as follows:

Customer Centered – Understand & Deliver

- Understand our customers and their needs.
- Deliver services that represent value for the customer and are profitable for WWL.

Empowerment – Engage & Take Responsibility

- Seek and accept responsibility.
- Take initiative both within and outside your functional area.
- Seek and give feedback.
- Focus and follow-up on results.

Teaming and Collaboration – Share & Contribute

- Share information and knowledge.
- Listen and try to understand colleagues' views.
- Involve others and use their experience and skills.
- Work together to create optimal solutions.

Innovation – Challenge & Improve

- Try new ideas and make things simpler.
- Take balanced risks and implement purposeful changes.
- Learn from experience and continue to develop.
- Design solutions that differentiate WWL from competition.

Stewardship – Care & Respect

- Demonstrate honesty and accountability in every action.
- Treat your colleagues fairly and with respect.
- Respect and care for WWL assets, short and long term.
- Focus on environment, community and safety.

People Performance Management

Our managers apply their skills in combination with talent development tools and techniques to enable the people of Wallenius Wilhelmsen to achieve full value in their professional roles. This is accomplished with PPM, a new process unveiled globally in 2009, providing managers the tools to link and measure individual job performance to company values. This new process also enables managers to create measurable activities and goals that cascade directly from the Global Business Plan. The minimum acceptable standard is to meet expectations, the goal is always to exceed.

Employees Participating in PPM

(Vehicle Services Europe not included)

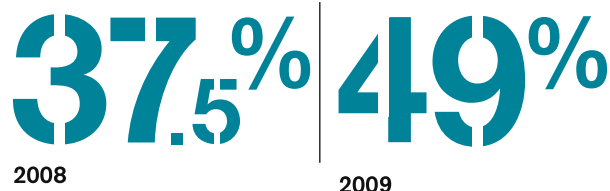


People Value

Talent Management

We take a broad view of talent and consider our entire workforce to have valuable skills and abilities. The annual Performance Dialogue, with Personal development goals, addresses the development needs of staff, to maximise the growth and potential of all employees. We use Talent Review Boards to identify and describe career development steps for global and regional Top Talents. This important process will be enhanced by systems we have developed to launch in 2010.

WWL Employees Reviewed in Talent Management Process



Equal Opportunity and Diversity

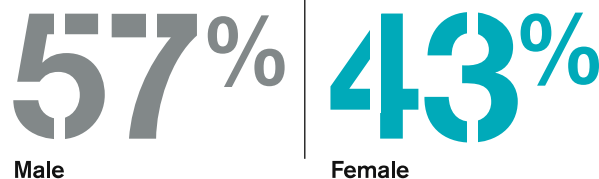
This past year, WWL took an important step towards creating a more diverse workforce and industry, by approving a set of Diversity Policies and Procedures to be launched in 2010.

We at WWL do not discriminate on the basis of race, colour, religion, gender, age, nationality, sexual orientation, disability or any status protected by law. All employment must be in compliance with all applicable laws, including regulations on working hours, protection of health, equal opportunity, compensation and human rights. WWL strives to have women and minorities represented throughout the company.

We provide equal opportunity for employment and advancement to everyone.

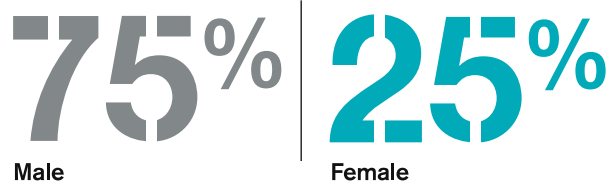
2009 WWL Employees by Gender

(Vehicle Services of America not included)



2009 WWL Managers by Gender

(Vehicle Services of America not included)



We utilize Talent Review Boards to identify, develop and retain top talent.



Code of Conduct

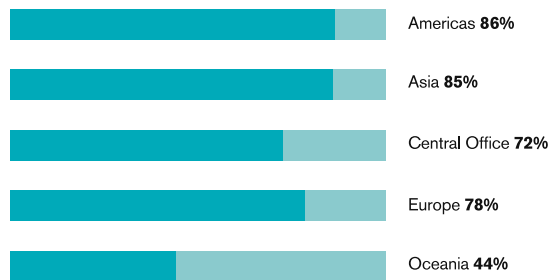
At Wallenius Wilhelmsen Logistics, we are dedicated to addressing global challenges. Specifically, we are responsible for satisfying customers; providing employees with a safe, challenging and fulfilling work environment; protecting the environment; and being a responsible world citizen.

To be better able to deal with the challenges ahead, we formally launched our Code of Conduct in 2008, and in 2009 we expanded this effort globally by providing training for managers and employees. Based on the values that have shaped our company for the past decade, the Code reflects our long-standing commitment to ethical business behaviour. It covers ethics, law, human rights, workplace practices and more.

Doing business the right way is an integral part of our workday at WWL. To be able to do so, we rely on our values-based business philosophy. Through living and working by our company values, we create greater value for our customers whilst conducting business in a sustainable manner.

Percentage of WWL Workforce Trained on Code of Conduct

79%



Information integrity

Wallenius Wilhelmsen Logistics believes that this report accurately represents our company's environmental and social responsibility activities beginning January 1, 2009, and ending December 31, 2009.

Information verification

Det Norske Veritas AS (DNV) has conducted a limited assurance third-party verification of the direct greenhouse gas (GHG) emissions from WWL Ocean Transportation in 2009.

During the verification, nothing has come to our attention that causes us to believe that the GHG emissions set out in the WWL Ocean Transportation GHG Inventory for 2009 and published in the 2009 WWL Environmental and Social Responsibility Report are not fairly stated.

More information

For further information and views about Wallenius Wilhelmsen Logistics' environmental policies and framework, contact Melanie Moore, Global Head of Environment, by email: melanie.moore@2wglobal.com.





Achievements & Awards

A company can make many assertions and promises about the values it offers to customers, employees and the world at large, but the proof is in the performance. At Wallenius Wilhelmsen Logistics, we are gratified that our performance has been recognized within our industry and acknowledged by the following achievements and awards, which we continue to strive to live up to in our sustainable business model.

John Deere

Partner Status in John Deere's Achieving Excellence Program for 2009

Processor of the Year Award

from Honda Motor Company North America

Supplier of the Year

from Deere Worldwide Logistics

Ford Motor Co.

World Excellence Award

Green Transport Award

Lloyd's List DCN Australian Shipping & Transport Awards

Contribution to Environmental Improvement

The European Supply Chain Excellence Awards

Stevedoring Safety Award

Oxnard Harbor Commission

Environmental
stewardship
is a cornerstone
of our integrated
factory-to-dealer
business model.



WALLENIUS WILHELMSEN
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