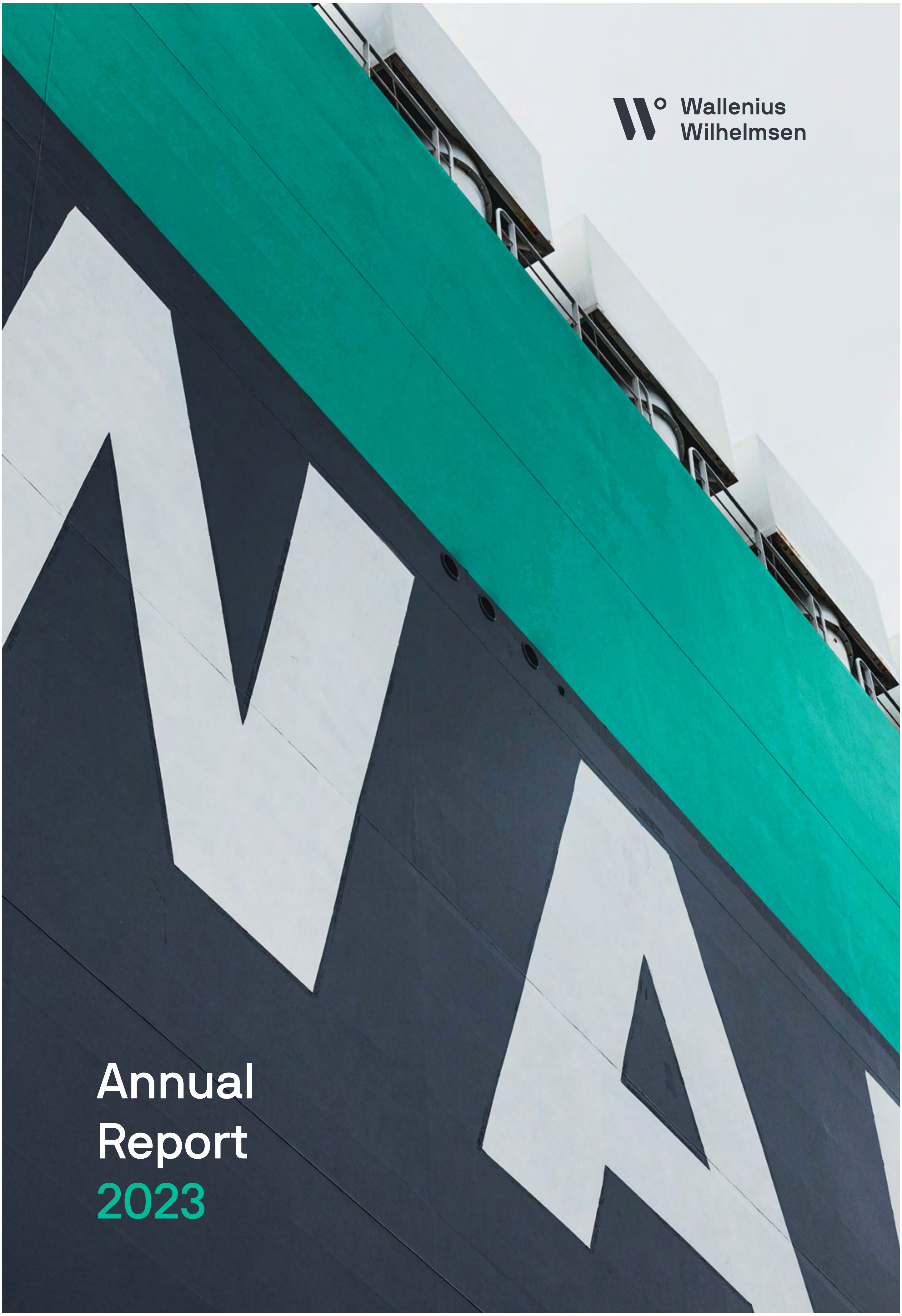


Wallenius Wilhelmsen

Annual Report 2023

About the report

This is Wallenius Wilhelmsen ASA's annual report. It is approved by the board of directors as signed in the Responsibility statement. This report gives an account of how we create value for our shareholders and other stakeholders along the four pillars of Principles of Governance, People, Planet and Prosperity.

The report complies with statutory requirements in Norwegian legislation and the requirements related to the board of directors' report are fulfilled in various sections of the report. The report shall act as Wallenius Wilhelmsen's communication on progress according to the requirements from UN Global Compact and our reporting as required by the Norwegian Transparency Act, and has been prepared in accordance with the GRI Standards and SASB Maritime and Road Transport standards. The sustainability reporting should be read in combination with the GRI index to get a full overview.

In this report, we also continue to implement the recommendations of the Task Force on Climate-Related Financial Disclosures, providing our shareholders and other stakeholders with information on our climate-related risks and opportunities. The reporting boundaries for the sustainability reporting are challenging given the complexity of our value chain, joint ownership and operational arrangements. We strive to report consistently and accurately.

- Unless otherwise stated, Scope 1 GHG emissions include all owned and operated vessels and facilities, including ships on long-term and short-term charter. Direct CO_2 emissions from our road transport service, Keen, are included for 2022, but not for previous years.
- Scope 2 emissions are included for owned locations for logistics and offices.
- Waste data is reported from owned vessels and facilities under operational control.
- Health and safety incident data is reported for our owned vessels and those on bareboat charter, and land-based facilities under operational control.

The consolidated financial statements and accompanying notes in this report have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, effective December 31, 2001.

The scope of the reporting is Wallenius Wilhelmsen's global operations for the period January 1 to December 31, 2023.

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Contents

About the report 2

Wallenius Wilhelmsen at a glance **4**
- Leading global transportation and logistics 5
- Speeding up the journey to net zero 7
- Accelerating change 8
- Shaping the future 10
- ... and the here and now 11
- Reprogramming the supply chain 12
- The numbers in brief 13
- Key figures 14
- Corporate structure 15
- Board of directors 16
- Management team 17

Words from CEO **19**

Message from the board **22**
- Vision and Strategy 23
- 2023 in brief 25
- Financial review 26
- Long-term financial targets and dividend policy 30
- Shipping segment 31
- Logistics segment 33
- Government segment 34
- Market development and outlook 35
- Key risk exposures 37
- Events after the balance sheet date 40
- Dividend for the financial year 2023 40
- Prospects 41

People **42**
- Health, safety and well-being 43
- Human and labor rights 49
- Diversity, equity and inclusion 53
- Training & development 57

Planet **59**
- Greenhouse gas emissions (GHG) and climate risk 60
- Biodiversity 71
- Air quality 74
- Waste management 75

Prosperity **77**
- Innovation 78
- Quality of service 84
- Sustainable consumption 87
- Sustainable supply chain 88
- Tax practices 90
- Sustainable finance 91

Principles of governance **93**
- Implementation and reporting on corporate governance 94
- The business 96
- Equity and dividend 99
- Equal treatment of shareholders 100
- Freely negotiable shares 100
- General meeting 101
- Nomination committee 102
- Board of directors – composition and independence 103
- Board responsibility and work 104
- Remuneration of the board of directors 106
- Risk management and internal control 107
- Salary and other remuneration for executive personnel 109
- Information and communication 110
- Takeovers 111
- Auditor 111

Financial statements **112**

Sustainability statements **217**
- Sustainability Performance Data 218
- EU Taxonomy reporting 223
- GRI Index 230
- SASB Index 244
- TCFD Index 245

Responsibility statement **246**

Auditor's report **250**

Wallenius Wilhelmsen at a glance

Wallenius Wilhelmsen is the global leader in integrated vehicle transportation and logistics, supporting our customers across their supply chain, all the way from the factory to the end-consumer. Our ambition is to lead the way in transforming shipping and logistics. With 9,500+ employees, with 81 nationalities working in 28 different countries, we aim to consistently be customers' preferred integrated logistics partner. Together, we are building resilient, connected, data-driven, decarbonized solutions fit for the future.

Leading global transportation and logistics

We provide a comprehensive land-based logistics network through eight terminals, 11 inland distribution networks and more than 66 service and processing centers located around the world. In addition, we work in-house at many manufacturers' plants preparing vehicles for the end consumers.

At sea, we have more than 125 vessels on 15 trade routes, serving six continents. The RoRo vessels in our fleet typically have a higher than average number of hoistable decks and a stronger ramp capacity than our rivals. This provides enhanced flexibility allowing us to carry multiplex cargo answering the needs of a variety of customers. By fleet size, we are the world's largest operator of pure car and truck carriers (PCTCs).

8
Terminals
Handled more than 3 million units

66
Service & processing centers
Handled more than 6.3 million vehicles (inc. auto and H&H)

125
Vessels
Transported 59 million CBM

9500+
Employees

15
Trade routes

We partner with global original equipment manufacturers in the automotive segment, as well as the leading manufacturers of high & heavy equipment for construction, agriculture and mining.

Following the upheaval of the pandemic, the market has recovered. Consumer demand grew, propelling the company to its strongest performance ever. The 2023 results stem from a general worldwide increase in car sales, due in part to rising demand for electric vehicles. In addition, there was growth in the high and heavy market. This triggered a corresponding surge for shipping and logistics services. All this unfolds within a market where vessel capacity is nearly maxed out.

Our company was initially created in 1999 as a result of the merger between Sweden's Wallenius Lines and Norway's Wilhelmsen Lines which created Wallenius Wilhelmsen Lines. In 2017 this became Wallenius Wilhelmsen ASA and listed on the Oslo Stock Exchange, incorporating both EUKOR and ARC.

Benefiting from over 160 years of heritage and history, Wallenius Wilhelmsen includes EUKOR, ARC, Armacup and Keen, and today has operations in three key segments: Shipping services, logistics services and government services. Our head office is located in Oslo, Norway.

You can read more about our different segments and their performance in 2023 here

Speeding up the journey to net zero

International shipping exists because of global trade and our industry is responsible for carrying approximately 90 percent of all goods. While shipping emits much less carbon than air and land-based transportation, the industry still contributes to climate change. Shipping constitutes around 3 percent of all CO_2 emissions globally.

At Wallenius Wilhelmsen, we are transparent about our emissions and our actions to consistently and systematically reduce them. Despite our significant global land-based logistics footprint, around 99 percent of our carbon emissions come from the shipping segment with its 125 vessels. We are committed to our previously established carbon intensity reduction target (27.5 percent by 2030), however we began revising our climate ambitions in the first half of 2023. Reflecting the increasing urgency and rapid market and regulatory developments, we set about assessing alternative trajectories and their implications.

The result is that Wallenius Wilhelmsen has committed to be net zero by 2040 and will align our target to the Science Based Targets Initiative.

Net Zero
2040
Net Zero

CO_2e intensity (EEOI)

2022
30.38 ↘
gCO₂ per tonne km

2023
27.69
gCO₂ per tonne km

CDP
B
Climate Change Score

Total CO_2e shipping

2022
4,546,703 ↘
tonnes

2023
4,125,161
tonnes

Learn more about our emission footprint, existing reduction performance and the formulation of our net zero 2040 transition plan in the Planet section of the report

Accelerating change

Building on the impressive progress our cross-functional team made to bring the Orcelle Wind project forward, we created the Orcelle Accelerator task force in 2023. Made up of subject matter experts from our commercial, sustainability, legal, shipping and logistics units, the team reports directly to the CEO. Their task, as the name would suggest, is to speed up the assessment, trialing and integration of new solutions which contribute to our decarbonization journey. In the first year, again, true to their name, they have not been wasting any time. Here are just some of their key achievements.

Launched the reduced carbon service

In a short space of time the team has taken the reduced carbon service from a concept directly into customer contracts. The reduced carbon service offers lower Scope 3 emissions to our customers by using a mass balance system to allocate the emission benefits of biofuels, compared to conventional fuels. At the end of 2023, we began issuing our first emission avoidance declarations to customers.

Helped set our new pathway towards net zero

Building a detailed emission model for both our shipping and logistics segments helped illustrate just what would be required from Wallenius Wilhelmsen to reach net zero utilizing different timeframes. With a new target set, the task force is working across our organization to coordinate a multi-faceted approach to reaching net zero by 2040.

Securing the next generation of fuels

Signing our first biofuel supply contract with Exxon Mobil in June 2023, the drop-in fuel can be used in existing engines without any modification or tank cleaning. It has proved a considerable success with customers increasingly looking to reduce their Scope 3 CO_2 emissions and demand is expected to consistently grow in 2024. In addition to securing biofuel, the Orcelle Accelerator task force began the process of securing green methanol for the arrival of the new Shaper Class vessels expected to be on water in 2026-27.

> *"2023 was a fantastic first year for the Orcelle Accelerator team. Without question, the biggest success factor was the cooperation with the wider organization. The positivity and drive to make our decarbonization strategy happen has been outstanding throughout the organization. And this is what it takes, we in the Orcelle team can support and facilitate, but for us to take the next steps we need to work together and drive the changes as one."*

Jon Tarjei Kråkenes
Head of Orcelle Accelerator

You can read more about our new vessels on the following pages and find details about our net zero targets, reduced carbon service and the progress of Orcelle Wind here in the Planet and Prosperity sections of the report.

Contents →

Shaping the future

Our new Shaper Class vessels are arguably the most eye-catching of the solutions we are utilizing on our journey towards net zero by 2040. Announcing the construction of four next-generation pure car and truck carrier vessels (and options for up to eight additional vessels) back in August 2023, the 9,300 CEU class methanol dual fuel vessels will also be ammonia ready.

Along with support from our forward-leaning customers, these new vessels will play a starring role in one of Wallenius Wilhelmsen's key strategic goals "Introduce a net zero emissions end-to-end service by 2027." If running on green methanol for example, emissions can be reduced by almost 95 percent compared to vessels running on conventional fuel. The first vessels will start being delivered from the second half of 2026.

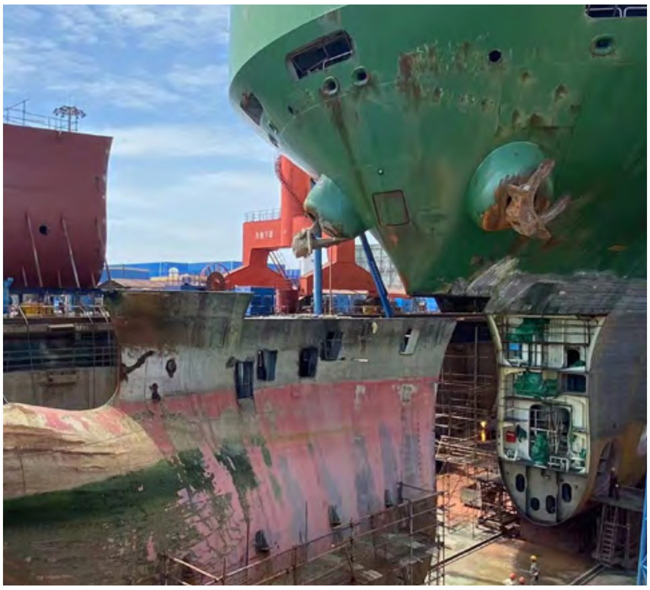
> *"To secure our number-one position, we will continue to deliver great services with a competitive fleet, offering sustainable supply chain services both on land and at sea. We are already partnering with our customers on reducing emissions through biofuel and with the new vessels, we can accelerate this towards net zero. This requires new and more expensive fuels but both we and our customers are committed to securing this as soon as it can be made available."*

Xavier Leroi
EVP & COO Shipping Services

Keep track of the construction of our new Shaper class vessels at walleniuswilhelmsen.com

... and the here and now

Less eye-catching than our new vessels but equally as important, our technical and operational teams have been trialing and implementing a wide range of energy efficiency solutions that directly contribute to reducing our fleet's emissions. This ranges from further improved vessel allocation planning and port arrival scheduling, AI-based voyage optimization at sea, as well as other operational improvements that vessels' crew can control. In addition, we have a large technical upgrade program going on across the fleet, from further optimizing engine performance, proactive hull cleaning, bulbous bow retrofits, and more.



As a result of our energy efficiency efforts, during 2023 we have seen a reduction of fuel consumption and carbon intensity, with improved main KPIs such as the fleet average EEOI, CII and consumption per nautical mile. These initiatives are having a greater impact now than ever before, and we are still in a scale-up phase with further improvements and upgrades planned to come into effect in 2024 and beyond.

> *"Reflecting on 2023, our voyage towards enhancing energy efficiency and emission reduction across the fleet reached new heights. It was marked by some groundbreaking initiatives and significant milestones – from AI-driven optimizations to innovative retrofits and strategic collaborations. Through these initiatives, we are paving the way for a more sustainable future. Looking ahead, we are committed to further advancing these initiatives, extending the upgrades portfolio and efforts to more vessels, embracing new cutting-edge technologies, and forging new partnerships towards decarbonized maritime operations and supply chains."*

Adam Larsson
Senior Manager Energy Efficiency & Performance

You can read more about the various energy efficiency solutions we are using to help reduce vessel emissions in the Planet section of this report

Reprogramming the supply chain

In 2023, we continued to enhance the organization with the right tools, systems, structure, and talent to be able to move towards another one of our key strategic goals to "Become the leading supply chain and mobility orchestrator" in the industry.

An important example of this commitment are the structural and organizational changes we have put in place which make us able to begin to systematically connect the entire outbound supply chain for finished vehicles. Building on the back of the solid foundations in supply chain management and digital products from our logistics segment, we created Digital Supply Chain Solutions (DSCS). This new business unit will develop an innovative digital platform architecture connecting the industry's eco-system of suppliers, OEMs, and third-party data sources. It has the potential to change finished vehicle logistics forever and become a unique value differentiator for our customers.

The new digital platform is expected to go live in 2025 and will form the basis for standardized offerings in digital applications, supply chain orchestration and advisory services. So, a busy 2024 will be focused on the development of the new technology platform and digital applications, carve-in of our current supply chain businesses and establishing the global organization. This is of course all done in partnership with existing customers. DSCS will be led by Mikael Björklund, who will take the position as EVP and COO in May 2024. Mikael has extensive experience with building digital businesses and organizations, currently as CDO at Polestar. Stay tuned.

> *"Inefficient information flows are slowing down our customer's supply chain, this is the core of what we will develop technology to solve. With digital applications, best practice process design and leading industry knowledge, we will improve efficiency in execution and streamline information sharing across the chain for our customers."*

Christian Holth
SVP, Digital Supply Chain Solutions

The numbers in brief

We are pleased to see the further strengthening of Wallenius Wilhelmsen's financial position on the back of a very strong year in 2023. We are proud to have delivered financial ratios that are significantly above our long-term, over-the-cycle financial targets. Our financial strength enables us to invest in our future, reward shareholders, and reduce emissions from operations. We anticipate 2024 to be another strong year, despite a more challenging macro environment and a growing order book that over time may impact the market balance. Our key focus is to secure long-term contracts with our customers - covering shipping and logistics services, as well as decarbonization - that will ensure predictability of cashflows in the coming years.

> *"Our financial performance has put us in a position where we can pay a record dividend to our shareholders for 2023. In addition, we propose a new, pay-as-you-go dividend policy that balances short and long-term considerations, and which will enable the company to shorten the time between results and payout of dividends going forward. Our capital allocation strategy carefully balances the need to invest in our future with the need to reward our shareholders. Further, it will allow us to act countercyclically in our investment strategy and take steps to build a more sustainable future."*

Torbjørn Wist
CFO

Total Revenue:

2023
5,149
USD million

2022
5,045
USD million

EBITDA:

2023
1,807
USD million

2022
1,548
USD million

Oslo Stock Exchange Ticker:

WAWI

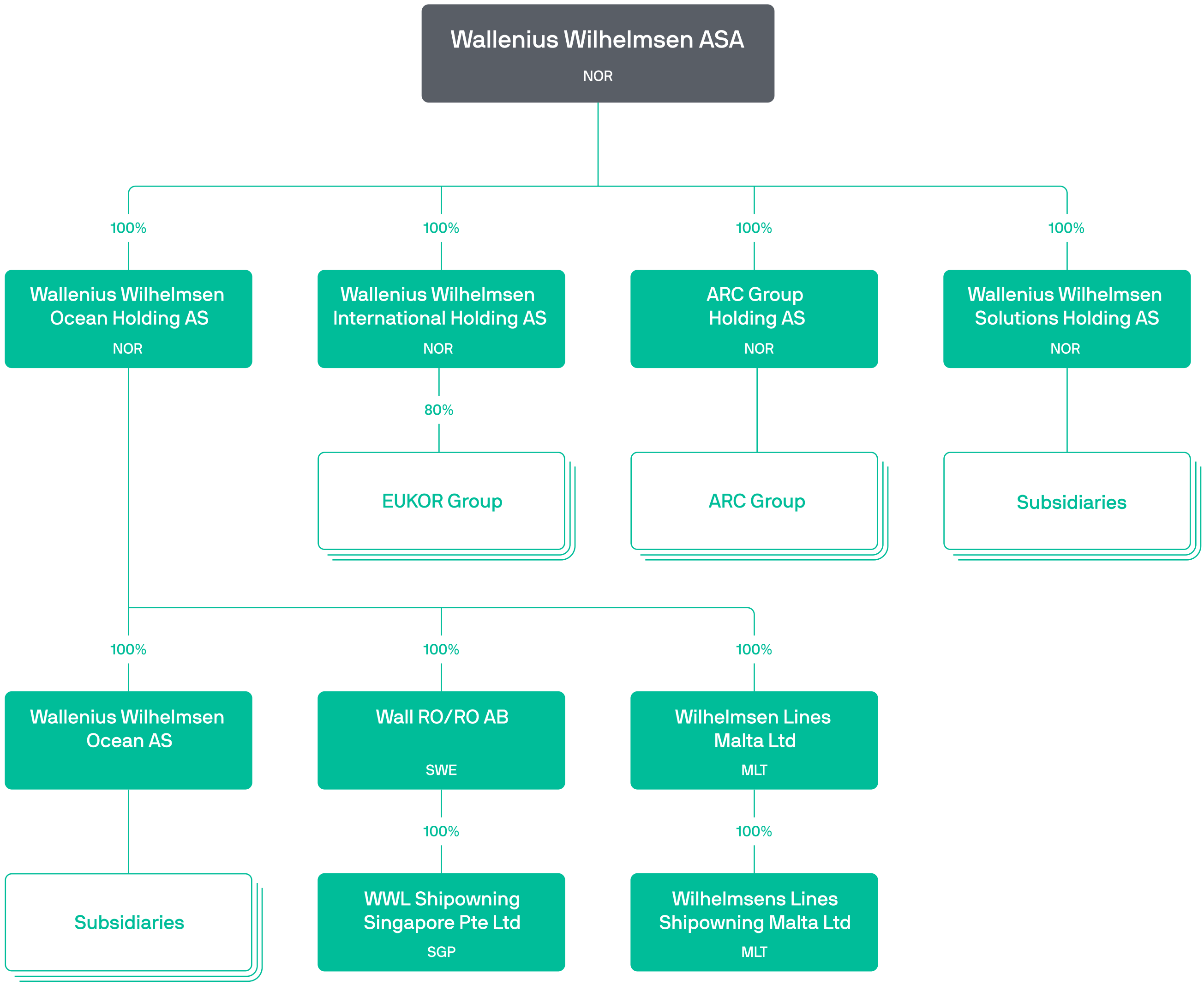
You can read more about our financial performance in 2023 here

Key figures

Key figures consolidated accounts

USD million unless otherwise stated	2023	2022	2021	2020	2019
Income statement					
Total revenue	5,149	5,045	3,884	2,958	3,909
Operating profit before depreciation, amortization and impairment (EBITDA)	1,807	1,548	830	473	805
Operating profit (EBIT)	1,218	931	306	(84)	358
Profit before tax	1,035	829	199	(306)	112
Profit for the period	967	794	177	(302)	102
Balance sheet					
Non-current assets	5,951	6,242	6,315	6,391	6,747
Current assets	2,690	2,151	1,479	1,237	1,048
Total assets	8,642	8,394	7,794	7,628	7,796
Equity – parent	3,644	3,153	2,539	2,391	2,678
Equity – non-controlling interests	413	355	266	224	243
Interest-bearing debt	3,713	4,087	4,128	4,081	4,044
Key financial figures					
Net cash flow provided by operating activities	1,771	1,297	623	615	749
Liquid funds at December 31	1,705	1,216	710	654	398
Current ratio	1.9	1.8	1.1	1.1	1.0
Key financial targets					
Return on capital employed (>8%)	16.1%	12.9%	4.5%	-1.3%	5.0%
Leverage ratio (<3.5x)	1.1x	1.9x	4.0x	6.4x	4.4x
Equity ratio (>35%)	47%	42%	36%	34%	37%
Key figures per share					
Basic and diluted earnings per share	2.00	1.60	0.32	-0.68	0.22
EBITDA per share	4.27	3.66	1.96	1.12	1.9
Average number of shares outstanding (thousand)	422,692	422,451	422,399	422,360	422,326
Market price at year end (NOK)	89.00	97.05	50.60	23.20	21.82
Market price high (NOK)	103.60	103.00	50.95	28.40	32.05
Market price low (NOK)	60.60	44.86	20.80	7.75	19.38
Dividend paid per share (USD)	0.85	0.15	0.00	0.00	0.12

Corporate structure



Board of directors

Rune Bjerke

Chair of the board

Extensive career in international energy and banking corporations.

Previous experience: CEO of DNB, CEO at Hafslund, CEO at Scancem International, advisor at the Norwegian Ministry of Petroleum and Energy, city commissioner of finance in the city cabinet of Oslo.

Board positions: Norsk Hydro, Schibsted and Reitan Retail.

Education: Degree in economics, University of Oslo, and Master's degree in public administration, Harvard University.

Margareta Alestig

Board member and
Chair of the audit committee

Extensive experience from the financial, shipping and logistics industries.

Previous experience: CFO at Broström AB, CFO at JCE Group, Deputy Managing Director at Sjätte AP-fonden (AP6) and Swisslog AB.

Board positions: Chair of the Board in Erik Thun AB and Board member in Inission AB, Tjörns Sparbank, Svenska Fribrevsbolaget and Brännehylte Lagersystem AB.

Education: MBA degree, University of Örebro, Sweden.

Thomas Wilhelmsen

Board member

Group CEO at Wilh. Wilhelmsen Holding ASA since 2010.

Previous experience: Various management roles across the Wilhelmsen group, including group vice president for shipping and regional director for Europe in Wilhelmsen Ships Service.

Board positions: In addition to holding directorships in several industry-related companies and organizations, he sits on the boards of many Wilhelmsen group and family-owned companies.

Education: Master of arts in business, Heriot-Watt University, Scotland. Has numerous courses from other universities including the program for executive leadership from IMD, Switzerland.

Yngvil Eriksson Åsheim

Board member

Extensive career in the maritime industry and currently CEO of BW LNG.

Previous experience: Various positions at the classification society DNV and shipowner Höegh. Joined BW Group in 2010 and has had different positions covering different segments.

Board positions: BW Ideol and Navigator Gas.

Education: Master of Science degree in marine engineering, the Norwegian Institute of Technology (NTNU).

Anna Felländer

Board member

One of Sweden's leading experts on the effects of digitalization on the economy, society and businesses. Founder and president anch.AI, a SaaS governance platform for responsible AI.

Previous experience: Chief economist at Swedbank and 10+ years at the Swedish government in numerous positions.

Education: Master's degree in macroeconomics, Stockholm School of Economics.

Hans Åkervall

Board member

Extensive experience as lead partner for a diverse portfolio of large clients across financing, manufacturing, and logistics.

Previous experience: CEO of KPMG Sweden, Partner in KPMG.

Board positions: Board member Rederi AB Soya.

Education: Chartered accountant, bachelor's degree in business and economics, University of Stockholm.

Note Each of the two largest shareholders, Wilh.Wilhelmsen Holding ASA and Skandinaviska Enskilda Banken AB have in Wallenius Wilhelmsen each nominated one observer to the board, Christian Berg and Peter Augustsson respectively.

Management team

Lasse Kristoffersen

Chief Executive Officer

In current role since June 2022

Previous experience: 15 years at Torvald Klaveness with 11 as CEO. President of the Norwegian Shipowners' Association, and a decade at DNV in various management positions.

Board positions: Vice Chair at DNV Group and DNV Foundation, Board member in Gard, Chair of SAYFR AS and of the election committee at the Norwegian War Risk Insurance Association.

Education: Master of Science degree in naval architecture and marine engineering from the Norwegian University of Science and Technology (NTNU). Completed IMD's Senior Management Program and INSEAD's Executive Management Program.

Torbjørn Wist

Chief Financial Officer

In current role since October 2020

Previous experience: CFO and senior representative for Norway in Scandinavian Airlines System (SAS). Joined SAS from Telenor Group, where he for 13 years held senior positions in finance and several board memberships. Earlier, worked 11 years in investment banking in New York and London for Salomon Brothers, Merrill Lynch and Greenhill & Co.

Education: Degree in business administration (Siviløkonom) from the Ivey Business School at the University of Western Ontario, Canada.

Pia Synnerman

Chief Customer Officer

In current role since January 2023

Previous experience: Has for 27 years had various leadership roles at Ericsson with 20 years in the sales and commercial area working in Sweden, Middle East, Russia, and South Africa. Joined Wallenius Wilhelmsen in 2021 as SVP Sales to EMEA.

Education: Master of Science degree in mechanical engineering from KTH Royal Institute of Technology, Stockholm, and executive programs at INSEAD Business School, Thunderbird School of Global Management and London Business School.

Wenche Agerup

Chief People and Corporate Affairs Officer

In current role since November 2022

Previous experience: Various roles in Telenor ASA from 2015 to 2022, including EVP Corporate Affairs and General Counsel and Head of Board Governance and Support in Singapore. Prior to joining Telenor, 16 years in Hydro ASA, including plant manager in Årdal, Norway, project director in Australia and EVP People and General Counsel from 2010 to 2015.

Board positions: Board member at Equinor ASA from 2015 to 2020 and Oslo Stock Exchange from 2012 to 2015, currently a board member at Crayon ASA.

Education: Master's degree in law from the University of Oslo and an MBA from Babson College, Boston.

Michael (Mike) Hynekamp
COO Logistics Services

In current role since June 2015

Previous experience: Joined Wallenius Wilhelmsen in 2007 with first ten years at Wallenius Wilhelmsen Logistics AS, 13 years at Mercedes Benz (Daimler AG) in various roles in marketing, operations and finance both in the US and in Europe. Started his career with Ernst & Young LLP.

Education: MBA degree in corporate finance, Fairleigh Dickinson University, executive education from Columbia Business School, licensed CPA, CGMA and holds a CTP accreditation as well as a member of National Association of Corporate Directors.

Xavier Leroi
COO Shipping Services

In current role since November 2022

Previous experience: Chief Customer Officer heading the global group sales teams, customer experience and strategies for the Wallenius Wilhelmsen group. Has held numerous positions within the group for 25 years. Also holds the position as CEO of EUKOR Car Carriers Ltd.

Board positions: ARMACUP Car Carriers Ltd and PIRT Terminal.

Education: Master's degree from the Graduate School of Management in Grenoble, France where he majored in finance. Has completed various leadership programs, including the IMD Global Leadership Program.

Anette Maltun Koefoed
Chief Communications and Marketing Officer

In current role since April 2023

Previous experience: Joined the company in 2021 as VP Corporate Communications responsible for establishing the Wallenius Wilhelmsen group's strategic marketing, brand building, communications, and emergency management. Previously EVP of Marketing & Communications at Berg-Hansen.

Education: Master of Science degree in marketing and has completed Executive MBA courses in Strategic Business Development and Innovation and Building High-Performance Organizations.

Gro Rognstad
Chief Technology and Information Officer

In current role since October 2023

Previous experience: Joined the company in 2022 as SVP Global Digital Platforms. Prior to joining Wallenius Wilhelmsen, she held various technology management positions at DNB and was CTO of Sogneti. During her consultant carrier, she worked in a wide range of industries such as telecom, oil and gas, finance and insurance, healthcare, and the public sector.

Education: Computer science candidate from the Norwegian School of Information Technology. Has completed various leadership programs.

Contents →

Words from CEO

"2023 has been an exceptional year for Wallenius Wilhelmsen – financially, commercially and operationally. I am deeply impressed by the dedication and hard work of our people, delivering results beyond what we even hoped when we started the year. Our strong results are helped by strong demand in the markets we operate, but we were in a position to serve our customers and deliver value to our shareholders thanks to the people of this organization. They have for years helped build an industry-leading position. And we do certainly not stop here. We have an ambition to lead the way in transforming our industry towards an emission-free future, and digital tools will be a key enabler. "

We never compromise on safety, security or compliance

Safety, security and compliance is constantly and consistently our number one priority and commitment. During 2023, we saw good development in all these areas thanks to systematic efforts to build both our processes and our culture. It was therefore tragic to experience a fatal accident on one of our vessels in January 2024. There is nothing more important than safety and the wellbeing of our people. We firmly believe that every accident and incident can be avoided. That is why we are undertaking an in-depth investigation into what caused this accident and make sure we learn and develop as an organization.

The safety of our crew was also the reason why we in December 2023 decided to stop sailings in the Red Sea area. This is the highway between Asia and Europe and we have more than 20 sailings through the area in a normal month. When the attacks from the Houthi militia in Yemen escalated in December, we took immediate action and was the first RoRo operator that decided to re-route our vessels. Unfortunately, the attacks have continued and we will not return to the area until it is safe for our crew, our vessels and our cargo.

We bring low carbon services to our customers

In Wallenius Wilhelmsen, we have decided to lead and shape the journey to zero emissions in our industry. With our target and plan to reach net zero by 2040 and reduce our emissions by 40 percent in 2030 as compared to 2019, we have committed to bringing low and no carbon services to our customers. We took major steps in 2023 towards delivering on this. Despite increasing activity and high utilization of our vessels, we reduced our absolute emission with more than 10 percent year over year. We have made significant investments in energy efficiency technology for years, ranging from AI to physical modifications of our vessels.

This year there was a leap towards net zero emission with the ordering of our "Shaper class" vessels capable of running on green methanol upon delivery. We also introduced zero-emission battery electric trucks in the US and we opened the Orcelle terminal in Belgium. All these initiatives are vital parts of our strategic goal to deliver the world's first end-to-end net zero service to our customers in 2027. This is a very ambitious target and we need to break many barriers to get there. But together with our customers, we are confident that it is both possible and needed.

We partner with customers sharing our journey

2023 is also a testament to the partnerships we have built with customers in the car and heavy equipment industries. This year we renewed several contracts with key customers for several years where they utilize our unique capabilities of both orchestrating, moving and completing their finished goods logistics. In addition, we have partnered with our customers on decarbonizing their supply chain and all key contracts concluded in 2023 had an element of paying for a reduced carbon service. Typically, customers could pay around 10 percent extra in freight to reduce their emissions by 25 percent using biofuel. For Wallenius Wilhelmsen in 2024, more than 10 percent of the fuel consumption will be sustainable biofuel.

We lead with technology

Wallenius Wilhelmsen is increasingly becoming a technology company. In all parts of our organization we are deploying digital technology to improve safety, reduce emissions, improve customer experience, and to build effectiveness and resilience.

We have built a state-of-the-art digital infrastructure on all our vessels allowing us to quickly implement new technologies onboard. This year, we for instance saw the effect of the roll out of AI technology for voyage optimization, giving a significant contribution to the 10 percent year-on-year reduction in fuel consumption.

In addition to deploying new, digital solutions across our existing operations, we are also investing in building and delivering digital connectivity with our customers. The supply chain disruptions over the last few years have demonstrated the need to rethink supply chain resilience and visibility. Through our digital platform, we can connect suppliers, OEMs, and third-party data sources and provide a tailored infrastructure for planning and managing the supply chain in real time. Through this, we help our customers and partners in their digital transformation.

We make every employee a rock star of their own career

The biggest asset is our people, our rock band. The team of some 11,500 people ashore and at sea get up every morning to make a difference. Our people “care” for each other, for the environment and not least for the communities we serve and live. They “challenge” status quo and constantly strive for safer, greener and more efficient practice. And not least, they “commit” to deliver – to our customers – to our stakeholders – and not least to each other and themselves. And they succeed in making diversity and inclusion a competitive advantage and a natural part of who we are and what we do. We want our rock stars to fulfil their potential, empower them through strong teams, and motivate them to drive innovation, be leaders, and challenge status quo.

We “shape” the future

Wallenius Wilhelmsen is built on a set of visionary and bold decisions made all the way back to the 1960s. Olof Wallenius pioneered the RoRo concept and established the Japan-Europe trade in the 60’s, while Wilhelmsen in the early 1990s decided to become the leading RoRo owner in the world, buying NOSAC and entering the Korean market. When Wallenius and Wilhelmsen in 1999 decided they were better and stronger together, they bought the RoRo activity from HMM and founded EUKOR in 2002. Not to mention when Wallenius Wilhelmsen acquired DAS from Nissan in 2005 and became a significant player in logistics.

Because of these, and many more bold moves, we had a global platform and were ready to deliver and capitalize when markets tightened in 2022 and 2023. 2023 is the best year in the history of this group and we believe 2024 could be even better.

Nevertheless, we are living in a time where we see more change, disruption, and breakthroughs than ever before in our history. That is why we at Wallenius Wilhelmsen again think it is time to shape the future. An emission free, digital future is the goal. We are shaping it from a position of strength, and will preserve the soul and spirit of our organization at the same time as we rethink, reshape and even reinvent how we work. That means rethinking partnerships, products, services, technology, people and culture. It means rethinking safety, rethinking sustainability, rethinking the role we can play in reshaping the industry and our societies.

Lasse Kristoffersen
CEO

Message from the board

Vision and Strategy

Our Strategy

We continue to work towards our mission:

Mission

We lead the way in transforming our industry towards an emission free and digital future

To achieve this, a key component of our strategic position is to become an integral part of our customers' supply chains. This way we can work in partnership with them to build resilient, digitalized and decarbonized logistics, together.

To this end, we have defined four strategic goals:

Goals

- Become the leading supply chain and mobility orchestrator
- Be our customers' first choice in shipping
- Be the preferred partner in processing and terminal services
- Introduce a net zero-emissions end-to-end service by 2027

Become the leading supply chain and mobility orchestrator means that we work to optimize finished vehicle logistics together with customers through digitally-enabled services. We partner with customers, orchestrating services that are critical to their decision-making as vehicles and heavy equipment move through their supply chain from production to the end users.

Being our customers' first choice in shipping means that we work to secure the number one position in targeted trades in terms of safety, product, customer service and reliability. We will offer a net zero-emission end-to-end service by 2027 and continue to transform our shipping operation to create a fully data-driven organization.

Being the preferred partner in processing and terminal services requires that we continue to expand our footprint and double our logistics services over the next four years to achieve the scope and scale to deliver on customer's increasing finished vehicle logistics demands. Logistics services will continue to deliver components of our zero-emission end-to-end offering by 2027 and improve profitability through a digitally-enabled, highly differentiated service portfolio and a focused labor strategy.

Introducing one net zero-emission end-to-end service by 2027 is a central goal in our strategy. As a first step, we introduced an independently verified and audited reduced carbon service in 2023, bringing our carbon-conscious customers onboard through commercializing our reduced emission offerings from the consumption of sustainable biofuel. Further, we ordered net-zero enabled vessels, the Shaper Class, and continued to invest in low and zero emission equipment and trucking.

Wallenius Wilhelmsen has recently committed to becoming net-zero by 2040, including scope 1, scope 2 and scope 3 emissions. In 2024, our ambition is to have this target verified by the Science-based Target initiative (SBTi).

Our Values

Wallenius Wilhelmsen is a value driven company. In 2023 we made an in-depth study of how these values can be expressed in a clear, simple and recognizable way. During this process, in which the whole company and all our people contributed, we discovered that there are three things the organization holds high and never compromises on:

Values

We Care — We Challenge — We Commit

In Wallenius Wilhelmsen, we care. For our colleagues, for the environment, and for the societies we are part of. We challenge the status quo and we always look for a better way. And we commit, and keep our promises. So in short, we have a culture where we care, we challenge and we commit. And that is why these are our values. They simply describe who we are and how we act.

2023 in brief

2023 was a very strong year for Wallenius Wilhelmsen.

Capacity constraints in the car carrier markets have led to solid earnings for the shipping services segment and we have consistently renewed multi-year contracts at rates reflecting the current market. Contract renewals have focused on integrating offerings across ocean and land-based services, combined with decarbonization initiatives such as the use of biofuel. Furthermore, we have seen very solid growth and margin improvements in the logistics and government segments.

As a consequence, we have exceeded our over-the-cycle financial targets by a solid margin, and the associated cash flow has enabled us to pay attractive dividends, further invest in the business and reduce net debt. This has allowed us to strengthen the equity story while ensuring that we have a solid financial foundation for the future.

On the back of 2023, Wallenius Wilhelmsen proposes to pay a dividend of USD 1.14 per share, representing a FY 2023 payout ratio of 50 percent of net profit and a total dividend amount of USD 482m. Further, it is proposed to introduce a semi-annual pay-as-you-go dividend policy, under which a potential dividend for H1-2024 will be paid with the second tranche of the 2023 dividend. This demonstrates our clear commitment to reward our shareholders.

Total Revenue:
5,149
USD million

Shipping:
3,881
USD million

Logistics:
1,148
USD million

Government:
324
USD million

Total EBITDA:
1,807
USD million

Total profit:
967
USD million

ROCE:
2023
16.1%
2022
12.9%

Equity ratio:
2023
47%
2022
42%

Leverage ratio :
2023
1.1x
2022
1.9x

Financial review

Consolidated financial results

Total revenue was USD 5,149 million for FY 2023, an increase of 2 percent compared to FY 2022. Shipping revenues were down 4 percent year-over-year (YoY), from USD 4,038 million in FY 2022 to USD 3,881 million in FY 2023. This was primarily driven by lower fuel surcharges. In addition, a slightly lower average net rate, as rate increases were more than offset by weaker cargo and trade mix. Shipping experienced a 0.3 percent growth in volumes, which was somewhat hampered by global congestion issues. Logistics revenues were up 26 percent, from USD 911 million to USD 1,148 million, as volumes increased as a result of less disruptions in supply chains. Government revenue increased 7 percent from USD 302 million in FY 2022 to USD 324 million, mainly due to increased U.S. flag cargo activity.

EBITDA ended at USD 1,807 million for FY 2023, up 17 percent from USD 1,548 million for FY 2022. Adjusted EBITDA ended at USD 1,807 million, up 18 percent compared to FY 2022. 2023 was a remarkably good year for shipping services with stable volumes and margin growth, with adjusted EBITDA up 12 percent from FY 2022. The improvement over last year was mostly related to the tight global RoRo fleet situation and the group's continuous efforts to reprice its book of business to sustainable levels, despite global congestion issues. A reduction in net fuel costs (fuel surcharges less fuel expenses) contributed to the improved profitability. For logistics, adjusted EBITDA increased 62 percent, as revenue increases exceed the increase in costs resulting in a higher average margin. Government services saw adjusted EBITDA increase of 61 percent, due to higher revenues and improved margins. For a detailed explanation of the definition of adjusted EBITDA, please refer to the section on Reconciliation of alternative performance measures. Depreciation and amortization amounted to USD 577 million versus USD 541 million in FY 2022. This was mainly due to an increase in leased assets coming in during 2022.

In FY 2023, Wallenius Wilhelmsen recognized an impairment loss of USD 5 million related to the intangible assets in the shipping segment. Net impairment loss for FY 2022 was USD 29 million from a charge to goodwill allocated to logistics services. See note 11 in the financial statements for further details.

A put-call structure exists in the shareholder agreement with the minority shareholders for the investment in EUKOR Car Carriers (EUKOR). Any changes in the valuation of the net derivative are recognized in the income statement. During FY 2023, there was a decrease in the value of the put-call derivative for EUKOR of USD 6 million, recognized under the line Other gain/(loss) in the income statement. The impact in FY 2022 was a loss of USD 47 million. See note 5 in the financial statements for further details.

Net financial expenses were USD 186 million versus USD 104 million in FY 2022. Net financial income was USD 74 million, up from USD 17 million in FY 2022. Interest expense including realized interest derivatives was USD 218 million, an increase of USD 29 million versus FY 2022. Currency loss including realized currency derivatives was USD 9 million, compared to a gain of USD 42 million for FY 2022. Net financial expenses were negatively impacted by USD 18 million in unrealized derivative loss, mainly driven by USD 17 million in negative interest rate derivative movements. In FY 2022, unrealized derivative gain was USD 44 million, USD 111 million in unrealized gains on interest derivatives offset by USD 67 million unrealized losses on foreign currency derivatives. See note 6 in the financial statements for further details.

The group recorded a tax expense of USD 68 million versus a tax expense of USD 35 million in FY 2022. Payable tax was USD 64 million, wherein USD 20 million was withholding taxes. In addition, USD 4 million change in deferred tax. The group continues the non-recognition of net deferred tax assets in the balance sheet related to tax losses in the Norwegian entities, primarily due to uncertainty in future utilization. In addition, the group reversed certain deferred tax assets in 2023 related to interest expenses that cannot be utilized.

Net profit for FY 2023 was USD 967 million, up 22 percent from USD 794 million FY 2022, whereof USD 846 million attributable to owners of the parent and USD 121 million to non-controlling interests (primarily related to the minority shareholder in EUKOR).

Financial position and capital structure

Total equity amounted to USD 4,056 million at year-end 2023, corresponding to a ratio of 47 percent, up from 42 percent at the end of 2022. The liquidity position was solid, with cash and cash equivalents of USD 1,705 million and USD 397 million in undrawn credit facilities at year end 2023. The group had net interest-bearing debt of USD 2,007 million, consisting of bonds, bank loans, export credit facilities and leasing commitments. The group was in compliance with all loan covenants at year-end 2023.

The current financing structure in the group consists of five funding units, as seen below as of December 31, 2023. Most financing is subject to certain financial and non-financial covenants or restrictions within the funding unit. See more information on financing activity in 2023, financing structure and covenants in Note 16. Interest-bearing liabilities.

In 2023, the group completed the issuance of a new NOK 1 billion sustainability-linked bond, and used NOK 528m of the proceeds to buy back part of the WalWil03 bond that matures in September 2024. The remaining amount outstanding in the same maturity is expected to be repaid with cash and not refinanced.

During the year, EUKOR extended three credit facilities of USD 25m, USD 15m, and USD 10m respectively by one year and signed a new USD 25m RCF, adding flexibility to the subsidiary's capital structure. EUKOR also closed a financing of USD 75m related to financing of two vessels and purchase of a third vessel previously on lease. This released USD 34m in cash to EUKOR. In addition, WW Ocean refinanced an undrawn USD 100m revolving credit facility. The refinanced facility amounts to USD 150m, has a tenor of 18 months, and is secured by accounts receivables. Further, Wallenius Wilhelmsen ASA both established and later cancelled an undrawn RCF of USD 100m secured in five previously unencumbered vessels. Following the cancellation of the RCF, Wallenius Wilhelmsen has 16 unencumbered vessels per year end.

The logistics services segment completed refinancing of a revolving credit facility. The previous facility of USD 320m had maturity in June 2024, comprising USD 303m and USD 17m of drawn and undrawn amount respectively. The new RCF amounts to USD 345m with the same drawn amount (USD 303m) on improved terms. The new facility has a 5-year duration with maturity in September 2028.

Cash and cash equivalents of USD 1,705 million as at December 31, 2023, was distributed across the following group units:

Segment	USD million	Percent
Shipping services	1,203	71%
• WW Ocean	459	27%
• Eukor	744	44%
Logistics services	227	13%
Government services	144	8%
Holding (WW ASA)	131	8%
Total cash	**1,705**	**100%**

Cash flow

The group generated USD 490 million of positive net cash flow from operations, investing and financing activities in 2023. The net cash flow from operations amounted to USD 1,771 million, up from USD 1,297 million in 2022, improved EBITDA development and reduced working capital. Net cash flow used in investing activities was USD 104 million compared to USD 62 million in 2022. The most significant investing activities were installments on newbuilding contracts of USD 42 million, regular dry dockings of approximately USD 65 million and other vessel upgrades of USD 18 million. Various investments in logistics services amounted to USD 20 million. Net cash flow from investing activities was positively impacted by interest income USD 69 million. Net cash flow from financing activities was negative USD 1,177 million compared to negative USD 729 million in 2022, reflecting debt coverage, interest costs and net repayment of debt (including leasing liabilities) and payment of USD 362 million of dividends paid to shareholders in 2023. In addition, USD 57 million in dividends was paid to non-controlling interests.

Long-term financial targets and dividend policy

In February 2023, the board of directors approved new long-term over the cycle financial targets and an updated dividend policy for the group. The changes in the dividend policy are not material, but reflect that the board will consider the new financial targets and future capital requirements when deciding on the dividend amount. The payout ratio range in percent of profit after tax remains unchanged.

Long-term financial targets (over the cycle):

- Return on capital employed (ROCE) > 8 percent. Calculated as last twelve months of adjusted EBIT divided by the last twelve months of average capital employed (total assets less total liabilities plus total interest-bearing debt)
- Leverage ratio < 3.5x. Calculated as net interest-bearing debt divided by last twelve months of adjusted EBITDA.
- Equity ratio > 35 percent. Calculated as book value of equity divided by book value of total assets.

Dividend policy

Wallenius Wilhelmsen's objective is to provide shareholders with a competitive return over time through a combination of rising value for the Wallenius Wilhelmsen share and payment of dividend to the shareholders.

The board targets a dividend which over time shall constitute between 30 and 50 percent of the company's profit after tax. When deciding the size of the dividend, the board will consider its financial targets and future capital requirements to ensure the implementation of its growth strategy, as well as the need to ensure that the group's financial standing remains solid. Dividends will be declared in USD and paid out semi-annually.

Going forward, the company has proposed a semi-annual pay-as-you-go dividend policy, under which potential dividends will be declared in connection with the Q2 and Q4 reports, and be based on H1 and H2 earnings, respectively. The level of dividends, which will be declared in USD but paid in NOK, will still be based on a range of 30-50 percent of the company's net profit after tax on an annual basis. This is pending approval at the upcoming Annual General Meeting on April 30, 2024.

Shipping segment

Wallenius Wilhelmsen's main objective for the shipping segment is to strengthen its position as the RoRo shipping market leader with unrivaled high & heavy and breakbulk capabilities. This shall be done while taking a leading position in the decarbonization journey to zero emissions by digitalizing the supply chain and driving technological innovation and operational effectiveness.

Total Shipping Revenue:

3,881

USD million

Total Shipping EBITDA:

1,527

USD million

Total Shipping Fuel Expenses:

790

USD million

Total transported volumes:

59

million CBM

Summary of 2023

2023 was another extraordinary year for the shipping segment and the best year on record in terms of EBITDA. Shipping services has delivered strong results since the middle of 2021 following several years of weak markets and fleet overcapacity. A fully utilized global RoRo fleet, along with the repricing of our book of business to sustainable levels, were the main drivers for the 2023 performance.

The semiconductor chip shortages that affected the industry in 2022, significantly eased in 2023. Port congestion continued to impact the car carrier industry also in 2023, although we saw less terminal congestion, particular in Q4. Port congestion remains a challenge for the industry and it reduces global car carrier capacity. Long waiting times at key ports were mainly caused by labor shortages in ports and general bottlenecks in the logistics supply chain. In order to mitigate these challenges, we were in continuous dialog with our customers and worked together to re-route cargo to other ports with less congestion whenever and wherever possible.

More importantly, in December 2023 we decided to re-route all our vessels planned for Red Sea transit via the Cape of Good Hope due to the security situation in the region. The safety of our people is our number one priority, and Wallenius Wilhelmsen was the first car carrier operator to suspend sailings through the Red Sea. The re-routing is impacting tonnage capacity negatively and about one week is added to each Europe-Asia and Asia-Europe sailings, offsetting the reduced terminal congestion. Our team is working hard to optimize the tonnage situation and is in close dialog with customers.

Total revenue was USD 3,881 million for FY 2023, down 4 percent compared with FY 2022. Average net freight rates increased in most cargo segments, but fell 1 percent on average despite positive effects from contract renewals, due to unfavorable development in cargo and customer mix. Light vehicles increased from 69 percent in FY 2022 to 72 percent in FY 2023. Transported volumes were flat at 59 million cubic meters (cbm) in FY 2023, and the trade mix improved somewhat as volumes were shifted more towards Asia exports relative to Europe/US exports.

Thanks to efficient operations, we have operated with maximum fleet utilization throughout the year. We saw a positive development in the energy efficiency operating indicator (EEOI) compared to FY 2022, despite a negative trend in the fourth quarter. This was mainly due to re-routing of vessels via Cape of Good Hope causing less transported volumes and somewhat increased speed, which drives up consumption per nautical mile and has a negative effect on emission KPIs. We continue to focus strongly on the long-term plan to achieve our overall emission reduction ambitions and decarbonization strategy. Further readings about the company's effort and work on decarbonization is described in the Planet chapter.

EBITDA for the shipping segment ended at USD 1,527 million, up from USD 1,359 million in FY 2022. Cargo and voyage related expenses decreased by USD 41 million due to more efficient voyage operations and less space charters. Fuel expenses decreased USD 275 million due to more efficient operations as well as lower fuel prices in FY 2023. Charter expenses decreased by USD 43 million. This is due to several exercises of purchase options, as well as no short-term charter activity during the year. Vessel operating expenses were up USD 15 million on exercises of purchase options, as well as a general increase in vessel operating cost on inflation and cost increase. Selling, general and administrative expenses (SG&A) increased USD 20 million on general inflation and payroll increase, further coupled with one-offs related to stamp duty tax in Korea as well as year end accruals.

The fleet

At year-end 2023, Wallenius Wilhelmsen operated a fleet of 125 vessels, down from 128 vessels at year-end 2022. The reduction is due to a cautious approach to charters despite capacity needs. The group owned 86 vessels at year-end, an increase from 83 vessels at year-end 2022 on exercise of purchase options. Long-term charters decreased from 45 vessels in FY 2022 to 39 vessels in FY 2023 on both purchase options and redelivery of charters. Charter rates remained high also in FY 2023.

At year-end, the assessed market value of the company's 86 owned vessels was USD 6.6bn based on the average of two independent shipbroker valuations. At year-end, the company and its subsidiaries hold 13 purchase options linked to leased vessels, all at prices significantly below current market levels.

Logistics segment

Our ambition for logistics services is to be our customers' preferred partner for logistics services in processing and terminal services. Logistics services mainly serve the same customer groups as shipping services. Customers operating globally are offered sophisticated logistics services through four distinct products.

Auto is the largest product group in the logistics portfolio, providing light vehicle processing services to auto producers globally. High and heavy (H&H) includes equipment processing centers on and off port sites globally with the largest concentration in the US. Terminal offers our cargo processing, handling and storage at some of the world's largest RoRo ports. Inland includes the global transporting of cargo by road or rail to a port or final point of sale.

Summary of 2023

Global light vehicle (LV) sales grew in 2023 but remained below pre-Covid levels. In the US market, where Wallenius Wilhelmsen has a significant presence in the auto sector, LV sales increased 13 percent in 2023 over 2022. While an improvement over 2022, the approximate 16.5 million units sold is still shy of the pre-pandemic levels. Semiconductors and other part shortages have eased and are no longer a major concern, resulting in stabilized volumes and improved delivery predictability.

Overall, logistics services saw volume improvement year over year across the business, positively impacting the financial performance. Auto, terminal and high & heavy all saw increased volumes, while inland services saw decreased volumes from prior year.

Auto, traditionally the biggest contributor to logistics profits, saw an easing of part shortages and labor challenges driving volume growth. Additionally, all new and renewed customer contracts in 2023 were repriced to reflect the high-cost market.

Total revenues improved and profits improved from last year. Total logistics segment revenue for FY 2023 was USD 1,148 million, up 26 percent from USD 911 million, as volumes significantly increased from FY 2022. Adjusted EBITDA was USD 174 million, up USD 67 million compared to FY 2022.

Auto EBITDA for the full year ended at USD 67 million, a 271 percent increase from FY 2022. North America, a main contributor to auto, saw a 27 percent increase in volume and increased accessorizing positively impacted margins. EV units processed in the US tripled from FY 2022.

High & heavy processing volumes decreased 28 percent mainly driven by APAC reclassification to the auto product and lower fumigation activity due to Oceania congestion. US saw a volume increase of 7 percent year over year. EBITDA for FY 2023 was USD 31 million compared to USD 20 million in FY 2022 as a result of increased volume and storage revenue in the US.

Terminal volumes decreased 4 percent year over year. However, EBITDA for FY 2023 was USD 98 million compared to USD 63 million in 2022. The EBITDA growth was mainly attributable to extensive de-seeding activity in Australia, including washing and demurrage.

Inland volumes increased 1 percent year over year. EBITDA of USD 9 million compared to USD 19 million in FY 2022 as a result of shifting to less profitable short haul moves in 2023 and overhead expenses reclassified to Inland.

Total Logistics Revenue:

1,148

USD million

Total Logistics EBITDA:

174

USD million

Total Logistics volumes:

6.3

million units

Government segment

The government services segment provides ocean transport of U.S. flag cargoes and performs global logistics services for the U.S. government. Ocean transport includes RoRo cargo, breakbulk and vehicles. It also includes charters of vessels to affiliated companies in the shipping services segment and charters or sales of vessels to the US government. Logistics services for the US government are primarily related to multimodal transportation, third party logistics support, stevedoring and terminal operations. The primary customer is the US government, but the segment also includes U.S. flag commercial cargos such as those generated by the financial sponsorship of a federal program, or a guarantee provided by the US government.

Total Government Revenue:

324

USD million

Total Government EBITDA:

130

USD million

Summary of 2023

Total revenue from the government segment for the full year of 2023 was USD 324 million, up 7 percent from USD 302 million. This was mainly due to increased US flag cargo activity in large part attributable to cargo moved in support of the United States and NATO response to the Russian invasion of Ukraine. EBITDA was USD 130 million, up USD 35 million (37 percent) compared to FY 2022. The increase in EBITDA was driven by increased government revenue combined with lower operating costs, including reduced fuel costs in part due to consumption initiatives and lower fuel prices, cargo mix and supply chain impacts.

The segment's revenue and EBITDA development is primarily driven by government activities that are in part driven by world events and government objectives which do not follow regular seasonal patterns or the commercial business cycle driving the other segments. In line with the company's sustainability objectives, the segment reduced the impact of rising fuel and labor costs through fuel consumption initiatives and increased focus on safety management.

During the year, government services won its 10th Maritime Security Program (MSP) contract. In accordance with that contract, the M/V Tulane was re-flagged to U.S. registry in February 2024. As part of the process the vessel changed its name to M/V ARC Honor and was added to the MSP fleet.

Government services continued to expand its U.S. flag logistics businesses. These included securing numerous task order wins under various logistics contracts with the U.S. government in Europe, Asia, Africa, and South America.

Market development and outlook

The company's shipping and logistics services continued to reap benefits from the strong rebound of the light vehicle (LV) market. Further, global high & heavy exports remain at elevated levels, although with diverging signals. Along with a normalization in breakbulk volumes, the company suggests a more modest volume growth within the segment near-term. The market outlook remains firm due to volume expectations from key customers, contract renewals and continued capacity constraints in shipping.

Light vehicle market

In FY2023, the global light vehicle (LV) sales totaled 86.4 million units, increasing by 9.4 percent compared to the previous year[1]. This growth can be attributed to two key factors. On the supply side, the ease of semiconductor shortages and intensified competition among LV manufacturers have catalyzed a recovery in production volumes. On the demand side, the implementation of incentive programs aimed at promoting electric vehicles has stimulated consumer interest and demand.

Most notably, the Chinese LV production witnessed an 8.3 percent year over year growth, primarily driven by the rapid expansion in the low-emission vehicle segment (e.g. EVs). In North America and Europe, the recovery of supply led to a partial depletion of an unprecedented high vehicle order backlog and a gradual rebound of inventories from historically low points. In light of these market dynamics, our logistics services has seen a positive impact with double-digit growth in both revenues and margins on increased demand for terminals, customization and processing services.

Globally, deep-sea LV exports increased by 13 percent percent from FY 2022, leading to a tightening market balance for RoRo shipping. This is driven by a continued surge in Chinese deepsea RoRo exports from 1.6 million units in 2022 to 2.3 million units in 2023 representing a 45 percent year over year growth. One contributing factor to Chinese LV export was the increasing popularity of battery electric vehicles in Europe. Several major exporting regions also saw a recovery in 2023; Japanese and Korean exports increased by 10 percent and 15 percent, respectively. European exports were up 9 percent.

Market expectations for LV sales in 2024 suggest a volume growth of 2.6 percent compared to 2023. This represents a total of 88.6 million units being sold in 2024, which is still below 2019 volumes of 89.9 million units. Sales volumes in North America are predicted to increase by 3 percent and exceed 19.2 million units sold. Europe is expected to see a modest improvement of 0.5 percent. The base case scenario expects deep-sea volumes to see a stronger rebound compared to global sales. Deep-sea volume is forecasted to increase with 6.3 percent, with continued exports from the Far East, including China, Japan and Korea.

While the global production and sales of light vehicles are still far below pre-Covid levels, the age of the global light vehicle fleet increases and needs to be replaced. Further, part of the growth in LV sales is likely to be fueled by a growing focus among auto producers to introduce more affordable vehicles. The shift towards low-emission vehicles, and in particular battery electric vehicles, is also expected to drive sales and thus demand for deep-sea shipments.

1 Source: S&P Global Mobility (formerly IHS Markit)

High & heavy market

The global markets for construction, agricultural and mining machinery had a very strong year in 2023 and saw higher volumes than in 2022.

Within construction, the export of machinery increased 23.1 percent year over year[2]. Shipments to North America in particular were higher, but also Europe and the Middle East saw solid growth for machinery in 2023. Investments in infrastructure, energy and utilities continued to support high demand for equipment, but residential construction was lagging. Overall, the construction industry reported slowing activity on a weak sentiment in some key markets, in particular China and Europe. Inflation is still at a high level and the market expects interest rates will remain high for an extended period of time.

The demand for agricultural machinery was relatively stable in 2023. The trend indicates a slight decline towards the end of the year. In the US, the total tractor sales were down 8.2 percent in 2023. In Brazil, the sales were down around 20 percent. Meanwhile, 2023 sales in Germany increased 7.3 percent, with UK and Australia growing 2 percent each. The UN food price index was down 13.8 percent in 2023, but it is still at historically high levels. Major equipment manufacturers estimate that the tractor markets will remain soft in 2024, with indications of a 5-10 percent decrease in volumes.

Global mining equipment overall saw positive development in 2023 even though the World Bank Metals & Minerals monthly price index decreased with 4.9 percent for the year, but the index for precious metals increased 10.8 percent. The commodity prices for metals and minerals are still at unprecedented high levels, and the mining industry is showing high profits. On the back of increased demand for metals and minerals, we expect the demand for machinery equipment in the mining industry to remain strong.

Overall, the major manufacturers of construction and mining equipment reported high order backlogs and solid demand, especially in the Americas region.

Global fleet

The global vehicle carrier fleet totaled 767 vessels. In 2023, there were 82 new orders of vessels placed, eleven vessels were delivered while one vessel was recycled. According to Clarksons, the orderbook for deep-sea vehicle carriers was by year-end 2023 around 192 vessels (>1,000 CEU), representing approximately 37 percent of the global fleet in capacity terms.

As per the current delivery schedule and barring any delays, some 48 newbuildings are planned for delivery during the remainder of 2024, 65 vessels in 2025, 52 vessels in 2026, 24 vessels in 2027 and three vessels in 2028.

2 Source: S&P Global Mobility

Key risk exposures

Wallenius Wilhelmsen is exposed to a variety of risks through its global operations. These risks are within the following areas: Safety, financial, market and commercial, operational, regulatory, climate and environmental. Wallenius Wilhelmsen has a group-wide enterprise risk management model that is based on ISO 31000 risk management and seeks to ensure that risks are identified, analyzed, evaluated, and appropriately managed. Every quarter, management presents a detailed risk assessment to the board of directors. This includes mitigating actions which cover all business units and corporate functional areas. Governing bodies, management and employees are aware of the current environment in which we operate and are responsible for implementing measures to mitigate risks, acting upon unusual observations, threats or incidents, and proactively try to reduce potential negative consequences. Wallenius Wilhelmsen monitors and continuously improves internal controls, systems and processes for handling risks.

Health, safety and security risks

As a result of our core operations, Wallenius Wilhelmsen is exposed to safety risks arising from both its sea and land operations. Our key safety risks are incidents onboard and related to vessels such as fire, piracy attacks and outbreak of contagious diseases. The key risks at our land-based operations mainly relate to the handling and treatment of vehicles and machinery and undesired breaches to perimeters of our terminals and other facilities. We believe all accidents are avoidable and seek to mitigate these risks through respective management systems and safety culture initiatives. The systems include a sharp focus on training, updating routines and processes and measures designed to secure continuous compliance with health, safety and security regulations. Frequent and regular emergency response drills, toolbox talks and risk assessments are run to reduce these risks. The group monitors key performance indicators and performs root cause analysis of undesired events to identify and prevent potential risks. For further information, please see the People chapter in this annual report.

Financial risks

The main financial risk exposures for Wallenius Wilhelmsen are interest and currency rates along with fuel prices. For a detailed assessment of financial risk, see note 17 – financial risk in the financial statements.

Wallenius Wilhelmsen's policy is to economically hedge between 20-80 percent of the average net interest rate exposure over the next five years, predominantly through interest rate swaps and fixed rate loans. The hedge ratio currently stands at about 50 percent.

The US dollar is the dominant currency for both revenues and costs across the group. It is also the group's presentation currency. The group is exposed to currency risk on revenues and expenses in non-functional currencies (transaction/cash flow risk) and balance sheet items denominated in currencies other than USD (translation risk). The group's largest foreign exchange exposure is EUR against USD, but the group also has exposure to a number of other currencies whereof KRW, JPY, SEK, CNY and NOK are the most important. Various financial derivatives, such as forwards, options and cross-currency (basis) swaps are used to hedge this exposure.

Fuel price risk is primarily managed through the inclusion of fuel adjustment factors (FAF) in the customer contracts. Since FAFs are typically calculated on the average price over an historical period, and then fixed during an application period, a lag effect exists, which means that the group is exposed to price changes in the short term.

Regulatory risks

Due to our global presence and operations within different segments, the group is exposed to numerous regulatory frameworks. These include rules and regulations related to for instance health and safety, climate, environment, anti-corruption, sanctions, fair competition, security and data privacy. Compliance with relevant requirements within these fields, in addition to other corporate matters, are managed in collaboration with corporate functions, subject matter experts and local responsibilities as per jurisdictional requirements. Awareness and training activities are conducted based on roles and responsibilities. For more on risk management and internal control, please see Principles of governance.

Operational risks

Supply/demand imbalance, vessel incidents, adverse weather conditions and access to skilled labor constitute the main operational risks. We strive to secure sufficient fleet flexibility by combining owned tonnage with both long- and short-term charters.

During 2023, global supply chain disruptions continued to create challenges to logistical planning. Due to the security situation in the southern parts of the Red Sea, all vessels were re-routed to avoid the area from December 2023 and onwards. We continue to monitor the situation closely and stay in direct consultation with marine authorities, industry bodies and all relevant counterparts.

The owned tonnage and long-term charters represent the core fleet, while the short-term charters enable the operating entities to scale up and down capacity to meet changing demand in a cost-efficient manner. The company proactively handles trade imbalances through vessel swaps and space charter arrangements for excess volumes with other operators.

Cyber-attacks and attacks on our operational systems are also identified as important and increasing risks, and the company constantly monitors the threat environment. Together with partnerships with leading industry players, Wallenius Wilhelmsen has protection tools and mechanisms in place. We are stepping up our initiatives and implemented internal information campaigns and awareness programs to mitigate risk of security breaches related to phishing and impostor fraud. Please see Security and emergency response in Principles of governance section. As other companies in the shipping industry, Wallenius Wilhelmsen risks exploitation by criminal organizations involved in for instance smuggling of narcotics and human traffickers. Please see the human rights section in the People chapter.

Environmental risks

The environmental risks are mainly related to vessels and include risks such as oil spills through bunkering, chemical handling and most severely, in case of fire, explosion, collision and grounding. The management systems prioritize training, routines and measures designed to ensure continuous compliance with environmental regulations. To reduce these risks, we conduct frequent emergency response drills, toolbox talks and risk assessments. The group monitors key performance indicators and performs root cause analysis of undesired events to identify and prevent potential risks. Please see the Planet section of this report for further information.

Climate risks

Wallenius Wilhelmsen is a large emitter of greenhouse gases and we have identified climate change as our significant material topic both from an impact and financial perspective. Please see the business section in the principles of governance chapter for details of our materiality analysis.

We have two types of climate risks: 1. Physical risks include increased rate of weather related accidents, incidents such as flooding of ports and facilities and heat stress for workers. 2. Transition risks such as market, technology, reputational, policy and regulatory risks are also important. The climate risks that are most financially material, relate to the shipping segment, for instance transition to low carbon propulsion technology with uncertain long-term viability. Transition risks also include regulatory developments from for instance the International Maritime Organisation (IMO), the shipping industry's global regulator and the European Union (EU). These will have an impact on the shipping industry and the company. High on the agenda is to prepare and position ourselves for these regulatory changes and we seek to contribute to progressive yet pragmatic outcomes through active engagement in the regulatory development process. For further information, please see the chapter on GHG emissions and climate risk in the Planet chapter of this report.

Market and commercial risks

Demand for shipping and logistics services are cyclical and closely correlated to global economic activity in general, and deep-sea transportation of light vehicles (LVs) and high and heavy (H&H) equipment in particular. Changes in the global economy therefore strongly impact the development of Wallenius Wilhelmsen's volumes and financial performance, including the following events and conditions during 2023:

- The ongoing conflicts in Ukraine and in Gaza, plus generally increased geopolitical and trade tensions across several dimensions, create a more volatile market environment which poses challenges to the company given our global reach.
- Sustained port congestions causing vessel delays pose a risk to operations and the overall fleet utilization and lifting capacity.
- Illnesses or other events that may threaten the health and well-being of employees, customers, and wider communities may cause disruptions to operations and demand.

Any short-term direct effect of reduction in volumes due to any of the above is not expected to be critical as the group can implement measures to adjust capacity and reduce costs temporarily. On the other hand, indirect effects could lead to continued and increased overcapacity and create pressure on rates. Such effects could be slower underlying global economic growth combined with reduced deep-sea volumes across all cargo segments. New emissions standards in the LV markets, as well as incentives, will also influence sales mix and trading patterns. The geographical pattern of the production of LVs and high & heavy equipment continuously changes. A shift in the balance between locally produced and exported cargo may affect the overall demand for deep-sea ocean transportation. It could result in a shift to short-sea ocean transportation and thus affect the overall fleet utilization. A shift in customers' market positions can represent both opportunities and risks for the company's operating entities. However, our broad global presence combined with solid client exposure contributes to actually reducing this risk element.

Events after the balance sheet date

In January 2024, the 6,600 CEU, 2006 built vessel Morning Camilla was acquired by our 80 percent owned subsidiary EUKOR following the exercising of a purchase option at the end of its long-term lease agreement.

Following the end of the quarter, Wallenius Wilhelmsen announced the signing of multiple customer contracts valid from 2024 and onwards. The new contracts reflect current market conditions and have durations between two and three years, plus potential extension options.

In February 2024, our 100 percent-owned subsidiary ARC acquired M/V Tulane from Wallenius Wilhelmsen Ocean. The sale will lead to an estimated capital gain of USD 12 million in the shipping segment in Q1 2024. The gain will be eliminated on group level. A new bank loan of USD 63 million was drawn down in ARC (government segment) to finance the purchase.

Also in February 2024, the group exercised options to build four additional Shaper Class pure car and truck carrier (PCTC) vessels. The 9,300 CEU class methanol dual fuel vessels will also be ammonia ready and are expected to be delivered between May and November 2027.

At our Q4 presentation, it was announced that the board proposes a dividend of 50 percent of net profit for 2023 and a new semi-annual pay-as-you-go dividend policy for 2024 and beyond. The proposal is pending annual general meeting approval.

Dividend for the financial year 2023

The board proposed an ordinary dividend of USD 1.14 per share to be paid for FY 2023 as well as a revised dividend policy to be voted upon at the company's annual general meeting on April 30, 2024.

USD 0.68 is to be payable in May 2024 and USD 0.46 to be payable in October 2024. The dividend is declared in USD and paid in NOK. The total proposed dividend amounts to USD 482 million, representing 50 percent of the FY 2023 profit after tax which is in the upper end of the dividend policy range of 30-50 percent of profit after tax.

Prospects

We expect 2024 to be a somewhat stronger year than 2023. Given expectations of continued customer demand for space on our vessels, we foresee that the tonnage situation for RoRo carriers will remain tight in 2024 and lead to high utilization of our assets. Further, we see continued strong demand for our logistics and government services and expect high utilization in these segments as well. In addition, recently renewed commercial contracts are likely to support improved earnings from the renewed volumes in 2024 and beyond.

However, we do see an increased risk linked to geopolitical uncertainty and navigational disruptions across the globe. The most relevant being the security situation in the Red Sea, an area which we are currently avoiding, and the significantly reduced capacity in the Panama Canal. We monitor the macro situation closely. More so, the order book in the car carrier segment has grown further and may have an impact on the market in the medium term.

The forward-looking statements herein, including assumptions, opinions and views of Wallenius Wilhelmsen or cited from third party sources, are solely views and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. The company does not provide any assurance that the assumptions underlying such forward-looking statements are free from errors, and it does not accept any responsibility for the future accuracy of any forward-looking statements.

People

Deep sea vessels are our most visible assets, however, it is our people that are most important. They operate our vessels, manage processing centers and terminals, run our logistics network, coordinate our fleet and manage our customers' cargo efficiently and professionally. Wallenius Wilhelmsen's people are essential to how we create lasting value. The COVID-19 pandemic is finally behind us but left a lasting impact. Wallenius Wilhelmsen, along with many other companies, experiences that employees have changed their expectations of working life presuming more flexibility, ability to work remotely and greater work life balance. The trends vary according to geography: Our Asian and European colleagues have mostly returned to the office, while remote and hybrid working has become common in the United States.

Our mission and obligation to our people is to provide a safe and inclusive workplace where everybody's rights are respected. We want to make a rock star of every employee. We do this by supporting all to realize their full potential, empower them through strong teams and encourage them to drive innovation and development by challenging status quo.

We monitor, manage and report on four material topics related to our people:

1. Health, safety and well-being
2. Human and labor rights
3. Diversity, equity and inclusion
4. Training and development

1. Health, safety and well-being

Key performance indicator	2022 actual	2023 target	2023 actual	2024 target
LTIF shipping[1]	0.38	<1	0.56	0.75
LTIF logistics	15.76	14.15	14.33	12.83
Work-related Fatalities	0	0	0	0

1 Lost Time Injury Frequency (LTIF) is the number of fatalities and lost work-day cases per 1,000,000 (1 million) work hours for land based employees. For seafarers, exposed hours are used.

Why is it important?

At Wallenius Wilhelmsen, the health, safety, and well-being of our employees is of utmost importance. Our global operations in terminals, processing centers, on roads, and at sea expose us to various hazards and risks, which could result in work-related injuries. We believe that all accidents and injuries can be avoided and continuously strive to improve our safety culture. We believe that safety is everyone's responsibility and encourage a constant focus on situational awareness and never to compromise on our commitment towards keeping our people safe from harm in their work.

How do we work?

Most of our employees work in logistics services. This includes outsourced labor at terminals and processing centers. Safety 1st is the foundation of logistics' environmental, health and safety program and requires that all employees understand their roles and responsibilities to maintain a safe work environment. The management system is aligned with the ISO standards for health & safety (45001), environment (14001) and quality (9001). Several of our facilities are already certified to one or more of these standards. Dedicated HSEQ managers are responsible for the continual improvement of the systems and senior management monitors this work closely.

External ship management companies manage the crew onboard Wallenius Wilhelmsen's owned and bareboat charter vessels. Our marine operations' management team ensures that the ship management companies comply with our policies and requirements to be certified in accordance with the Maritime Labor Convention, the International Safety Management Code, ISO 14001 and ISO 9001.

Wallenius Wilhelmsen's Management System is aligned with key ISO standards.

A roadmap is being implemented to achieve group-wide certification and the number of certified sites is increasing.

# of certified Sites	2022	2023	2024
Vehicle services – VPCs			
ISO 14001	6	6	32
ISO 9001	17	17	32
ISO 45001	3	6	32
High & heavy – EPCs			
ISO 14001	2	2	17
ISO 9001	9	9	24
ISO 45001	0	2	17
Terminal services			
ISO 14001	3	3	7
ISO 9001	3	3	7
ISO 45001	0	3	7

Vessels

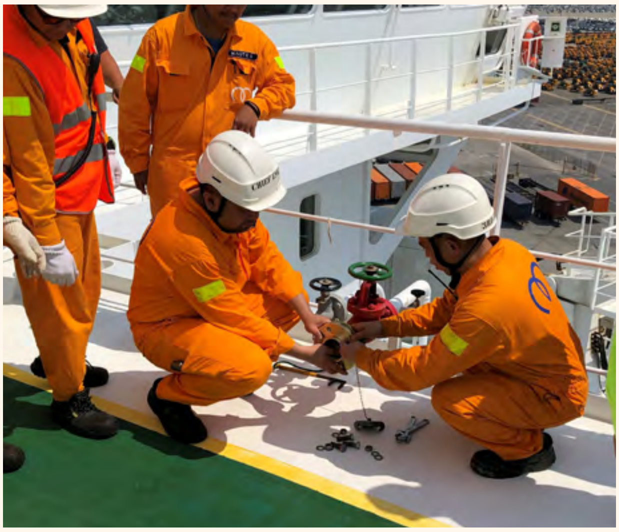
- External ship managers
- ISO 9001 and 14001 certified
- Compliance with health & safety standards:
  - The International Ship and Port Facility Security (ISPS) Code
  - Maritime Labor Convention
  - The International Safety Management (ISM) Code

A proactive approach to maritime fire safety

In the wake of recent incidents of vessel fires, the issue of onboard fire safety has been brought into public debate. At Wallenius Wilhelmsen, our approach is focused on prevention such as EV state of charge restrictions, disconnection of batteries on second hand units and restriction on transporting second hand EVs. We are also proactively collaborating with fire departments to better manage this risk and safeguard the safety of our people. This past year, we held joint trainings and exercises with local fire departments to increase our people's ability to manage unforeseen challenges and help ensure safety.

In Baltimore, Wallenius Wilhelmsen's Captain Jon Streett, along with the Maryland Port Administration, hosted an educational day at the Port of Baltimore. Members of the United States Coast Guard, Baltimore County Fire and Rescue, and Baltimore City Fire and Rescue Departments attended the event. The focus was to deepen understanding and strengthen collaboration in maritime fire safety. Twenty-one personnel from the fire department were given an in-depth tour of the MV Theben. The Chief Engineer of the Theben gave everyone a tour of the engine room (as well as the rest of the ship) from a firefighting perspective. The tour provided a unique opportunity to familiarize fire departments with the firefighting abilities of the vessel and her well-trained crew.

This kind of collaboration is vital to ensure that best practices are shared and that safety is at the top of everyone's agenda.



How did we perform?

Strengthening our safety management and culture has been a key focus in 2023. We have developed a corporate safety framework consisting of a policy and incident reporting requirements. Safety is the first agenda point at all management meetings.

We conducted a survey to measure our safety culture and identify areas of improvement to deliver our strategy. The anonymous survey asked for insight into foundational and leadership behaviors such as trust, openness, speak-up, dilemmas and learning. More than 3,500 responses were received giving a response rate of 61 percent with seafarers accounting for the majority (2,700) of the responses. The results gave an overall solid maturity score, particularly due to strong foundational scores, and provided improvement opportunities for leadership behaviors.

Toward the end of the year, focus was on the safety of our seafarers in the Red Sea. The conflict between Israel and Hamas was the rationale stated by Houthi rebels behind their decision to begin targeting commercial vessels transiting in the Red Sea and the Gulf of Aden. None of our vessels were directly attacked. However, due to the threat this posed to our seafarers' lives and the psychological stress it caused, we decided to re-route all vessels around the Cape of Good Hope. By December

18, all our vessels had left the area and were safe. The danger and risk in this area continues to be a factor in disrupting our business, however our commitment to making decision for the right reasons and keeping our seafarers safe remains at the forefront. We will continue to monitor closely the changes in activity in the area until the risk has returned to acceptable levels.

To bring our seafarers closer to what is happening in Wallenius Wilhelmsen, we tested a digital infotainment solution that will provide a link to every vessel and all seafarers. We will be able to stream company communications, news and articles, recordings from management and webinars, in addition to a welfare package consisting of a library of feature movies, TV and international news.

In 2023, Wallenius Wilhelmsen held our first fully joint officer conferences bringing together over 130 seafarers from seven nationalities and two ship management companies. Each event aims to provide education, company direction and key strategic messages and giving our officers an opportunity to meet peers, managers and executives from different regions, departments, and vessels, and most importantly to have a little fun whilst learning.

Our ambitions and goals on safety, sustainability and technology were top of the agenda this year. Seafarers play a big role in executing our strategy and reaching our ambitions. For Wallenius Wilhelmsen, the Officer's Conferences are also a way of recognizing the seafarers' hard work and dedication, and to thank them for their loyalty and strong commitment to us.

We experienced two serious injuries to seafarers in 2023. Both incidents involved mooring operations and a safety campaign was launched within our ship management companies to highlight the dangers and safe working practices during mooring. Sadly, we experienced one fatality in January 2024 when a crew member of EUKOR's Morning Lisa tragically died while performing cargo operations onboard in the Port of Bremerhaven, Germany. Our heartfelt condolences go to his family and friends. The incident is currently being investigated and highlights the importance of continuously working on improving safety in our business.

At sea, the lost time incident frequency (LTIF)[1] was 0.56 at the end of 2023, well below our target of 1.0.

1 Lost Time Injury Frequency (LTIF) is the number of fatalities and lost work-day cases per 1,000,000 (1 million) work hours for land based employees. For seafarers, exposed hours used.

This year, Wallenius Wilhelmsen made good progress in promoting the safety and well-being of our employees on land. During 2023, we achieved our plan to have all facilities in the Americas, which is our largest region, certified to all three ISO standards – 14001, 9001 and 45001. The transportation activities will be certified in 2025, and global certification will follow. We also launched several successful safety campaigns, including the Safety Survey, Speak-Up, and Dare to be Aware Safety Awareness Campaign, to empower our employees to voice their thoughts and ideas on safety.

We also celebrated our safety rock stars and acknowledged the hard work and dedication of all our employees in maintaining safety standards. The Global Safety Committee has seen a surge in participation, with leadership from around the globe joining the conversation and sharing insights. This has led to enhanced collaboration and best practice sharing, allowing us to proactively address safety concerns and make positive impacts across our operations.

In addition, we have arranged RoRo Rodeo events at our Baltimore and Southampton terminals, bringing together experts from major machinery manufacturers and stevedores to upskill our operations team on safe and efficient cargo handling. These events provide hands-on training on cargo securing techniques, ergonomic safety, damage prevention, and sustainability.

A "new normal" way of working has emerged since COVID-19. We are now balancing remote and hybrid attendance to meet employees' desires for more flexibility and the need to maintain and strengthen our company culture. The impact differs across geographies with most of our Asian and European employees having returned to the office, whilst remote and hybrid work has become common in the United States. We are currently developing our people strategy which will focus on flexible labor models and labor mobility and we are educating both human resources and operational leaders in positive employee relation, culture and training. The aim is to secure our resource needs whilst meeting new expectations.

Along with our physical safety efforts, we are continuing to promote mental health and well-being. We provide mental health first-aid training in the US, mental health courses in the UK and an annual wellness allowance in Sweden. We also have Evoluno, an app that encourages employees to reflect on their mental well-being, micro learnings and how to reach out for professional help. The Employee Assistance Programs which were launched in 2022, saw a surge in participation in Belgium, Brazil, Panama, El Salvador, and Mexico. In Asia, extensive initiatives and training have been provided on mental health, occupational health and safety.

This year, logistics has made progress in ensuring the safety of our employees and multiple locations have achieved the milestone of 1,000 days without lost time incidents (LTIs). Indeed, the team at North Little Rock EPC, USA, stood out with over 1,800 injury-free days and 44 percent of our facilities achieved zero LTIs this year. The PIRT Terminal in South Korea received an 'A' grade in the Hyundai Glovis 2023 Safety and Health Assessment for the second year and was praised for safety excellence.

The lost time injury frequency (LTIF) was 14.33 in our logistics operations with 227 lost-time injuries for staff and contractors. Whilst this is almost a 10 percent reduction, it is above our 2023 LTIF target of 14.15 and we will continue to prioritize safety and continuously strive to improve our safety culture. Even though the LTIF is comparable to the industry average in countries such as the US, it remains a priority to further improve our safety performance. We are focusing on the facilities that have had the highest numbers of incidents and recurring root causes. We anticipate improving our management procedures and outcomes in 2024 by pursuing the ISO 45001 Health and Safety standard for our operations. This includes 45 facilities that are about to be certified.

The absenteeism for logistics increased from 2.53 percent in 2022 to 3.37 percent in 2023.

How will we proceed?

Improving our safety performance and safeguarding our people's health and well-being will continue to be a top priority for the company in 2024:

- Strengthen our health & safety management system by certifying our operations to ISO 45001 health and safety standard.

2. Human and labor rights

Key performance indicator	2022 actual	2023 target	2023 actual	2024 target
Confirmed cases of severe human rights incidents connected to our workforce	0	0	0	0

Why is it important?

As a global company, we operate in many different regions and countries. Identifying relevant human rights risks and understanding how we may mitigate them is critical for us as a company and for our stakeholders. We recognize the UN Universal Declaration of Human Rights and the International Labour Standards[2]. The company also follows the requirements of the Norwegian Transparency Act[3], and the Minimum Safeguards of the EU Taxonomy. These regulations require that companies carry out due diligence in their value chains, develop governance and management, provide grievance mechanisms and report on progress. This section encompasses reporting to meet the requirements of the Norwegian Transparency Act. Please also refer to our separate statement on the website related to the UK Modern Slavery Act.

How do we work?

Wallenius Wilhelmsen's commitment to human rights is anchored in our code of conduct and specified in our human rights policy, both of which were updated in 2023. Our expectations of suppliers are communicated through our supplier code of conduct, which key suppliers are requested to confirm.

Our approach to human rights due diligence and identifying and addressing human rights issues are guided by the OECD Guidelines for Multinational Enterprises[4] and UN Guiding Principles on Business and Human Rights[5]. The assessment is updated annually and involves a desktop analysis and workshops with a dedicated task force representing key functions and geographies. Human rights aspects are assessed across the value chain to determine which ones are the most important for us. For the relevant risks, scenarios are determined and likelihood and impacts defined and assessed to prioritize key risks and mitigating actions. Should Wallenius Wilhelmsen, through its actions, directly cause or contribute to harmful human rights impacts, we will seek to promote access to and/or provide fair remediation. Our group-wide whistleblowing channel, the AlertLine, includes concerns relating to human rights and is managed by an independent third party to ensure confidentiality and protection of stakeholders. We have also established a dedicated communication channel for information requests as required by the Norwegian Transparency Act. We did not receive any queries in 2023.

2 LO declaration on fundamental principles and rights at work
3 Norwegian Transparency Act – PDF
4 OECD Guidelines for Multinational Enterprises on Responsible Business Conduct – PDF
5 Guiding Principles on Business and Human Rights – PDF

How did we perform?

During 2023, we strengthened our governance and management on human rights by developing a human rights framework specifying responsibilities and procedures. In addition to the dedicated human rights task force, we also established a human rights committee consisting of key management representatives, including the CEO, to manage information requests and severe concerns of human rights incidents. We revised our scenarios and updated the group executive team and the board of directors on the status of our work.

To increase our understanding of regional human rights risks, we conducted workshops with our Korean and wider Asian logistics operations. This included specific workshops with management, legal, safety and human resources. To reach employees whose first language is not English, we translated our training course on human rights to Spanish and Korean.

An overview of the key scenarios that were identified in 2023 and actions taken to mitigate them is provided below:

- **Contributing to climate change through our operations:** The UN has acknowledged "a clean, healthy and sustainable environment" as a human right[6]. Since our vessels' emission of greenhouse gases is our largest impact on the environment and thereby posing a risk to human health, safety and well-being, we identified climate change as a key risk in our scenario assessment. During the year, we undertook a thorough evaluation of different pathways to become net zero. The outcome was a transition plan to become net zero by 2040. Please see the Planet section for more details.
- **Stowaways on vessels:** Human traffickers and smugglers can be behind stowaways onboard our vessels and stowaways are at risk of becoming victims of modern slavery upon arrival. We experienced seven stowaways in 2023. When stowaways are found on a vessel after leaving the port of departure, guidelines are in place as prescribed by IMO in Resolution 13 (42): FAL Convention and strictly followed. P&I clubs are consulted to ensure the safety of stowaways when considering potential ports for disembarkation. We also cooperate closely with port and terminals to prevent this illegal activity. Mitigating actions at high risk areas are ongoing and include clearly visible crew, ID-checks, security guards at the entry points of the vessels, CCTV-systems, manual cargo inspections and thermal screening cameras.
- **Migrants in distress picked up at sea:** We did not encounter any migrants in distress at sea during 2023. However, as people, unfortunately, still risk their lives by crossing the seas in search of a better life, it remains a key scenario for us, and we recognize our duty pursuant to international law for ships to (attempt to) rescue persons in danger at sea. Should migrants in distress be picked up at sea, we follow the practice as per IMO, including the 1982 UN Convention on the law of the sea and the 1974 international convention for the safety of life at sea as well as advise by local coast guards.

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- **Safety of seafarers in the Red Sea:** Due to the threat to our seafarers' safety following the attacks to commercial vessels by the Houthi rebels, we decided to re-route all vessels around the Cape of Good Hope. Please see the safety section above for further information.
- **Drug trafficking criminals infiltrating our operations:** Unfortunately, global drug markets continue to expand and criminals target merchant ships by concealing drugs on board, within the cargo, or by attaching drug-filled containers to the underwater hull. Container vessels are more at risk, but RoRo vessels such as ours are also affected in certain regions.

  As part of our security management, we conduct regular security assessments, develop and implement security plans, and provide training and drills for personnel. Awareness campaigns to encourage our workers to "see something – say something" are also run. In addition, we liaise with industry forums such as the IMO and the World Shipping Council to address this risk. We cooperate fully with authorities when they conduct inspections whilst supporting our crew and terminal workers during investigations to protect their rights. See section on security and emergency response for further information.
- **Supply chain risks:** Our new group procurement policy refers to the supplier code of conduct and describe risk assessments of suppliers which include human and labor rights, climate and environment and ethical conduct. We have also strengthened our integrity due diligence of business partners and the procedures specifically includes human rights assessments.

  More emphasis was put on shipyards this year as building new vessels represent our greatest investments, and because human and labor rights risk have been associated with the industry. Please see the section below on shipyards and the sustainable supply chain in the Prosperity section.

  During 2023 Wallenius Wilhelmsen improved the monitoring of our vessel asset condition, safety and quality standards and increased our teams in Europe and Pyeongtaek, South Korea, conducting inspections and collaborating with crew to identify their challenges and improvement opportunities. These inspections come in addition to the compulsory maritime labor and port authority controls and have proved fruitful already in identifying areas or vessels for improvement and we aim to have a vessel standard condition set in Q1 2024.
- **Ship recycling:** We have kept our focus on eliminating adverse human and labor right impact in the area of ship recycling for decades. We were one of the founding members of the Ship Recycling Transparency Initiative and are now part of its steering committee. Our responsible ship recycling policy was updated in 2023, reinforcing our commitment. We also contributed to TradeWinds' Ship Recycling Forum conference to advocate for the importance of responsible recycling as well as to gain insight into regulatory and industry developments. Whilst we did not recycle any vessels in 2023, we closely follow regulatory developments such as the newly ratified Hong Kong Convention to be prepared for when a vessel reaches its end of life.

- **Armed guards on vessels and land based facilities:** During 2023, we did not engage any armed guards during transits of our vessels. However, at certain land-based facilities in high risk zones, we have been obliged to have armed guards to ensure our workers' safety. The guards are provided by vetted security companies.
- **Working hours for truckers:** Whilst we are working with our truckers to keep their working hours at a reasonable level, this is a challenge for the industry and us. During 2023, we implemented a tracking system to monitor our truckers driving hours. We will further work on this as we progress with the ISO 45001 certification in 2024.
- **Discrimination and harassment:** Non-discrimination and harassment have a dedicated chapter in our code of conduct and it is integrated into our management procedures. Please see section on diversity, equity and inclusion (DEI) below.

  There was one reported case in 2023 of inappropriate behavior between a seafarer and a stevedore.
- **Employee and supplier information privacy:** Please see how we address this risk in the governing elements in the principles of governance section below.

How will we proceed?

We will develop our human rights due diligence by:

- Continuing to raise awareness of the group's human rights policy and implement it in all parts of our company and towards suppliers
- Continuing to expand our stakeholder engagement to a wider group of internal stakeholders and consult external stakeholders such as NGOs or industry network
- Updating the human rights scenarios
- Presenting initiatives and results to management and the board
- Strengthening our assessment and monitoring of risks in our supply chain

3. Diversity, equity and inclusion

Key performance indicator	2022 actual	2023 target	2023 actual	2030 target
Diversity of senior management 65:35 (M:F) i 2030	22	-	23	40[1]

1 At the start of 2024, we signed the Wista 40 by 30 pledge.

Why is it important?

Our employees, with their diverse backgrounds and experiences, cooperate closely across borders and time zones, making Wallenius Wilhelmsen a truly global company. We aspire to be a workplace where everybody feels safe and well, where we get the opportunity to realize the best version of ourselves and learn from each other. Diverse and inclusive organizations are innovative, they make good decisions and perform well. In other words: We aspire to "make a rock star of every employee" by supporting all employees to:

- Realize their full potential
- Be empowered through strong teams
- Be encouraged to drive innovation and development by challenging status quo

How do we work?

Our board of directors and senior management are committed to the work with diversity, equity and inclusion (DEI) which is anchored in our code of conduct. The code explicitly states that discrimination based on race, color, religion, gender, age, nationality, sexual orientation, disability, or any status protected by law is prohibited. We strive to provide everybody with equitable treatment and opportunities when recruited, in day-to-day work performance and in promotion processes.

During 2023, we further implemented the "Be a rock star of your own career" initiative that was launched in 2022. It aims to strengthen and motivate employees and increase leaders' awareness that happy employees who get opportunities to grow and experience success in their roles, deliver better results. Leaders should help employees shine, and colleagues should help each other become rock stars. It is our way of building an inclusive workforce and a growth mindset. We monitor our employees' perception of the working environment and our progress on developing an inclusive culture through the DE&I score in our bi-annual employee survey.

A new HR platform called OnePeople, which utilizes the Workday system, was implemented in 2023 and represents a strategic investment for Wallenius Wilhelmsen. Workday is a digital platform for people data and processes that will improve decision-making, compliance, feedback and performance. By having standardized processes and one place to store and access all employee and organizational information, we now have reliable and consistent reporting across the regions and business units. It also provides a platform for dialog with non-office workers. The platform makes it easier to adhere to global and local legislation, implement global policies and best practices. Workday provides uniform data definitions and formats which will improve the quality and comparability of the workforce data and analytics. This will enable the company to gain more insights into workforce trends, issues, opportunities, and to develop and execute effective human capital strategies.

Wallenius Wilhelmsen Executive Reaches Top 10 in the Top 100 Women in Shipping

Mary Carmen Barrios is no stranger to the Top 100 Women in Shipping list by Allaboutshipping.co.uk. This year, however, out of the 1,350 nominations, she made it to number 7. A result she wasn't expecting but doesn't take lightly. She says, "It's not just about being ranked in the list but to be included among other well-known, outstanding women." She continues, "the important part is inclusion and diversity, regardless of your ethnicity, creed, or age. That's what it's all about, creating awareness to the fact that women are adding and creating value to an industry with thousands of years of tradition and history."

How did we perform?

In 2023, our new executive management team was established and consists of 50 percent women, up from 29 percent in 2022. The share of women in senior management positions improved slightly from 22 percent in 2022 to 23 percent in 2023. Of our approximately 2,596 office workers, 42 percent are women, whilst women constitute only 19 percent of all production workers. Change starts from the top and we have achieved gender balance in our executive management. Our industry has historically been male-dominated and it is a priority for us to create better balance across employment categories.

We are strengthening our DEI work as part of our People strategy to attract talent from a wider labor market. The strategy will focus on expanding the potential employee pool and varied scheduling to meet our resource needs. We are reviewing employee benefits to ensure that they fulfil the needs of our current and future workforce. Additionally, we are educating both human resources and operational leaders in positive employee relations culture. We provide training to ensure that we during recruitment seeks diverse candidates and that the interview and selection process is inclusive in the Asian and Nordic countries, as well as in the United States.

Particularly our Asian HR team has implemented numerous initiatives to promote DEI. This includes developing a local DEI strategy, establishing a dedicated channel for DEI policies, guidelines and learning resources and providing a broad training program on a wide range of topics such as (sexual) harassment and bullying and to promote and protect the rights and inclusion of disabled persons and raise awareness on the needs for pregnant colleagues.

At the start of 2024, the company created a new senior role to strengthen our organizational development further.

Wallenius Wilhelmsen's CEO is first male to receive WISTA award

An annual accolade that's been around for 17 years, the WISTA Norway Leadership Award, is awarded by WISTA (the Women's International Shipping & Transportation Association) to someone in the Norwegian maritime industry who embodies the group's core values of being professional, dynamic, open-minded, and above all, committed to gender equality. The awardee must also have contributed to the industry's development in some way.

This year's ceremony was unprecedented, as Wallenius Wilhelmsen's CEO became the first man to receive the award. Stine Mundal, President of WISTA Norway, said: "Kristoffersen is a visible and inspiring leader. He has led by example, been vocal about the urgency, and been committed to securing female competency and representation in the Norwegian shipping industry."

When presented with the award, Kristoffersen felt honored and stressed that his efforts should be the norm rather than the exception: "We have only just begun; this is a continuous work."

Senior management:

23% Women
77% Men

New hires to senior roles:

25% Women
75% Men

With the HR system Workday, we have both a better basis and process to analyze workforce trends and can develop our future DEI strategy and targets to fully implement our policy. This had to be put on hold in 2023 due to the implementation of Workday. Our previous target for gender ratio for office workers in senior management of at least 35:65 (f/m) by 2030 will therefore be replaced. Our CEO and CPO are strongly committed to improving our diversity.

To ensure we use objective, fair and equitable salary practices, we apply the methodology developed by the consultancy firm Korn Ferry Hays. Their methodology is internationally recognized for an objective evaluation of positions and salaries. By utilizing this methodology, we assess the competence and experience required for positions, and ensure that we stay competitive by assessing our salary practice in all markets. The compensation and benefits team was strengthened in 2023 and when implementing Workday, we got more comprehensive and accurate data which allowed us to analyze our reward practice in more details and identify improvement areas such as unintentional pay disparity and inconsistent remuneration practices. For information regarding our diversity and equal opportunities for our Norwegian operations, please see our reporting in accordance with local anti-discrimination regulation.

Senior management – Earnings ratio[7]
women:men

Sweden	Norway	Korea	United States
118%	98%	92%	91%

Other employees – Earnings ratio[8]
women:men

Sweden	Norway	Korea	United States
87%	89%	77%	80%

How will we proceed?

Going forward, we will:

- Develop a new people strategy which will include a program for implementing our DEI policy and meeting our pledge to Wista 40:30
- Conduct a global gender pay compensation analysis
- Continue to close the pay gap
- Launch and implement our new values

7 The ratios are highly influenced by the gender distribution in the organizational hierarchy. This is office-based employees.
8 Excluding apprentices, fixed term and temporary employees. This is office-based employees.

4. Training & development

Key performance indicator	2022 actual	2023 target	2023 actual	2024 target
Average hours training per employee	3.67	-	28.83	-
Average training hours per employee (senior / general managers and above)	1.3	-	48.6	-

Why it is important?

Training and development are central to how we learn as individuals. As an organization, we prioritize the development of all employees globally. Developing new skills and knowledge of technical and scientific developments and best practices are important to build a strong, competitive workforce. We believe that well-supported employees are more productive, and more engaged in business.

How do we work?

GoGrowSucceed is the company-wide platform to manage our employees' professional development objectives and assess their performance and development with their managers. The aim is to foster structured engagement, feedback, motivation and allow for an enhanced coaching relationship between managers and team members. GoGrowSucceed has evolved to include coaching and mindset questions as well as performance standards to make it clear what signifies a top performer and to further develop a collaborative culture, i.e. it covers not only "what to do," but also "how to do it" in keeping with our values.

We believe that the most relevant learning and development occur in the day-to-day work. Still, systems, best practices and knowledge evolve and we continuously need to upskill our employees by providing a combination of digital and in-person training. In addition to mandatory training sessions, e.g. on the company's code of conduce, the company provides open enrollment in e-courses through iLearn, our digital training platform. We aim to motivate employees to develop their own learning journey to bolster career progress and motivation.

We believe in the power of connections to support our people, provide an improved employee experience, and help people perform at their best.

How did we perform?

During 2023, we had several training and development initiatives and an overview is provided below:

- **Code of conduct:** New employees receive training on the code during their onboarding and all employees are required to confirm that they have read the code of conduct.
- **Global leadership program:** The company's global leadership development program for selected team leaders is designed to optimize leadership skills and enhance career growth potential. In 2023, 33 participants participated in the eight-month long academy-style program, and 30 more employees are enrolled for 2024. Participants began their experience with a three-day in-person program focused on leading themselves, and a second session focussing on leading others. Participants will continue to work with individual coaches, personalized learning trios as well as participating in virtual workshops focused on critical leadership topics and skills, including inclusive leadership.
- **iLearn:** In 2023, 4,065 employees completed online training in 2023. This is an increase of 6,8 percent from 2022, and includes both required and non-required courses. Employees spent more than 100,000 hours dedicated to their growth and development, this equates to an average of 28.8 hours of training per active user. This is a 780 percent increase compared to 2022, this was due to increased training as part of our Learning and development program (LDP) and training in connection to our new Workiva platform. Additionally, there was an increase in learning content, 404 courses were added from over 47 providers in English and Spanish.
- **Human Rights:** We launched a gamified training on human rights in 2022 to raise awareness and understanding of how we as a company impact human rights and also how our colleagues can support them in their daily lives. In 2023, the training was translated to Spanish and Korean to reach employees whose first language is not English. The training is part of the onboarding of new employees.
- **Cyber security training:** An updated gamified training on cyber security was launched in November 2022 and is mandatory for all new employees.
- **Sustainability training:** The gamified training on sustainability which was launched in 2022 and part of our onboarding program, aims to upskill our employees on sustainability topics and how our company works with transitions.
- We added a content library of more than 400 courses covering a range of professional development topics.

How will we proceed?

- In 2024, we will continue our transition to digital learning, enhancing our ability to deliver new knowledge and skills to all our colleagues, regardless of their location.
- Expand the Workday system to include a learning management system. This will ensure easier and seamless integration of our people development efforts.

Planet

The world faces a climate and nature crisis, and there is an urgent need for action. By decarbonizing operations and reducing our environmental footprint, we will be a part of the solution in transitioning to a low-carbon society. As a leading provider of logistics services, both on land and at sea, we work to minimize and responsibly manage our impact on natural environments. Wallenius Wilhelmsen adheres to the scientific consensus on climate change and supports the Paris Agreement.

Contents →

To manage our impact on the planet, we monitor, manage and report on four material topics:

1. Greenhouse gas emissions (GHG) and climate risk
2. Biodiversity
3. Air quality
4. Waste management

1. Greenhouse gas emissions (GHG) and climate risk

Key performance indicator	2022 actual	2023 target	2023 actual	2024 target
EEOI	30.38	31.16	27.69	28.7

Why is it important?

Nearly all (99 percent) of our scope 1 CO_2e emissions relates to seagoing transportation. Although shipping in general has a much lower carbon intensity per tonnes-km transported than air and land-based transportation, it constitutes about three percent of annual CO_2 emissions globally. To most, there are no alternatives to seagoing transportation. International shipping carries about 90 percent of world trade, and the volumes of goods are predicted to increase significantly toward 2050.

Wallenius Wilhelmsen is the leading player in global RoRo shipping and finished vehicle logistics. As an important infrastructure player, we want to be a shaper in finding and using solutions towards transitioning to zero emissions, not being solely an adaptor to the emerging developments. We can make lasting competitive advantages when we lead the journey to zero emissions.

Wallenius Wilhelmsen calls for accelerated energy transition at COP 28

In December 2023, Wallenius Wilhelmsen joined a coalition of leading shipping companies who went to the UN's Climate Change Conference, COP28, with a focused message for world leaders: Do more, faster.

A group of CEOs from Wallenius Wilhelmsen, Maersk, Hapag-Lloyd, and others, gathered together in person at COP28 to make sure their message was heard: Global temperatures are breaching critical levels, creating more frequent and devastating results. Therefore the importance of shipping achieving the International Maritime Organization's (IMO) 2030, 2040, and net zero 2050 greenhouse gas (GHG) targets is very clear. The only realistic way to meet these targets is to transition from fossil to low carbon fuels – at scale – and at pace.

"We believe that even closer collaboration with IMO regulators will produce effective and concrete policy measures needed to underpin the investment within maritime shipping and its ancillary industries that will enable decarbonization to occur at the pace required," said Lasse Kristoffersen, President and CEO at Wallenius Wilhelmsen.

This call to action puts the coalition at the forefront of an industry that generates 2-3 percent of the world's annual emissions. "At Wallenius Wilhelmsen, we have decided to be a shaper of the journey to net zero and focus our investments in supporting this ambition. Our customers want to partner with us on the voyage. Now, we need a global regulatory framework matching this ambition to drive the investments needed at a global scale," explains Lasse Kristoffersen.

How do we work?

To strengthen how we how we manage our transition to net zero emissions, the company assembled the Orcelle Accelerator task force in early 2023. The task force consists of dedicated resources and report directly to the CEO. The task force is mandated to orchestrate Wallenius Wilhelmsen's energy transition by enabling synergies across the group, and build partnerships with customers and technology providers.

Mærsk Mc-Kinney Møller Center
for Zero Carbon Shipping

During 2023, we participated in various external industry seminars, conferences, and events focusing on energy efficiency and emission reduction initiatives. As part of our commitment to driving sustainable shipping practices, we joined the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping as a mission ambassador. Additionally, we have attained partner status in both the Green Shipping Program and Maritime CleanTech, a Norwegian private-public industry collaborator dedicated fostering environmentally friendly shipping practices. Furthermore, we are part of the European Union's Horizon Europe Framework program, where EUR 9 million in funding was secured to support the development and construction of the Orcelle Wind, the world's first wind-powered car carrier. This underscores our dedication to innovative solutions that pave the way for a more sustainable maritime industry.

Our transition plan towards net zero by 2040

In 2023, the Orcelle Accelerator task force explored alternative scenarios and projections on how to reach net zero for Wallenius Wilhelmsen. By identifying a range of decarbonization levers and utilizing detailed operational data and assumptions on costs and the effect of each lever, we were able to project pathways to net zero by 2040. These levers included technical and operational initiatives to increase energy efficiency, in addition to alternative fuels for the current and future fleet.

We found that achieving net zero by 2040 is a challenging, but still a feasible emission target, in line with the Paris agreement. To meet the challenge we are ready to put all hands on deck and direct significant investments to reducing 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. The executive management and subject matter experts across the group were engaged in this project and the board of directors gave in December the final approval of the transition plan to become net zero by 2040.

Our journey to net zero will have three main phases:

- **The critical 2020s:** We need to turn every stone to maximize the energy efficiency of our current assets, both on land and at sea. As we are not assuming any early retirement of existing vessels or equipment, we need to reduce fuel consumption in line with the net zero 2040 trajectory. Energy efficiency will not only help reduce fuel consumption, but it will also reduce the need for biofuels.
- **The decade of transition:** During the 2030s, we need to replace the majority of our current fleet with new fuel-capable vessels as they age out at around 30 years. Drop-in fuels on existing vessels, such as e-fuels and biofuels will play a major role in decarbonizing the existing fleet during this transition, and to keep us on the emission trajectory.
- **A new reality:** From 2040, the majority of our fleet will have transitioned to new fuels. However, energy efficiency continues to play a vital role in a high fuel-price environment.

To say that the journey towards net zero by 2040 will be challenging is an understatement, and we need to be prepared to reshape the transition plan to adapt to changing realities, such as new technologies and opportunities. That said, it is a challenge that we welcome and will face head on so that we can play a part in helping to mitigate the climate crisis and shape our industry. A focus for 2024 will be to integrate the decarbonization strategy into our management system.

Our journey to net zero happens every day, on our ships, at terminals and processing centers

For our logistics activities, which include terminals, equipment and vehicle processing centers, we are introducing many initiatives to improve our energy efficiency. The majority of direct GHG emissions from logistics services are related to fossil-powered equipment such as semi trucks for short distance transportation to long hauls; forklifts and trucks used to move cargo, and mini-vans used for crew transportation.

Our clean fleet initiative requires that all equipment purchases as of 2023 must be zero-emission. In addition, we will build charging infrastructure for our on-site equipment and contribute towards building local renewable energy production such as wind turbines and solar panels. We will also shift our purchasing of electricity to prioritize renewable and low-carbon sources to lower our Scope 2 emissions.

In 2023, three EV semi-trucks entered operation between the Port of Savannah and our equipment process facility (EPC) in nearby Pooler, including local deliveries. This as an effort to reduce carbon emissions from land-based operations by partnering with the company Einride to pilot electric trucks in Georgia, USA. We also added one EV semi-truck in Carlisle to transport cargo from the Port of Baltimore to our EPC in the area. In Southampton, England all non-electric equipment is now running on HVO100 biofuel.

We placed an order for 72 pieces of electric terminal equipment, including forklifts and reach-stackers. They will be delivered at the end of 2024 and represents the largest green investment for logistics. This comes in addition to the electric 18T forklift and 4 EV shuttle vans that entered service at our Zeebrugge location this year.

In shipping, a multitude of initiatives were undertaken to improve vessel energy efficiency and reduce emissions across the fleet this year, with good results. 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.

We successfully implemented a cutting-edge AI solution (Pythia) for speed and route optimization onboard 83 vessels. It provides live speed advice guidance to voyage operators and vessel masters. This tool leverages sophisticated machine learning algorithms that combine route information, vessel sensor data and weather forecasts to minimize fuel consumption and CO_2 emissions by up to 10 percent. The integration into Wallenius Wilhelmsen's operations marks a revolutionary milestone.

We installed an engine optimization support software on all owned and bareboat chartered vessels. This tool continuously evaluates main and auxiliary-engine performance data and provides actionable improvement recommendations to the crew. Furthermore, we partnered with our principal main engine supplier to upgrade the engines for enhanced performance and placed orders for 62 of 78 planned vessels.

Bulbous bow retrofits were successfully completed on three vessels to significantly improve hydrodynamic performance. A fourth vessel is scheduled for 2024. Optimization projects were initiated for additional vessel series, with plans for future retrofits. The fourth vessel, Tirranna, will also get a new rigid sail system for wind-assisted propulsion installed in 2024. It represents the inaugural full-scale test of such a system on a car carrier and is an important step towards the realization of the Orcelle Wind project.

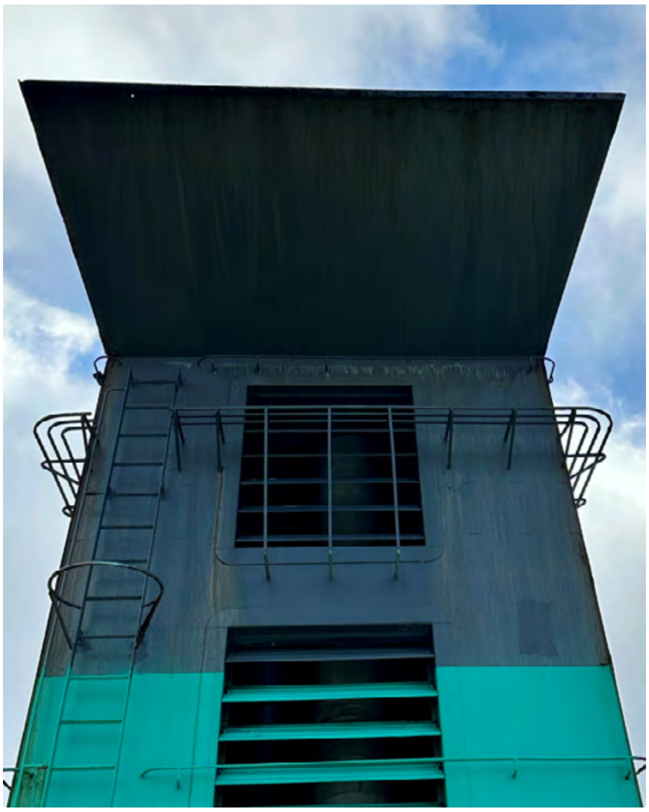
Variable frequency converters were installed on several vessels, enabling reduced energy consumption through dynamic operation of main pumps and fans based on actual load demand, with many more vessels to come. Additionally, we started a project for large-scale transitioning to LED lights, to save energy and improve lighting conditions.

The Hull Skater, an innovative hull inspection and cleaning robot, is now installed and utilized on 19 vessels to maintain cleaner hulls to conserve fuel and mitigate the risk of transferring invasive microorganisms. Furthermore, we concluded trials and initiated another test of technologies aimed at propeller fouling protection.

50 of 54 vessels completed upgrades limiting available propulsion power to facilitate conditions for fuel savings. We also contracted one vessel to trial modifications to its main engine turbochargers, enhancing performance at lower and part load levels. Feasibility assessments of other energy saving technologies were also conducted or initiated internally and in collaboration with industry partners.

Improving data quality and easing emission reporting:
We developed and implemented internal digital tools and dashboards for emission monitoring and decision support. Additionally, we executed a comprehensive replacement of the vessels' onboard reporting system, extending fleet-wide coverage to long-term charter vessels, and enhancing shore-based data capturing processes. These initiatives significantly enhance the quality of vessel emission data, provide deeper insights into actual operations, and establish a stronger foundation for analysis and decision-making to optimize energy efficiency further.

Exploring new fuels:
Our journey towards zero-emissions will be stepwise and in the short and medium-term the focus will be on energy efficiency improvements and use of biofuels. Low carbon fuels will gradually be introduced and play a key role in the medium to long-term. The fuel options will depend on vessel technology; the existing fleet can use various types of drop-in biofuels, while new vessels ordered with dual-fuel possibilities, will be able to also use green methanol or ammonia. Other future possible fuels and fuel technologies are also being monitored.



In 2023, a B30 biofuel blend product was successfully and safely bunkered and used on three vessels. B30 contains 30 percent biofuel feedstock and 70 percent conventional fuel and brings up to 24 percent lower CO_2e emissions. We have gained solid knowledge and established fleet guidelines and in-house quality specifications for biofuel usage. Biofuel is now an integrated part of our fuel mix and is established as a low-carbon service offering to our customers. In 2024 we will see a significantly ramp up of biofuel consumption for selected vessels.

Looking ahead to 2024 and beyond, our focus remains on advancing the portfolio of energy efficiency initiatives. We will extend ongoing efforts to more vessels, enhance the utilization of technology solutions like Pythia, pursue additional vessel retrofits and upgrades, expand biofuel usage, and forge new partnerships to drive emission reductions.

Tamerlane and Torrens takes Wallenius Wilhelmsen's first biofuel voyages

Tamerlane was our first biofuel blend bunkering in Zeebrugge back in July 2023. As a pioneering move in Korean ports, the M/V Torrens has been successfully fueled with an innovative B30 HSFO-Biofuel blend during its scheduled call at Masan Port, South Korea.

This biofuel, a seamless mix of HSFO and UCOME (bio-feedstock), is a drop-in fuel and can be introduced to current engine systems without need for modifications

Making biofuel bunker progress

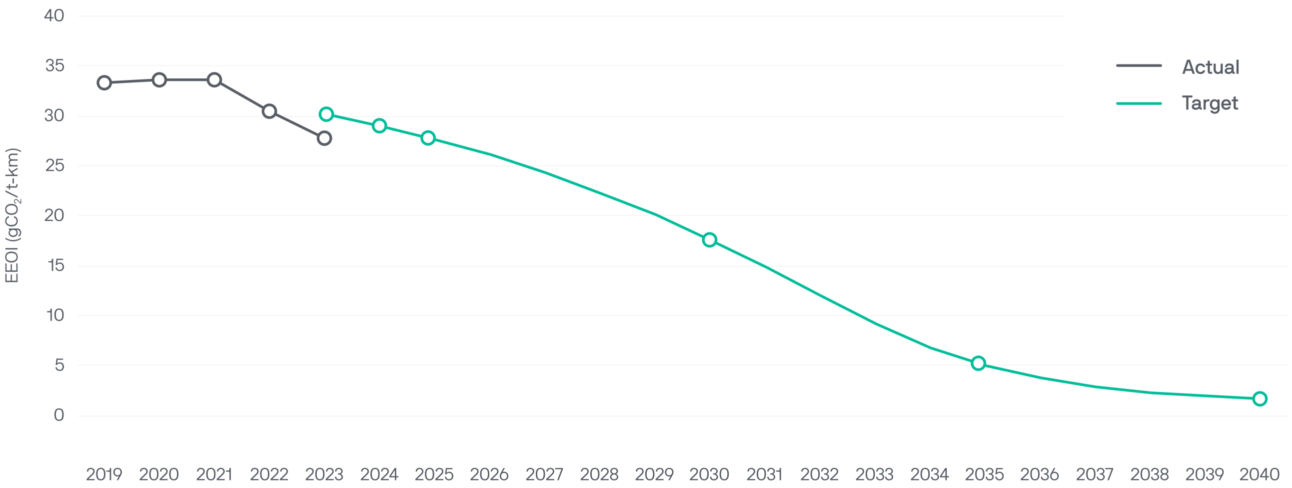
Despite the increasing global availability of biofuels, finding suppliers in Korean ports has been a challenge. However, we have made significant progress. "As Korea is one of our major bunkering ports, stable biofuel supply is essential to secure flexibility of tonnage allocation, so I am pleased to have a B30 HSFO trial with GS Caltex, one of Korea's major fuel suppliers, and I hope close cooperation will continue in the future," says Jang Hongseok, Manager Energy Sourcing.

Collaborating with GS Caltex Corporation is just one of the ways we are leading change. While the supply of biofuel in Korea is limited for now, pending regulations, this initiative is a critical step toward making sustainable fuel options more accessible.

Cha Hyungmin from GS Caltex added: "We expect that this B30 Bio-Marine Fuel (HSFO) trial with Wallenius Wilhelmsen will be a meaningful step for scrubber-installed vessels of global shipping companies to reduce their carbon emissions when calling Korean ports." He continued, "We hope to expand the relationship with Wallenius Wilhelmsen and support as a carbon reduction solution partner in Korea."

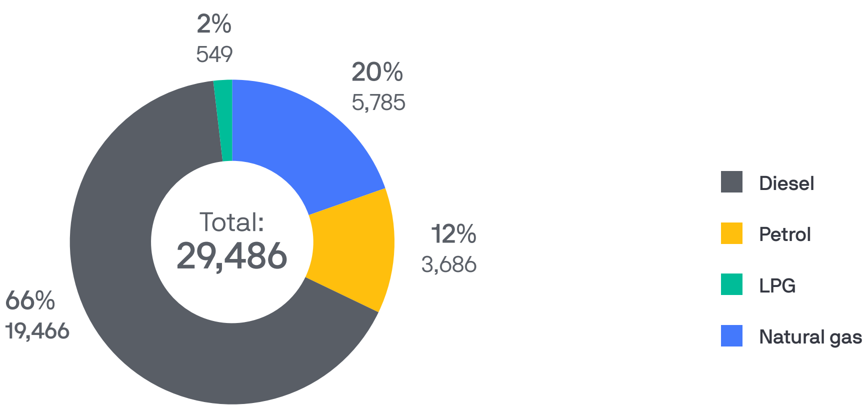
How did we perform?

In 2023, our CO_2e intensity (EEOI[1]) was 27.69, a significant reduction compared to our 2022 performance of 30.38 gCO_2 per tonne-km. Our total CO_2e emissions from shipping in 2023, 4,125,161 tonnes, nearly half a million tonnes lower than our CO_2e emissions in 2022 of 4,546,703 tonnes. A continuous focus on optimizing energy efficiency and the effect of implementing technical initiatives on our vessels has contributed to improved performance.



In 2023, our total Scope 1 CO_2e emissions were 4,125,161 tonnes, of which 99 percent were related to shipping. From our logistics segment, CO_2e emissions increased from 28.3 thousand tonnes in 2022 from 29.5 thousand tonnes in 2023. Logistics' direct (Scope 1) CO_2 emissions are related to combustion of diesel and petrol fuels for semi-trucks fork-lifts and on-site vehicles, such as crew-transporting mini-vans. 80 percent of Scope 1 emissions in logistics are related to diesel and petrol consumption for transportation, while the remaining 20 percent are related to the use of natural gas and propane. Natural gas is used for heating and heat treatment of cargo, whilst propane is mainly used in forklifts.

Tonnes Scope 1 CO_2 emissions per energy source, Logistics



In 2023, Wallenius Wilhelmsen's Climate Change score from CDP improved to a B, up from a score of C in 2022 and ahead of our sector's (marine transport) average score of B- in 2023.

1 Energy Efficiency Operational Indicator, gCO_2e per tonne-km

Managing climate risks and opportunities

Climate change creates potential risks for our business, but it also presents opportunities. Both are part of the company's long-term strategy, and are assessed regularly as part of our overall risk management. Back in 2021, we identified climate risks and opportunities across the company, following the recommendations of the Task-force on Climate-related Financial Disclosures (TCFD). This initial assessment included desktop research to identify industry-specific risks and opportunities, and potential timeline of each risk and impact.

Our Top 3 Climate-related risks

- Transitioning to low emitting propulsion technologies with uncertain long-term viability
- Lock-in emitting fuels that become less competitive during ships' lifetime
- Increased costs to ensure compliance with emerging regional and international climate regulations

We expanded on this work in 2022, and the risks and opportunities were reassessed, categorized and prioritized. The ranking methodology, which was based on the upcoming EU Corporate Sustainability Reporting Directive (CSRD), considered the potential impact on Wallenius Wilhelmsen in three different time horizons – short, medium and long term. The results of this exercise were captured in a Climate Risk and Opportunities register.

Overview – Transition Risk

Category	Short	Medium	Long	Impact	Description
Technological	2	2	3	C	Failure to transition fleet - higher opex & emissions
Technological	1	2	3	C	Failure to supply adequate renewables leading to stranded assets
Technological	1	2	3	C	Failure of renewable technology leading to stranded assets
Technological	2	2	3	C	Successfully transition fleet – reduced opex & emissions
Technological	1	2	3	C	Self-generated renewables to ensure supply
Social	1	2	2	C	Shortage of staff leading to delays, increased speed & emissions
Economic	1	2	3	D	Consumer sentiment – shift towards low carbon product
Economic	1	2	3	D	Reduced access to and cost of capital due to high emissions
Economic	1	1	2	C	Exposure of supply chain to increased charges e.g. tolls, emissions tax
Economic	2	2	3	D	Customer sentiment - cutting scope 3 in their supply chain
Economic	1	2	3	D	Improved access to and cost of capital due to lower emissions
Economic	1	1	2	C	Regionalization of customer production.
Environmental	1	1	1	C	Temperature extremes leading to increase fuel use & emissions

Short – < 1 year
Medium – By 2030
Long – By 2050
Impact

Emissions policy & taxes

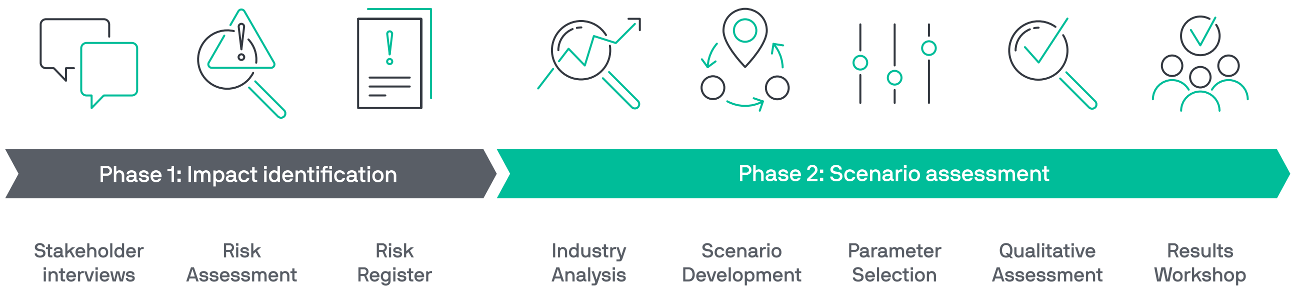
Risk
Opportunity

Overview – Physical Climate Risks

Area	Sub-category	Description	Short <= 1 yr	Medium by 2030	Long by 2050	Impact
Physical	Chronic & Acute	Port Flooding	2	2	3	C
	Acute	Business Interruption/ days down due to weather events	1	1	3	C
		Increased insurance costs due to increased abnormal weather	1	1	3	C
		Increased weather-related accidents	2	2	2	D
		Heat stress on vessel crews and production workers	2	2	2	D
		Increased weather-related damage to infrastructure, cargo and equipment	1	1	2	C
		Variation of speed to make up time lost due to abnormal weather	1	1	2	C
		Increased safety requirements due to increased abnormal weather	0	1	2	D
		Increased traffic interruption due to increased abnormal weather	1	1	2	C

How to read these Risk Overviews

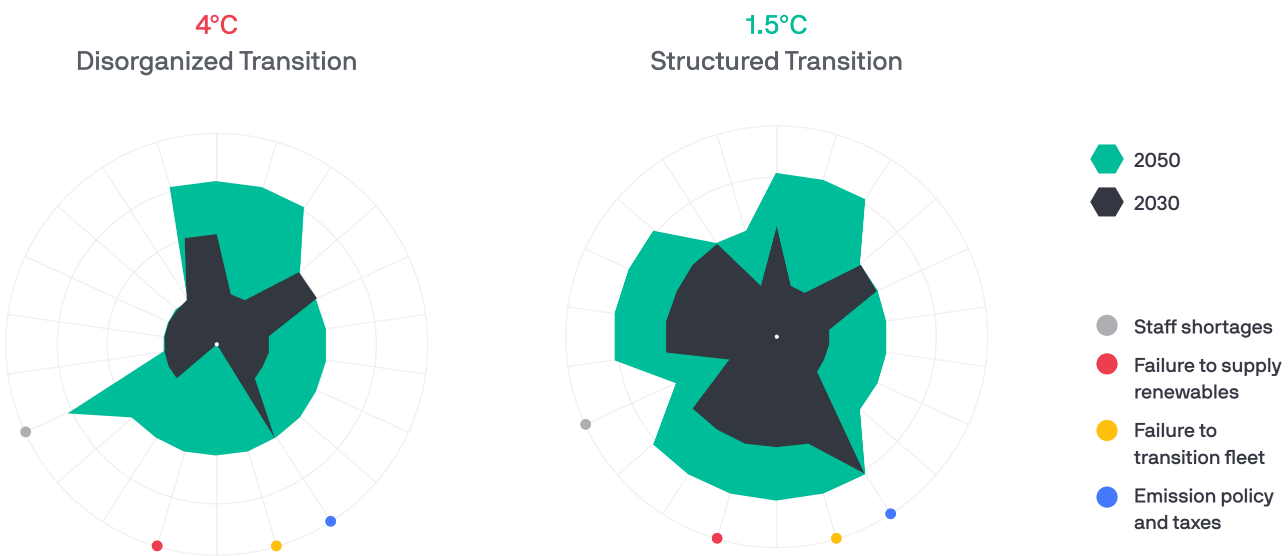
Impact	C	Continuation of the use of resources	D	Dependency on the use of resources
Critical	4	Impossible, very costly or unavailable in the short term	4	Strong adverse reaction currently or very likely in the future
Significant	3	Possible, but costly in the short term, very costly or lacking in the medium term, impossible in the long term	3	Adverse reaction currently, strong adverse reaction likely in the future
Important	2	Possible in the short term, costly in the medium term, very costly in the long term	2	Negative reaction currently, adverse reaction likely in the future
Informative	1	Possible in the short, medium and long term	1	Signs of negative reaction currently in the future
Minimal	0	Without consequence in the short, medium and long term	0	Neutral / no reaction currently and likely in the future



In 2023, we conducted two climate risk scenarios based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP) 2.6 and 8.5. These represent a future global temperature of 1.5°C and 4°C respectively and provide both a structured and a disorganized scenario. Projected climate data has been sourced from CMIP6 for the years 2030 and 2050.

Key insights from our scenario assessments include:

- Managing technological transition risks will continue to be the focus area to mitigate financial impact of climate change.
- Preparing for a 1.5°C degree future will enhance resilience and mitigate impacts of climate-related financial risks.



How will we proceed?

The following initiatives have been prioritized for 2024:

- Further enhance our climate risk and opportunities assessment by quantifying the financial impacts of our climate risks and opportunities.

2. Biodiversity

Key performance indicator	2022 actual	2023 target	2023 actual	2024 target
Set target in 2024 after completing assessment	-	-	-	Determine future target

Why is it important?

The importance of protecting the planet's biodiversity is critical to preserving a healthy ecosystem that can sustain society. As a global shipping and logistics provider, our most important aspect includes invasive species in our cargo, ballast water and through hull fouling, and our vessels' impact on whales and other cetacean species.

How do we work?

We manage our impact on biodiversity in several ways, including waste reduction, and avoiding sensitive areas on our journeys. Most importantly, we strive to reduce the risk of spreading invasive species in our cargo, through ballast water treatment systems and anti-fouling programs, adhering to our strict anti-fouling standard and ballast water management policy.

Whale protection

Whales are endangered species and whilst no longer at risk of being hunted, their feeding and migration routes are often located close to major ports and often overlap with shipping lanes. They are therefore vulnerable to collision with vessels and could be impacted by noise pollution. We adhere to mandatory regimes on the Americas' east coast which include reporting when entering key whale habitats, fixed and temporary speed reduction and slow zones. On the west cost of the USA, due to our efforts to adhere to voluntary speed reduction measures, we received the Sapphire award in 2023 by the Blue Whales and Blue Skies program. We engage electronic chart displays and information system (ECDIS) suppliers to add voluntary speed reduction regions to electronic maps, although it is not easy to keep updated with the movements of the whale populations.

Invasive species

We have continued to manage our impacts on biodiversity by installing nine company-owned vessels with ballast water treatment systems (BWTS) in compliance with regulations. By the end of 2023, 90 vessel representing 97 percent of the company-owned fleet[2] had a BWTS installed. This is up from 83 percent in 2022. The remaining 4 vessels of the owned fleet complies with requirements through ballast water exchange. 100 percent of the owned fleet is enrolled in our hull biofouling management program. Guided by our biofouling management policy, our management program includes regular underwater inspection, hull cleaning, propeller polishing and dry-docking.

In 2023, as part of the biofouling management program, we completed more than 200 underwater inspections, and nearly 500 individual cleaning operations, including hull and propeller cleanings. We also performed 31 dry-dockings where high performance anti-fouling products were applied.

2 Including bareboat charter

We are also at risk of carrying invasive species, such as snails and bugs as well as seeds in the cargo we transport. This is a growing international concern. The Brown Marmorated Stink Bug (BMSB) is a relevant example: The bug is native to East Asia, but has now migrated to the US, Canada and Europe, where it ruins crop harvests and has had significant economic impact. Measures are also being taken to prevent the BMSB from entering Australia, New Zealand, Papeete and Nouméa, where its impact on the ecosystem would be devastating. We have established a biosecurity management plan to reduce this risk. All cargo travelling to these destinations during the season must undergo either a heat treatment or a stringent fumigation process. We also inspect for BMSB findings during treatment sessions before shipment – as well as count findings onboard the vessel during sea voyages.

Water consumption

Water scarcity is an increasing environmental challenge due to the effects of climate change. Use of potable water on our vessels is mainly limited to consumption by crew, such as bottled drinking water (reusable bottles). For other purposes, such as showering and cooking, the water is produced from seawater onboard the vessel.

Our land based operations consume water from municipal sources. This water consumption can in some instances be significant, especially on sites that offer vehicle cleaning services. In 2022 we performed a high-level stress test of selected land-based assets to map exposure to water stress. The mapping identified[3] 2 sites that are located in areas with 'extremely high' water stress, and 8 in areas with 'high' water stress. All sites are located in either USA, UAE or Australia. We strive to minimize water consumption at these facilities and to reuse water if possible. We also collect and use rain water at some sites.

Water consumption in water stressed areas:

	Water stress	
	High	Extremely high
Water consumption in 2023 (mega liters)	1.57[1]	11.57

1 Incomplete site level reporting of water consumption in high water stress areas.

The mapping of facilities in water stressed areas and subsequent water consumption is focused on those facilities that already report their water consumption internally. In 2024, we plan to do a mapping of all facilities and prioritize collecting, monitoring and reporting the water consumption for the facilities located in areas with high or extremely high water stress.

3 WRI Aqueduct Water Risk Atlas

How will we proceed

- Conduct an assessment of our impact and dependencies on nature and biodiversity.
- Set targets to reduce material identified impacts.
- Follow the development of the Task-Force on Nature-related Financial Disclosures (TNFD) and perform a gap assessment against TNFD in 2023.

Workshop sets stage for biodiversity assessment

The protection and sustainable management of biodiversity and ecosystems are essential to ensure long-term social and economic stability. In 2023, Wallenius Wilhelmsen's sustainability team held a workshop with external experts to build on our understanding of the diverse natural environments where we operate and how we can use emerging frameworks to contribute to the goals of the Kunming-Montreal Global Biodiversity Framework.

"This was a fascinating first step," said Nodin Midtskog Ennals, Sustainability Manager at Wallenius Wilhelmsen. "New requirements combined with improved frameworks help companies learn more about the interdependency between nature and business." Companies must contribute to halting and reversing nature loss to mitigate the impact of climate change and to protect vulnerable and endangered species.

"In 2024, we plan to do a biodiversity impact assessment, which I believe will improve our understanding of impacts on biodiversity, and the interdependencies between ecosystems, our operations and financial conditions," Nodin continues. "It's important for Wallenius Wilhelmsen to take concrete steps to protect nature, both on land and at sea."

Photo : Francesco Ungaro / Unsplash

3. Air quality

Why is it important?

Our environmental impacts extend beyond carbon emissions. SO_X and NO_X are contributors to acid rain which is harmful to ecosystems and can have an adverse impact on human health. NO_X also reacts with other pollutants in the presence of sunlight to form ozone, which at high concentrations can damage vegetation. We have a responsibility to reduce our emissions of SO_X and NO_X and adhere to global regulations regarding the emissions of these gases.

How do we work?

Wallenius Wilhelmsen complies with IMO regulations by using scrubbers, or bunkering very low sulfur fuel oil (VLSFO, <0.5 percent) and low sulfur marine gas oil (LSMGO, 0.1 percent max) on ships without scrubbers.

On vessels with scrubbers, the exhaust gases are brought into contact with seawater by spraying it into the exhaust stream. Through several chemical reactions, the sulfur is transformed and released to sea as sulfates. In addition to sulfates, the scrubber wash water may also contain elevated concentrations of other pollutants, including heavy metals and organic substances. We are investigating how we can measure the impact on water quality from the release of scrubber wash water. The scrubbers significantly reduce SO_X emissions to air, in addition to Particulate Matter (PM).

Improving our operational efficiency will further reduce our sulfur emissions as we become more energy efficient and use less fuel. Wallenius Wilhelmsen is considering a number of different fuel and engine technologies for the future. A shift to biofuels or zero emission fuels, such as methanol or ammonia, would drastically reduce, and potentially eliminate, our emissions of SO_X and PM to air.

Our logistics operations have limited emissions to air. Emissions sources are confined to fossil fuel powered equipment, vehicles and some natural gas or propane-fired heating systems for buildings.

How did we perform?

In 2023, total SO_X emissions of our ocean shipping fleet were 10,167 tonnes. This is a decrease of 8,27 percent from 2022. There are no more scrubber installations planned for the fleet.

4. Waste management

Key performance indicator	2022 actual	2023 target	2023 actual	2024 target
Ocean fleet cubic meters (m^3) waste delivered to shore facilities	7,177	N/A	7.908	N/A
Logistics services cubic meters (m^3) waste generated	9260.42	N/A	11045.83	N/A
waste in Tonnes per unit process	-	New	0.6327	0.6011

Why is it important?

Proper waste management is crucial for protecting public health and the environment. It involves the collection, transportation, treatment and disposal of waste in a manner that minimizes negative impacts. Improper waste management leads to littering, air and water pollution, and the spread of disease, as well as damage to ecosystems and wildlife. On the other hand, effective waste management can reduce greenhouse gas emissions, conserve resources and protect ecosystems.

How do we work?

Wallenius Wilhelmsen promotes effective waste management and strives to reduce waste at source, reuse, recycling, properly disposing hazardous waste, and educating employees on the importance of waste reduction and proper disposal methods.

We sort our waste and use trustworthy waste disposal services to minimize the environmental impact of our operations. We also aim to reduce the amount of waste we generate and divert it from landfills. Our employees are trained on best practices to optimize resource utilization and prevent waste. We adopt Lean Manufacturing Methodologies which enhance our productivity and efficiency while eliminating waste.

How did we perform?

In 2023, our ocean fleet landed 7,908 m^3 of waste to shore reception facilities. Waste from logistics services increased this year compared to 2022, from 9260.42 m^3 in 2022 to 11045.83 m^3 in 2023. This 19.3 percent increase in waste from logistics services was driven mainly by increased cargo volumes, up by approximately 22.3 percent in 2023.

To further drive our efforts towards sustainability, we rolled out the Ecosystem Scorecard, a tool that provides a comprehensive view of the logistics organization's environmental performance. A new metric, the intensity factor, was introduced to measure waste, water, and CO_2 emissions by both hours worked and units processed. This allows for a fair comparison of environmental impacts across different sites and regions and helps identify areas for improvement.

We were also the first carrier to partner in a port waste reception facility transparency initiative. The initiative entails providing vessels information on ports' waste management abilities and allows vessels to plan the disposal of different types of waste in ports which have facilities to recycle or incinerate it.

How will we proceed?

In 2024, new KPI objectives will be set based on waste, water, and CO_2 emissions per unit processed, further driving our efforts towards measuring our sustainability impacts. In addition to setting new KPIs and objectives, we will continue to assess ways to reduce waste production, minimize waste going to landfills and increase the share of waste that is recycled or recovered for energy.

Contents →

Prosperity

We are committed to creating long-term value whilst contributing to local and global economic, environmental and social progress. Our success is tied to the economic well-being of society and we strongly believe our business activities should contribute to sustainable value creation, societal prosperity and the UN Sustainable Development Goals (SDGs). Prosperity is also tightly aligned with the financial value we as a company generate for shareholders, employees, suppliers and society as a whole. For instance, the strategic work we have done on sustainable finance helps secure long-term economic growth through the implementation of decarbonization initiatives that drive the company's emissions towards zero.

By solving some of our industry's greatest challenges, we create prosperity for our employees, customers, partners, shareholders and the communities in which we operate.

To manage our impact on global prosperity, we monitor, manage and report on six material topics:

1. Innovation
2. Quality of service
3. Sustainable consumption
4. Sustainable supply chain management
5. Tax practices
6. Sustainable finance

1. Innovation

Why is it important?

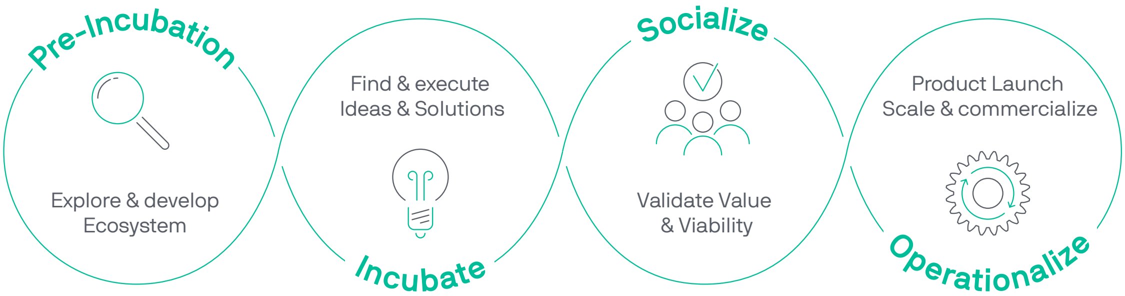
Innovation is necessary to succeed with our zero emission goals. Our search for innovative solutions not only improves operations, it also increases our commercial advantages while creating value and new opportunities for our employees, customers, investors and suppliers. Please see the vision and strategy section in Message from the board for further information.

How do we work?

Digital product innovation is managed by our digital accelerator team who works according to the principles of lean start-up and agile to develop innovative digital goods in the following six strategic areas:

- Inspection and quality with AI-powered computer vision
- Boost supply chain management with data and AI
- Mixed-reality powered services, audits and training
- Automation and robotics for inventory, asset and safety
- Logistics services for multi-modal, last mile and fleet management
- Cooperation with research and science organizations to plan, identify and test new areas of innovations supporting our decarbonization ambitions

Playbook to Innovate and Operationalize Digital Goods:

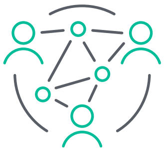


To drive innovation, we also provide direct support for marine research (see below) and sustainable maritime innovations (for more, read about Orcelle Award and Ocean Exchange below).

How did we perform?

By the end of 2022, our Digital Playbook approach yielded several digital products and platforms currently at different stages of operationalization. In 2023, the Digital Accelerator team focused on implementing those solutions, at scale, into our operations, bringing our pipeline of solutions to life in three priority impact areas:

Supercharge our workforce



Make our networks smarter

Advance our ESG priorities

We also spent the year adapting our ways of working to lessons learned and documented by the Digital Accelerator team in 2022, mainly:

- Effective collaboration within a global ecosystem of partners is difficult
- Adoption at both speed and scale is complicated
- Non-standardization of key moments in the supply chain inhibit product development at a global scale

Wallenius Wilhelmsen's Orcelle Wind project wins Heyerdahl Award 2023 – Wind power rocks the boat

Established in 1999 by Norwegian explorer Thor Heyerdahl and the Norwegian Shipowners' Association, the Heyerdahl Award is presented biennially to candidates from the maritime industry who demonstrate innovation or technology development that contributes to a better global environment.

This year's Expert Committee recognized the Orcelle Wind project for its potential to revolutionize emission-free shipping by harnessing the power of wind. They believe that by utilizing wind power, an energy source with no climate footprint, our project can make a significant impact on the future of shipping.

Thor Heyerdahl Jr. expressed his appreciation for the project, stating that his father would have been delighted to see Orcelle Wind receive the maritime environmental award carrying his name.

He said: "My father crossed all three world oceans with prehistoric vessels, wooden rafts, and reed boats, with no other means of propulsion than what nature gave him with wind and current. And it was completely emission-free, without leaving a trace!" He continued, "As his son and as an oceanographer, I know he would have been very happy about this award."

The Orcelle Wind project

The Orcelle Wind project is a testament to our commitment to shaping the green transition to zero emission. Orcelle Wind is the first ship conceptualized out of the Oceanbird concept. Jon Tarjei Kråkenes, Head of the Orcelle Accelerator explained: “Before, Wallenius had developed the Oceanbird concept for several years, with technical studies and wind optimization studies,” he continued “the Orcelle Wind project however, has been ongoing since late 2020 when we, Wallenius Wilhelmsen, signed an agreement with Wallenius to work together to develop the Wallenius concept Oceanbird into a real-life vessel.”

Orcelle Wind is designed to be a wind-powered car and truck carrier. At 220 meters long, the ship will have the capacity to hold over 7,000 cars. We aim to achieve up to 90 percent reduced emissions on a single voyage compared to today’s most efficient vessels. We plan to start testing on an existing ship by 2024.

In addition to receiving the Heyerdahl Award 2023, the project was also recently recognized by the EU Orcelle Horizon which pledged its support with a EUR 9 million investment.

Not least, we have also signed a Letter of Intent with Mercedes Benz cementing our partnership and commitment to the project.

The need for innovation

The project is still a research and development project with several technical and operational studies ongoing. Two key milestones are coming up in the near future: A one-wing test-rig on land will be completed at end of this year, followed by a similar one-wing test-rig onboard one of our existing vessels mid next year.

Kråkenes added: “Both these demonstrators will add insight and competence which will be brought into the final stage of the project with the ambition to have the Orcelle Wind set sail within 2027.”

Paul-Christian Rieber, head of the expert committee, shared his perspective on the award, stating: “If we are to succeed in developing emission-free shipping, we need shipping companies that make brave choices and dare to take the lead in developing this type of technology. When many industries are to compete for green energy, wind will undoubtedly have to be part of the energy mix in the future of emission-free shipping.”

In a joint effort with our partners and customers, the Orcelle Wind project sails ahead in the hopes of orchestrating change for a more sustainable future.

We have also partnered with DeepSea Technologies for the implementation of a suite of services using AI for voyage optimization. We have also continued to work with the Swiss company Accelleron to support the implementation of a fleet-wide solution on engine performance and optimization. By December 2023, we had 91 vessels connected and using the product from Accelleron. Please see the Planet section of this report for more details on these initiatives.

Orcelle Award continues to foster maritime innovation
Since 2012, Wallenius Wilhelmsen has been a global partner and sponsor of Ocean Exchange, a non-profit organization that finds, funds and fosters sustainable maritime innovations. Every year, Ocean Exchange and Wallenius Wilhelmsen host a competition for the Orcelle Award of USD 100,000 which goes to an innovative solution that demonstrates the greatest combined sustainable and economic value to our business. Over this decade, we have awarded just over USD 1 million in funding and attracted dozens of innovators.

The Orcelle Award comes with a USD 100,000 grant that Helix Power will use to continue assembling and testing its first full-scale system. Once completed, the Helix team will seek a partner to set up their first demonstration in a port environment.]

Helix Power crowned Orcelle Award Winner at 2023 Ocean Exchange

The winner of the 2023 Orcelle Award was Helix Power, a Massachusetts-based company developing high-powered kinetic battery systems that weaken power surges by recovering regenerative breaking energy and recycling it for demand peaks.

Helix Power's technology can serve as a key enabler to allow our marine terminals and ports around the world to accelerate the transition towards electrifying their operations. It also serves as a cost-effective solution to regulate the efficient use of electricity during periods of peak demand. Helix Power's 1-megawatt 'flywheel' units have 20-year lifespans and can be installed individually or in groups within a port. The flywheel serves as the mechanism to store and distribute power.

Kevin Blackman, Cofounder of Helix Power, explained that many ports rent diesel generators – or "gen sets" – to supplement the power they cannot access from the electric grid they are tapped into. "We think there are real benefits to electric infrastructure that will allow ports to reduce the number of generation assets and start to decarbonize," says Kevin.

Roger Strevens, VP Maritime Regulatory and Environmental Affairs, and Ocean Exchange board member with winner Kevin Blackman, Cofounder of Helix Power

Supporting marine research

We also contribute to scientific research and we continued our collaboration with the Science Research on Commercial Ships (Science RoCS) of the Woods Hole Oceanographic Institute. We are pleased to report that our ongoing cooperation with scientists from Woods Hole Oceanographic Institution, the National Oceanic and Atmospheric Administration's (NOAA) Pacific Marine Environmental Laboratory, and the University of Washington's (UW) Cooperative Institute for Climate, Ocean, and Ecosystem Studies (CICOES) has culminated in a year of tremendous data acquisition.

In 2023, we installed instrumentation systems onboard one of our vessels, Tysla, to draw air and water samples which are being analyzed for CO_2 content. This will provide insight into the rate of CO_2 uptake in different parts of the ocean. The Tysla, which circumnavigates most of the world, transits through areas of the world ocean with infrequent pCO_2[1] measurements and large air-sea fluxes of CO_2. The planning, installation, and system operation have enabled continuous pCO_2 measurements of the ocean beginning in the spring of 2023.

Data from this platform will add to sea surface CO_2 measurements made globally since 1957 and increase our understanding of ocean acidification rates and processes. The observations on the Tysla will extend the existing 40-year time series of observations of air-sea CO_2 flux in the tropical Pacific, which is the largest natural ocean source of CO_2 to the atmosphere, and contribute to understanding the effects of El Niño Southern Oscillation (ENSO) cycles and long-term climate change on air-sea flux there.

The crew of the Tysla has been very supportive of the project and appreciates being part of the 'greater good' initiative.

Photo : Andrew Collins/Jun Badilla.

Scientists from NOAA and UW installing the GO8060 pCO_2 instrument aboard the MV Tysla.
From left to right: Andrew Collins, Dana Greeley, Chris Ikeda and Julian Herndon.

1 One valuable approach to measuring surface ocean CO_2 is by using autonomous underway pCO_2 (partial pressure of CO_2)

Wallenius Wilhelmsen is also supporting the global Argo program, which is tasked with providing continuous measurements of ocean temperature and salinity between the surface and 2000-m depth globally with a fleet of autonomous floats that return the data via satellite link every 10 days. Many oceanographic research studies capitalize on these measurements and most numerical forecasts use the data to make ocean predictions. In May 2021, the crew of Wallenius Wilhelmsen vessel the Tijuca launched a set of Argo floats. Throughout 2023, these floats continued to measure the temperature and salinity of the water column (upper 2-km) in the Northern Atlantic and each is expected to continue operating for at least five years.

A founding principle of Science RoCS is that scientific data collection should serve the broader good and that the data should be "FAIR" (Findable, Accessible, Interoperable and Reusable) for both scientists and stakeholder communities. The status and data from the Argo floats can be tracked by clicking on "MV Tijuca, RoCS 2021A" on the this webpage. Data will be available at the Surface Ocean CO_2 Atlas as described above.

How will we proceed?

In 2024, thanks to the digital capacity improvements made in 2023, we will focus on implementing our pipeline of digital innovations (see table below), while continuing to follow the digital playbook for fostering sustainable innovations in shipping and logistics.

The digital products pipeline

In Incubation	Viable for production	Limited Production (ready to scale)	Scaled
1. HarborNet – A portable high speed wirelesss network for docked Vessels at ports 2. Flexible Labor and Labor Shared Pool platform 3. Logistics orchestration to replace legacy solution for SCM contracts 4. Safety training deploying VR to address multilingual needs 5. Self-instructed employee training tool using AR 6. Predicating Port Congestion for better vessel capacity utilization, lower emissions	1. Asset Tracking 2. ID-powered digital wallet managing rewards and recognition 3. Private wireless network for reliable operations and provisioning new services 4. Competitor Insight	1. ErgoSafe 2. Electrification of Fleet 3. Vessel Voyage Geo Tracking 4. Remote Assists & virtual visits 5. Mobile Inspection 6. Booth Inspection	1. Quality Check

Our work supporting climate research at Woods Hole Oceanographic Institute will continue throughout the year, and we will also conduct a review of the Orcelle Award and our collaboration with Ocean Exchange to assess our impacts on maritime innovation and set a course for the future.

2. Quality of service

Key performance indicator	Q2 2022	Q4 2022	Q 2 2023	Q4 2023
Customer Satisfaction Survey score	4	3.8	3.8	4

Why is it important?

As a global logistics provider, our customers trust us to move billions of dollars of manufactured goods worldwide. Quality is at the center of our workday, every day, on land and at sea. This focus protects and contributes to the integrity and efficiency of our customers' outbound supply chains.

How do we work?

We monitor, measure and manage the uptime of the Wallenius Wilhelmsen fleet to ensure on-time deliveries and quality shipping services. Our marine operations management team tracks the unplanned off-hire on each vessel. We manage the risk of off time by maintaining and adhering to detailed maintenance schedules and procedures for our vessels, as well as having close communication with our suppliers.

To manage the quality of our logistics services, we track internal damages and report damages per units processed. This allows us to more precisely understand and improve damage control measures. Our logistics sites all work consistent with the ISO 9001 standard, and many of our high-volume processing centers hold an ISO 90001-certificate.

Our customers' perceptions and satisfaction are also key elements of quality. Engagement is therefore central for improving the quality of our services. To elevate the voice of our customers in our internal decision-making, the company developed and launched a Customer Satisfaction (CSAT) Survey in 2022. An overall customer satisfaction score is measured by asking customers "How satisfied are you with our service?" Responses range from 1 to 5 (1 = extremely dissatisfied, 5 = extremely satisfied). The survey also asks customers about five strategic topics: Effective communication, operational excellence, partnership/relationship, service offerings and digital solutions.

Our global sales team conducts the semi-annual customer satisfaction survey. They use the results to help business units plan and prioritize initiatives for improving quality and the customer experience. Twice annually, the CSAT Index Report gives departments and team leaders data and insights from the survey so they can tap into the voice of our customers to:

- Prioritize initiatives as part of business planning
- Leverage existing initiatives to address the Voice of the Customer
- Use Voice of Customer for performance reviews and internal discussions
- Communicate our services consistently

All our management and production teams are also empowered to continuously improve way of working to deliver global, best-in-class, innovative solutions that are safe, sustainable, lean and agile.

Contents →

Australia team sets a high standard

Can you imagine having a perfect ISO 9001 audit by an external auditor? What about three?

That is what the Wallenius Wilhelmsen team in Australia has accomplished for three consecutive years. Harinder Multani, Safety, Quality and Sustainability Manager Oceania, and Brett Tymensen, Operations Manager at the Laverton EPC Site, gave an insight into their exceptional work.

During the ISO audits, external auditors interview team members and conduct site tours to validate the organization's compliance with ISO guidelines, and the results were better than all expectations. "Achieving ISO without any non-conformance or opportunity for improvement noted by the external auditors for three consecutive years has now become a benchmark across all our sites," Multani proudly exclaimed.

The team in Australia developed their Quality Management System (QMS) from the ground up, customizing it to their specific requirements. They worked diligently to integrate systems, digitalize processes, and introduce automation. Multani emphasized the importance of engaging every staff member with quality best practices.

"It's very special to be part of a team that collaborates proactively with a solutions-based mindset to achieve this result," Tymensen said as he highlighted the value of the initial QMS implementation, describing it as "very thorough and well thought out, but also simple and easy to follow."

The Australian team's supportive, proactive attitude has been a key to their success. "One of the major challenges we faced at the outset was the lack of a pre-existing Quality Management System." Despite this, their determination and hard work led them to build a robust QMS that supports their daily operations and continues to push them towards excellence.

How did we perform?

In 2023, the customer satisfaction score was 4.0 in Q4, up slightly from 3.8 in Q2. Damages per unit processed was .06 (vs. a target of .04). Despite these solid results, we had challenges regarding limited capacity, port slowdowns and general supply chain congestions. Additionally, we saw workforce shortages at certain locations. These can all have an impact on the quality of services. Despite these obstacles, we remained focused on securing the delivery of services while protecting our people.

We also finalized a roadmap for improved quality and sustainability management systems and certifications. Building on work begun in 2022, we completed ISO 9001 certification of our logistics sites in the Americas.

We believe that there is no higher reward than acknowledgment and trust from our customers. Trust is built by delivering quality results, and it is essential to value creation because it unlocks future opportunities. That is why we are proud to have received the Excellent Quality Award from Nio, Best Supplier Award from LiuGong Machinery, Toyota Canada's Kaizen Award, John Deere's Achieving Excellence award, recognition from Toyota for Export Processing Quality and 35 years of service. We were also named Nissan's North America Finished Vehicle Logistics Partner of the Year, Mexico market.

How will we proceed?

In 2024, we will improve the quality of our services by continuing to implement our ISO roadmap, and implement continuous improvements to our integrated management systems.

The Customer Growth team continues to contribute to improved quality by enhancing internal processes with the launch of the Voice of Customer (VoC) platform in 2024. This will enable the team to document and analyze all formal feedback received through digital channels. Dashboards for management will also be created and deployed to track feedback, open days, tone of voice, main topics and Customer Journey stages.

The Customer Growth team will collaborate with IT who assesses all legacy systems as part of an initiative to build a better Digital Buying Journey for customers. They will also begin identifying new business opportunities using a customer journey approach; mapping customers' needs and expectations.

The CSAT index and target will be extended to other business units in 2024, including the logistics and shipping services, and will contribute to a more customer centric mindset.

3. Sustainable consumption

Why is it important?

At Wallenius Wilhelmsen, we believe that becoming a leading supplier of sustainable outbound logistics will lead to long-term value creation. We are dedicated to taking leadership in our industry's transition to zero emissions. By encouraging our customers to use more sustainable logistics solutions, we seek to ensure long-term economic success, while contributing to a more prosperous and sustainable global economy.

How do we work?

At Wallenius Wilhelmsen, sustainable consumption goes hand in hand with our corporate strategy and our decarbonization plans. The sales organization works closely with our emissions management and operational excellence teams to identify ways that our customers can help drive our strategy. The sales team leads customer outreach and takes primary responsibility for engaging customers in this effort.

We also collaborate with our customers to identify climate-positive changes to their current ways of shipping, and to instill sustainable supplier management practices into our own supply chain.

How did we perform?

In recent years, our customers have demonstrated a growing concern about their scope 3 emissions. In line with our decarbonization strategy, we seized the opportunity in 2023 to engage with like-minded customers, exploring new biofuel offerings crucial for our transition to a fully zero emission end-to-end service.

In support of our strategic ambition of offering a net zero emissions end-to-end service by 2027, the company developed and implemented a Reduced Carbon Service (RCS), which enables our customers to lower their scope 3 emissions by purchasing shipping services with fewer carbon emissions. The RCS allocates the emission reductions of utilizing biofuels versus conventional fuels.

In 2023, we signed contracts with 14 customers for our RCS service, all of whom began paying for reduced carbon freight as of January 1, 2024. In total, we bunkered close to 10,000.00 mt of B30 fuel on three separate vessels in 2023, and issued our first emission avoidance declarations to customers in December 2023. The emission bank and the declarations are audited and verified by an independent third party.

We also made updates to the Carbon Compass 2.0 tool, which allows for integrating emissions data across our network and enables customers to track their scope 3 emissions.

How will we proceed?

Looking ahead to 2024, we expect more than 10 percent of total fuel we use for our shipping services to be B30 Biofuel Blend. We are also excited to launch Carbon Compass 3.0 in the upcoming year. This advanced version will not only streamline emissions reporting but also include our Reduced Carbon Service offerings. This will provide customers with a transparent overview of their total emissions contribution, including their commitment to avoided emissions.

4. Sustainable supply chain

Why is it important?

A sustainable supply chain is essential to satisfy our customers' needs, while minimizing our own sustainability risk exposure, reaching our emissions reductions ambitions, contributing to our customers' scope 3 emissions goals and ensuring compliance with new legal requirements and social expectations.

How do we work?

We believe in cultivating strong and transparent relationships with our suppliers, emphasizing pro-active and continuous improvement efforts on their part, and a high level of transparency to manage risk. Our suppliers are trusted, long-term partners, who help us deliver innovative solutions and services to our customers.

The Wallenius Wilhelmsen Procurement Policy guides our procurement activities. This policy is also the basis of our Supplier Code of Conduct, which states expectations and policy objectives to suppliers and subcontractors. Due diligence is a mandatory and essential part of the sustainable procurement approach, and supplier contract templates also reference our supplier code of conduct.

The procurement policy is built upon a series of principles that set our ambition for a more sustainable supply chain:

- A unified approach: We are establishing a common framework for purchasing that enhances transparency and ensures efficiency throughout all Wallenius Wilhelmsen entities.
- Empowering our people: Each individual involved in procurement will master the new policy to align collective efforts.
- Comprehensive coverage: The policy extends to all procurement activities exceeding USD 50,000.
- Supplier Code of Conduct & ESG integration: Suppliers are expected to comply with our Supplier Code of Conduct and sustainability requirements, mirroring our commitment to ethical practices.
- Streamlined procedures: Documented procurement procedures will be mandatory in every office, branch and site to ensure uniformity.
- Rigorous supplier assessment: A detailed risk assessment is compulsory before we engage with any supplier.

How did we perform?

Over the past year we continued to standardize procurement processes which will improve visibility and cost control over spending. We are creating an environment where the whole organization benefits from shared knowledge and best practices. Centralizing information on previous purchases and contracts will empower our purchasers with a wealth of knowledge and support, advancing procurement operations.

In 2023, we developed a new procurement policy which will guide our procurement activities effective January 1, 2024. The policy includes an accompanying supplier code of conduct that states our expectations and policy objectives to our suppliers and subcontractors. Due diligence is now mandatory for all purchases greater than USD 50,000: Supplier contract templates were updated to include reference to the supplier code of conduct.

> *"Our new procurement policy aims to establish a transparent, competitive, and practical framework for the effective buying of quality goods and services in the group while being transparent about our expectations to suppliers about their deliveries, conduct and ESG requirements. The entire organization benefits from shared knowledge and best practices. Standardization of procurement processes improves visibility and cost control, advancing our procurement operations and making our business more sustainable."*

Torbjørn Wist
Chief Financial Officer at Wallenius Wilhelmsen

We also conducted eight sustainability audits as part of the due diligence process for selecting newbuild and recycling yards. These were identified during the company's annual Human Rights Due Diligence process as potential hotspots for human rights abuses. The audits, covering human and labor rights along with other material sustainability issues, were conducted by an external expert. Sustainability requirements have been included in the contractual agreement and will be part of the supervision plan.

How will we proceed?

In 2024, we will continue to develop, improve and refine the sustainable procurement approach. We aim to finalize and launch a new Procedure for Business Partner Integrity Due Diligence, which documents the Wallenius Wilhelmsen requirements for Integrity Due Diligence of business partners. We will also continue to develop tools to enable group-wide monitoring and reporting on suppliers and supply chain performance.

5. Tax practices

Why is it important?

Wallenius Wilhelmsen is committed to being a responsible corporate citizen, and that includes ensuring that we manage and report our tax affairs in a manner which secures compliance with local laws and regulations in all countries in which we operate. This is applicable to all taxes, including direct taxes, indirect taxes, payroll taxes and other forms of taxation. Transactions between Wallenius Wilhelmsen's group companies are conducted at an arm's length basis in accordance with OECD principles and the internal transfer pricing policy.

Reporting of our total taxes paid provides information on Wallenius Wilhelmsen's contribution to governmental revenues which support governmental functions and public benefits.

How do we work?

Tax compliance and day-to-day responsibilities for the operation of the local tax function rest with the Wallenius Wilhelmsen subsidiaries. The global tax department manages tax risks and ensures compliance in all significant operational and financial transactions as well as securing arm's length pricing in all intercompany transactions. The company is committed to adopting a justifiable and fair tax position in cases where tax regulations are open to interpretation or choices. The tax position taken in all significant transactions is supported by employment of qualified in-house personnel and, where necessary, the use of an external tax opinion. Further, we aim to operate under a policy of transparency with local tax authorities. Corporate tax affairs are the Chief Financial Officer's responsibility and extend to all jurisdictions in which the company operates.

How did we perform?

In 2023, Wallenius Wilhelmsen had one tax agreement[2]. Please see table below for disclosure of calculated tax payable 2023, in the Group's most significant countries:

Calculated Taxes Payable by Country, 2023

Country	USD million
South Korea (including USD 19 million in withholding tax on dividends and interest)	20
Australia	14
New Zealand	9
Sweden	6
Mexico	3
USA	2
Canada	2
China	2
South Africa	1

How will we proceed?

In 2024, we will have a special focus on the implementation of global minimum tax rules (Pillar Two), and secure internal processes and systems to manage the new computations and data required to calculate global minimum tax liabilities and satisfy the reporting obligations.

2 The relevant tax incentive is related to our International Business Center (IBC) in Thailand, whereas we are taxed at a 8 percent corporate income tax rate instead of the regular 20 percent.

6. Sustainable finance

Why is it important?

Access to capital is essential to support our business and reach our target of decarbonizing our operations. Many financial stakeholders, including lenders and investors, seek long-term financial returns that mitigate harm to the environment and that ensures social safeguards. They expect companies with high emissions in hard-to-abate sectors to demonstrate how they will decarbonize. Over time, access to capital may become limited for companies that do not decarbonize and transparently report on their decarbonization strategy, goals and the results achieved every year.

How do we work?

Managing our approach to sustainable financing opportunities is a function shared by Wallenius Wilhelmsen's Global Treasury and the Investor Relations team.

In 2021, the company adopted a Sustainability-linked Financing Framework v1.0 which underlines the company's commitment to creating value while reducing our carbon intensity. The framework includes interim carbon intensity targets for each year from 2022 to 2030 based on the fleet average carbon intensity indicator (CII). An adjustment takes place if we are below the trajectory at the bond's maturity; if we are above the emissions trajectory then the maturity price steps up.

On our investor pages, we release annual progress reports disclosing information regarding the performance of the CO_2 intensity targets, any recalculations if applicable, and any updates in the emission reduction strategy. The progress report will be accompanied by external verification of the calculated CO_2 intensity.

How did we perform?

In 2023, the group completed the issuance of NOK 1 billion sustainability-linked senior unsecured bonds, our second sustainability-linked bond. Approximately NOK 2,250 million of bond debt is linked to our Sustainable Financing Framework.

We also used the Framework for bank debt. The Group's total bank debt linked to the Framework was USD 638 million at the end of 2023. Wallenius Wilhelmsen Ocean AS had USD 568 million ("Flagship Facilities") and EUKOR had USD 70 million in bank loans linked to the framework. If the Company does not meet the relevant targets included within the Framework, the price of the debt will increase, while if we meet the targets, pricing of the bank financing will improve. We increased the margin on our Flagship Facilities with 5 bps (0.05 percent) as the KPI performance was higher than the interim target for financial year 2022.

How will we proceed?

In 2024 we will update our sustainability linked framework based on our new decarbonization targets and exlplore opportunities created by new types of bonds and financing frameworks. We will consider introducing an internal carbon price, and prepare for compliance with the EU's new Emission Trading Scheme.

The EU's Emissions Trading Scheme, which is part of it's 'Fit for 55' basket of measures to reduce greenhouse gas emissions, was revised to include shipping from January 1, 2024. In outline, the ETS is a 'cap and trade' regulation whereby companies must buy 'EU Allowances' corresponding to the portion of their total GHG emissions that occur within the scope of the ETS. Wallenius Wilhelmsen has established an ETS compliance preparation project with cross functional representation. Key internal stakeholders include the Treasury team for the procurement of allowances as well as the Customer Growth team for compliance cost recovery. Since the first reporting deadline for the ETS is in March 2025 with 'surrendering' of EU allowances within September 2025, the implementation project will continue to run though 2024.

Principles of governance

Wallenius Wilhelmsen adheres to good corporate governance standards. This is critical to realizing our strategy to deliver long-term prosperity for our shareholders and key stakeholders.

Implementation and reporting on corporate governance

Wallenius Wilhelmsen ASA ('Wallenius Wilhelmsen' or 'the Company') is a public limited company which complies with Norwegian law. Listed on the Oslo Stock Exchange, the Company is subject to Norwegian securities legislation and stock exchange regulations.

The Wallenius Wilhelmsen ASA board of directors is committed to effective and ethical leadership in the pursuit of a long-term sustainable future for the Wallenius Wilhelmsen Group and its key stakeholders.

This chapter is written in accordance with the requirements covered in the Norwegian Code of Practice for Corporate Governance ('the Code', dated October 14, 2021), the Public Limited Companies Act and the Norwegian Accounting Act. It is approved by the board and published as part of the Company's annual report.

The "comply or explain" principle

The Code covers provisions and guidance that in part elaborate on company, accounting, stock exchange and securities legislation. It also covers areas not addressed by legislation. We follow the 'comply or explain' principle required by the Code and in case of any deviations from its 15 provisions, we explain the reasons and the alternative solutions we have adopted.

Governing elements

The board of directors is responsible for the governance of Wallenius Wilhelmsen. This entails setting the strategic direction and providing oversight to ensure that the company operates effectively, efficiently, and in alignment with its purpose and strategic ambition, its values and its compliance program.

Wallenius Wilhelmsen, as other companies, must deliver on new requirements and expectations amidst increasing global uncertainty and complexity. To ensure that we deliver on these expectations, and that we are prepared to manage rapidly emerging and changing situations, we are in the process of strengthening our governance. Considering the global reach of Wallenius Wilhelmsen, we use the guidance from the globally-recognized framework provided by ISO 37000, Governance of organizations – Guidance[1]. We are also updating our purpose, our values, constituting documents and group policies. Sustainability will be embedded throughout the company's governance and management.

We recognize that our extensive global reach, combined with operations in countries where corruption and poor labor standards are present, are significant risk factors requiring particularly high levels of integrity. The cornerstone of our governance framework is the board-approved Code of Conduct. The code, which was updated in 2023, applies to all employees and others working for and on behalf of Wallenius Wilhelmsen. The Code of Conduct provides expectations and standards for how we shall conduct ourselves towards each other, our customers, our environment and the society around us. It complements local laws, cultures and practices in the countries we operate. The Code of Conduct together with the company values, leadership expectations, policies and procedures, constitute the basis and framework for a culture centered around trust, transparency, performance and

1 ©International Organisation for Standardization

compliance. The Code of Conduct is available publicly on our website. It is a standard part of the onboarding procedures at Wallenius Wilhelmsen, incorporated into training programs and re-evaluated annually.

In 2023, we also reinforced our compliance program by hiring a dedicated Chief Ethics and Compliance Officer to strengthen the work on business ethics, corruption, fraud, money laundering, economic sanctions and export controls and antitrust. A dedicated risk manager will start in 2024. We will continue the work on further developing our identification, management and monitoring of risks.

Deviations from the Code: None

Security and emergency response

Security, including cyber security and emergency preparedness, is a top priority at Wallenius Wilhelmsen. In light of the increasing tensions and emerging geopolitical crises, we have strengthened our emergency preparedness plan and established an emergency management team composed of representatives from various cross-company functions.

We have further developed our methodology and implemented the Rayvn system, a crisis alerting and management tool that notifies the emergency management team and other stakeholders in the event of a critical incident. The system is used to organize crisis response, log key events and tasks, host video calls, provide situational awareness, and host support documentation required for successful crisis handling. Key functions are trained on using Rayvn, and drills and scenario training with human resources, and the operations are conducted. We have established updated and standardized emergency response practices for incidents to prepare for effective and common response mechanisms for crises.

We are also a certified partner of CTPAT (US Customs Trade Partnership Against Terrorism) program. This is a security framework to mitigate risks and requires that we conduct regular security assessments, develop and implement security plans, and provide training and drills for personnel. We also run awareness campaigns to encourage workers to “see something – say something.”. The work to further streamline the framework across all our relevant sites globally will continue in 2024.

The business

Articles of Association

Wallenius Wilhelmsen's business activities and the scope of the board's authority are restricted to the business specified in article three of the Company's articles of association which reads as follows: 'The objective of the Company is to engage in shipping, maritime services, aviation, industry, commerce, finance business, brokerage, agencies and forwarding, to own or manage real estate, and to run business-related thereto or associated therewith. This may take place in a direct manner, or in an indirect manner by way of guarantee, share subscription, or in other ways.' The full articles of association are provided on the Company's website.

Strategy and framework for implementation

Our ambition is to lead the way in transforming shipping and logistics. The aim of our strategy is to create value for our shareholders and other stakeholders by further developing our ocean and land-based business in a responsible manner. The group will leverage its market positions, global network, and collective competence to continue to grow a sustainable and profitable business. Four principles of sustainability guide us in this work. By striving for what is both economical and sustainable, we will produce the best long-term results for the people and the planet. Our commitment, approach and performance on sustainability is described throughout this report and is summarized in the model below.

We organize sustainability in 4 pillars

	People	Planet	Prosperity	Principles of Governance
	Safe and inclusive workplace where people's rights are respected	Decarbonize and reduce our environmental impact	Solving the biggest challenges while creating new opportunities	Transparent, with strong ethical business conduct
				
Material Topics	Health, safety and wellbeing Human rights Diversity, equity and inclusion Training and development	GHG emissions and climate risk Biodiversity Waste management Air quality	Innovation Tax practices Quality of service Sustainable consumption Sustainable supply-chain Sustainable finance	Ethical business conduct Emergency preparedness Security Privacy and data security
SDGs	3 Good health and well-being 5 Gender equality 8 Decent work and economic growth 10 Reduced inequalities	13 Climate action 14 Life below water	8 Decent work and economic growth 9 Industry, innovation and infrastructure 10 Reduced inequalities	17 Partnerships for the goals

We contribute to the Sustainable Development Goals ("SDGs") issued by the United Nations. We focus on the eight SDGs listed in the above illustration, as these have been assessed and identified as the ones upon which we have the greatest impact.

During 2023, we started preparing for EU's Corporate Sustainability Reporting Directive which will apply from 2024. We conducted a double materiality assessment (DMA) which is a key requirement of the regulation. The DMA evaluates our impact on people, society, and the environment (impact materiality) and financial effects of risks and opportunities triggered by sustainability topics (financial materiality). A sustainability topic meets the criteria of double materiality if it is material from the impact perspective, from the financial perspective or from both perspectives. Wallenius Wilhelmsen will be required to manage and disclose information on specific requirements which are outlined in the European Sustainability Reporting Standards (ESRS) relating to the material topics.

The materiality assessment was guided by the methodology outlined in the ESRS and incorporates industry best practices, internal expertise, and stakeholder engagement. Following an extensive stakeholder mapping, seventeen internal and seven external stakeholders were interviewed. Their views were important to include new perspectives and gain a better understanding of the Group's impacts, risks and opportunities. The following key stakeholder groups were engaged:

- Own employees
- Customers
- NGOs
- Suppliers
- Academia
- Partnerships
- Investors

The DMA was conducted through four key stages outlined below:

Identify relevant sustainability topics	Assessment of impact and materiality of topics	Assessment of financial materiality of topics	Validation of results
• Assess potentially material sustainability topics through desk research, review of existing material topics, assessment of value chain, peer analysis, trend analysis, screening of reporting frameworks and media scan. • Establish a long-list with relevant topics across the value chain.	• Identify relevant stakeholders for the Group. • Engage internal and external stakeholders in the assessment of impact materiality. • When 65% or more of stakeholders considered a topic to be "significant" or "very significant", it was defined as a material.	• Existing risk management frameworks were used as thresholds to assess likelihood and financial consequences of relevant risks in short-, medium- and long-term outlook. The assessment was conducted with relevant functions across the group. • A financial materiality score was calculated per topic, using the financial consequences and likelihood of occurrence.	• To validate the process a workshop was held to review the results of the financial and impact materiality assessment. • The final results were validated by management, the Board Audit Committee and board of directors.

The double materiality assessment, resulted in the following eight topics as strategically important for Wallenius Wilhelmsen:

Wallenius Wilhelmsen material topics	ESRS topics
Climate Change	E1 Climate Change
Pollution	E2 Pollution
Biodiversity and Marine Environment	E3 Water and Marine Resources & E4 Biodiversity and Ecosystems
Waste and Circular Economy	E5 Resource Use and Circular Economy
Diversity, Equity and Inclusion	S1 Own Workforce
Safe and Secure Operations	S1 Own Workforce and S2 Workers in the Value Chain
Working Conditions and Human Rights	S1 Own Workforce and S2 Workers in the Value Chain
Corporate Culture and Governance	G1 Business Conduct

Due to the complexity in separating interlinked topics, biodiversity, ecosystems and marine environment were merged into one topic. This was also the case for anti-corruption, bribery and corporate governance. Topics that were not deemed material during the assessment will be monitored and evaluated annually along with other trends and developments.

The ESRS requires companies to identify financial and impact materiality in a short, medium and long-term perspective. We have used the existing risk management framework and the CDP time interval when establishing each of the following time horizons:

- Short-term: Up to 3 years
- Medium-term: 4 to 10 years
- Long-term: 11 to 30 years

In order to identify our current reporting gaps, we also conducted a gap-analysis of the upcoming ERSR requirements. We will establish a roadmap to meet the ESRS requirements, which will extend beyond 2024. This includes conducting a biodiversity impact assessment, which was postponed until the DMA was conducted.

Sustainability is integral part of our long term strategy which aims to capitalize on our current market position, balance our risk profile and maximize value creation for our shareholders and society.

Please see the section Message from the board for more information.

To ensure that the right results are achieved in the correct way, Wallenius Wilhelmsen has established a framework of governing elements including its values, code of conduct, policies and principles. These governing elements guide the employees in making the right decisions and navigate safely in a rapidly changing environment. To ensure safety and compliance leadership and that all parts of the organization work as one, we are currently strengthening our management system to align with the updated governance framework and the ISO standards for health and safety, quality and environment (9001, 14001 and 45001). The documentation will be available on our intranet and process manager platform.

The board of directors is strongly engaged in this work and evaluates Wallenius Wilhelmsen's objectives, strategies and risk profiles at least once per year.

Deviations from the Code: None

Equity and dividend

Capital structure

The Wallenius Wilhelmsen group has a sound level of equity tailored to its objectives, strategy and risk profile, as seen in the Financial review. The board of directors believes the capital structure of the Wallenius Wilhelmsen group is appropriate to our objectives, strategies and risk profile.

Dividend policy

In 2023, the board applied a dividend policy that targeted a dividend which over time would constitute between 30 percent and 50 percent of the Company's profit after tax. When deciding the size of the dividend, the board considered future capital requirements to ensure the implementation of its growth strategy as well as the need to ensure the group's financial standing remains warrantable at all times. Dividends was declared in USD and paid out semi-annually. Please see chapter Message from the board, Long-term financial targets and dividend policy, for proposed dividend policy for 2024.

Authorizations to the board of directors

At the AGM in 2023, the board of directors was granted an authorization to acquire own shares, with a total nominal value of up to NOK 22,001,456, which equals 10 percent of the current share capital. The authorization can be used in connection with the Company's long-term incentive scheme for the executive management and as an alternative to, or complement with, dividends in order to optimize capital planning in the Company. The authorization is valid until the AGM in 2024, but will last no longer than June 30, 2024. Furthermore, at the AGM in 2023, the board of directors were also granted an authorization to increase the share capital by up to NOK 22,001,456, representing 10 percent of the issued share capital. The authorization can be used in connection with acquisitions in return for shares and for general corporate purposes. The authorization is valid until the AGM in 2024, but no longer than June 30, 2024.

> **Deviations from the Code:** The authorizations to the board of directors to acquire own shares and to increase the share capital both cover more than one purpose. The board of directors believes that for several reasons this gives flexibility to (i) buy back shares to honor obligations under the incentive scheme or as an alternative to dividends, and (ii) increase the share capital by up to 10 percent – either in connection with acquisitions, for general corporate purposes or a combination of the two, depending on the specific needs of the Company.

Equal treatment of shareholders

Shareholders

As of December 31, 2023, Wallenius Wilhelmsen had 6,594 shareholders, of which 516 were foreign, and the remaining were Norwegian. This indicates an increase of 5 percent in the number of shareholders compared to year end 2022. The Norwegian shareholders account for 209,987,266 of Wallenius Wilhelmsen shares, the equivalent of 49.6 percent of the total number of shares.

Preemptive rights

The board of directors has not made any resolutions to increase the share capital based on the authorizations granted in 2023. If the board resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders based on a mandate granted to the board, the board will publicly disclose the justification in a stock exchange announcement to be issued in connection with the increase in share capital.

Transaction in own shares

In September 2023, Wallenius Wilhelmsen purchased 500,000 own shares pursuant to the authorization granted to the board of directors in 2023. The share repurchase program was initiated as part of the Company's long-term incentive scheme and the acquisition of own shares was carried out through the stock exchange.] 568,338 shares were held in treasury as of year-end 2023.

Freely negotiable shares

All shares in Wallenius Wilhelmsen are freely negotiable and listed on the Oslo Stock Exchange under the ticker 'WAWI'. There are no restrictions on any party's ability to own, trade or vote for shares in Wallenius Wilhelmsen.

| **Deviations from the Code:** None

General meeting

The general meeting will normally be held in the middle of the second quarter. The board of directors will ensure that the Company's shareholders can participate in the general meeting through electronic presence. The board of directors will further ensure that:

- The resolutions and any supporting documentation are sufficiently detailed, comprehensive and specific, allowing shareholders to understand and form a view on all matters to be considered at the general meeting
- Any deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as possible
- The members of the board of directors and the chair of the nomination committee shall attend the general meeting
- That the general meeting is able to elect an independent chairperson for the general meeting.

Shareholders who wish to participate in the general meeting must give the company notice of this in advance. Such notice must be received by the company no later than two working days prior to the general meeting. The board may, however, before the notice to the general meeting has been sent, set a later deadline for such notice. Shareholders who are unable to be present at the general meeting will be given the opportunity to vote by proxy, or through written voting in a period prior to the general meeting. Wallenius Wilhelmsen will in this respect provide information on the procedure and prepare the form for the appointment of a proxy, or written voting form, which will indicate that it is possible to vote on each agenda item. Wallenius Wilhelmsen seeks to accommodate that shareholders are able to vote on each individual candidate that is nominated for election. However, for practical reasons, the vote took place as a combined vote in 2023. Wallenius Wilhelmsen will also nominate a person who can act as proxy for the shareholders. Shareholders with known addresses are notified by mail no later than 21 days before the meeting, and all relevant documents are published on Wallenius Wilhelmsen's website no later than 21 days before the meeting. Shareholders may, upon request, receive hard copies of the material. The minutes from the AGM are available on the Company's website, immediately after the meeting and may be inspected by shareholders at Wallenius Wilhelmsen's office. The general meeting of 2023 was chaired by the Company's external counsel as appointed by the general meeting.

> **Deviations from the Code:** In 2023, voting on members to the board of directors and the nomination committee, respectively, took place as a combined vote.

Nomination committee

In accordance with section eight of Wallenius Wilhelmsen's articles of association, the general meeting has appointed the nomination committee, approved the guidelines for the committee's work and agreed on the remuneration to be paid for participating in the committee. All members of the nomination committee are independent from the Company's executive management. The nomination committee currently consists of Anders Ryssdal (chair), Carl Erik Steen and Jonas Kleberg. None of the committee members are executives at Wallenius Wilhelmsen. The committee nominates candidates to the board and proposes board members' remuneration. As part of its nomination process, the committee will have contact with major shareholders, the board and Wallenius Wilhelmsen's executives to ensure the process takes the board's and Wallenius Wilhelmsen's interests into consideration. A justification for a candidate will include information on each candidate's competence, capacity and independence. The nomination committee will justify its proposal on each candidate separately. In 2023, the nomination committee held four meetings.

Deviations from the Code: None

Board of directors – composition and independence

Wallenius Wilhelmsen does not have a corporate assembly, and therefore the general meeting elects the board. The board shall consist of between three and nine members and up to three deputy members. The board of directors currently comprises six members. The board of directors elects its own chair, and Wallenius Wilhelmsen is therefore in deviation with section eight of the code. The composition of the board of directors addresses the common interests of all shareholders and meets the Company's need for expertise, including industry and sustainability knowledge, capacity and diversity. The board of directors is also formed so that it can act independently of any special interests. Three of the six directors are women. Four of the directors, Rune Bjerke, Yngvil Eriksson Åsheim, Margareta Alestig and Anna Felländer, are independent of the majority owners, the executive management, and significant business relations. The board does not include executive personnel. Each of the two large shareholders have respectively nominated one observer in Wallenius Wilhelmsen's board, namely Christian Berg and Peter Augustsson.

Information on the background and experience of the directors is available on Wallenius Wilhelmsen's website, which also lists the number of Wallenius Wilhelmsen shares held by each director. Members of the board of directors are encouraged to own shares in Wallenius Wilhelmsen, although they know not to let this encourage a short-term approach, which is not in the best interests of Wallenius Wilhelmsen and its shareholders over the longer term. Board members have attended a seminar hosted by Advokatfirmaet Thommessen AS regarding the rules that apply to stock exchange listed companies. The objective of the course was to provide information on legislation, rules, regulations, and best practices that are relevant for board members of listed Norwegian companies.

Board member	Elected	Period	Up for election
Rune Bjerke	April 2022	2	2024
Thomas Wilhelmsen	April 2023	2	2025
Margareta Alestig	April 2023	2	2025
Anna Felländer	April 2022	2	2024
Hans Åkervall	April 2022	2	2024
Yngvil Eriksson Åsheim	April 2022	2	2024

Deviations from the Code: The board elects its own chair as stated in Wallenius Wilhelmsen's articles of association as the members of the board have in-depth knowledge of the Company's underlying business and are best suited to nominate their own chair.

Board responsibility and work

The board of directors

The board of directors has adopted instructions for the work of the board. These include rules on the work of the board and its administrative procedures which determine what matters the board should consider. The board has the ultimate responsibility for the management of Wallenius Wilhelmsen and must ensure the business is run in a sustainable and responsible way. The instructions state how the board of directors and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The board of directors will also present any such agreements in the annual directors' report.

The board of directors has also adopted instructions for the executive management to clarify internal allocation of responsibilities and duties. The board heads Wallenius Wilhelmsen's strategic planning. This involves setting the direction for management through discussions of the strategy and risk, and make decisions that form the basis for the administration's execution of the strategy. The board of directors evaluates Wallenius Wilhelmsen's objectives, strategies and risk profiles at least once per year. The chair of the board has an extended duty to ensure that the board operates well and carries out its duties.

The board of directors has also implemented procedures to ensure that members of the board of directors and executive personnel make Wallenius Wilhelmsen aware of any material conflicting interests that they may have regarding items being considered by the board of directors.

The board of directors will also be chaired by some other member of the board, if the board is to consider matters of a material character in which the chair of the board is, or has been, personally involved.

Sustainability appears regularly on the board's agenda, either in the form of updates on sustainability regulation or progress on our management of sustainability topics.

Quarterly, the board reviews corporate risks and these include risks related to more stringent climate, environment and social regulations as well as indicators for attracting and retaining competence. The board establishes an annual plan for its work and evaluates its performance and expertise annually.

In 2023, Wallenius Wilhelmsen arranged eight meetings which all board members attended, i.e. 100 percent attendance in meetings during 2023. In addition, the board regularly visits business-related locations to ensure they have a solid understanding of the business, the market and the outlook for the shipping and logistics industry. Such updates may also be given through a variety of communication channels, including a board portal containing timely and relevant information. The directors and officers are covered by Wallenius Wilhelmsen ASA's Directors and Officers Liability Insurance (D&O) placed with AIG, AXA XL, Risk Point and IF. The insurance comprises the directors' and officers' personal legal liabilities, including defense- and legal costs. The coverage also includes employees in managerial positions or employees who become named in a claim or investigation, or is named co-defendant, and is extended to include members of the company's steering committee, audit committee, compensation committee, litigation committee, advisory committee or other management or board committees.

Audit committee

The company's audit committee currently consists of three members:

- Margareta Alestig (chair)
- Yngvil Eriksson Åsheim
- Hans Åkervall

All members of the audit committee are independent of Wallenius Wilhelmsen, and at least one member of the audit committee is competent in respect to financial reporting and audit. The committee's objective is to act as a preparatory working committee and support the board's supervisory roles with respect to financial and sustainability reporting and the effectiveness of Wallenius Wilhelmsen's internal control and risk management systems. The committee also monitors that the external auditor is independent in relation to services rendered and relationships that may impact objectivity and independence between the external auditor and Wallenius Wilhelmsen, including review and pre-approval of non-audit services provided by the external auditor. During 2023, the committee had five meetings.

People, Culture and Remuneration Committee

The board of directors' people, culture and remuneration committee consists of three members:

- Rune Bjerke (chair)
- Thomas Wilhelmsen
- Anna Felländer

The members are independent of Wallenius Wilhelmsen's executive management. The board sets guidelines for remuneration of the executive management, including incentive schemes, pension schemes/terms and employment agreements. The remuneration committee also proposes the general remuneration principles for other employees in the Company. During 2023, the committee had five meetings.

Management team

In 2023, the executive management team at Wallenius Wilhelmsen consists of a chief executive officer (CEO), and the following other roles:

- EVP, chief financial officer (CFO)
- EVP, chief operating officer (COO) shipping services
- EVP, chief operating officer (COO) logistics services
- EVP, chief people and corporate affairs officer (CPCO)
- EVP, chief customer officer (CCO)
- EVP, chief technology and information officer (CTIO)
- SVP, chief communications and marketing officer (CCMO)

The executive management team, which consists of 50 percent women and 50 percent men, discusses and coordinates all main business and management issues relevant for Wallenius Wilhelmsen. An overview of the background and expertise of the executive management team is provided on the Company's website.

CEO

The board's instruction to the CEO includes a statement of duties, responsibilities and delegated authorities. The CEO has the overall responsibility for Wallenius Wilhelmsen's results and for conducting the businesses and affairs of the Company and its businesses in a proper and efficient manner, and in the best interests of Wallenius Wilhelmsen and its shareholders.

The CEO has a particular responsibility to ensure that the board receives accurate, relevant and timely information that allows it to carry out its duties. Wallenius Wilhelmsen's operations, financial results, projections, financial status, or other topics specified by the board are regularly shared with the board between board meetings.

The CEO has delegated the responsibility of the different business areas to other members of the executive management team.

CFO

The CFO is responsible for the finance activities at Wallenius Wilhelmsen, including accounting and finance control, business performance, mergers and acquisitions, treasury, tax and investor relations. The CFO is responsible for providing the CEO and the board with reliable, relevant and sufficient financial information related to Wallenius Wilhelmsen's business activities, and ensure that such information is based on requirements for listed companies.

Governance in partly-owned companies

Wallenius Wilhelmsen holds a controlling ownership interest in EUKOR Car Carriers, Armacup Limited, Syngin Technologies, LLC, Wallenius Wilhelmsen Solutions (Pty) Ltd, RRS RoRo Stevedores Germany GmbH and WWL-GZL Logistics Co., Ltd. Each entity has its own board responsible for issues related to the specific operating entity. Wallenius Wilhelmsen's ambition is to be a demanding and reliable owner, taking the long-term interests of the companies, as well as its own interests, into consideration when developing its strategy. This includes how ownership, financial prospects and expectations towards code of conduct will be exercised, and how environmental and sustainable standards and aspirations are determined.

Deviations from the Code: None

Remuneration of the board of directors

Remuneration of directors is determined by the AGM and it is not dependent on the Wallenius Wilhelmsen's results. The fee reflects the responsibilities of the board, its expertise, the amount of time devoted to board-related work and the complexity of the Wallenius Wilhelmsen's businesses. The remuneration of the board of directors is not linked to our performance, and we do not grant share options to members of the board of directors. None of the directors perform other assignments for Wallenius Wilhelmsen in addition to their appointment as member of the board of directors.

Deviations from the Code: None

Risk management and internal control

Board accountability

The board is accountable for Wallenius Wilhelmsen's internal control and risk management frameworks and believes that Wallenius Wilhelmsen's systems are appropriate given the extent and nature of our activities. The system contributes to a control environment characterized by integrity and responsible business conduct. It is based on the Wallenius Wilhelmsen's guidelines for business standards and sustainability. The board reviews Wallenius Wilhelmsen's risk matrix four times per year and the internal control arrangements at least once per year, preferably together with the Wallenius Wilhelmsen's external auditor.

About the system

Governing documents, such as values, code of conduct, company principles, policies, procedures and process descriptions are documented and electronically available to Wallenius Wilhelmsen's employees through our global integrated management system. Various internal control activities give management assurance that the internal control of financial systems works adequately and according to management's expectations.

Wallenius Wilhelmsen's internal control is a process designed to provide reasonable assurance of:

- Effective and efficient operations
- Risk management
- Reliable financial reporting
- Compliance with laws and regulations
- Necessary resources provided and used in cost-efficient ways.

Internal control includes:

- Activities established to evaluate and confirm the quality of internal control regarding financial reporting (per segment)
- Procedure for year-end financial statements and the Wallenius Wilhelmsen board's responsibility statement semi-annually and annually
- Enterprise risk assessment – including reporting of the segment's internal control, and quarterly reporting of risk assessment to the board
- Risk factors are described and made public to the market in Wallenius Wilhelmsen's second quarter report and annual reports.

Wallenius Wilhelmsen's governing documents are in line with the group's financial strategy.

During 2023, we conducted a strategic risk assessment facilitated by an external expert. The assessment analyzed future trends and their potential impact as well as the connection and velocity of the risks. The analysis leveraged the insight and experience of ca 40 internal experts.

External assurance

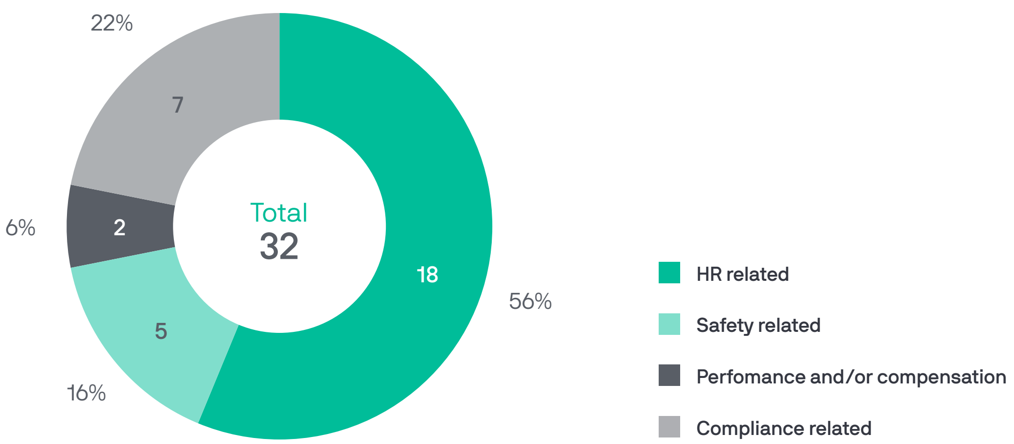
Wallenius Wilhelmsen's auditors conduct the audit in accordance with the laws, regulations, and auditing standards and practices generally accepted in Norway. These give reasonable assurance as to whether the consolidated financial statements are free from material misstatements, and whether internal control over financial reporting was appropriate in the circumstances relevant to the audit.

The audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall financial statement presentation including the disclosures.

Whistleblowing

Wallenius Wilhelmsen has a Group-wide Alert line, which is a global whistleblowing system where employees can submit notices about potential non-compliance, e.g. bribery, corruption, theft, sanctions, anti-trust, fraud, bullying and harassment, modern slavery and other human rights breaches or other breaches to the Company's business standards. The whistleblowing channel is hosted by an independent third party and employees can report with due process related to confidentiality and anonymity and as per regulations in relevant jurisdictions. The procedures strengthen transparency and ensure that the business standards are applied the way they are intended. They also ensure that the Group has a professional way of handling potential breaches of laws and regulations, self-imposed business standards or other serious irregularities. Concerns raised in good faith and in line with good principles related to this, and also stated elsewhere, shall not be met with retaliatory actions. During 2023, we received 85 cases through the Alert line. Cases are reviewed and acted upon by Legal & Compliance, HR and relevant resources as per the nature of each submitted case. No cases of corruption were confirmed during 2023. We will during 2024 continue to improve the Alert line and raise awareness to encourage employees to report any potential breaches to a superior, Legal & Compliance or HR, or through the Alert line.

Cases reported through the whistleblower channel:



| **Deviations from the Code:** None

Salary and other remuneration for executive personnel

Remuneration policy and reporting

Wallenius Wilhelmsen's remuneration policy covers all employees and is developed to ensure we attract and retain competent employees. The remuneration principles are communicated to all employees to ensure a common understanding of expectations and rewards, both linked to Wallenius Wilhelmsen's strategic ambitions, financial targets and business standards. The board determines the CEO's remuneration and establishes the framework for adjustments for other employees. Salary adjustment for each employee is settled administratively within the limits set. For these purposes, the administration carries out a comparison with salary conditions in other companies and looks to the general level of pay adjustments in the relevant markets. See also section on diversity, equity and inclusion. These details are listed in an overview showing employee benefits, including salary and other components of the CEO's and other members of executive management's remuneration packages. Sustainability targets are part of management's remuneration and include safety and carbon emissions. The details are provided in the remuneration report in accordance with the Public Companies Act and relevant regulations, and provided on our website as a separate document.

Short-term variable remuneration

As a key component of the total remuneration package, the annual, variable pay scheme emphasizes the link between performance and pay and aims to be motivational. It aligns the senior executives with relevant, clear targets derived from the overall strategic goals and includes sustainability targets such as safety performance, carbon emissions and #engage score. The variable pay scheme takes into consideration both key financial targets and individual targets (derived from the annual operating plan). The program applies to employees from senior manager and above.

Long-term variable remuneration

In 2018, the board of directors approved the introduction of a long-term incentive program (LTIP). The program is a performance share unit (PSU) program for the members of the executive team and other defined employees in key positions. Participation is subject to approval by the board of directors.

The purpose of the LTIP is to support Wallenius Wilhelmsen's long-term strategy and sustainability ambitions and drive growth and performance leading to long-term value creation, and thus increased shareholder value over time. The program should also contribute to the retention and increased motivation of top executives. It aligns the interest of the executive team and other employees in key positions with the interests of the owners and shareholders of Wallenius Wilhelmsen.

The PSU plan is structured as a conditional right for participants to receive shares and synthetic shares after a three-year performance period. The award is maximum 50 percent of the annual fixed salary for the President and CEO and the CFO, and between 30 and 40 percent for other executives.

Deviations from the Code: None

Information and communication

Communication principles and standards

Transparency, accountability and timeliness guide the Group's communication activities. In its reporting, Wallenius Wilhelmsen follows applicable securities and accounting legislation, and the guidelines set by the Oslo Stock Exchange. Further to this, the Norwegian Investor Relations Association, and its opinion of best practice related to financial reporting and investor relations information is also followed.

Communication channels and activities

The quarterly, interim and annual results are presented to the financial markets and business journalists. All presentations are transmitted directly by webcast. Results, presentations and webcasts are also posted on the Company's investor relations web pages. The market is regularly informed about Wallenius Wilhelmsen's activities and results through stock exchange notices, annual and quarterly reports, press releases and updates on the Company's website. Extensive information about the activities of the group is provided on the group's website. A separate section named 'Investors relations' includes relevant information to shareholders, including reports and presentations, financial calendars, share information, contact information, and news and media. The Company is present on social media but it has strict rules on who can use social media for Company purposes, and it has clear guidelines stating that stock-sensitive information must be published through the Stock Exchange before it is made available on social media.

Silent period

For a period of four weeks before the planned release of quarterly financial reports there is a silent period. This is a period where Wallenius Wilhelmsen cannot comment on matters related to its general financial results or expectations, and contact with external analysts, investors, and journalists will be minimized. This is to reduce the risk of information leaks and ensure the market has access to similar information.

> **Deviations from the Code:** Wallenius Wilhelmsen was in 2023 in deviation of section 13 of the code, which recommends guidelines covering Wallenius Wilhelmsen's contact with its shareholders outside of the general meeting. Although the board of directors in 2023 had not determined such guidelines, shareholders were invited to four quarterly presentations per year, as well as a capital markets day. A financial calendar is also updated and made public for the shareholders annually. Wallenius Wilhelmsen's website is also regularly updated with relevant information. An investor relations policy has been adopted in 2023 and the company will not deviate from the code on this point going forward.

Takeovers

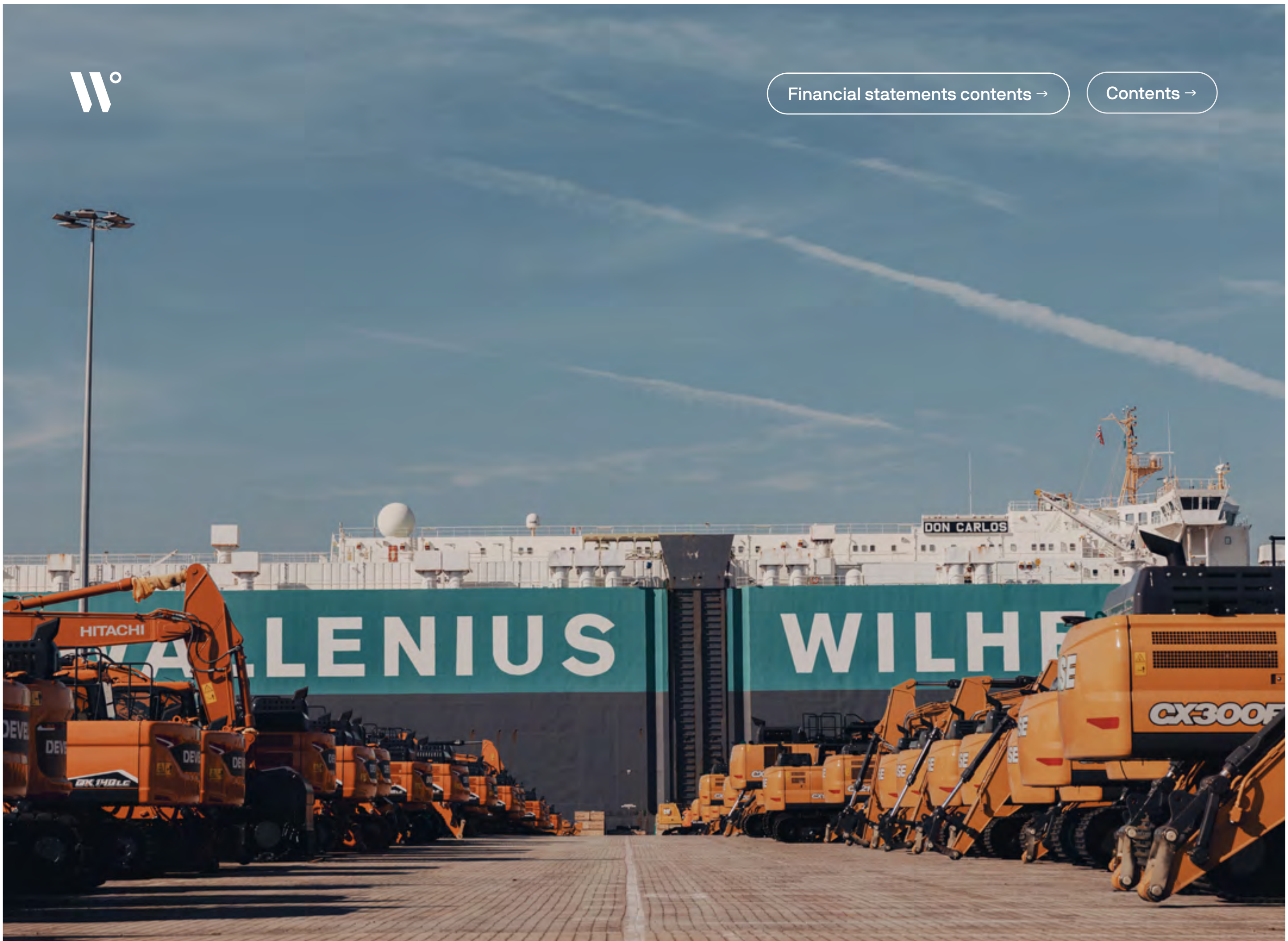
The board has not established a policy for its response to possible takeover bids. The board and management will seek to treat any takeover bids for Wallenius Wilhelmsen's activities or shares in a professional way and in the best interest of our shareholders. If such circumstances arise, the board and the Wallenius Wilhelmsen's management will seek to treat all shareholders equally, take action to ensure shareholders receive sufficient and timely information to consider the offer and otherwise abide by the principles of the corporate governance code.

Deviations from the Code: No policy developed, but intention described above.

Auditor

The board of directors is responsible for ensuring that the board and the audit committee is provided with sufficient insight into the work of the auditor. In this regard, the board of directors ensures that the auditor submits the main features of the plan for the audit of the Company to the audit committee annually. The Company's auditor – PricewaterhouseCoopers AS (PwC) – attends all board audit committee meetings and is always present when the annual financial statements are reviewed. At these meetings, the auditor (i) reports on any material changes in the Company's accounting principles and key aspects of the audit, (ii) comments on any material accounting estimates, and (iii) reports all material matters on which there has been disagreement between the auditor and the executive management of Wallenius Wilhelmsen. There were no disagreements between management and PwC during 2023. Once a year, the board of directors reviews the Company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement. It is important to the board that the auditor is independent of management. The board therefore has at least one meeting with PwC without senior management being present. To ensure the auditor's independence of Wallenius Wilhelmsen's executive management, the board of directors has established guidelines regarding the use of the auditor by the management for services other than the audit. The auditor provides the board with confirmation of independence in relation to non-audit services provided. For the financial year 2023, Bjørn Lund was the Company's engagement partner from PwC. From the financial year 2024, PwC will be replaced by EY as auditor. EY were appointed by the annual general meeting on April 26, 2023.

Deviations from the Code: None



Financial statements

Financial statements contents:

Wallenius Wilhelmsen ASA Group

Consolidated income statement		115
Consolidated statement of comprehensive income		115
Consolidated balance sheet		116
Consolidated cash flow statement		117
Consolidated statement of changes in equity		118
Accounting policies		119
Note 1.	Significant accounting judgments, estimates and assumptions	130
Note 2.	Segment reporting	133
Note 3.	Operating expenses	138
Note 4.	Employee benefits	139
Note 5.	Other gain/loss	142
Note 6.	Financial items	143
Note 7.	Tax	144
Note 8.	Goodwill, customer relations/contracts and other intangible assets	148
Note 9.	Vessels and other tangible assets	149
Note 10.	Right-of-use assets	151
Note 11.	Impairment on non-current assets	154
Note 12.	Principal subsidiaries	157
Note 13.	Subsidiaries with material non-controlling interest	159
Note 14.	Share information and earnings per share	160
Note 15.	Employee retirement plans	161
Note 16.	Interest-bearing liabilities	163
Note 17.	Financial risk	168
Note 18.	Provisions and contingencies	179
Note 19.	Specification of balance sheet	180
Note 20.	Trade receivables and trade payables	181
Note 21.	Restricted bank deposits and undrawn commited drawing rights	183
Note 22.	Related party transactions	184
Note 23.	Events after the balance sheet date	186

Wallenius Wilhelmsen ASA Parent

Income statement		188
Statement of comprehensive income		188
Balance sheet		189
Cash flow statement		190
Note 1.	Specification of income statement	191
Note 2.	Employee benefits	192
Note 3.	Tax	194
Note 4.	Investment in subsidiaries	195
Note 5.	Equity	196
Note 6.	Employee retirement obligations	198
Note 7.	Interest-bearing debt	200
Note 8.	Financial risk	201
Note 9.	Specification of balance sheet	209
Note 10.	Transactions with related parties	210
Note 11.	Events after the balance sheet date	211

Alternative performance measures (unaudited)

Reconciliation of alternative performance measures	213

Financial statements
Wallenius Wilhelmsen ASA Group

Consolidated income statement

USD million	Notes	2023	2022
Total revenue	2	**5,149**	**5,045**
Operating expenses	3	(3,342)	(3,497)
Operating profit before depreciation, amortization and impairment (EBITDA)		**1,807**	**1,548**
Other gain/(loss)	5	(6)	(47)
Depreciation and amortization	8,9,10	(577)	(541)
Impairment	8,9,11	(5)	(29)
Operating profit (EBIT)		**1,218**	**931**
Share of profit from joint ventures and associates		**3**	**2**
Interest income and other financial items		122	184
Interest expense and other financial expenses		(309)	(288)
Financial items – net	6	**(186)**	**(104)**
Profit before tax		**1,035**	**829**
Tax expense	7	(68)	(35)
Profit for the period		**967**	**794**
Profit for the period attributable to:			
Owners of the parent		846	679
Non-controlling interests	13	121	116
Basic and diluted earnings per share (USD)	14	2.00	1.60

Consolidated statement of comprehensive income

USD million	Notes	2023	2022
Profit for the period		967	794
Other comprehensive income/(loss):			
Items that may subsequently be reclassified to the income statement:			
Currency translation adjustment		4	(7)
Items that will not be reclassified to the income statement:			
Changes in the fair value of equity investments designated at fair value through other comprehensive income		(3)	(5)
Remeasurement pension liabilities, net of tax	15	(3)	11
Other comprehensive income/(loss), net of tax		**(1)**	**(1)**
Total comprehensive income for the period		**966**	**794**
Total comprehensive income attributable to:			
Owners of the parent		845	679
Non-controlling interests		121	115
Total comprehensive income for the period		**966**	**794**

Consolidated balance sheet

USD million	Notes	Dec 31, 2023	Dec 31, 2022
Assets			
Non-current assets			
Deferred tax assets	7	53	59
Goodwill and other intangible assets	8	360	395
Vessels and other tangible assets	9	3,871	3,943
Right-of-use assets	10	1,443	1,599
Other non-current assets	19	224	247
Total non-current assets		**5,951**	**6,242**
Current assets			
Fuel/lube oil		138	139
Trade receivables	20	616	605
Other current assets	19	231	191
Cash and cash equivalents		1,705	1,216
Total current assets		**2,690**	**2,151**
Total assets		**8,642**	**8,394**
Equity and liabilities			
Equity			
Share capital	14	28	28
Retained earnings and other reserves		3,616	3,125
Total equity attributable to owners of the parent		**3,644**	**3,153**
Non-controlling interests	13	413	355
Total equity		**4,056**	**3,508**
Non-current liabilities			
Pension liabilities	15	39	40
Deferred tax liabilities	7	67	71
Non-current interest-bearing debt	16	1,897	2,200
Non-current lease liabilities	16	1,097	1,254
Other non-current liabilities	19	63	95
Total non-current liabilities		**3,163**	**3,659**
Current liabilities			
Trade payables	20	103	112
Current interest-bearing debt	16	406	316
Current lease liabilities	16	313	317
Current income tax liabilities	7	37	2
Other current liabilities	19	564	479
Total current liabilities		**1,423**	**1,226**
Total equity and liabilities		**8,642**	**8,394**

Consolidated cash flow statement

USD million	Notes	2023	2022
Cash flow from operating activities			
Profit before tax		1,035	829
Financial (income)/expenses	6	186	104
Share of net income from joint ventures and associates		(3)	(2)
Depreciation and amortization	8,9,10	577	541
Impairment		5	29
(Gain)/loss on sale of tangible assets		(2)	(14)
Change in net pension assets/liabilities		(2)	(12)
Change in derivative financial assets	5	6	47
Net change in other assets/liabilities		7	(190)
Tax paid		(39)	(35)
Net cash flow provided by operating activities		**1,771**	**1,297**
Cash flow from investing activities			
Dividend received from joint ventures and associates		1	-
Proceeds from sale of tangible assets		2	45
Investments in vessels, other tangible and intangible assets	8,9	(163)	(112)
Investment in subsidiaries, net of cash acquired		(13)	(11)
Interest received		69	15
Net cash flow used in investing activities		**(104)**	**(62)**
Cash flow from financing activities			
Proceeds from loans and bonds	16	473	1,002
Repayment of loans and bonds	16	(655)	(1,095)
Repayment of lease liabilities	16	(319)	(352)
Interest paid including interest derivatives		(218)	(189)
Realized other derivatives		(30)	(14)
Dividend to non-controlling interests		(57)	(16)
Repurchase of own shares		(4)	-
Dividend to shareholders		(362)	(63)
Net change in cash collateral	17	(4)	(2)
Net cash flow used in financing activities		**(1,177)**	**(729)**
Net increase/(decrease) in cash and cash equivalents		**490**	**505**
Cash and cash equivalents at beginning of period		1,216	710
Cash and cash equivalents at end of period[1]		**1,705**	**1,216**

1 The group is located and operating world-wide and every entity has several bank accounts in different currencies. Unrealized currency effects are included in net cash provided by operating activities.

Consolidated statement of changes in equity

USD million	Share capital	Own shares	Total share capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2023							
Balance at December 31, 2022	28	-	28	3,125	3,153	355	3,508
Profit for the period	-	-	-	846	846	121	967
Other comprehensive loss	-	-	-	(1)	(1)	-	(1)
Total comprehensive income	**-**	**-**	**-**	**845**	**845**	**121**	**966**
Disposal of own shares	-	-	-	3	3	-	3
Repurchase of own shares	-	-	-	(4)	(4)	-	(4)
Change in non-controlling interests	-	-	-	5	5	(6)	-
Dividend to owners of the parent	-	-	-	(359)	(359)	-	(359)
Dividend to non-controlling interests	-	-	-	-	-	(57)	(57)
Balance at December 31, 2023	**28**	**-**	**28**	**3,616**	**3,644**	**413**	**4,056**

USD million	Share capital	Own shares	Total share capital	Retained earnings and other reserves	Total	Non-controlling interests	Total equity
2022							
Balance at December 31, 2021	28	-	28	2,511	2,539	266	2,804
Profit for the period	-	-	-	679	679	116	794
Other comprehensive loss	-	-	-	-	-	(1)	(1)
Total comprehensive income	**-**	**-**	**-**	**679**	**679**	**115**	**794**
Disposal of own shares	-	-	-	1	1	-	1
Change in non-controlling interests	-	-	-	(3)	(3)	(8)	(11)
Dividend to owners of the parent	-	-	-	(63)	(63)	-	(63)
Dividend to non-controlling interests	-	-	-	-	-	(16)	(16)
Balance at December 31, 2022	**28**	**-**	**28**	**3,125**	**3,153**	**355**	**3,508**

As of December 31, 2023, own shares represented 0.1 percent (2022: 0.1 percent) of the share capital in nominal value.

Accounting policies

General information and background

Wallenius Wilhelmsen ASA (the parent company) is a public limited company incorporated in Norway, and its shares are listed on the Oslo Stock Exchange. The parent company's registered office is at Strandveien 20, Lysaker, Norway.

These consolidated financial statements consist of the parent company and its subsidiaries (the group) and the group's interests in associated companies and jointly controlled entities. The group's business is primarily made up of shipping and logistics operations. The principal activities of the group are described in note 2 Segment information. These consolidated financial statements were approved for issue by the board of directors on March 12, 2024.

Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with the IFRS® Accounting Standards as adopted by the EU and additional disclosure requirements in the Norwegian Accounting Act as effective December 31, 2023. The financial statements for the parent company have been prepared and presented in accordance with simplified IFRS as stated by § 3-9 of the Accounting Act and the Regulations on the Simplified Application of International Accounting Standards established by the Norwegian Ministry of Finance on February 7, 2022. In the parent company, the company has elected to apply the exemption from IFRS for dividends and group contributions. Otherwise, the accounting policies for the group are also adopted by the parent company. Wallenius Wilhelmsen provides additional disclosures in accordance with requirements in the Norwegian Accounting Act related to remuneration to the board and management.

The consolidated financial statements are presented in US dollars (USD), rounded to the nearest whole million unless otherwise stated. USD is the functional currency of most entities in the group. The parent company is presented in its functional currency USD.

Historical cost convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including financial derivatives) at fair value either through the income statement or other comprehensive income.

New and revised standards – adopted and not yet effective

None of the amendments to IFRSs or IFRIC interpretations implemented with effect from January 1, 2023 have or are expected to have a material impact on the group or the parent company's financial statements. At the date of the approval of these financial statements, the group has not identified significant impact to the group or the parent company's financial statements as a result of amendments effective for 2024. The group has not yet fully assessed the impact of changes which are effective for 2025 and beyond.

Principles of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of Wallenius Wilhelmsen ASA and its subsidiaries as of December 31, 2023.

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method is used by the group to account for business combinations.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are presented separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

Changes in ownership interests

A change in ownership interest of a subsidiary that does not result in a loss of control is a transaction with equity owners of the group and accounted for as an equity transaction. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only the proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss.

Shares in subsidiaries, joint ventures and associates (parent company)

Shares in subsidiaries, joint ventures and associates are recognized according to the cost method. Group contributions and dividends from subsidiaries are recognized in the year in which it is proposed by the subsidiary to the extent the parent company can control the decision of the subsidiary.

Segment reporting

The group's operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision-maker which is the group's Chief Executive Officer (CEO). Financial and operational information is prepared for each segment, and the information disclosed is in line with the information used by the CEO to assess performance and allocate resources. The chief operating decision-maker is responsible for coordinating business and management to optimize the use of know-how and resources and to align decision-making related to the implementation of the group's strategy.

Related party transactions

See note 22 to the group financial statements for related party transactions. See note 4 to the group financial statements for remuneration of senior executives in the group and note 2 to the parent company financial statements for information related to loans and guarantees for employees in the parent company. Wallenius Wilhelmsen also provides additional disclosures in accordance with requirements in the Norwegian Accounting Act §7-31b related to remuneration to the board and management. This information is included in the separate Remuneration report for 2023.

Foreign currency transaction and translation

Transactions

In individual companies, transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange as of the transaction date. Monetary assets and liabilities denominated in foreign currencies are subsequently translated into the relevant functional currency by using the rate of exchange at the balance sheet date. Realized and unrealized currency gains or losses are included in financial income or expense.

Translation

In the consolidated financial statements, the assets and liabilities of non-USD functional currency subsidiaries, joint ventures and associates, including related goodwill, are translated into USD using the rate of exchange as of the balance sheet date. The results and cash flows of non-USD functional currency subsidiaries, joint ventures and associates are translated into USD using the average exchange rate for the period (month) reported (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rate on the dates of the transactions). Exchange rate adjustments arising when the opening net assets and the net income for the year retained by non-USD operations are translated into USD are recognized in other comprehensive income. On disposal of a non-USD functional currency subsidiary, joint venture or associate, the deferred cumulative amount recognized in equity relating to that particular entity is recognized in the income statement.

Revenue recognition

The group recognizes revenue from the following major sources:

- Voyage charter revenue (freight revenue)
- Land-based revenue

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognizes revenue when it transfers control of a product or service to a customer.

The group bases its estimates on all available information, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The accounting policies for the group's main types of revenue are set out below.

Voyage charter revenue
Voyage charter revenue is recognized in accordance with IFRS 15 by estimating the total income for a vessel on a voyage. The voyage charter revenue is recognized over time on the basis of progress on fulfillment. The measure of progress is the number of days incurred compared to estimated total days for the applicable voyage. When recognizing revenue from voyage charters, the group applies the practical expedient defined by the standard enabling the group to account for several contracts with similar characteristics as a portfolio, since combining the contracts does not produce a materially different outcome than accounting for the contracts individually. Revenue is recognized on a straight-line basis for the entire voyage.

Land-based logistics service revenue
Land-based logistics services are recognized in accordance with IFRS 15 in the accounting period in which the services have been rendered.

Tangible assets

Vessels and other tangible assets acquired by group companies are initially recognized at cost. For newbuild contracts, the cost price includes all the costs incurred in the development and construction process, including capitalized borrowing costs.

Depreciation is calculated on a straight-line basis. A residual value, which reduces the depreciation base, is estimated for vessels. The estimate is based on a 10 year average rolling demolition price for general cargo vessels. In addition, a charge for green ship recycling is deducted. The calculation is performed on an annual basis.

The carrying value of tangible assets equals the historical cost less accumulated depreciation and any impairment charges.

The group capitalizes loan costs related to the construction of new vessels on the basis of the group's average borrowing rate on interest-bearing debt. Shipbuilder installments paid, other direct vessel costs and the group's interest costs related to financing the acquisition of vessels are capitalized as they are paid.

Tangible assets are depreciated over the following estimated useful lives:

Vessels	27-30 years
Property	30-50 years
Land	no depreciation
Other tangible assets	3-10 years

Each component of a tangible asset, which is significant for the total cost of the item and for which the estimated useful life is different, will be depreciated separately. Components with similar estimated useful lives will be included in a single component.

An analysis of the group's fleet concluded that vessels based on a pure car truck carrier/roll-on roll-off design do not need to be separated into different components since there is no significant difference in the estimated useful life for the various components of these vessels over and above docking costs. Costs related to docking and periodic maintenance will normally be depreciated over the period until the next docking.

The estimated residual value and useful life and depreciation method of tangible fixed assets are reviewed at each balance sheet date. The effect of any changes in estimate is accounted for on a prospective basis.

Goodwill and other intangible assets

Amortization of intangible assets is based on the following estimated useful lives:

Goodwill	Indefinite
Customer relations/contracts	3-10 years
Other intangible assets	3-10 years

Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previous equity interests in the acquiree (if any) over the fair value of the group's share of the identifiable net assets of the acquired subsidiary, joint venture or associate. Goodwill arising from the acquisition of subsidiaries is classified as an intangible asset. Goodwill arising from the acquisition of an interest in a joint venture or an associated company is included in the carrying amount of the investment and tested for impairment as a single asset.

Goodwill from acquisition of subsidiaries is tested for impairment at least annually and carried at cost less impairment losses. Impairment losses on goodwill are not reversed. A gain or loss on disposal of a business or part of a business includes the attributable amount of goodwill.

Customer relations and contracts

Identifiable customer relationships and other contractual arrangements acquired as part of business combinations are initially recognized at fair value (which is regarded as their cost) when the asset arises from contractual or other legal rights or the relationships are separable, and it is probable that the future economic benefits that are attributable to the asset will flow to the entity.

Subsequent to initial recognition, customer relations and contracts are amortized over their estimated useful lives in accordance with the straight-line method.

Other intangible assets

Port use rights acquired through business combinations are recognized as an intangible asset. The amount is initially estimated based on the discounted value of the differential cash flow for the future port use right period. The differential cash flow is calculated based on the difference between the estimated rental payments based on market terms and the rental payments under the contractual port use right arrangement. The port use right intangible asset is amortized using the unit of production method.

Impairment of goodwill and other non-financial assets

At each reporting date, the group reviews the carrying amounts of its goodwill, intangible assets, vessels and other tangible assets and right-of-use assets to determine whether there is any indication of impairment.

If any indication of impairment exists, or when annual impairment testing for an asset is required (goodwill), the asset's recoverable amount is estimated. Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount is the highest of the fair value less costs of disposal and value in use. In assessing value in use, the net present value (NPV) of future estimated cash flows from the employment of the asset is determined. The discount rate applied is the weighted average cost of capital ("WACC") reflecting the required rate of return of the asset or CGU. If the recoverable amount is estimated to be less than the carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. Impairment losses are recognized in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. An impairment loss for goodwill is not subsequently reversed.

Vessels and vessel related projects

Estimated future cash flows are based on an assessment of the group's expected time charter earnings and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. Vessels are organized and operated as a fleet and evaluated for impairment on the basis that the whole fleet is the relevant CGU. The vessels are trading in a global network as part of the fleet, where the income of a specific vessel is dependent upon the total fleet, and not the individual vessel's earnings. Furthermore, the group's vessels are interchangeable among the operating companies and part of a coordinated fleet management structure in place to optimize operations (long term chartering activities, vessel swaps, space chartering, combined schedules etc.).

Goodwill

Goodwill acquired through business combinations has for the purpose of impairment testing been allocated to the relevant CGU or group of CGUs expected to benefit from the business combination. CGUs or groups of CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the CGU or group of CGUs may be impaired. If the recoverable amount of the CGU or group of CGUs to which goodwill has been allocated is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets, pro-rata on the basis of the carrying amount of each asset in the CGU or group of CGUs.

Leases

The group's leased assets primarily consist of vessels and land. In addition, the group leases office space and various equipment.

Identifying a lease

At the inception of a contract, the group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition and measurement of leases

At the lease commencement date, the group recognizes a lease liability and a corresponding right-of-use asset for all lease agreements in which it is the lessee. The following policy choices and practical expedients have been applied by the group:

- The standard will not be applied to leases of intangible assets, and these will continue to be recognized in accordance with IAS 38 Intangible assets
- All leases deemed to be short-term (<12 months) are recognized as an operating expense on a straight-line basis over the term of the lease
- All leases deemed to be of low value are recognized as an operating expense on a straight-line basis over the term of the lease.
- Non-lease components are separated from the lease component in all vessel leases. For other lease agreements, the group applies a materiality threshold when evaluating separation

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option.

The lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the group under residual value guarantees
- The exercise price of a purchase option, if the group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising an option to terminate the lease

The group does not include variable lease payments in the lease liability arising from contracted index regulations subject to future events, such as inflation. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate. The group presents its lease liabilities as separate line items in the balance sheet reflecting the non-current and current portions of the liability.

Measuring the right-of-use asset

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred by the group
- An estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. The group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date over the shorter of the lease term and the remaining useful life of the right-of-use asset.

The group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Financial assets

The group classifies financial assets based on the business model in which they are managed and their contractual cash flows. The principal categories of financial assets are amortized cost and fair value through either profit or loss (FVPL) or other comprehensive income (FVOCI).

Management determines the classification of financial assets at their initial recognition.

Financial assets carried at fair value through profit or loss are initially measured at fair value with transaction costs recognized immediately in the income statement. Subsequent changes in fair value are recognized in profit or loss.

Where the group has made an irrevocable decision to designate an investment at fair value through other comprehensive income, the investment is initially measured at fair value plus transaction costs. Subsequent changes in fair value are recognized in other comprehensive income. Cumulative gains or losses are not recycled through profit or loss on disposal of the investment.

Receivables and other financial assets

Non-derivative financial assets, such as receivables other than trade receivables, are assets with fixed or determinable payments. They are classified as current assets, except for assets with a maturity later than 12 months after the balance sheet date, which are classified as non-current assets. Non-derivative financial assets are classified as Other current assets or Other non-current assets in the balance sheet. Non-derivative financial assets are recognized initially at their fair value plus transaction costs and subsequently measured at amortized cost.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or are transferred, and the group has transferred by and large all risk and return from the financial asset.

Realized gains and losses are recognized in the income statement in the period they arise.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognized at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and trade receivables are therefore measured subsequently at amortized cost using the effective interest method. The group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Derivative financial instruments

The group utilizes a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

Derivative financial instruments are included in current assets or current liabilities, except for those with a maturity later than 12 months after the balance sheet date. These are classified as non-current assets or other non-current liabilities.

Derivative financial instruments are recognized at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value at each reporting date.

Contracts for derivative financial instruments are entered into for hedging purposes, but the group has elected not to document the hedge relationship and can therefore not apply hedge accounting. Changes in the fair value of derivative instruments are thus recognized immediately in the income statement as financial income/expense.

Put and call options for non-controlling interest

Non-controlling interests containing a symmetrical put and call option held by the non-controlling interest shareholder and the group respectively, is recognized as one integrated derivative financial instrument. The derivative financial instrument is recognized as a non-current asset when the options are exercisable, and the fair value of the non-controlling interest exceeds the value of the exercise price for the symmetrical put and call option. Changes in fair value of the derivative financial instrument is recognized as Other gain/(loss) in the income statement.

Put options held by non-controlling interest shareholders are recognized as a financial liability reflecting the present value of the redemption amount as other non-current (interest-bearing) liabilities with a corresponding entry reducing equity through retained earnings and other reserves. All subsequent changes to the liability are recognized in profit or loss. In the event that the option expires unexercised, the liability will be derecognized with a corresponding adjustment to equity.

Interest-bearing debt

Interest-bearing debt is recognized at fair value when the proceeds are received, net of transaction costs. In subsequent periods, loans are measured at amortized cost using the effective interest method. Any difference between proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the term of the loan.

Sustainability-linked financing agreements (loans and bonds) are instruments where the interest payable varies depending on reaching or achieving specified sustainability KPIs that are linked to the sustainability goals. The sustainability-linked loan or bond is initially recognized as a financial liability measured at amortized cost based on an assessment of the likelihood of reaching the sustainability goals in the sustainability-linked financing agreement. An initial assessment is made as to whether there are features that represent embedded derivatives that must be separated from the debt host contract and accounted for as standalone derivatives.

Interest-bearing debt is classified as current liabilities unless the group or the parent company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Deferred tax assets and liabilities

Deferred tax is calculated using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using the tax rates and laws which have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability settled.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred income tax is calculated on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group.

For group companies subject to tonnage tax regimes, the tonnage tax is recognized as an operating cost.

Employee compensation

Pension obligations

Group companies have various pension schemes, and the employees are covered by pension plans which comply with local laws and regulations. The group and the parent company have both defined contribution and defined benefit plans.

Share-based compensation

The group has long-term incentive plans for senior executives. These are bonus schemes where monetary awards are delivered in an equivalent number of listed Wallenius Wilhelmsen ASA shares to the extent that performance conditions have been met over a defined period of time. The bonus is assessed over, and becomes payable, after three years, subject to the achievement of financial and strategic long-term performance targets. The plans are accounted for as cash-settled arrangements and the liability incurred measured at fair value at the end of each reporting period, and at the settlement date. Changes in fair value are recognized in profit or loss for the period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other current highly liquid investments with original maturities of three months or less, and bank overdrafts.

Fuel/lube oil

Fuel is valued at the lower of cost and net realizable value. Lube oil represents the lubrication oil held on board the vessels.

Provisions

The group and the parent company recognize provisions for legal claims when a legal or constructive obligation exists as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be estimated with a sufficient degree of reliability.

Dividend in the group financial statements

Dividend payments to the parent company's shareholders are recognized as a liability in the group's financial statements from the date when the dividend is approved by the general meeting.

Dividend and group contribution in the parent company financial statements

Proposed dividend payments to the parent company's shareholders are presented in the parent company financial statements as a liability as at December 31, in the current year. Group contributions received from subsidiaries are recognized as financial income and current assets in the financial statement at December 31, in the current year.

Note 1. Significant accounting judgments, estimates and assumptions

Applying the group's accounting policies as described above in the preparation of the group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The assumptions, estimates and judgments are based on historical experience, current trends and other factors that management believes to be relevant at the time the consolidated financial statements are prepared. The increased geopolitical tension and uncertainty create a more volatile market environment which may impact management's assumptions and judgments. Actual results may differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Climate change

Wallenius Wilhelmsen faces significant risks and opportunities as a result of climate change, and climate-related factors may impact estimates and assumptions going forward. These risks and opportunities are integrated in risk management of the group and in the strategy process. The uncertainties and risk of climate change for financial performance relate to both transition risk (market-related changes, regulatory requirements and technology) and physical risk (extreme weather) and may affect management's estimates and judgments in a number of areas. The main transitional risks identified include increased regulations for management reporting on impact, technological solutions and availability. The main physical risks refer to port flooding, extreme precipitation and wind and heat stress on vessel crew and production workers. The impact on the financial statements of climate-related factors is discussed for each relevant area below and in the related notes, including "Key sources of estimation uncertainty and assumptions" below, note 11 Impairment of non-current assets, and note 17 Financial risk. More detailed information on climate risk facing the group can be found in the chapter Planet.

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Vessels and other tangible assets

The group has significant carrying amounts related to vessels and other tangible assets recognized in the consolidated balance sheet. The value in use of some of these assets could be influenced by changes in market conditions. Vessels constitute the main asset group in the balance sheet and decreases in the value in use of these vessels may render significant impairment losses recognized in the income statement. A reduction in the estimated useful life of the assets can also lead to periods with higher depreciation expense going forward. Climate-related factors, including regulation and technological advances, may in the future impact the estimated useful life of vessels and make them commercially and technologically obsolete earlier than previously expected (stranded assets). Consequently, the expected timing of replacement of existing assets may be accelerated. The group is, however, continually implementing a range of operational and technical solutions to improve the energy efficiency of our vessels. These efforts may counteract the risk of obsolescence. The group has not identified material assets expected to have a significantly reduced useful life due to physical climate risk such as impacts of severity of weather patterns, e.g., flooding and wind.

Management has concluded that as of December 31, 2023 the above factors do not have an impact on the remaining useful life of vessels and other tangible assets.

As there are no significant impairment indicators as at December 31, 2023, the group has not carried out impairment tests for vessels as of this date. Vessel market values (broker estimates) have increased following the improved market conditions and a tightening tonnage market, and exceed carrying values on a fleet level. The carrying amount of vessels and other tangible assets at December 31, 2023 is USD 3,871 million and leased assets USD 1,443 million. See notes 9 and 10 for further details.

Goodwill and other intangible assets
Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash generating unit or group of cash generating units to which goodwill and other intangible assets have been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash generating unit or group of cash generating units and to determine a suitable discount rate in order to calculate present value.

Costs to ensure compliance with climate and other sustainability related regulatory requirements and achievement of strategic sustainability related goals have been factored into the projected cash flows as far as they relate to current business. Please refer to note 11 and the Planet chapter for further details.

The carrying value of goodwill, customer relations/contracts and other intangible assets at December 31, 2023 is USD 201 million, USD 125 million, and USD 34 million, respectively.

Further information on recognized goodwill and intangible assets are provided in note 8. Impairment information and sensitivities are provided in note 11.

Tax assets
The group recognizes deferred tax assets if it is probable that taxable income will be available in the future against which the unused tax losses can be utilized. At December 31, 2023, the group has estimated that sufficient future taxable income in the Norwegian entities would not be generated to recognize deferred tax assets related to tax losses carried forward and non-deductible interest costs carried forward. Deferred tax assets not recognized (valuation allowance) in the balance sheet at December 31, 2023 is USD 173 million. The estimate of future taxable income is based on significant judgment related to future development in taxable income for Norwegian entities. The carrying amount of deferred tax assets at December 31, 2023 is USD 53 million.

Critical judgments in applying accounting policies

Financial instruments

A non-controlling shareholder holds a put option for their 20 percent shareholding in EUKOR through a shareholder agreement entered into in 2002. The shareholder agreement also contains a symmetrical call option held by the group. Management has evaluated this to be a symmetrical put and call option held by the non-controlling interest shareholder and the group, respectively, and it is recognized as one integrated derivative financial instrument. See note 5 for more information.

Leases

The group cannot always determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate reflects what the group 'would have to pay,' which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when the rates need to be adjusted to reflect the term and currency of the lease. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the group. The carrying amount of leased assets (right-of-use assets) at December 31, 2023 is USD 1,443 million. See note 10 for more information.

Note 2. Segment reporting

The group's operating segments, which are the same as the group's reporting segments, are the key components of the group's business which are assessed, monitored and managed on a regular basis by the Chief Executive Officer (CEO). The reporting segments comprise:

- Shipping services
- Logistics services
- Government services

The board of directors and management have identified the three reporting segments based on the current organization of activities. The organization of activities and reporting segments are continuously assessed and remain subject to future changes.

Shipping services

The shipping services segment is engaged in ocean transport of cars and RoRo cargo. Its main customers are global car manufacturers as well as manufacturers of construction and other high and heavy equipment, in addition to select industrial break-bulk cargo. The customers' cargo is carried in a worldwide transport network. This is the group's most capital-intensive segment. The revenue is generated from transporting these products and varies with voyage routes. The total vessel capacity is balanced by time charter, both in and out. The shipping services segment's margin is highly influenced by fuel prices. FAF (fuel adjustment factor) is a key mechanism to manage fuel oil price risk in the segment and the main contributor to fuel surcharges revenue. However, the segment has a short-term exposure to fuel prices since FAF is calculated based on the average fuel price over a historical period and then fixed during an application period, creating a lag effect. In periods of rising fuel prices the segment will therefore not be able to recoup the higher prices through the FAF. Conversely, in periods of falling fuel prices the segment will benefit from higher FAF. In the shipping services segment, contract duration is normally one to five years, with some 20-30 percent of contracts being renewed annually. Fixed prices are usually applied, with review for CPI development or other applicable index for contracts exceeding three years. FAF adjustments are reflected in most contracts and represent a variable pricing element. In some contracts, the group is guaranteed a fixed percentage of a customer's volume, but mostly there are no defined minimum volumes.

Logistics services

The logistics services segment has mainly the same customer groups as shipping services. Customers operating globally are offered sophisticated logistics services, such as vehicle processing centers, equipment processing centers, inland distribution networks and terminals. The segment's primary assets are human capital (expertise and systems) and long-term customer relationships. In the logistics services segment, contract duration is normally one to five years with options to extend and in some cases a term up to 10 years. Pricing is usually fixed with CPI or other adjustments applicable for many contracts. Volumes may vary depending on customer output.

Government services

The government services segment provides ocean transport of RoRo cargo, break-bulk and vehicles. The segment also performs logistics services primarily related to multimodal transportation, stevedoring and terminal operations. The primary customer is the U.S. government, but the segment also includes commercial cargos such as those generated by the financial sponsorship of a federal program or a guarantee provided by the U.S. Government. In the government services segment, contract duration can vary between less than one year and as long as ten years. Segment revenue and EBITDA is primarily driven by government activities which are in part driven by world events and government objectives, and does not necessarily follow regular seasonal patterns.

Holding/eliminations

Remaining group activities are shown in the "holding/eliminations" column. The holding segment includes the parent company and other minor activities (including corporate group activities like operational management, tax and finance) which fail to meet the definition for other core activities. Eliminations are transactions between the group's three segments mentioned above.

Accounting policies

The accounting policies of the reporting segments are the same as the group's accounting policies.

Income statement

	Shipping services		Logistics services		Government services		Holding/ eliminations		Total	
USD million	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net freight revenue	3,277	3,289	-	-	182	136	-	-	**3,459**	**3,425**
Fuel surcharges	588	724	-	-	4	7	-	-	**592**	**732**
Operating revenue	7	14	1,024	799	67	77	-	-	**1,098**	**889**
Internal operating revenue	8	11	124	112	72	82	(204)	(205)	**-**	**-**
Total revenue	**3,881**	**4,038**	**1,148**	**911**	**324**	**302**	**(204)**	**(205)**	**5,149**	**5,045**
Cargo expenses	(601)	(652)	-	-	(31)	(37)	150	157	**(482)**	**(532)**
Fuel	(790)	(1,065)	-	-	(30)	(38)	-	-	**(820)**	**(1,103)**
Other voyage expenses	(409)	(399)	-	-	(12)	(13)	-	-	**(420)**	**(412)**
Ship operating expenses	(251)	(236)	-	-	(79)	(82)	-	-	**(330)**	**(317)**
Charter expenses	(132)	(175)	-	-	(6)	(16)	40	40	**(98)**	**(150)**
Manufacturing cost	-	-	(374)	(314)	(8)	(9)	9	7	**(373)**	**(316)**
Other operating expenses[1]	(1)	(2)	(442)	(348)	(7)	9	-	10	**(450)**	**(331)**
Selling, general and admin expenses	(170)	(150)	(158)	(142)	(21)	(21)	(20)	(23)	**(369)**	**(335)**
Total operating expenses	**(2,354)**	**(2,679)**	**(974)**	**(803)**	**(193)**	**(207)**	**179**	**192**	**(3,342)**	**(3,497)**
Operating profit/(loss) before depreciation, amortization and impairment (EBITDA)	**1,527**	**1,359**	**174**	**107**	**130**	**95**	**(25)**	**(14)**	**1,807**	**1,548**
Other gain/(loss)	(6)	(47)	-	-	-	-	-	-	**(6)**	**(47)**
Depreciation	(427)	(395)	(76)	(67)	(36)	(36)	4	1	**(536)**	**(497)**
Amortization	(5)	(4)	(30)	(34)	(6)	(6)	-	-	**(41)**	**(45)**
Impairment	(5)	-	-	(29)	-	-	-	-	**(5)**	**(29)**
Operating profit/(loss) (EBIT)	**1,083**	**913**	**68**	**(22)**	**88**	**53**	**(21)**	**(13)**	**1,218**	**931**
Share of profit/(loss) from joint ventures and associates	-	-	3	2	-	-	-	-	**3**	**2**
Financial income/(expense)	(114)	(63)	(28)	(11)	(2)	-	(42)	(31)	**(186)**	**(104)**
Profit/(loss) before tax	**969**	**851**	**43**	**(31)**	**86**	**53**	**(62)**	**(43)**	**1,035**	**829**
Tax income/(expense)	(53)	(44)	(22)	(5)	(3)	(2)	10	16	**(68)**	**(35)**
Profit/(loss) for the period	**916**	**806**	**21**	**(35)**	**82**	**51**	**(52)**	**(27)**	**967**	**794**
Profit for the period attributable to:										
Owners of the parent	796	691	20	(36)	82	51	(52)	(27)	**846**	**679**
Non-controlling interests	120	115	1	-	-	-	-	-	**121**	**116**

1 Sale of a vessel from shipping to government services in 2022 resulted in a USD 10 million loss in the shipping segment included in Other operating expenses.

In 2023, revenue of approximately USD 307 million and USD 264 million (2022: USD 308 million and USD 245 million respectively) related to the group's shipping segment originated from two external customers. In 2023, revenue of approximately USD 156 million (2022: USD 130 million) in the logistics segment originated from one external customer.

Revenue from the shipping services segment is recognized over time on the basis of progress on fulfillment. Revenue arising from activities in the logistics services segment is recognized at a point in time when the services are performed.

Balance sheet

USD million	Shipping services Dec 31, 2023	Shipping services Dec 31, 2022	Logistics services Dec 31, 2023	Logistics services Dec 31, 2022	Government services Dec 31, 2023	Government services Dec 31, 2022	Holding/ eliminations Dec 31, 2023	Holding/ eliminations Dec 31, 2022	Total Dec 31, 2023	Total Dec 31, 2022
Deferred tax asset	2	9	34	29	(2)	(2)	18	23	**53**	**59**
Goodwill and other intangible assets	72	72	264	293	24	30	-	-	**360**	**395**
Vessels and other tangible assets	3,446	3,499	141	136	275	298	10	10	**3,871**	**3,943**
Right-of-use assets	1,021	1,217	423	389	3	1	(4)	(8)	**1,443**	**1,599**
Other non-current assets	128	143	43	46	4	5	49	53	**224**	**247**
Other current assets	728	700	216	201	80	81	(39)	(46)	**985**	**936**
Cash and cash equivalents	1,203	915	227	190	144	90	131	21	**1,705**	**1,216**
Total assets	**6,601**	**6,555**	**1,348**	**1,283**	**528**	**504**	**165**	**52**	**8,642**	**8,394**
Equity controlling interests	3,203	2,748	330	251	400	349	(290)	(195)	**3,644**	**3,153**
Equity non-controlling interests	403	339	10	16	-	-	-	-	**413**	**355**
Deferred tax liabilities	17	17	34	34	18	19	(3)	-	**67**	**71**
Interest-bearing debt	1,379	1,693	310	330	64	98	550	394	**2,302**	**2,516**
Lease liabilities	939	1,147	472	431	3	2	(4)	(8)	**1,410**	**1,572**
Other non-current liabilities	20	33	11	9	1	1	70	91	**102**	**134**
Other current liabilities	640	577	181	211	41	36	(159)	(231)	**704**	**593**
Total equity and liabilities	**6,601**	**6,555**	**1,348**	**1,283**	**528**	**504**	**165**	**52**	**8,642**	**8,394**
Investments in tangible assets[1]	117	56	20	31	13	54	-	(38)	**151**	**103**

1 In 2022, the government services segment acquired a vessel from the shipping services segment for USD 38 million. These amounts are eliminated on group level.

Geographical segments

	Europe[1]		Americas		Asia & Africa[2]		Elimination		Total landbased & holding		Shipping and government services		Elimination		Total	
USD million	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total revenue	198	192	757	586	197	137	(4)	(4)	**1,148**	**911**	4,200	4,339	(199)	(205)	**5,149**	**5,045**
Total assets	4,332	4,281	697	653	348	302	(737)	(644)	**4,640**	**4,592**	7,122	7,051	(3,120)	(3,250)	**8,642**	**8,394**
Investment in tangible assets	5	14	12	15	4	1	-	-	**20**	**31**	131	110	-	(38)	**151**	**103**

1 Europe includes the holding segment.
2 Asia & Africa includes Oceania.

Shipping services and government services segments
Assets in the shipping and government services segment, which are comprised mainly of vessels, operate internationally, with individual vessels calling at various ports across the globe. The group does not consider the domicile of its customers as a relevant decision-making guideline and hence does not consider it meaningful to allocate vessels and income to specific geographical locations. This is therefore allocated under the "shipping and government services" geographical area.

Total revenue
Area revenue is based on the geographical location of the company.

Total assets
Area assets are based on the geographical location of the assets.

Investments in tangible assets
Area capital expenditure is based on the geographical location of the assets.

Note 3. Operating expenses

USD million	Notes	2023	2022
Voyage expenses			
Stevedoring – loading/discharging		(377)	(393)
Other cargo expenses		(105)	(139)
Total cargo expenses		**(482)**	**(532)**
Port & canal expenses		(403)	(386)
Additional voyage expenses		(18)	(26)
Total other voyage expenses		**(420)**	**(412)**
Fuel		(820)	(1,103)
Total voyage expenses		**(1,723)**	**(2,047)**
Charter expenses		**(98)**	**(150)**
Ship operating expenses			
Crew expenses[1]		(147)	(148)
Maintenance of vessels		(48)	(44)
Ship management fee		(15)	(15)
Other ocean expenses		(119)	(111)
Total ship operating expenses		**(330)**	**(317)**
Manufacturing cost		**(373)**	**(316)**
Other operating expenses and SG&A			
Employee benefits	4	(596)	(512)
Hired personnel		(78)	(67)
External services		(26)	(21)
Provision related to anti-trust investigations	18	-	6
Other administration expenses		(118)	(73)
Total operating expenses and SG&A		**(819)**	**(666)**
Total operating expenses		**(3,342)**	**(3,497)**

1 Crew/seagoing personnel are hired and not employed by the group.

Expensed audit fee (included in External services)

USD thousand	2023	2022
Statutory audit	1,417	1,554
Other assurance services	51	-
Tax and legal advisory services fee	800	117
Total expensed audit fee	**2,268**	**1,672**

Note 4. Employee benefits

USD million	Notes	2023	2022
Salary		515	447
Payroll tax		50	40
Pension cost	15	27	23
Other remuneration		4	2
Total employee benefits		**596**	**512**

Number of employees	2023	2022
Group companies in Norway	118	111
Group companies in Europe, excl. Norway	1,003	992
Group companies in South Africa	469	491
Group companies in Asia & Oceania	861	819
Group companies in United States	3,382	2,840
Group companies in Mexico	2,160	1,694
Group companies in Americas, excl. US and Mexico	534	486
Total employees	**8,527**	**7,433**
Average number of employees	7,980	7,342

Executive management remuneration

USD thousand	2023	2022
Fixed base salary	3,650	3,146
Benefits	447	376
Pension	391	387
Short-term incentive	1,660	1,138
Long-term incentive[1]	164	4,744
Severance	713	919
Total executive management remuneration	**7,025**	**10,712**

1 The 2022 numbers have been restated because social security cost was included in the original calculation of the LTIP remuneration for each employee.

Remuneration of the board of directors and nomination committee

USD thousand	2023	2022
Remuneration of the board of directors		
Rune Bjerke	157	159
Thomas Wilhelmsen	62	59
Margareta Alestig	65	66
Anna Felländer	62	66
Yngvil Eriksson Åsheim	62	-
Hans Åkervall	62	-
Marianne Lie	-	69
Jonas Kleberg	-	57
Nomination committee		
Anders Ryssdal	11	11
Jonas Kleberg	-	7
Carl Erik Steen	7	7

The board's remuneration for the financial year 2023 will be approved by the general meeting on April 30, 2024 and paid/expensed in 2024.

At the AGM in 2022, Jonas Kleberg and Marianne Lie resigned from the board of directors.

Hans Åkervall and Yngvil Eriksson Åsheim were elected as board members at the AGM in 2022. They did not receive any remuneration in 2022.

Remuneration paid in other currencies than USD will not be comparable year-on-year due to changes in exchange rates.

See also note 22 Related party transactions and note 2 Employee benefits in the parent company financial statements.

Refer to the separate Remuneration report for further details regarding remuneration of group executive management.

Shares owned or controlled by representatives of the group at December 31, 2023

Name	Number of shares	Percent of shares
Board of directors		
Rune Bjerke	25,750	0.01%
Thomas Wilhelmsen	161,375,095	38.14%
Margareta Alestig	600	-
Anna Felländer	1,400	-
Yngvil Eriksson Åsheim	4,250	-
Hans Åkervall	-	-
Senior executives		
Chief Executive Officer (CEO) – Lasse Kristoffersen	5,000	-
Chief Financial Officer (CFO) – Torbjørn Wist	74,761	0.02%
Executive Vice President (EVP) and Chief Operating Officer (COO) shipping services – Xavier Leroi	47,768	0.01%
Executive Vice President (EVP) and Chief Operating Officer (COO) logistics services – Michael Hynekamp	99,532	0.02%
Chief People Officer (CPO) – Wenche Agerup	-	-
Chief Customer Officer (CCO) – Pia Synnerman	-	-
Chief Technology and Information Officer (CTIO) – Gro Rognstad	-	-
Chief Communications and Marketing Officer (CCMO) – Anette Maltun Koefoed	2,010	-
Nomination committee		
Anders Ryssdal	-	-
Jonas Kleberg	-	-
Carl Erik Steen	30,000	0.01%

The two main shareholders of Wallenius Wilhelmsen ASA are Wilh. Wilhelmsen Holding ASA with 37.87 percent of the shares and Walleniusrederierna AB with 37.82 percent of the shares.

The Wilhelmsen family controls Wilh. Wilhelmsen Holding ASA through Tallyman AS, and Thomas Wilhelmsen controls Tallyman AS. The Wallenius Kleberg family controls Walleniusrederierna AB through Rederi AB Soya (Soya group).

Note 5. Other gain/loss

Non-controlling shareholders in EUKOR hold a put option for their 20 percent interest, pursuant to the shareholder agreement entered into in 2002. The shareholder agreement also contains a symmetrical call option held by the group. The put and call options became exercisable in 2017 when the Hyundai Motor Group volumes carried by the group fell below 40 percent. The put and call options have no expiry date and can be exercised at any point in time. The group does not have any plan to exercise the call option.

The symmetrical put and call options are recognized as one integrated derivative financial instrument. The derivative financial instrument is recognized as a non-current asset when the options are exercisable and the fair value of the non-controlling interest exceeds the value of the exercise price for the symmetrical put and call option. The net derivative asset is calculated as the difference between the estimated fair value of the 20 percent non-controlling interest related to EUKOR and the exercise price of the symmetrical options.

The exercise price for the put and call option is calculated based on a formula consistent with valuation guidance used in “Inheritance and Donation Tax Act” in effect in South Korea in 2002, where an important input variable is the taxable results in EUKOR for the three previous calendar years. More weight is given to more recent years. Further, the calculation is based on KRW figures, which makes the amount subject to USD/KRW currency fluctuations.

The estimated fair value of the 20 percent non-controlling interest is based on a discounted cash flow model.

In 2023 the change in the value of the derivative was a loss of USD 6 million recognized within Other gain/(loss) in the income statement. Comparatively, the change in value during 2022 resulted in a loss of USD 47 million.

The financial derivative is recognized in Other non-current assets in the balance sheet and has a carrying value of USD 98 million at December 31, 2023, compared to USD 105 million at the end of 2022.

Note 6. Financial items

USD million	2023	2022
Financial income		
Interest income	69	15
Other financial income	6	3
Net financial income	**74**	**17**
Financial expenses		
Interest expenses	(244)	(179)
Interest rate derivatives – realized	27	(10)
Interest rate derivatives – unrealized	(17)	111
Other financial expenses	(16)	(17)
Net financial expenses	**(251)**	**(96)**
Currency		
Net currency gain/(loss)	21	56
Foreign currency derivatives – realized	(30)	(14)
Foreign currency derivatives – unrealized	(1)	(67)
Net currency	**(10)**	**(25)**
Financial income/(expenses)	**(186)**	**(104)**

See note 17 on financial risk and the section on accounting policies for more information concerning financial instruments.

Note 7. Tax

Ordinary taxation

The ordinary rate of corporation tax in Norway is 22 percent for 2023. Norwegian limited liability companies are encompassed by the participation exemption method for share income. Thus, share dividends and gains are tax free for the receiving company. Corresponding losses on shares are not deductible. The participation exemption method does not apply to share income from companies considered low taxed and that are located outside the European Economic Area (EEA), and on share income from companies owned by less than 10 percent resident outside the EEA.

For group companies with a 90 percent or higher ownership, and located in Norway and within the same tax regime, taxable profits in one company can be offset against tax losses and tax loss carry-forwards in other group companies. Deferred tax/ deferred tax assets have been calculated based on temporary differences to the extent that it is likely that these can be utilized. For Norwegian entities the group has applied a tax rate of 22 percent.

The group's landbased entities are ordinary taxed in the country of operation. Exceptions are some US Limited Liability Corporations (LLCs) which are disregarded for US tax purposes. These LLCs are taxed at the owner level.

Deferred tax

The group's deferred tax assets/liabilities are calculated based on the relevant tax rate in each country. The group continues the non-recognition of net deferred tax assets in the balance sheet related to tax losses and non-deductible interest cost in the Norwegian entities, due to uncertain future utilization. The deferred tax assets not recognized per year-end 2023 amount to USD 173 million (2022: USD 134 million).

Specification of tax expense for the year

USD million	2023	2022
Current income tax (including withholding tax)	64	39
Change in deferred tax	4	(4)
Total tax expense	**68**	**35**

The tax expense for the year ended December 31, 2023 was USD 68 million, compared with USD 35 million in the same period last year. The tax expense in 2023 relates primarily to withholding taxes on dividends paid by subsidiaries, income tax payable in the logistics segment and a reversal of historic deferred tax assets related to non-deductible interest costs carried forward in the Norwegian entities.

Reconciliation of actual tax expense against expected tax expense in accordance with the income tax rate of 22 percent

USD million	2023	2022
Profit/(loss) before tax	1,035	829
22% tax	228	182
Tax effect from		
Non-taxable income	(276)	(175)
Share of profits from joint ventures and associates	(1)	-
Other permanent differences	49	20
Tax refund	-	(2)
Corporate income tax different tax rate than 22%	3	5
Currency translation from USD to local currency for tax purposes	4	(29)
Deferred tax assets in Norway not recognized (valuation allowance)	39	32
Prior year adjustments	(2)	(1)
Change in deferred tax	4	-
Withholding tax	20	4
Calculated tax expense for the group	**68**	**35**
Effective tax rate for the group	7%	4%

The effective tax rate for the group will, from period to period, change depending on the group gains and losses from investments inside the exemption method and tax exempt revenues from tonnage tax regimes. Change in local tax rates will also impact the effective tax rate for the group.

USD million	2023	2022
Net deferred tax liabilities at January 1	(12)	(11)
Currency translation differences	1	(4)
Through OCI	1	(1)
Income statement charge	(4)	4
Net deferred tax liabilities at December 31	**(14)**	**(12)**
Deferred tax assets in balance sheet	53	59
Deferred tax liabilities in balance sheet	(67)	(71)
Net deferred tax liabilities at December 31	**(14)**	**(12)**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities

USD million	Tangible/ intangible assets	Deferred capital gains	Other	Total
Deferred tax liabilities at December 31, 2022	(26)	-	(7)	**(33)**
Through income statement	1	-	(25)	**(25)**
Currency translation adjustment	5	-	-	**5**
Deferred tax liabilities at December 31, 2023	**(20)**	**-**	**(32)**	**(52)**
Reclassification of deferred tax items				**(14)**
Net deferred tax liability at December 31, 2023				**(67)**
Deferred tax liabilities at December 31, 2021	(47)	-	(14)	**(61)**
Through income statement	28	-	7	**35**
Currency translation adjustment	(7)	-	-	**(7)**
Deferred tax liabilities at December 31, 2022	**(26)**	**-**	**(7)**	**(33)**
Reclassification of deferred tax items				**(38)**
Net deferred tax liability at December 31, 2022				**(71)**

Deferred tax assets

USD million	Non-current assets and liabilities	Current assets and liabilities	Tax losses carried forward	Total
Deferred tax assets at December 31, 2022	11	3	6	**21**
Through income statement	20	(1)	1	**21**
Through OCI	1	-	-	**1**
Currency translation adjustment	(5)	-	-	**(5)**
Deferred tax assets at December 31, 2023	**28**	**2**	**8**	**38**
Reclassification of deferred tax items				**14**
Net deferred tax assets at December 31, 2023				**53**
Deferred tax assets at December 31, 2021	40	7	2	**50**
Through income statement	(31)	(4)	4	**(31)**
Through OCI	(1)	-	-	**(1)**
Currency translation adjustment	3	-	-	**3**
Deferred tax assets at December 31, 2022	**11**	**3**	**6**	**21**
Reclassification of deferred tax items				**38**
Net deferred tax assets at December 31, 2022				**59**

The group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Norway, the jurisdiction in which Wallenius Wilhelmsen ASA is incorporated, and will come into effect from January 1, 2024. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure. The group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the group is liable to pay a top-up tax for the difference between their GloBE (Global

Anti-Base Erosion Rules) effective tax rate per jurisdiction and the 15 percent minimum rate. The group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation, the quantitative impact is not yet reasonably estimable. The group is, however, engaging with tax specialists to apply the legislation and expect to estimate the impact by the end of the first quarter of 2024.

Tonnage tax

Companies subject to tonnage tax regimes are exempt from ordinary tax on their shipping income. In lieu of ordinary taxation, tonnage taxed companies are taxed on a notional basis based on the net tonnage of the companies' vessels. Income not derived from the operation of vessels in international waters, such as financial income, is usually taxed according to the ordinary taxation rules applicable in the resident country of each respective company. The group had four wholly-owned companies resident in Malta, Norway, Singapore and Sweden which were taxed under a tonnage tax regime in 2023. Further, the group has an ownership of 80 percent in EUKOR which is a tonnage taxed company resident in the Republic of Korea. The tonnage tax is considered as an operating expense in the financial statements.

Note 8. Goodwill, customer relations/contracts and other intangible assets

USD million	Goodwill	Customer relations/ contracts	Other intangible assets	Total goodwill and other intangible assets
2023				
Cost at January 1	346	421	68	**834**
Additions	-	-	12	**12**
Disposal	-	-	(1)	**(1)**
Reclassification	-	-	-	**-**
Currency translation adjustment	-	-	-	**-**
Cost at December 31	**346**	**421**	**79**	**846**
Accumulated amortization and impairment losses at January 1	(145)	(261)	(33)	**(439)**
Amortization	-	(34)	(7)	**(41)**
Impairment[1]	-	-	(5)	**(5)**
Disposal	-	-	-	**-**
Reclassification	-	-	-	**-**
Currency translation adjustment	-	-	-	**-**
Accumulated amortization and impairment losses at December 31	**(145)**	**(295)**	**(45)**	**(485)**
Carrying amount at December 31	**201**	**125**	**34**	**360**

USD million	Goodwill	Customer relations/ contracts	Other intangible assets	Total goodwill and other intangible assets
2022				
Cost at January 1	346	421	58	**824**
Additions	-	-	8	**8**
Disposal	-	-	-	**-**
Reclassification	-	-	2	**2**
Currency translation adjustment	-	-	-	**-**
Cost at December 31	**346**	**421**	**68**	**834**
Accumulated amortization and impairment losses at January 1	(116)	(225)	(28)	**(369)**
Amortization	-	(36)	(8)	**(45)**
Impairment[1]	(29)	-	-	**(29)**
Disposal	-	-	-	**-**
Reclassification	-	-	4	**4**
Currency translation adjustment	-	-	-	**-**
Accumulated amortization and impairment losses at December 31	**(145)**	**(261)**	**(33)**	**(439)**
Carrying amount at December 31	**201**	**159**	**35**	**395**

"Other intangible assets" primarily include port use rights and software.

1 In 2023, an impairment loss of USD 5 million was recognized related to intangible assets under development in the shipping services segment. In 2022, a goodwill impairment of USD 29 million was recognized in the logistics services segment. See note 11 for more information.

Note 9. Vessels and other tangible assets

USD million	Property & land	Other tangible assets	Vessels & docking	Vessel related projects	Total tangible assets
2023					
Cost at January 1	121	117	5,584	8	**5,829**
Additions	9	17	66	59	**151**
Disposal	(1)	(6)	(43)	-	**(50)**
Reclassification	12	(13)	98	(12)	**85**
Currency translation adjustment	1	2	-	-	**3**
Cost at December 31	**142**	**118**	**5,705**	**54**	**6,019**
Accumulated depreciation and impairment losses at January 1	(29)	(52)	(1,806)	-	**(1,887)**
Depreciation	(9)	(12)	(261)	-	**(282)**
Disposal	1	5	43	-	**49**
Reclassification	-	-	(26)	-	**(25)**
Currency translation adjustment	(1)	(1)	-	-	**(2)**
Accumulated depreciation and impairment losses at December 31	**(38)**	**(60)**	**(2,050)**	**-**	**(2,148)**
Carrying amount at December 31	**104**	**58**	**3,655**	**54**	**3,871**

USD million	Property & land	Other tangible assets	Vessels & docking	Vessel related projects	Total tangible assets
2022					
Cost at January 1	125	92	5,439	1	**5,656**
Additions	3	33	52	16	**103**
Disposal	(2)	(6)	(30)	(1)	**(39)**
Reclassification	-	-	123	(7)	**116**
Currency translation adjustment	(5)	(1)	-	-	**(7)**
Cost at December 31	**121**	**117**	**5,584**	**8**	**5,829**
Accumulated depreciation and impairment losses at January 1	(23)	(43)	(1,557)	-	**(1,623)**
Depreciation	(9)	(11)	(249)	-	**(269)**
Disposal	2	1	25	-	**28**
Reclassification	-	-	(26)	-	**(26)**
Currency translation adjustment	2	1	-	-	**3**
Accumulated depreciation and impairment losses at December 31	**(29)**	**(52)**	**(1,806)**	**-**	**(1,887)**
Carrying amount at December 31	**92**	**65**	**3,778**	**8**	**3,943**

At year-end 2023, the group owned 86 vessels. Vessels include dry-docking, of which carrying amounts at year end was USD 106 million (2022: USD 87 million). Vessel related projects include installments on newbuilds and installments on scrubber installations. Installments on newbuilds included as additions (USD 42 million) represent 10 percent of the total capital commitment for the four contracted vessels. Remaining capital commitment is USD 380 million. Leased vessels for which purchase options were exercised during the year were reclassified to "Vessels & docking" and are shown as "Reclassification" in the above table within Cost (USD 88 million) and Accumulated depreciation (USD 26 million). Corresponding figures are presented in note 10 Right-of-use assets.

Note 10. Right-of-use assets

USD million	Property & land	Vessels	Other assets	Total leased assets
2023				
Cost at January 1	553	1,641	44	**2,237**
Additions	29	-	8	**37**
Change in lease payments	68	51	1	**121**
Disposal	(28)	(27)	(4)	**(59)**
Reclassification	-	(88)	-	**(88)**
Currency translation adjustment	6	1	-	**7**
Cost at December 31	**628**	**1,577**	**49**	**2,255**
Accumulated depreciation and impairment losses at January 1	(158)	(462)	(17)	**(637)**
Depreciation	(64)	(178)	(11)	**(253)**
Disposal	25	27	4	**56**
Reclassification	-	26	-	**26**
Currency translation adjustment	(2)	-	-	**(2)**
Accumulated depreciation and impairment losses at December 31	**(199)**	**(588)**	**(25)**	**(812)**
Carrying amount at December 31	**429**	**990**	**25**	**1,443**

USD million	Property & land	Vessels	Other assets	Total leased assets
2022				
Cost at January 1	484	1,464	31	**1,979**
Additions	57	223	4	**283**
Change in lease payments	39	94	12	**145**
Disposal	(5)	(21)	(3)	**(29)**
Reclassification	-	(117)	-	**(117)**
Currency translation adjustment	(22)	(2)	-	**(25)**
Cost at December 31	**553**	**1,641**	**44**	**2,237**
Accumulated depreciation and impairment losses at January 1	(114)	(348)	(10)	**(472)**
Depreciation	(55)	(161)	(10)	**(227)**
Disposal	5	21	3	**29**
Reclassification	-	26	-	**26**
Currency translation adjustment	6	-	-	**6**
Accumulated depreciation and impairment losses at December 31	**(158)**	**(462)**	**(17)**	**(637)**
Carrying amounts at December 31	**395**	**1,178**	**26**	**1,599**

Right-of-use vessels

Per year-end 2023, the group has a total of 39 vessels recognized as right-of-use assets with remaining lease terms from 0.5 to 15 years. Of the 39 right-of-use vessels, 13 have a purchase option and five have an option to extend. These options are not yet exercised but are included in the measurement of lease liabilities. Per year-end 2022, the group had a total of 45 vessels recognized as leased assets. Leased vessels for which purchase options were exercised during the year are shown as "Reclassification" in the above table within Cost (USD 88 million) and Accumulated depreciation (USD 26 million). Corresponding figures are presented in note 9 Vessels and other tangible assets.

Right-of-use property and land

In addition to vessels, the group's right-of-use assets primarily consist of land and property arising from lease of land related to different terminal sites around the globe, in addition to office space at various locations. Per year-end 2023, the recognized land and property leases have remaining lease terms from one to 40 years.

Other right-of-use assets

The group also has minor agreements related to vehicles and other equipment applied in the group's day-to-day operations.

Specification of lease liabilities

USD million	Dec 31, 2023	Dec 31, 2022
Current lease liabilities	313	317
Non-current lease liabilities	1,097	1,254
Total lease liabilities	**1,410**	**1,572**
Interest expense on lease liability recognized in the income statement	67	65

See note 16 for specification of lease liability maturity and note 17 for specification of undiscounted lease commitments.

Of the group's total lease commitments, option periods that are included in the measurement of lease liabilities but not yet exercised represent USD 243 million (2022: USD 226 million). The option periods recognized are primarily related to leases of vessels and land.

Lease expenses related to lease agreements not recognized in the balance sheet

USD million	Dec 31, 2023	Dec 31, 2022
Short-term lease expenses (< 12 months)	19	66
Low value leases expensed	2	2
Variable lease payments	2	8
Total	**22**	**76**

Short-term lease expenses

Short-term lease expenses primarily comprise lease expenses related to lease of vessels, presented as part of charter expenses. Short-term lease of vessels enhances the group's tonnage flexibility and the lease terms are primarily up to three months. In addition to lease of vessels on short-term basis, the group occasionally enters into short-term leases of land area when site operations require additional area for shorter periods of time.

Low value lease expenses

Low value lease expenses comprise the lease expenses related to lease agreements deemed out of group scope due to evaluation of materiality at the implementation of IFRS 16.

Variable lease expenses

Variable lease expenses comprise expenses related to lease agreements where the payment will fluctuate during the lease term. The fluctuations are primarily due to the use of assets being variable with the invoiced amount reflecting the actual usage, instead of a pre-defined contractual amount.

Short-term lease expenses, low value lease expenses and variable lease expenses are presented within Operating expenses in the income statement.

Note 11. Impairment on non-current assets

Impairment – Goodwill

Goodwill is tested for impairment on an annual basis, or more frequently if there is an indication of impairment. Management performed impairment testing of cash generating units (CGUs) or groups of CGUs that contain goodwill during the fourth quarter 2023.

Goodwill acquired through business combinations has been allocated to the groups of CGUs as presented below together with carrying amounts, applicable discount rates and perpetuity growth rates used for impairment testing:

		Goodwill		Discount rate post tax		Growth rate terminal value	
USD million	Reporting segment	2023	2022	2023	2022	2023	2022
Wallenius Wilhelmsen Ocean	Shipping services	43	43	8.2%	8.0%	2.0%	2.0%
ARC	Government services	11	11	8.1%	8.0%	2.0%	2.0%
Logistics services	Logistics services	147	147	8.1%	8.1%	2.0%	2.0%
Total		**201**	**201**				

The recoverable amounts for CGUs and groups of CGUs with goodwill have been determined based on a value in use (ViU) calculation. The goodwill impairment test showed significant headroom in all CGUs and no impairment charge has been recognized in 2023.

Key assumptions used in determination of value in use

Discount rate

Discount rates used in the calculation of ViU reflect the current market assessment of the risks specific to each cash generating unit. The discount rates were estimated based on the weighted average cost of capital for the industry.

Cash flows

Future cash flow estimates are based on an assessment of the CGU or group of CGUs' expected earnings which is best represented by group management's latest five-year plan reflecting both experience as well as external sources of information concerning expected future market developments and uncertainty related to e.g., geopolitical and climate risks.

Current estimated cash flows include expected impact of committed initiatives and cash outflows to maintain operating capacity. The projections exclude any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the CGU's performance. Cash flows beyond the five-year period are extrapolated using moderate estimated growth rates.

Sensitivities for main CGUs with goodwill

WW Ocean (part of the shipping services)

WW Ocean owns or charters (long-term time-charter or bare-boat in) a fleet of 51 vessels through its shipowning subsidiaries, Wallenius Wilhelmsen Shipowning Norway AS, Wall RO/RO AB and Wilhelmsen Lines Shipowning Malta Ltd. In addition, four vessels are chartered from an affiliated company in the government services segment. Further, Armacup Ltd charters in three vessels from external owners and two vessels from EUKOR Car Carriers Inc. The vessels are used in the group's global ocean operations for transportation of autos, high and heavy and break-bulk cargo for OEMs or other customers or chartered (T/C out) to other carriers with variable durations. Two vessels are chartered to EUKOR Carriers Inc. The key cash flow assumptions are related to the expected average earnings per day (T/C less vessel running costs and selling, general & administration expenses per day) for the fleet operated by WW Ocean. The five-year plan also reflects the assessment of the supply/demand balance (volume, tonnage supply and utilization) in the short to medium term. Cash flow estimates are impacted by expected required investments such as replacement of capacity in coming years to maintain operating activities in line with the five-year plan.

Costs to ensure compliance with climate and other sustainability-related regulatory requirements and achievement of strategic sustainability related goals have been factored into the projected cash flows as far as they relate to current business. Wallenius Wilhelmsen's long-term assumptions for key variables in the five-year plan such as rates and fuel costs (including e.g., biofuel) and measures to increase vessel energy efficiency are reflected in the cash flow estimates and our planning assumptions are consistent with group strategy and our aims to reduce carbon and other GHG emissions. Management has assumed that clean fuel sources will be available. Limitations in availability could lead to additional cost and limitations in operations. The investment in the methanol-capable and ammonia-ready Shaper Class vessels that are expected to be ordered and delivered in the five-year plan period, and that will replace current capacity, have been included in the cash flow projections.

The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount. No reasonably possible change in the key assumptions on which the recoverable amount is based would cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

Logistics services

Logistics services include vehicle processing centers, equipment processing centers, inland distribution networks and terminals. The key cash flow assumptions used are the throughput and average margins obtained in the network operated by logistics services. Costs to ensure compliance with climate and other sustainability-related regulatory requirements and achievement of strategic sustainability related goals have been factored into the projected cash flows as far as they relate to current business. As an example, investments in e.g., terminal equipment, trucks and forklifts will primarily be electric.

The calculation of the recoverable amount is sensitive to changes in the discount rate and the perpetual growth rate as well as changes in estimated cash flows.

The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount. No reasonably possible change in the key assumptions on which the recoverable amount is based would cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

Government services
Government services provide ocean transport of RoRo cargo, breakbulk and vehicles. Logistics services, primarily related to multimodal transportation, stevedoring and terminal operations, are also performed. The entities in the government services segment (ARC) own eight US flagged vessels and one Marshall Island flagged vessel at the end of the year, of which five vessels are deployed by ARC and four vessels are chartered to affiliates in the shipping services segment. Costs to ensure compliance with climate and other sustainability-related regulatory requirements and achievement of strategic sustainability-related goals have been factored into the projected cash flows as far as they relate to current business. This includes measures to increase vessel energy efficiency. No reasonably possible changes in key variables are likely to reduce the headroom to nil.

Impairment assessment – intangible assets

The group has significant intangible assets largely related to customer contracts and customer relations acquired in business combinations. At every balance sheet date, the group considers whether there are any indications of impairment. If such indications exist, an impairment test is performed. Management considers that there are no indications of impairment as at December 31, 2023.

The group has capitalized development costs that qualify for recognition as internally generated assets but that are not yet ready for use. One such software development project within the shipping services segment was discontinued during 2023 and resulted in an impairment loss of USD 5 million.

Impairment assessment – vessels and other tangible assets

The group has significant investments in vessels and other tangible assets of which vessels constitute the vast majority. At every balance sheet date, the group considers whether there are any indications of impairment of the carrying values of these assets. If such indications exist, an impairment test is performed.

Management considers that there are no indications of impairment as at December 31, 2023.

Note 12. Principal subsidiaries

Company	Business office, country	Nature of business	Ownership interest held by the group 2023	2022
Wallenius Wilhelmsen Ocean Holding AS	Lysaker, Norway	Intermediate holding company	100%	100%
Wall RO/RO AB	Stockholm, Sweden	Shipowner	100%	100%
WWL Shipowning Singapore Pte Ltd	Singapore	Shipowner	100%	100%
Wilhelmsen Lines Shipowning Malta Ltd	Floriana, Malta	Shipowner	100%	100%
Wallenius Wilhelmsen Ocean AS	Lysaker, Norway	Vessel operator	100%	100%
Armacup Maritime Services Ltd	Auckland New Zealand	Vessel operator	65%	65%
Wallenius Wilhelmsen International Holding AS	Lysaker, Norway	Intermediate holding company	100%	100%
EUKOR Car Carriers Inc	Seoul, Republic of Korea	Shipowner and operator	80%	80%
ARC Group Holding AS	Lysaker, Norway	Intermediate holding company	100%	100%
American Roll-On Roll-Off Carrier Group Inc	Florida, USA	Shipowner and operator	100%	100%
American Roll-On Roll-Off Carrier Holdings LLC	Florida, USA	Vessel operator	100%	100%
Fidelio Limited Partnership	Florida, USA	Shipowner	100%	100%
Wallenius Wilhelmsen Solutions Holding AS	Lysaker, Norway	Intermediate holding company	100%	100%
Wallenius Wilhelmsen Terminals Holding AS	Lysaker, Norway	Intermediate holding company	100%	100%
Melbourne International RoRo and Auto Terminal Pty Ltd	Melbourne, Australia	Terminal operations	100%	100%
Mid-Atlantic Terminal LLC	Baltimore, Maryland, USA	Terminal operations	100%	100%
Pacific Ro-Ro Stevedoring LLC	California, US	Terminal operations	100%	100%
Wallenius Wilhelmsen Solutions UK Ltd	Southampton, United Kingdom	Terminal operations	100%	100%
Pyeongtaek International Ro-Ro Terminal	Pyeongtaek, Republic of Korea	Terminal operations	100%	100%
Wallenius Wilhelmsen Logistics Zeebrügge NV	Zeebrügge, Belgium	Terminal operations	100%	100%
Wallenius Wilhelmsen Inland Services Holding AS	Lysaker, Norway	Intermediate holding company	100%	100%
Wallenius Wilhelmsen Logistics Abnormal Load Services Holding B.V.	Ittervort, Netherlands	Intermediate holding company	100%	100%
2W Americas Holdings, LLC	New Jersey, USA	Intermediate holding company	100%	100%
WWL Vehicle Service Americas	New Jersey, USA	Landbased Solutions	100%	100%
Keen Transport Inc Holding	Carlisle, Pennsylvania, USA	Landbased Solutions	100%	100%
Syngin Technologies LLC	Tampa, Florida, USA	Landbased Solutions	100%	70%

The four holding companies and their principal subsidiaries at December 31, 2023 are listed in the table above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Liabilities related to non-controlling interest

At the start of the year, the group owned 70 percent of the shares in the subsidiary Syngin Technology LLC. In March 2023, the group acquired a further 29.5 percent of the shares in Syngin Technology, LLC. The remaining 0.5 percent was acquired in two tranches (September and December 2023), bringing the group ownership to 100 percent as at December 31, 2023. Total consideration (cash) was USD 13 million.

With an existing 70 percent ownership, the group already controlled Syngin and consolidated the investment as a subsidiary. The non-controlling shareholders had an existing right (put option) to sell some or all of their interest to the group. The reversal of the liability of USD 19 million recognized as Other current interest-bearing debt, arising from the put option, resulted in a net gain (finance income) from the transaction of USD 6 million in 2023. Non-controlling interest was reclassified to equity attributable to the owners of the parent.

The group owns 65 percent of the shares in the subsidiary Armacup Maritime Services Ltd which is consolidated in the group financial statements based upon ownership with a corresponding non-controlling interest. According to an amendment to the shareholder agreement, which was entered into in 2022, the group shall purchase the remaining 35 percent of the shares on December 31, 2024. The fair value at December 31, 2023 is USD 14 million and is recognized within Other current liabilities. All subsequent changes to the liability are recognized in profit and loss.

Note 13. Subsidiaries with material non-controlling interest

Company	Business office, country	Voting/control share		Non-controlling interest	
		2023	2022	2023	2022
EUKOR Car Carriers Inc	Seoul, Republic of Korea	80%	80%	20%	20%

Set out below is the summarized financial information for the subsidiary that has non-controlling interests (NCI) material to the group. The amounts disclosed are on a 100 percent basis.

Summarized balance sheet

USD million	2023	2022
Non-current assets	2,290	2,421
Current assets	1,148	873
Total assets	**3,438**	**3,294**
Non-current liabilities	931	1,140
Current liabilities	603	549
Total liabilities	**1,534**	**1,689**
Net assets	**1,903**	**1,605**
Accumulated non-controlling interests (NCI)	382	321

Summarized income statement/OCI

USD million	2023	2022
Total revenue	2,366	2,220
Profit for the year	540	514
Other comprehensive income/(loss)	(5)	(5)
Total comprehensive income	**535**	**510**
Profit allocated to material NCI	112	103
Dividends paid to material NCI	50	10

Summarized cash flows

USD million	2023	2022
Net cash flow provided by/(used in) operating activities	775	653
Net cash flow provided by/(used in) investing activities	(393)	(186)
Net cash flow provided by/(used in) financing activities	(485)	(268)
Net increase/(decrease) in cash and cash equivalents	**(102)**	**199**
NCI – EUKOR Car Carriers Inc	382	321
NCI – immaterial subsidiaries	30	34
Non-controlling interests	**413**	**355**
Profit for the period attributable to NCIs – Eukor Car Carriers Inc	112	103
Profit for the period attributable to NCIs – immaterial subsidiaries	9	13
Profit for the period to NCIs	**121**	**116**

Note 14. Share information and earnings per share

Earnings per share takes into consideration the number of issued shares excluding own shares in the period. Basic earnings per share is calculated by dividing profit for the period attributable to the owners of the parent by the average number of total outstanding shares (adjusted for average number of own shares).

Earnings per share	2023	2022
Average number of shares	422,692,088	422,451,157
Profit for the period attributable to owners of the parent (USD million)	846	679
Basic and diluted earnings per share (USD)	2.00	1.60

	NOK million	USD million
The company's share capital is as follows, translated to USD at the historical exchange rate:	220	28

In accordance with the authorization from the AGM held on April 26, 2023, the maximum number of shares that can be repurchased is 42,310,494 shares, equivalent to 10 percent of the share capital of the company.

Own shares are intended to cover the group's executive share incentive program. When any plan in the program is exercised, there will be a reduction of own shares and the price paid in excess of the nominal value of the shares increases retained earnings. The share repurchase for the long-term executive incentive scheme will, however, be capped at 500,000 shares, in line with the number of shares required for the scheme. In September 2023, the board of Wallenius Wilhelmsen ASA initiated a share repurchase program to cover obligations under its long-term executive incentive scheme and bought back a total of 500,000 shares with a transaction value of approximately USD 4 million (NOK 44 million) under the repurchase program.

The company's number of shares:	Dec 31, 2023	Dec 31, 2022
Total number of shares (nominal value NOK 0.52)	423,104,938	423,104,938
Own shares	568,338	586,119

Note 15. Employee retirement plans

The group companies provide various retirement plans in accordance with local regulations and practice in the countries in which they operate. The pension plans are for the material part defined contribution plans in which the companies are required to make agreed contributions to a separate fund when employees have rendered services entitling them to the contributions. For the defined contribution plans, the companies' legal or constructive obligations are limited to the amount that they have agreed to contribute to the fund. The defined benefit plans for the group are based on years of service and salary levels and normally guarantees a specified return or agreed benefit. For these plans, the group has investment and actuarial risks. If the actuarial or investment experience is worse than expected, the group's obligation may be increased. In order to reduce the group's exposure to certain risks associated with defined benefit plans, such as longevity, inflation, and effects of increases in compensation, the group regularly reviews and continuously improves the design of its post-employment defined benefit plans. The defined benefit plans are for the main part related to subsidiaries in Norway, US, UK and the Republic of Korea and are closed plans or only applicable for senior executives.

The group also has agreements on early retirement. These obligations are mainly financed from operations. The liability recognized in the balance sheet in respect of the remaining defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income in the period in which they arise.

Number of people covered by pension schemes at December 31	2023	2022
In employment	2,873	2,431
In retirement (including disability pensions)	711	730
Total number of people covered by pension schemes	**3,584**	**3,141**

USD million	2023	2022
Expenses for employee retirement plans recognized in the income statement		
Defined benefit plans	3	3
Defined contribution plans	24	20
Net pension expenses	**27**	**23**
Remeasurements		
Remeasurements recognized in other comprehensive income	(3)	13
Tax effect of pension other comprehensive income	1	(2)
Net remeasurements in other comprehensive income	**(3)**	**11**

USD million	2023	2022
Pension obligations		
Defined benefit obligation at end of prior year	86	112
Current/past service cost and interest cost	5	4
Benefit payments from employer	(5)	(7)
Remeasurements	-	(16)
Effect of changes in foreign exchange rates	(1)	(8)
Defined benefit obligations at December 31	**84**	**86**
Gross pension assets		
Fair value of plan assets at end of prior year	54	57
Interest income	3	1
Employer contributions	2	5
Benefit payments from plan assets	(3)	(2)
Return on plan assets (excluding interest income)	(4)	(3)
Effect of changes in foreign exchange rates	-	(4)
Gross pension assets at December 31	**52**	**54**
Total pension obligations		
Defined benefit obligations	84	86
Fair value of plan assets	52	54
Net pension liabilities	**32**	**32**
Presented as		
Pension assets	6	8
Pension liabilities	39	40

Note 16. Interest-bearing liabilities

Wallenius Wilhelmsen group has five financing units: Wallenius Wilhelmsen ASA, Wallenius Wilhelmsen Ocean, EUKOR, ARC and Wallenius Wilhelmsen Solutions. Wallenius Wilhelmsen Ocean and EUKOR are operated under the shipping segment, ARC operates as the government segment and Wallenius Wilhelmsen Solutions operates as the logistics segment. The debt in Wallenius Wilhelmsen Ocean and Wallenius Wilhelmsen Solutions is guaranteed by Wallenius Wilhelmsen ASA.

Interest-bearing liabilities per financing unit

USD million	2023	2022
Wallenius Wilhelmsen ASA		
Bonds	565	534
Total	**565**	**534**
Wallenius Wilhelmsen Ocean		
Bank debt	828	1,002
Leases	285	338
Total	**1,113**	**1,339**
ARC		
Bank debt	64	92
Leases	3	1
Total	**67**	**94**
EUKOR		
Bank debt	558	581
Leases	650	802
Total	**1,208**	**1,383**
Wallenius Wilhelmsen Solutions		
Bank debt	303	322
Leases	472	431
Total	**775**	**753**
Total group	**3,728**	**4,103**

Most financings are subject to certain financial and non-financial covenants or restrictions:

- The main covenant related to the bond debt in Wallenius Wilhelmsen ASA is a limitation on the ability to pledge assets.
- The debt in Wallenius Wilhelmsen Ocean is subject to minimum liquidity and gearing ratio (net interest-bearing debt divided by net interest-bearing debt plus book equity) on a consolidated group level, as well as loan to value clauses for secured debt.
- The debt in EUKOR is subject to minimum liquidity and interest cover ratio (EBITDA to interest expense) on EUKOR group level, as well as loan to value clauses for secured debt.
- The debt in ARC is subject to a fixed charge coverage ratio ((EBITDA: capital expenditures, income taxes paid, income tax refund, dividends paid) / (interest expense, current portion bank debt, current portion leases) and funded debt to EBITDA ratio (bank debt/ EBITDA) on ARC group level, as well as loan to value clauses for secured debt.
- The debt in Wallenius Wilhelmsen Solutions is subject to minimum liquidity and gearing ratio (net interest-bearing debt divided by net interest-bearing debt plus book equity) on a consolidated group level.

The covenants and ratios are customized to reflect the financial situation of the financing unit. Certain loan agreements also have change of control clauses. As of December 31, 2023 (similar to 2022), the group is in compliance with all financial and non-financial covenants. Covenants can be adjusted in the event of material changes in accounting principles.

Reconciliation of liabilities arising from financing activities

USD million	Non-current interest-bearing debt	Current interest-bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
Total debt December 31, 2022	**2,200**	**316**	**1,254**	**317**	**4,087**
Proceeds from loans and bonds	473	-	-	-	**473**
Repayments of loans, bonds and leases	(50)	(605)	-	(319)	**(975)**
New lease contracts and amendments, net	-	-	26	128	**154**
Foreign exchange movements	12	(25)	4	-	**(10)**
Other non-cash movements	-	(18)	-	-	**(17)**
Reclassification	(738)	738	(187)	187	**-**
Total interest-bearing debt December 31, 2023	**1,897**	**406**	**1,097**	**313**	**3,713**

USD million	Non-current interest-bearing debt	Current interest-bearing debt	Non-current lease liabilities	Current lease liabilities	Total financing activities
Total debt December 31, 2021	**2,158**	**515**	**1,218**	**238**	**4,128**
Proceeds from loans and bonds	916	87	-	-	**1,002**
Repayments of loans, bonds and leases	-	(1,095)	-	(352)	**(1,447)**
New lease contracts and amendments, net	-	-	221	265	**486**
Foreign exchange movements	(63)	(4)	(20)	(1)	**(88)**
Other non-cash movements	(2)	5	-	-	**3**
Reclassification	(808)	808	(165)	167	**3**
Total interest-bearing debt December 31, 2022	**2,200**	**316**	**1,254**	**317**	**4,087**

In the first quarter of 2023, EUKOR extended two revolving credit facilities, for USD 10 million and USD 15 million respectively, in shipping services by one year. Wallenius Wilhelmsen ASA established a new one year USD 100 million revolving credit facility for general corporate purposes, secured by five previously unencumbered vessels.

During the second quarter, EUKOR closed a financing of USD 75 million. This was related to refinancing of two vessels and purchase of a third vessel, which was previously held under a lease agreement.

In the third quarter, Wallenius Wilhelmsen ASA issued a new five year sustainability-linked bond for NOK 1 billion (USD 94 million), while at the same time buying back bond debt of NOK 528 million (USD 50 million) which was to mature in September 2024. Also in the third quarter of 2023, a new five year revolving credit facility of USD 345 million was signed in the logistics segment. This refinanced an existing revolving credit facility of USD 320 million.

In the fourth quarter, EUKOR extended a revolving credit facility of USD 25 million for one year while also signing a new revolving credit facility of USD 25 million. WW Ocean signed a new 18 months revolving credit facility of USD 150 million, secured in accounts receivable. This refinanced an undrawn revolving credit facility of USD 100 million. Wallenius Wilhelmsen ASA cancelled the undrawn revolving credit facility of USD 100 million releasing the encumberance of 5 vessels.

At December 31, 2023, the group had 16 unencumbered vessels with a total net carrying value of USD 271 million.

Repayment schedule for interest-bearing liabilities

USD million	Bank loans	Bonds	Leasing commitments	Other interest bearing debt	Dec 31, 2023
Due in 2024	260	145	313	-	**719**
Due in 2025	364	-	253	-	**617**
Due in 2026	267	197	193	-	**657**
Due in 2027	197	123	138	-	**459**
Due in 2028 and later	665	99	514	-	**1,277**
Total repayable interest-bearing debt	**1,753**	**565**	**1,410**	**-**	**3,728**
Amortized financing costs	(11)	(5)	-	-	**(16)**
Total	**1,742**	**560**	**1,410**	**-**	**3,713**

USD million	Bank loans	Bonds	Leasing commitments	Other interest bearing debt	Dec 31, 2022
Due in 2023	297	-	317	19	**633**
Due in 2024	556	203	217	-	**977**
Due in 2025	348	-	262	-	**609**
Due in 2026	256	203	257	-	**716**
Due in 2027 and later	522	127	518	-	**1,167**
Total repayable interest-bearing debt	**1,978**	**534**	**1,572**	**19**	**4,103**
Amortized financing costs	(11)	(4)	-	-	**(15)**
Total	**1,967**	**529**	**1,572**	**19**	**4,087**

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

USD million	2023	2022
Gross debt – fixed interest rates	1,429	1,602
Gross debt – variable interest rates	2,283	2,485
Less Cash and cash equivalents	1,705	1,216
Net debt	**2,007**	**2,872**

A key part of the liquidity reserve takes the form of undrawn committed drawing rights, which amounted to USD 397 million at December 31, 2023 (2022: USD 247 million). See note 21.

Carrying value of mortgaged and leased assets

USD million	2023	2022
Vessels	4,374	4,699
Property & land	533	487
Accounts receivable	253	281
Shares in Wallenius Wilhelmsen Solutions Holding AS[1]	433	383
Total carrying value of mortgaged and leased assets	**5,592**	**5,849**

1 Carrying value in Wallenius Wilhelmsen ASA.

The carrying amounts of the group's borrowings are denominated in the following currencies:

USD million	2023	2022
USD	3,144	3,546
NOK	560	529
KRW	9	12
Total carrying amounts of group's borrowings	**3,713**	**4,087**

See otherwise note 17 for information on financial derivatives (interest rates and currency hedges) relating to interest-bearing liabilities.

Note 17. Financial risk

Through its activities, the group has exposure to a variety of financial risks:

- Market risk
  - Foreign exchange rate risk
  - Interest rate risk
  - Fuel oil price risk
- Credit risk
- Liquidity risk
- Climate risk

The financial risk management of the group focuses on the unpredictability of financial markets and seek to minimize potential adverse effects on the group's financial performance. Derivative financial instruments are used to hedge certain exposures.

Wallenius Wilhelmsen is exposed to a number of climate-related risks and the financially material climate risks are primarily related to the group's shipping segment. Climate-related risk includes both transition risk and physical risk. The group considers that transition risk is likely to have the greater effect on the group in terms of impact and probability, but it is also exposed to physical risks, such as flooding and drought, of which lower capacity in the Panama Canal is an example. The group is in the process of assessing its financial exposure to climate risk. See the "Managing climate risks and opportunities" section under Planet for further details.

Identification, evaluation and hedging of financial risk are carried out by the central treasury department under policies approved by the board of directors.

Hedge accounting has not been applied for any economic hedges. Any change in market value of economic hedge derivatives is recognized in the income statement. Economic hedge derivatives are recognized at fair value in the balance sheet.

Market risk

Market risk is defined as risk related to changes in market prices, such as foreign exchange rates and interest rates, that will affect the group's profit or the values of its holdings of financial instruments. The sensitivity analyses in the sections below relate to the position of financial instruments at December 31, 2023. It is assumed that the sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates. Economic hedging strategies have been established in order to reduce market risks in line with the financial strategy approved by the board of directors.

Foreign exchange rate risk

The group is exposed to currency risk on revenues and expenses in non-functional currencies (transaction (cash flow) risk) and balance sheet items denominated in currencies other than USD (translation risk). The group's largest foreign exchange exposure is EUR against USD, but the group also has exposure to a number of other currencies whereof KRW, JPY, SEK, CNY and NOK are most important.

Various financial derivatives, such as forwards, options and cross-currency (basis) swaps are used to hedge this exposure. Key aspects of the currency hedging policy are:

- Net cash flows in other significant currencies than USD can be hedged using a layered model with up to a 36-month horizon
- Significant capital commitments or divestments in other currencies than USD are hedged
- Balance sheet exposure in currencies other than USD shall in general be hedged. The group will, however, in each case consider factors such as the asset-liability match and the currency of any related cash flow.

Economic hedging of transaction risk

The group has an economic hedging program for NOK and SEK exposures in place as of both year-ends 2023 and 2022.

The portfolio of derivatives used to economically hedge the group's transaction risk exhibit the following income statement sensitivity:

USD million

Income statement sensitivities of economic hedge program

Change in exchange rate levels	(20%)	(10%)	0%	10%	20%
2023					
Transaction risk					
USD/NOK spot rate	8.10	9.12	10.13	11.14	12.15
Income statement effect (post tax)	**3**	**1**	**-**	**(1)**	**(3)**
USD/SEK spot rate	8.04	9.05	10.05	11.06	12.06
Income statement effect (post tax)	**2**	**1**	**-**	**(1)**	**(2)**

Change in exchange rate levels	(20%)	(10%)	0%	10%	20%
2022					
Transaction risk					
USD/NOK spot rate	7.87	8.85	9.84	10.82	11.81
Income statement effect (post tax)	**3**	**1**	**-**	**(1)**	**(3)**
USD/SEK spot rate	8.32	9.36	10.40	11.44	12.48
Income statement effect (post tax)	**2**	**1**	**-**	**(1)**	**(2)**

(Tax rate used is 22 percent, which equals the corporate tax rate in Norway)

Economic hedging of translation risk

At December 31, 2023, the group has outstanding NOK-denominated bonds of about NOK 5.72 billion (USD 565 million). The corresponding amount was NOK 5.25 billion (USD 534 million) for 2022. All of this debt (NOK 5.72 billion) has been economically hedged against USD with cross-currency swaps.

FX sensitivities

The group monitors the net exposure and calculates sensitivities on a regular basis, based on average market volatility per currency cross. Sensitivities showing a potential accounting effect below USD 5 million on group level are considered immaterial. On December 31, 2023 there were no material FX sensitivities.

For the period ending December 31, 2023, the net impact from translation differences had a very limited impact on other comprehensive income with USD 4 million (2022: negative USD 7 million). All fair value changes of the financial derivatives, except any fuel oils derivatives in EUKOR, are recognized in profit or loss. Equity sensitivities will therefore equal sensitivities in the income statement.

USD million	Notes	2023	2022
Through income statement			
Financial currency			
Net currency gain/(loss) – operating currency		24	(5)
Net currency gain/(loss) – financial currency		(2)	62
Derivatives for economic hedging of cash flow risk – unrealized		2	-
Derivatives for economic hedging of translation risk – realized		(30)	(14)
Derivatives for economic hedging of translation risk – unrealized		(3)	(67)
Net financial currency	6	**(10)**	**(25)**
Through other comprehensive income			
Currency translation differences through other comprehensive income		4	(7)
Total net currency effect		**(6)**	**(32)**

Interest rate risk

The group seeks to economically hedge between 20-80 percent of the average net interest rate exposure over the next five years, predominantly through interest rate swaps and fixed rate loans.

Interest rate hedges held by the group corresponded to about 50 percent (2022: about 50 percent) of its average net interest exposure at December 31, 2023. Leases are considered fixed rate debt for this calculation.

USD million	2023	2022
Maturity schedule economic interest rate hedges (nominal amounts)		
Due in year 1	288	14
Due in year 2	253	288
Due in year 3	228	253
Due in year 4	278	228
Due in year 5 and later	54	282
Total economic interest rate hedges	**1,102**	**1,066**

As of December 31, 2023, the group did not hold any forward starting swaps (2022: nil).

The average remaining term of the existing loan portfolio is about 3.1 years, while the average remaining term of the running interest rate derivatives and fixed interest loans is approximately 2.7 years.

Interest rate sensitivities

The group's interest rate risk originates from differences in duration and amounts between interest-bearing assets and interest-bearing liabilities. On the asset side, bank deposits are subject to risk from changes in the general level of interest rates, primarily in USD. On the liability side, the mix of debt and issued bonds with attached fixed or floating coupons – in combination with financial derivatives on interest rates (plain vanilla interest rates swaps) – are exposed to changes in the level and curvature of interest rates. The group uses the weighted average duration of interest-bearing assets, liabilities and financial interest rate derivatives to compute the group's sensitivity towards changes in interest rates.

The below table summarizes the interest rate sensitivity towards the fair value of interest-bearing assets and liabilities:

USD million

Change in interest rate levels	(2%)	(1%)	0%	1%	2%
2023					
Fair value sensitivities of interest rate risk					
Estimated change in fair value (post tax)	50	25	0	(25)	(50)

Change in interest rate levels	(2%)	(1%)	0%	1%	2%
2022					
Fair value sensitivities of interest rate risk					
Estimated change in fair value (post tax)	(11)	(6)	0	6	11

(Tax rate used is 22 percent, which equals the corporate tax rate in Norway)

Apart from the fair value sensitivity calculation based on the group's net duration, the group has cash flow risk exposure stemming from the risk of increased future interest payments on the unhedged part of the group's interest-bearing debt.

Changes in fair value of financial derivatives are recognized in the income statement.

The market values of financial derivatives are included under Other non-current assets, Other non-current liabilities, Other current assets and Other current liabilities in the balance sheet.

		Assets	Liabilities	Assets	Liabilities
USD million	Notes	2023		2022	
Interest rate derivatives					
Holding		1	-	-	-
Shipping services		20	1	29	-
Government services		1	-	2	-
Logistics services		12	-	16	-
Total interest rate derivatives		**34**	**1**	**47**	**-**
Derivatives used for economic cash flow hedging					
Holding		2	-	3	-
Shipping services		-	-	-	-
Total currency cash flow derivatives		**2**	**-**	**3**	**-**
Derivatives used for economic translation risk hedging (basis swaps)					
Holding		-	75	-	72
Shipping services		-	1	-	2
Total cross currency derivatives (basis swaps)		**-**	**76**	**-**	**74**
Other derivatives – non-controlling shareholder net derivative					
Shipping services	5	98	-	105	-
Total non-controlling shareholder net derivative		**98**	**-**	**105**	**-**
Total market value of derivatives		**135**	**77**	**155**	**74**

Book values equal market values.

Fuel price risk

The group is exposed to fuel oil price fluctuations through its operations in Wallenius Wilhelmsen Ocean, American Roll-On Roll-Off Carrier and EUKOR Car Carriers.

As a general principle, fuel adjustment factors (FAF) in customer contracts is the main mechanism to manage fuel oil price risk in the group. In the short term, the group is exposed to changes in the fuel oil price since FAF is calculated based on the average price over a historical period, and then fixed during an application period, creating a lag effect.

As at December 31, 2023, the group does not hold any fuel hedging contracts (2022: nil).

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and originates primarily from the group's customer receivables, financial derivatives used to economically hedge interest rate risk or foreign exchange risk, as well as bank deposits.

Trade receivables

The group's exposure to credit risk through its operating entities is influenced mainly by individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The group's shipping segment has historically been considered to have low credit risk as the customers tend to be large and well-reputed. In addition, cargo can be held back.

Cash and cash equivalents

The group's exposure to credit risk on cash and cash equivalents is considered to be very limited as the group maintains banking relationships with well-reputed and familiar banks and where the group, in most instances, has a net debt position towards these banks.

Financial derivatives

The group's exposure to credit risk on its financial derivatives is considered to be limited as the group's counterparties are well reputed and familiar banks.

Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

USD million	Notes	2023	2022
Exposure to credit risk			
Long-term investments	19	54	59
Financial derivatives – asset	19	32	51
Other non-current assets	19	12	12
Trade receivables	20	616	605
Other current assets	19	231	191
Cash and cash equivalents		1,705	1,216
Total exposure to credit risk		**2,650**	**2,134**

Book values equal market values.

Liquidity risk

The group's approach to managing liquidity is to secure that it will always have sufficient liquidity to meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's liquidity risk is considered low in that it holds significant liquid assets in addition to credit facilities with the banks.

The group regularly issues NOK debt in the Norwegian bond market, with proceeds swapped into USD via cross-currency swaps at the time of each issue. If the USD/NOK exchange rate increases above certain thresholds from the rate at the time of issue, the company will need to post cash collateral with the counterparties based on the mark-to-market value above the threshold. The cash collateral is released back to the company if the USD/NOK exchange rate decreases. As of December 31, 2023, the group had posted USD 5 million in cash collateral relating to cross-currency swaps for the four outstanding NOK bonds. The cash collateral is recognized in Other current assets in the balance sheet.

At December 31, 2023, the group had USD 1,705 million (2022: USD 1,216 million) in liquid assets which can be realized over a three-day period in addition to USD 397 million (2022: USD 247 million) in undrawn capacity under its bank facilities.

Undiscounted cash flows financial liabilities

USD million	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
2023				
Bank loans	373	454	1,186	131
Bonds	279	66	494	-
Current liabilities (excluding next year's installment on interest-bearing debt, lease liabilities and financial derivatives)	683	-	-	-
Total non-derivative liabilities excluding leasing	**1,335**	**520**	**1,680**	**131**
Leasing liabilities	412	360	584	492
Financial derivatives	(37)	(23)	(24)	(5)
Total gross undiscounted cash flows financial liabilities at December 31	**1,711**	**857**	**2,240**	**618**

USD million	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
2022				
Bank loans	423	645	939	357
Bonds	62	261	397	-
Current liabilities (excluding next year's installment on interest-bearing debt, lease liabilities and financial derivatives)	543	-	-	-
Total non-derivative liabilities excluding leasing	**1,029**	**906**	**1,336**	**357**
Leasing liabilities	517	418	896	696
Financial derivatives	(25)	(20)	(31)	-
Total gross undiscounted cash flows financial liabilities at December 31	**1,522**	**1,304**	**2,201**	**1,053**

Interest expenses on floating interest-bearing debt included above have been computed using interest rate curves as of year-end.

Covenants

Most financing is subject to certain financial and non-financial covenants or restrictions. Please see note 16 Interest-bearing liabilities for further information.

Capital risk management

The group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors return on capital employed, which the group defines as operating profit divided by capital employed (shareholders equity and interest-bearing liabilities). The board also monitors the level of dividends to shareholders. In February 2024, the board of directors decided on a revised dividend policy to be approved by the AGM. The level of dividends will still be based on a range of 30-50 percent of the group's net profit after tax on an annual basis. However, dividend payments will be made on a semi-annual "pay-as-you-go" basis. Potential dividends will be declared in connection with the second and fourth quarter interim reports and be based on earnings of the first and second half of the year, respectively. When determining the size of the dividend, the board will consider its financial targets, near-term market outlook, the group's financial position, future capital requirements, as well as other relevant factors.

The group seeks to maintain a balance between the potentially higher returns that can be achieved with a higher level of debt and the advantages of maintaining a solid capital position. The group's target is to achieve an adjusted return on capital employed over time that exceeds 8 percent. In 2023, the return on capital employed was 16.1 percent. See reconciliation of alternative performance measures for definition and calculation.

Fair value estimation

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market (over-the-counter contracts) are based on third party quotes.

These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value and
- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in an option premium

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Interest-bearing liabilities

USD million	Fair value	Book value
2023		
Bank loans	1,678	1,742
Bonds	584	560
Leasing liabilities	1,475	1,410
Other	-	-
Total interest-bearing liabilities at December 31	**3,736**	**3,713**

USD million	Fair value	Book value
2022		
Bank loans	1,868	1,967
Bonds	543	529
Leasing liabilities	1,617	1,572
Other	19	19
Total interest-bearing liabilities at December 31	**4,047**	**4,087**

Bonds are considered to be level 1 in the fair value hierarchy. All other interest-bearing liabilities are considered to be level 3 in the fair value hierarchy.

Fair value hierarchy

USD million	Notes	Level 1	Level 2	Level 3	Total balance
2023					
Financial assets at fair value through income statement					
- Financial derivatives		-	36	-	**36**
- Non-controlling shareholder net derivative	5	-	-	98	**98**
Total assets at December 31		**-**	**36**	**98**	**135**
Financial liabilities at fair value through income statement					
- Financial derivatives		-	77	-	**77**
Total liabilities at December 31		**-**	**77**	**-**	**77**

USD million	Notes	Level 1	Level 2	Level 3	Total balance
2022					
Financial assets at fair value through income statement					
- Financial derivatives		-	51	-	**51**
- Non-controlling shareholder net derivative	5	-	-	105	**105**
Total assets at December 31		**-**	**51**	**105**	**155**
Financial liabilities at fair value through income statement					
- Financial derivatives		-	74	-	**74**
Total liabilities at December 31		**-**	**74**	**-**	**74**

The fair value of financial instruments not traded in an active market is based on third-party quotes (mark-to-market). These quotes use the maximum number of observable market rates for price discovery. The different valuation techniques typically applied by financial counterparties (banks) are described above. These instruments – currency and interest rate derivatives – are included in level two.

Financial instruments by category

USD million	Assets at amortized cost	Assets at fair value through the income statement	Other	Total
2023				
Assets				
Other non-current assets	-	130	72	**203**
Trade receivables	616	-	-	**616**
Other current assets	5	-	226	**231**
Cash and cash equivalents	1,705	-	-	**1,705**
Assets at December 31	**2,327**	**130**	**298**	**2,755**

USD million	Liabilities at fair value through the income statement	Other financial liabilities at amortized cost	Total
2023			
Liabilities			
Non-current interest-bearing debt	-	1,897	**1,897**
Non-current lease liabilities	-	1,097	**1,097**
Other non-current liabilities	56	7	**63**
Trade payables	-	103	**103**
Current interest-bearing debt	-	406	**406**
Current lease liabilities	-	313	**313**
Other current liabilities	21	31	**52**
Liabilities at December 31	**77**	**3,853**	**3,930**

USD million	Assets at amortized cost	Assets at fair value through the income statement	Other	Total
2022				
Assets				
Other non-current assets	-	155	79	**235**
Trade receivables	605	-	-	**605**
Other current assets	2	-	189	**191**
Cash and cash equivalents	1,216	-	-	**1,216**
Assets at December 31	**1,822**	**155**	**269**	**2,247**

USD million	Liabilities at fair value through the income statement	Other financial liabilities at amortized cost	Total
2022			
Liabilities			
Non-current interest-bearing debt	-	2,200	**2,200**
Non-current lease liabilities	-	1,254	**1,254**
Other non-current liabilities	74	21	**95**
Trade payables	-	112	**112**
Current interest-bearing debt	-	316	**316**
Current lease liabilities	-	317	**317**
Other current liabilities	-	15	**16**
Liabilities at December 31	**74**	**4,236**	**4,310**

Note 18. Provisions and contingencies

Contingent liabilities

The group is sometimes party to lawsuits related to laws and regulations in various jurisdictions arising from the conduct of its business, including on-going class action processes. Based on information currently available, the probability of any such cases resulting in a material outflow of resources is low, and a provision has not been recognized.

Note 19. Specification of balance sheet

USD million	2023	2022
Other non-current assets		
Long-term investments[1]	54	59
Financial derivatives	32	51
Pension assets	6	8
Derivative financial asset	98	105
Investments in joint ventures and associates	21	12
Other non-current assets	12	12
Total other non-current assets	**224**	**247**

USD million	2023	2022
Other current assets		
Financial derivatives	5	-
Prepaid expenses	227	191
Total other current assets	**231**	**191**
Other non-current liabilities		
Financial derivatives	56	74
Other non-current liabilities	7	21
Total other non-current liabilities	**63**	**95**
Other current liabilities		
Financial derivatives	21	-
Contract liabilities[2]	197	169
Other accrued operating expenses	316	294
Other current liabilities	31	15
Total other current liabilities	**564**	**479**

1 Long-term investments include EUKOR's 0.76 percent ownership of the shares in KOBC (Korean Ocean Business Corporation). These shares are held for long-term strategic benefits and the group has made an irrevocable decision to present changes in fair value through other comprehensive income. An additional investment of USD 8 million has been made during 2023 and the fair value has decreased by USD 3 million, resulting in a fair value of the investment of USD 44 million at December 31, 2023 (2022: USD 39 million). The movement in fair value is primarily related to the results in KOBC's underlying investments.

2 The contract liabilities represent the obligation to complete freight services for customers for which consideration has been received from the customers. Contract liabilities per December 31, 2022 have been recognized as freight revenue in 2023.

Note 20. Trade receivables and trade payables

Trade receivables

At December 31, 2023, USD 64 million (2022: USD 57 million) in trade receivables had fallen due. These receivables are related to a number of separate customers. Historically, the percentage of credit losses on trade receivables has been low and the group expects the receivables to be recoverable. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The group's customers are generally large, multi-national OEMs and historic credit losses have been minor.

At December 31, 2023, the group's impairment allowance on receivables amounts to approximately USD 4 million (2022: USD 4 million). Approx. 64 percent of the impairment allowance relates to the logistics segment and 36 percent to the shipping segment in 2023 (74 percent and 26 percent respectively for 2022). The aging profile of trade receivables that are past due is as follows:

USD million	2023	2022
Aging of trade receivables fallen due		
31-60 days	30	26
61-90 days	15	10
91-180 days	18	15
Over 180 days	2	6
Total fallen due	**64**	**57**
Trade receivables per segment		
Shipping services	428	414
Logistics services	139	130
Government services	49	61
Total trade receivables	**616**	**605**

See note 17 for more information on credit risk.

Trade payables

At December 31, 2023, USD 5 million in trade payables had fallen due (2022: USD 4 million). These payables refer to a number of separate suppliers and are related to general business. The group expects to settle outstanding payables within 30-60 days.

USD million	2023	2022
Trade payables per segment		
Shipping services	51	56
Logistics services	49	53
Government services	3	3
Holding	-	-
Total trade payables	**103**	**112**

Note 21. Restricted bank deposits and undrawn commited drawing rights

USD million	2023	2022
Payroll tax withholding account (included in cash and cash equivalents)	1	1

USD million	2023	2022
Undrawn committed drawing rights	397	247
Of which backstop for outstanding certificates and bonds with a remaining term of less than 12 months to maturity	145	-
Undrawn committed loans	-	-

Note 22. Related party transactions

Transactions with related parties

The two main shareholders of Wallenius Wilhelmsen ASA are Walleniusrederierna AB and Wilh. Wilhelmsen Holding ASA with 37.82 and 37.87 percent of the shares respectively. The Wilhelmsen family controls Wilh. Wilhelmsen Holding ASA (WWH group) through Tallyman AS, and the Wallenius Kleberg family controls Walleniusrederierna AB through Rederi AB Soya (Soya group).

For participation in the board of directors, Thomas Wilhelmsen received USD 62 thousand. Jonas Kleberg has not received compensation for participation in the nomination committee.

The group has undertaken several transactions with related parties within the Wilh. Wilhelmsen Holding ASA (WWH), Wilservice AS, Wilhelmsen Maritime Services group (WMS group) and Soya group. All transactions are entered into in the ordinary course of business of the company and the agreements pertaining to the transactions are all entered into on commercial market terms.

Wilh. Wilhelmsen Holding ASA (WWH) delivers services to the Wallenius Wilhelmsen ASA group including human resources (shared services) and in-house services such as canteen, post, switchboard and rent of office facilities. Generally, shared services are priced using a cost plus 5 percent margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually. In addition, the Soya group delivers rent of office facilities to the group.

Historically and currently, the majority shareholders, WWH and Soya, further deliver several services to the group, based on the principles set out in the OECD's transfer pricing guidelines for group services, including, inter alia, cost plus basis or based on independent broker estimates. In the event services are provided to both external and internal parties, the prices set forth in the contracts regarding such services, are on same level for both the external and the internal customers.

The services cover:

- ship management including crewing, technical and management service
- insurance brokerage
- agency services
- freight and liner services
- marine products to vessels

USD million	2023	2022
Income statement		
Operating revenue from related partied within WWH group	1	1
Operating revenue from related partied within Soya group	1	-
Operating expenses to related parties within WWH group	22	19
Operating expenses to related parties within Soya group	14	14

USD million	2023	2022
Balance sheet		
Non-current receivables from related parties within Soya group	-	-
Current receivables from related parties within Soya group	-	3
Non-current loan/payables to related parties within Soya group	-	-
Current loan/payables to related parties within Soya group	-	2
Non-current receivables from related parties within WWH group	-	-
Current receivables from related parties within WWH group	-	1
Non-current loan/payables to related parties within WWH group	-	-
Current loan/payables to related parties within WWH group	3	4

Note 23. Events after the balance sheet date

In January 2024, the 6,600 CEU, 2006 built vessel Morning Camilla was acquired by the 80 percent owned subsidiary EUKOR following the exercising of a purchase option at the end of its long-term lease agreement.

In February 2024, ARC acquired M/V Tulane from Wallenius Wilhelmsen Ocean. The sale will lead to an estimated gain of USD 12 million in the shipping segment in the first quarter of 2024. The gain will be eliminated on group level. A new bank loan of USD 63 million was drawn down in ARC (government segment) to finance the purchase.

Also in February, the group exercised options to build four additional Shaper Class pure car and truck carrier (PCTC) vessels. The 9,300 CEU class methanol dual fuel vessels will also be ammonia ready and are expected to be delivered between May and November 2027.

Following the end of the quarter, Wallenius Wilhelmsen announced the signing of multiple customer contracts valid from 2024 and onwards. The new contracts reflect current market conditions and have durations between two and three years plus potential extension options.

The board proposes a dividend of USD 1.14 per share to be paid for full-year 2023 as well as a revised dividend policy to be voted upon at the company’s AGM on April 30, 2024.

Financial statements
Wallenius Wilhelmsen ASA Parent

Income statement

USD million	Notes	2023	2022
Operating expenses			
Employee benefits	2	–	(13)
Other operating expenses	1	(18)	(9)
Total operating expenses		**(18)**	**(23)**
Net operating profit/(loss)		**(18)**	**(23)**
Financial income and expenses			
Financial income	1	425	156
Financial expenses	1	(60)	(47)
Financial derivatives	1	(30)	(72)
Financial income/(expense)		**335**	**6**
Profit before tax		**318**	**14**
Tax income/(expense)	3	(2)	14
Profit for the year		**316**	**27**
Transfers and allocations			
(To)/from equity	5	(316)	(27)
Total transfers and allocations		**(316)**	**(27)**

Statement of comprehensive income

USD million	Notes	2023	2022
Profit for the year		316	27
Other comprehensive income:			
Items that will not be reclassified to the income statement			
Remeasurement pension liabilities, net of tax	6	(1)	1
Other comprehensive income/(loss), net of tax		**(1)**	**1**
Total comprehensive income		**315**	**28**
Total comprehensive income attributable to:			
Owners of the parent		315	28
Total comprehensive income for the year		**315**	**28**

Balance sheet

USD million	Notes	Dec 31, 2023	Dec 31, 2022
Assets			
Non-current assets			
Deferred tax assets	3	21	23
Investments in subsidiaries	4	3,016	2,966
Other non-current assets	9	2	130
Total non-current assets		**3,038**	**3,118**
Current assets			
Other current assets	9	160	209
Cash and bank deposits		131	21
Total current assets		**291**	**230**
Total assets		**3,330**	**3,348**
Equity and liabilities			
Equity			
Share capital	5	28	28
Retained earnings and other reserves	5	2,627	2,673
Total equity		**2,656**	**2,701**
Non-current liabilities			
Pension liabilities	6	21	21
Non-current interest-bearing debt	7	414	529
Financial derivatives	8	54	72
Total non-current liabilities		**489**	**623**
Current liabilities			
Public duties payable		-	-
Other current liabilities	9	185	24
Total current liabilities		**185**	**25**
Total equity and liabilities		**3,330**	**3,348**

Cash flow statement

USD million	2023	2022
Cash flow from operating activities		
Profit before tax	318	14
Financial (income)/expense	(335)	(36)
Change in net pension assets/liabilities	(2)	(4)
Change in current assets/liabilities – group companies	57	(105)
Net change in other assets/liabilities	24	82
Net cash provided by/(used in) operating activities	**62**	**(50)**
Cash flow from investing activities		
Investments in subsidiaries, associates and joint ventures	(50)	(40)
Interest received	12	10
Net cash flow provided by/(used in) investing activities	**(38)**	**(30)**
Cash flow from financing activities		
Proceeds from issuance of debt	95	142
Repayment of debt	(50)	(133)
Subsidaries' repayment of debt	126	188
Proceeds from issuance of debt to subsidaries	-	31
Repayment of debt to subsidaries	-	(12)
Group contribution/ dividend from subsidaries	346	1
Disposal of own shares	3	1
Purchase of own shares	(4)	-
Dividend to shareholders	(359)	(63)
Cash from financial derivatives	(29)	(14)
Interest paid including interest rate derivatives	(41)	(40)
Net cash flow provided by/(used in) financing activities	**87**	**101**
Net increase/(decrease) in cash and cash equivalents	**111**	**20**
Cash and cash equivalents at beginning of the period[1]	21	-
Cash and cash equivalents at end of the period	**131**	**21**

1 The company has several banks accounts in different currencies. The cash flow effect from revaluation of cash and cash equivalents is included in net cash flow provided by/(used in) operating activities. The company has no restricted bank deposits.

Note 1. Specification of income statement

USD million	Notes	2023	2022
Other operating expenses			
Intercompany expenses	10	(13)	(6)
Other administration expenses		(5)	(3)
Total other operating expenses		**(18)**	**(9)**
Financial income/(expenses)			
Financial income			
Dividend from subsidiaries and group contribution	10	378	67
Interest income	10	23	21
Net currency gain		25	68
Total financial income		**425**	**156**
Financial expenses			
Interest expenses		(44)	(38)
Net currency loss		(12)	(6)
Other financial expenses		(4)	(4)
Total financial expenses		**(60)**	**(47)**
Financial derivatives			
Realized gain/(loss) related to currency derivatives		(29)	(14)
Realized gain/(loss) related to interest rate derivatives		3	(2)
Unrealized gain/(loss) related to currency derivatives		(1)	(67)
Unrealized gain/(loss) related to interest rate derivatives		(2)	11
Total financial derivatives		**(30)**	**(72)**
Financial income/(expenses)		**335**	**36**

Expensed audit fee

USD thousand	2023	2022
Statutory audit	187	189
Total expensed audit fee	**187**	**189**

Note 2. Employee benefits

USD million	2023	2022
Salary/remuneration board of directors	3	3
Long-term executive incentive plan	(5)	10
Payroll tax	1	1
Pension cost	1	-
Other remuneration	(1)	(1)
Total employee benefits	**-**	**13**

USD thousand	2023	2022
Remuneration of the board of directors		
Rune Bjerke	157	159
Thomas Wilhelmsen	62	59
Margareta Alestig	65	66
Anna Felländer	62	66
Yngvil Eriksson Åsheim	62	-
Hans Åkervall	62	-
Marianne Lie	-	69
Jonas Kleberg	-	57
Nomination committee		
Anders Ryssdal	11	11
Jonas Kleberg	-	7
Carl Erik Steen	7	7

The board's remuneration for the financial year 2023 will be approved by the general meeting on April 30, 2024 and paid/expensed in 2024.

At the AGM in 2022, Jonas Kleberg and Marianne Lie resigned from the board of directors.

Hans Åkervall and Yngvil Eriksson Åsheim were elected as board members at the AGM in 2022. They did not receive any remuneration in 2022.

Remuneration paid in other currencies than USD will not be comparable year-on-year due to changes in exchange rates.

The long-term executive incentive plan shows significant fluctuations, which are largely due to variations in the share price affecting the fair value of the liability. See separate Remuneration report for further details regarding remuneration to top executives.

Loans and guarantees
There were no loans or guarantees to members of the board per December 31, 2023.

Shares owned or controlled by representatives of the group at December 31, 2023

Name	Number of shares	Percent of shares
Board of directors		
Rune Bjerke	25,750	0.01%
Thomas Wilhelmsen	161,375,095	38.14%
Margareta Alestig	600	-
Anna Felländer	1,400	-
Yngvil Eriksson Åsheim	4,250	-
Hans Åkervall	-	-
Senior executives		
Chief Executive Officer (CEO) – Lasse Kristoffersen	5,000	-
Chief Financial Officer (CFO) – Torbjørn Wist	74,761	0.02%
Executive Vice President (EVP) and Chief Operating Officer (COO) shipping services – Xavier Leroi	47,768	0.01%
Executive Vice President (EVP) and Chief Operating Officer (COO) logistics services – Michael Hynekamp	99,532	0.02%
Chief People Officer (CPO) – Wenche Agerup	-	-
Chief Customer Officer (CCO) – Pia Synnerman	-	-
Chief Technology and Information Officer (CTIO) – Gro Rognstad	-	-
Chief Communications and Marketing Officer (CCMO) – Anette Maltun Koefoed	2,010	-
Nomination committee		
Anders Ryssdal	-	-
Jonas Kleberg	-	-
Carl Erik Steen	30,000	0.01%

The two main shareholders of Wallenius Wilhelmsen ASA are Wilh. Wilhelmsen Holding ASA with 37.87 percent of the shares and Walleniusrederierna AB with 37.82 percent of the shares.

The Wilhelmsen family controls Wilh. Wilhelmsen Holding ASA through Tallyman AS, and Thomas Wilhelmsen controls Tallyman AS. The Wallenius Kleberg family controls Walleniusrederierna AB through Rederi AB Soya (Soya group).

Note 3. Tax

USD million	2023	2022
Distribution of tax (income)/expense for the year		
Change in deferred tax	2	(14)
Total tax (income)/expense	**2**	**(14)**
Basis for tax computation		
Profit before tax	318	14
22% tax	70	3
Tax effect from		
Non-taxable income	(75)	(12)
Deferred tax assets not recognized (valuation allowance)	11	2
Currency translation from USD to local currency for tax purposes	(3)	(6)
Total tax (income)/expense	**2**	**(14)**
Effective tax rate	0.7%	(101.9%)
Deferred tax assets		
Tax effect of temporary differences		
Non-current liabilities and provisions for liabilities	21	23
Deferred tax assets	**21**	**23**
Composition of deferred tax and changes in deferred tax		
Deferred tax assets at January 1	23	11
Charged directly to equity	-	-
Change of deferred tax through income statement	(2)	14
Currency translation differences	(1)	(1)
Deferred tax assets at December 31	**21**	**23**

Deferred tax assets not recognized (valuation allowance) in the balance sheet at December 31, 2023 is USD 54 million. This relates to deferred tax assets arising from tax losses carried forward in the company, see note 1 to the group financial statements for additional information.

Note 4. Investment in subsidiaries

USD million	Business office	Voting share/ ownership share	Book value 2023	Book value 2022
Wallenius Wilhelmsen Ocean Holding AS	Lysaker, Norway	100%	1,267	1,267
Wallenius Wilhelmsen International Holding AS	Lysaker, Norway	100%	1,116	1,116
ARC Group Holding AS	Lysaker, Norway	100%	200	200
Wallenius Wilhelmsen Solutions Holding AS	Lysaker, Norway	100%	433	383
Total investments in subsidiaries			**3,016**	**2,966**

Investments in subsidiaries are initially measured at cost. When there are indications of impairment, an impairment test is performed.

Note 5. Equity

USD million	Share capital	Own shares	Total share capital	Other paid-in capital	Retained earnings	Total
2023						
Change in equity						
Equity at December 31, 2022	28	-	**28**	1,079	1,594	**2,701**
Profit for the year	-	-	**-**	-	316	**316**
Other comprehensive loss for the year	-	-	**-**	-	(1)	**(1)**
Total comprehensive income	**-**	**-**	**-**	**-**	**315**	**315**
Sale of own shares	-	-	**-**	3	-	**3**
Repurchase of own shares	-	-	**-**	-	(4)	**(4)**
Dividend to owners of the parent	-	-	**-**	-	(359)	**(359)**
Equity at December 31, 2023	**28**	**-**	**28**	**1,083**	**1,545**	**2,656**

USD million	Share capital	Own shares	Total share capital	Other paid-in capital	Retained earnings	Total
2022						
Change in equity						
Equity at December 31, 2021	28	-	**28**	1,079	1,628	**2,735**
Profit for the year	-	-	**-**	-	27	**27**
Other comprehensive income for the year	-	-	**-**	-	1	**1**
Total comprehensive income	**-**	**-**	**-**	**-**	**28**	**28**
Sale of own shares	-	-	**-**	-	1	**1**
Dividend to owners of the parent	-	-	**-**	-	(63)	**(63)**
Equity at December 31, 2022	**28**	**-**	**28**	**1,079**	**1,594**	**2,701**

The company's number of shares is as follows:	Dec 31, 2023	Dec 31, 2022
Total number of shares	423,104,938	423,104,938
Own shares	568,338	586,119

The nominal share value is NOK 0.52 each translated to USD at the historical exchange rate.

Own shares are meant to cover management's share incentive program. When any of the programs are exercised, there will be a reduction of own shares and the price paid in excess of the nominal value of the shares increases retained earnings.

The largest shareholders at December 31, 2023

Shareholders	Notes	Number of shares	Percent of shares
Wilh. Wilhelmsen Holding ASA	10	160,210,000	37.87%
Skandinaviska Enskilda Banken AB[1]	10	160,000,000	37.82%
Folketrygdfondet		10,228,160	2.42%
Clearstream Banking S.A.		5,208,580	1.23%
State Street Bank And Trust Comp		3,435,492	0.81%
BNP Paribas		3,211,454	0.76%
Verdipapirfondet Storebrand Norge		3,019,757	0.71%
Verdipapirfondet Alfred Berg Gamba		2,356,964	0.56%
JPMorgan Chase Bank, N.A., London		2,184,233	0.52%
UBS Switzerland AG		2,183,765	0.52%
Other		71,066,533	16.80%
Total number of shares		**423,104,938**	**100.00%**

1 The nominee account held with Skandinaviska Enskilda Banken AB for 160,000,000 shares is owned by Wallenius Lines AB.

Note 6. Employee retirement obligations

Description of the pension scheme

In order to reduce the company's exposure to certain risks associated with defined benefit plans, such as longevity, inflation, effects of compensation increases, the company regularly reviews and continuously improves the design of its post-employment defined benefit plans. Until 31 December 2014, the company provided both defined benefit pension plans and defined contribution pension plans.

The remaining pension obligation is related to some employees in the company's senior executive management. These obligations are mainly covered via company annuity policies in Storebrand.

Pension costs and obligations include payroll taxes. No provision has been made for payroll tax in pension plans where the plan assets exceed the plan obligations.

The liability recognized in the balance sheet in respect of the remaining defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Number of people covered by pension schemes at December 31	2023	2022
In retirement (inclusive disability pensions)	511	508
Total number of people covered by pension schemes	**511**	**508**

Financial assumptions applied for the valuation of liabilities	2023	2022
Discount rate	3.7%	3.6%
Anticipated pay regulation	3.5%	3.5%
Anticipated regulation of National Insurance base amount (G)	3.5%	3.5%
Anticipated regulation of pensions	2.4%	1.7%

Anticipated pay regulation are business sector specific, influenced by composition of employees under the plans. Anticipated increase in G is tied up to the anticipated pay regulations. Anticipated regulation of pensions is determined by the difference between return on assets and the hurdle rate.

USD thousand	2023	2022
Pension expenses		
Interest expense on defined benefit obligation	685	415
Net pension expenses	**685**	**415**
Remeasurements – Other comprehensive income		
Effect of changes in financial assumptions	(993)	496
Effect of experience adjustments	(150)	669
Total remeasurements included in OCI	**(1,143)**	**1,164**
Tax effect of pension OCI	251	(256)
Net remeasurement in OCI	**(891)**	**908**

USD thousand	2023	2022
Pension obligations		
Defined benefit obligations at January 1	21,363	26,990
Interest expense	685	415
Benefit payments from employer	(1,752)	(2,025)
Remeasurements – change in assumptions	993	(496)
Remeasurements – experience adjustments	150	(669)
Effect of changes in foreign exchange rates	(659)	(2,852)
Pension obligations at December 31	**20,780**	**21,363**

Payments from operations are estimated at USD 1.8 million in 2024 (2023: USD 1.8 million).

Note 7. Interest-bearing debt

USD million	Notes	2023	2022
Interest-bearing debt			
Bonds		560	529
Repayment schedule for interest-bearing debt			
Due in year 1	9	145	-
Due in year 2		-	203
Due in year 3		197	-
Due in year 4		123	203
Due in year 5 and later		99	127
Total interest-bearing debt repayable		**565**	**534**
Amortized financing costs		(5)	(4)
Book value interest-bearing debt		**560**	**529**

As of December 31, 2023, weighted average interest rate on interest-bearing debt is 9.02 percent.

Reconciliation of liabilities arising from financing activities

USD million	Non-current interest-bearing debt	Current interest-bearing debt	Total financing activities
Net debt December 31, 2022	**529**	**-**	**529**
Cash flows (proceeds) from loans and bonds	95	-	**95**
Cash flow (repayments) from loans and bonds	(50)	-	**(50)**
Foreign exchange movement	12	(25)	**(14)**
Other non-cash movements	(1)	-	**(1)**
Reclassification	(170)	170	**-**
Net debt December 31, 2023	**414**	**145**	**560**

Note 8. Financial risk

The company has exposure to the following financial risks from its operations:

- Market risk
  - Foreign exchange rate risk
  - Interest rate risk
- Credit risk
- Liquidity risk

The financial risk management program of the group, and by extension the company, focuses on the unpredictability of financial markets and seek to minimize the potential adverse effects on the group's financial performance. Derivative financial instruments are used to hedge certain exposures.

Identification, evaluation and hedging of financial risk is carried out by the central treasury department under policies approved by the board of directors.

Separate policies have not been established for the parent company for the market risks. As a consequence, financial derivatives part of the group's economic hedging strategies, can be held by the company and included in the parent company's financial statements without any direct economic hedging effect for the parent company. Hedge accounting has not been applied for these economic hedges. Any change in market value of economic hedge derivatives is therefore recognized in the income statement.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the company's profit or the value of its holdings of financial instruments. The sensitivity analyses in the sections below relate to the position of financial instruments at December 31, 2023. It is assumed that the sensitivities have a symmetric impact, i.e., an increase in rates result in the same absolute movement as a decrease in rates.

Foreign exchange rate risk

The company is exposed to currency risk on revenues and costs in non-functional currencies (transaction (cash flow) risk) and balance sheet items denominated in currencies other than USD (translation risk). The company's largest individual foreign exchange exposure is NOK against USD.

Various financial derivatives, such as forwards, options and cross-currency (basis) swaps are used to hedge this exposure. Key aspects of the currency hedging policy are:

- Net cash flows in other significant currencies than USD can be hedged using a layered model with up to a 36-month horizon
- Significant capital commitments or divestments in other currencies than USD are hedged
- Balance sheet exposure in currencies other than USD shall in general be hedged. The group will in each case, however, consider e.g., the asset-liability match and the currency of any related cash flow

Economic hedging of transaction risk

The group has an economic hedging program for NOK and SEK exposures in place as of both year-ends 2023 and 2022.

The portfolio of derivatives used to economically hedge the group's transaction risk exhibit the following income statement sensitivity:

USD million

Income statement sensitivities of economic hedge program

Change in exchange rate levels	(20%)	(10%)	0%	10%	20%
Transaction risk					
USD/NOK spot rate	8.10	9.12	10.13	11.14	12.15
Income statement effect (post tax)	**3**	**1**	**-**	**(1)**	**(3)**
USD/SEK spot rate	8.04	9.05	10.05	11.06	12.06
Income statement effect (post tax)	**2**	**1**	**-**	**(1)**	**(2)**

(Tax rate used is 22 percent, which equals the corporate tax rate in Norway)

Economic hedging of translation risk

The company has outstanding NOK-denominated bonds of about NOK 5.72 billion (USD 565 million). The corresponding amount was NOK 5.25 billion (USD 534 million) for 2022. All of this debt (NOK 5.72 billion) has been economically hedged against USD with cross-currency swaps.

FX sensitivities

The company monitors the net exposure and calculates sensitivities on a regular basis, based on average market volatility per currency cross. Sensitivities showing a potential accounting effect below USD 2 million are considered non-material. On December 31, 2023, there were no material FX sensitivities. All changes in the fair value of financial derivatives are recognized in the income statement. Equity sensitivities will therefore equal sensitivities in the income statement.

Interest rate risk

The group, of which the company is a part, seeks to economically hedge between 20-80 percent of the average net interest rate exposure over the next five years, predominantly through interest rate swaps and fixed rate loans.

Interest rate hedges held by the company corresponded to about 10 percent (2022: about 10 percent) of its average net interest exposure at December 31, 2023. It should be noted that hedge levels are considered at a group level. As such hedge levels for the company can be higher or lower than group policy while still being within policy.

USD million	2023	2022
Maturity schedule economic interest rate hedges (nominal amounts)		
Due in year 1	150	-
Due in year 2	-	150
Total economic interest rate hedges	**150**	**150**

As of December 31, 2023 the company did not hold any forward starting swaps (2022: nil).

The average remaining term of the existing loan portfolio is about 2.5 years, while the average remaining term of the running interest rate derivatives and fixed interest loans is approximately 0.2 years.

Interest rate sensitivities

The company's interest rate risk originates from differences in duration and amount between interest-bearing assets and interest-bearing liabilities. On the asset side, bank deposits are subject to risk from changes in the general level of interest rates, primarily in USD. On the liability side, the mix of debt and issued bonds with attached fixed or floating coupons – in combination with financial derivatives on interest rates (plain vanilla interest rates swaps) – are exposed to changes in the level and curvature of interest rates. The group uses the weighted average duration of interest-bearing assets, liabilities and financial interest rate derivatives to compute the group's sensitivity towards changes in interest rates. The below table summarizes the interest rate sensitivity towards the fair value of assets and liabilities:

USD million

Change in interest rate level	(2%)	(1%)	0%	1%	2%
Fair value sensitivities of interest rate risk					
Estimated change in fair value (post tax)	2	1	-	(1)	(2)

(Tax rate used is 22 percent, which equals the corporate tax rate in Norway)

Apart from the fair value sensitivity calculation based on the group's net duration, the group has cash flow risk exposure stemming from the risk of increased future interest payments on the unhedged part of the group's interest-bearing debt.

Changes in fair value of financial derivatives are recognized in the income statement.

	Assets	Liabilities	Assets	Liabilities
USD million	2023		2022	
Interest rate derivatives	1	-	-	-
Derivatives used for economic cash flow hedging	2	-	3	-
Derivatives used for economic translation risk hedging (basis swaps)	-	75	-	72
Total market value of derivatives	**2**	**75**	**3**	**72**

Book value equals market value.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and originates primarily from the company's customer receivables, financial derivatives used to economically hedge interest rate risk or foreign exchange risk, as well as bank deposits.

Cash and cash equivalents

The company's exposure to credit risk on cash and cash equivalents is considered to be very limited as the company maintains banking relationships with well reputed and familiar banks. In addition, the group – of which the company is a part – in most instances – has a net debt position towards these banks.

Financial derivatives

The company's exposure to credit risk on its financial derivatives is considered to be limited as the group's counterparties are well reputed and familiar banks.

Guarantees

The company has provided a parent company guarantee towards the banks involved in the financing of Wallenius Wilhelmsen Ocean and Wallenius Wilhelmsen Solutions.

Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

USD million	Notes	2023	2022
Exposure to credit risk			
Other non-current assets from group companies	9	1	127
Financial derivatives asset	9	2	3
Receivables from group companies	9	152	207
Other current receivables	9	7	2
Cash and cash equivalents		131	21
Total exposure to credit risk		**293**	**359**

Book value equals market value.

Liquidity risk

The company's approach to managing liquidity is to secure that it will always have sufficient liquidity to meet its liabilities, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company regularly issues NOK debt in the Norwegian bond market, with proceeds swapped into USD via cross-currency swaps at the time of each issue. If the USD/NOK exchange rate increases above certain thresholds from the rate at the time of issue, the company will need to post cash collateral with the counterparties based on the mark-to-market value above the threshold. The cash collateral is released back to the company if the USD/NOK exchange rate decreases. As of December 31, 2023, the group had posted USD 5 million in cash collateral relating to cross-currency swaps for the four outstanding NOK bonds. The cash collateral is recognized in Other current assets in the balance sheet.

The company's liquidity risk is considered low in that it holds significant liquid assets. At December 31, 2023, the company had USD 233 million (2022: USD 211 million) in liquid assets which can be realized over a three-day period.

Undiscounted cash flows financial liabilities

USD million	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
2023			
Bonds	279	66	494
Financial derivatives	(2)	-	-
Total interest-bearing debt	**277**	**66**	**494**
Current liabilities (excluding next year's instalment on interest-bearing debt and financial derivatives)	19	-	-
Total gross undiscounted cash flows financial liabilities at December 31	**295**	**66**	**494**

USD million	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
2022			
Bonds	62	261	397
Financial derivatives	(3)	-	-
Total interest-bearing debt	**60**	**261**	**397**
Current liabilities (excluding next year's instalment on interest-bearing debt and financial derivatives)	24	-	-
Total gross undiscounted cash flows financial liabilities at December 31	**84**	**261**	**397**

Interest expenses on interest-bearing debt included above have been computed using interest rate curves as of year-end.

Covenants

The main covenant on the company's bond debt is limitation on the ability to pledge assets. As of the balance date, the group is in compliance with all financial and non-financial covenants.

Fair value estimation

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments not traded in an active market (over-the-counter contracts) are based on third party quotes.

These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value and
- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in an option premium

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Interest-bearing debt

USD million	Fair value	Book value
2023		
Bonds	584	560
Total interest-bearing liabilities at December 31	**584**	**560**

USD million	Fair value	Book value
2022		
Bonds	543	529
Total interest-bearing liabilities at December 31	**543**	**529**

Bonds are considered to be level 1 in the fair value hierarchy.

Fair value hierarchy

USD million	Level 2	Total balance
2023		
Financial assets at fair value through income statement		
- Financial derivatives	2	**2**
Total assets at December 31	**2**	**2**
Financial liabilities at fair value through income statement		
- Financial derivatives	75	**75**
Total liabilities at December 31	**75**	**75**

USD million	Level 2	Total balance
2022		
Financial assets at fair value through income statement		
- Financial derivatives	3	**3**
Total assets at December 31	**3**	**3**
Financial liabilities at fair value through income statement		
- Financial derivatives	72	**72**
Total liabilities at December 31	**72**	**72**

The fair value of financial instruments not traded in an active market are based on third-party quotes (mark-to-market). These quotes use the maximum number of observable market rates for price discovery.

The different valuation techniques typically applied by financial counterparties (banks) are described above. These instruments – currency and interest rate derivatives – are included in level 2.

See note 17 to the group financial statements for further information on financial risk.

Financial instruments by category

USD million	Assets at amortized cost	Assets at fair value through the income statement	Total
2023			
Assets			
Other non-current assets	1	-	**1**
Financial derivatives	2	-	**2**
Other current assets	159	-	**159**
Cash and cash equivalents	131	-	**131**
Assets at December 31	**293**	**-**	**293**

USD million	Liabilities at fair value through the income statement	Other financial liabilities at amortized cost	Total
2023			
Liabilities			
Non-current interest-bearing debt	-	414	**414**
Financial derivatives	75	-	**75**
Current interest-bearing debt	-	145	**145**
Other current liabilities	-	18	**18**
Liabilities at December 31	**75**	**578**	**653**

USD million	Assets at amortized cost	Assets at fair value through the income statement	Total
2022			
Assets			
Other non-current assets	127	-	**127**
Financial derivatives	3	-	**3**
Other current assets	209	-	**209**
Cash and cash equivalents	21	-	**21**
Assets at December 31	**359**	**-**	**359**

USD million	Liabilities at fair value through the income statement	Other financial liabilities at amortized cost	Total
2022			
Liabilities			
Non-current interest-bearing debt	-	529	**529**
Financial derivatives	72	-	**72**
Other current liabilities	-	24	**24**
Liabilities at December 31	**72**	**553**	**625**

Note 9. Specification of balance sheet

USD million	Notes	2023	2022
Other non-current assets			
Other non-current assets from group companies	10	1	127
Financial derivatives		1	3
Total other non-current assets		**2**	**130**
Other current assets			
Receivables from group companies	10	152	207
Financial derivatives		1	-
Other current receivables		7	2
Total other current assets		**160**	**209**
Other current liabilities			
Trade payables		-	-
Payables to group companies	10	6	4
Next year's installment on interest-bearing debt	7	145	-
Financial derivatives liability		21	-
Other current liabilities		11	20
Total other current liabilities		**185**	**24**

The fair value of current receivables and payables is virtually the same as the carrying amount, since the effect of discounting is insignificant.

Note 10. Transactions with related parties

The two main shareholders of Wallenius Wilhelmsen ASA are Walleniusrederierna AB and Wilh. Wilhelmsen Holding ASA with 37.82 and 37.87 percent of the shares respectively. The Wilhelmsen family controls Wilh. Wilhelmsen Holding ASA through Tallyman AS, and the Wallenius Kleberg family controls Walleniusrederierna AB through Rederi AB Soya (Soya group).

For participation in the board of directors, Thomas Wilhelmsen received USD 62 thousand. Jonas Kleberg has not received compensation for participation in the nomination committee.

See note 2 regarding fees to board of directors, note 5 regarding ownership and separate remuneration report for further details. The company has undertaken several transactions with related parties within the Wilh. Wilhelmsen Holding group (WWH group). All transactions are entered into in the ordinary course of business of the company. WWH delivers services to the company related to inter alia human resources (shared services) and in-house services such as canteen, post, switch-board and rent of office facilities. Generally, shared services are priced using a cost plus 5 percent margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

USD million	Notes	2023	2022
Income statement			
Operating expenses to subsidiaries	1	(13)	(6)
Dividend from subsidiaries and group contribution	1	378	67
Other financial income from subsidiaries		21	21

USD million	Notes	2023	2022
Balance sheet			
Non-current assets from subsidiaries	9	1	127
Current receivables from subsidiaries	9	152	207
Current payables to subsidiaries	9	6	4

Guarantees

The company has provided a parent company guarantee towards the banks involved in the financing of Wallenius Wilhelmsen Ocean and Wallenius Wilhelmsen Solutions.

Note 11. Events after the balance sheet date

Dividend

The board proposes a dividend of USD 1.14 per share to be paid for full-year 2023 as well as a revised dividend policy to be voted upon at the company's AGM on April 30, 2024.

Alternative performance measures (unaudited)

Reconciliation of alternative performance measures

Definitions of Alternative Performance Measures (APMs)

This section describes the non-GAAP financial alternative performance measures (APM) that are used in the quarterly and annual reports.

The following measures are not defined nor specified in the applicable financial reporting framework of IFRS. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to IFRS. These APMs are intended to enhance comparability of the results and cash flows from period to period and it is the group's experience that these are frequently used by investors, analysts and other parties. Internally, these APMs are used by management to measure performance on a regular basis. The APMs should not be considered as a substitute for measures of performance in accordance with IFRS.

EBITDA is defined as Total revenue less Operating expenses. EBITDA is used as an additional measure of the group's operational profitability, excluding the impact from financial items, taxes, depreciation and amortization and impairment/(reversal of impairment).

EBITDA adjusted is defined as EBITDA excluding items in the result which are not regarded as part of the underlying business. Examples of such items are restructuring costs, gain/loss on sale of vessels and other tangible assets and other income and expenses which are not primarily related to the period in which they are recognized.

EBIT is defined as Total revenue less Operating expenses, Other gain/loss and depreciation, amortization and impairment/(reversal of impairment). EBIT is used as a measure of operational profitability excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses.

EBIT adjusted and Profit/(loss) for the period adjusted is defined as EBIT/Profit/(loss) for the period adjusted excluding items in the result which are not regarded as part of the underlying business. Example of such items are restructuring costs, gain/loss on sale of vessels and other tangible assets, impairment, other gain/loss and other income and expenses which are not primarily related to the period in which they are recognized.

Capital employed (CE) is calculated based on the average of Total assets less Total liabilities plus total interest-bearing debt for the last twelve months. CE is measured in order to assess how much capital is needed for the operations/business to function and evaluate if the capital employed can be utilized more efficiently and/or if operations should be discontinued.

Return on capital employed (ROCE) is based on last twelve months EBIT/EBIT adjusted divided by capital employed. ROCE is used to measure the return on the capital employed without taking into consideration the way the operations and assets are financed during the period under review. The group considers this ratio as appropriate to measure the return of the period.

Total interest-bearing debt is calculated as the end of period sum of Non-current interest-bearing loans and bonds, Non-current lease liabilities, Current interest-bearing loans and bonds and Current lease liabilities. The group considers this a good measure of total financial debt.

Net interest-bearing debt (NIBD) is calculated as the end of period Total interest-bearing debt less the end of period Cash and cash equivalents. The group considers this a good measure of underlying financial debt.

NIBD/EBITDA adjusted (leverage ratio) is calculated based on the end of period Net interest-bearing debt divided by the rolling last twelve months of EBITDA adjusted. The group considers this a good measure of leverage as it indicates how many years of EBITDA adjusted, being a proxy for normal cash flow from operations, is needed to cover the NIBD.

Total interest-bearing debt is calculated as the end of period sum of Non-current interest-bearing loans and bonds, Non-current lease liabilities, Current interest-bearing loans and bonds and Current lease liabilities. The group considers this a good measure of total financial debt.

Net interest-bearing debt (NIBD) is calculated as the end of period Total interest-bearing debt less the end of period Cash and cash equivalents. The group considers this a good measure of underlying financial debt.

NIBD/EBITDA adjusted (leverage ratio) is calculated based on the end of period Net interest-bearing debt divided by the rolling last twelve months of EBITDA adjusted. The group considers this a good measure of leverage as it indicates how many years of EBITDA adjusted, being a proxy for normal cash flow from operations, is needed to cover the NIBD.

Net interest-bearing debt

USD million	Dec 31, 2023	Dec 31, 2022
Non-current interest-bearing loans and bonds	1,897	2,200
Non-current lease liabilities	1,097	1,254
Current interest-bearing loans and bonds	406	316
Current lease liabilities	313	317
Total interest-bearing debt	**3,713**	**4,087**
Less cash and cash equivalents	1,705	1,216
Net Interest-bearing debt	**2,007**	**2,872**

Net interest-bearing debt divided by last twelve months adjusted EBITDA

USD million	2023	2022
Net Interest-bearing debt	2,007	2,872
Last twelve months adjusted EBITDA	1,807	1,528
Net interest-bearing debt/adjusted EBITDA ratio	**1.1x**	**1.9x**

Equity ratio

USD million	Dec 31, 2023	Dec 31, 2022
Total equity	4,056	3,508
Total assets	8,642	8,394
Equity ratio	**47%**	**42%**

Reconciliation of Total revenue to EBITDA and EBITDA adjusted

USD million	2023	2022
Total revenue	5,149	5,045
Operating expenses	(3,342)	(3,497)
EBITDA	**1,807**	**1,548**
EBITDA shipping services	1,527	1,359
Loss on sale of vessel	-	10
Anti-trust expense/ (reversal of expenses)	-	(6)
EBITDA adjusted shipping services	**1,527**	**1,363**
EBITDA logistics services	174	107
EBITDA adjusted logistics services	**174**	**107**
EBITDA government services	130	95
Gain on sale of vessel	-	(14)
EBITDA adjusted government services	**130**	**81**
EBITDA holding/eliminations	(25)	(14)
Loss on sale of vessel	-	(10)
EBITDA adjusted holding/eliminations	**(25)**	**(23)**
EBITDA adjusted	**1,807**	**1,528**

Reconciliation of Total revenue to EBIT and EBIT adjusted

USD million	Notes	2023	2022
EBITDA		1,807	1,548
Other gain/(loss)	5	(6)	(47)
Depreciation and amortization	8,9,10	(577)	(541)
(Impairment)/reversal of impairment	11	(5)	(29)
EBIT		**1,218**	**931**
Anti-trust expense/ (reversal of expenses)		-	(6)
Gain on sale of vessel		-	(14)
Change in fair value of derivative financial asset		6	47
Impairment goodwill and intangible assets		5	29
Total adjustments		**11**	**55**
EBIT adjusted		**1,229**	**986**
Profit/(loss) for the period		**967**	**794**
Total adjustments		11	55
Profit/(loss) for the period adjusted		**978**	**850**

Reconciliation of total assets to capital employed and ROCE calculation

	Last twelve months average	
USD million	2023	2022
Total assets	8,534	8,116
Less Total liabilities	4,817	5,008
Total equity	**3,717**	**3,108**
Total interest-bearing debt	3,850	4,081
Capital employed	**7,567**	**7,189**
EBIT last twelve months	1,218	931
EBIT last twelve months adjusted	1,229	986
ROCE	**16.1%**	**12.9%**
ROCE adjusted	**16.2%**	**13.7%**

Sustainability statements

Through our sustainability reporting, we communicate our performance and impacts on a wide range of sustainability topics such as planet, people, principles of governance and prosperity parameters.

The sustainability statements specifically provide overviews of our sustainability performance data and GRI, SASB indices, TCFD indices and EU Taxonomy reporting.

Sustainability Performance Data

KPI & Description	2023	2022	2021	2020	2019
Planet					
GHG emissions					
CO_2e intensity from Shipping services, gCO_2e / tonne km (EEOI)	27.69	30.38	33.50	33.51	33.33
Total Scope 1 emissions, tonne CO_2e	4,125,161	4,546,703	4,591,612	3,772,582	4,695,394
Shipping	4,095,675	4,518,404	4,585,392	3,764,260	4,687,389
Logistics	29,486	28,299[1]	7,654	8,322	8,005
Total Scope 2 emissions, tonne CO_2e	13,004	4,241	5,879	6,166	6,611
Offices[2]					
1) Location based	2,091	-	-	-	-
2) Market based	2,709	-	-	-	-
Logistics					
1) Location based	3,989	-	-	-	-
2) Market based	4,216	4,241	5,879	6,166	6,611
Total Scope 3 emissions, tonne CO_2e[3]	1,511,595	1,577,525	1,536,772	1,484,404	-
Purchased goods and services	483,815	472,600	437,909	335,803	-
Capital goods	1,511	2,400	140,099	126,571	-
Fuel and energy-related activites	938,246	1,029,174	854,757	933,790	-
Upstream transportation and distribution	49,048	46,948	84,700	67,760	-
Waste generated in operations	3,685	3,142	3,387	3,615	-
Business travel	24,295	13,589	5,239	6,549	-
Employee commuting	10,996	9,672	10,682	10,317	-
Energy use					
Total electrical consumption, Offices, in megawatt hours	6,673[4]	-	-	-	-
Total electrical consumption, Logistics services, in megawatt hours	13,545	13,854	14,023	15,209	16,094
Total energy consumed in terajoule (TJ), Shipping services	54,386	59,385[5]	59,976[5]	48,911	-
Percentage heavy fuel oil, Shipping services[6]	35%	19,1%	18%	11%	-
Percentage renewable, Shipping services	0.3%	-	-	-	-
Air Quality					
Average sulphur content of fuel, Shipping services, percentage	N/A[7]	0.39	0.37	0.38	2.06
Total SO_x emissions of fleet under group control, in tonnes	10,167	11,084	10,645	8,945	60,989
Relative NO_x emissions from owned fleet (as an average of International Air Pollution Prevention certification values)	13.52	13.47	13.57	13.63	13.64

1 The increase in Logisitc's scope 1 CO_2e emissions from 2021 to 2022 is due to the inclusion of emissions from our landbased trucking operations, Keen.
2 New in 2023. Offices not covered in site reporting
3 The following categories are not relevant for our organization and therefore not included (upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, investments)
4 New in 2023
5 2022 and 2021 was corrected. Editing error caused the ienergy consumption in those years to be shown in million TJ and not thousands TJ.
6 Up to 2022 is for WWO only
7 Not reported for 2023

KPI & Description	2023	2022	2021	2020	2019
Biodiversity					
Total number of significant spills (> 20 litres), Shipping services	-	1	1	-	1
Number of spills or discharges reported to authorities, Logistics services	28	16	10	2	1
Percentage of owned fleet enrolled in hull fouling management programme	91	100	100	100	100
Percentage of owned fleet complying with ballast water exchange; and	4	17	24[8]	52	-
Percentage of owned fleet with ballast water treatment system installed	96	83	76	48	-
Waste management					
Total waste landed to shore reception facilities (owned fleet) in cbm's	7,908	7,177	7,368	6,532	4,931
Average amount of waste landed to shore reception per vessel (owned fleet) in cbm's	85.0	86.5	85.7	82.0	64.8
Food waste discharged to sea, in cbm's	539	529	469	472	388
Average amount of food waste discharged to sea, per vessel, in cbm's	6.00	6.37	4.50	5,5	5,1
Waste sent to landfills, generated from Logistics services, in tonnes	5,307	4,385	4,856	4,538	5,843
Water consumption					
Water consumption in areas with high or extremely high water stress, in mega liters	13.1[9]	19.0	-	-	-
People					
Diversity, Equity and Inclusion					
Total number of employees, without consultants/contractors	8,527	7,456[10]	7,509	8,665	9,397
-EMEA	1,634	1,635	1,732	1,815	2,044
-America	6,076	5,043	4,774	5,934	5,948
-Asia	547	530	753	-	-
-Oceania	270	248	250	-	-
-External Consultants or contractors	900	1,419	771	-	-
Gender balance, all employees, M:F	72:26	75:25	75:25	-	-
Gender balance, office workers, M:F	56:42[11]	58:42	61:39	59:41	60:40
Gender balance, production workers, M:F	79:19[11]	82:18	81:19	-	-
Gender balance of office workers in senior roles, M:F	77:23	78:22	79:21	81:19	-
Number of female ofice workers in senior roles	64	59	54	50	-
Age of employees, breakdown per employee cateogry[12]					
Number of Expatriates- age distribution					
a) 30 or under	1	-	-	-	-
b 31-50	24	-	-	-	-
c) 51+	5	-	-	-	-
Number of fixed term employees, age distribution					
a) 30 or under	35	-	-	-	-
b 31-50	11	-	-	-	-
c) 51+	5	-	-	-	-

8 This data has been corrected compared to 2021 performance presented in annual raport 2021
9 Incomplete site level reporting of water consumption in high water stress areas
10 Not including consultants
11 The remaining percentage of employees have either not declared their gender or there is missing data
12 We started reporting on age distribution per employee cateogry in 2023

KPI & Description	2023	2022	2021	2020	2019
Number of regular employees- age distribution					
a) 30 or under	2198	-	-	-	-
b 31-50	4238	-	-	-	-
c) 51+	1990	-	-	-	-
Number of Trainees- age distribution					
a) 30 or under	16	-	-	-	-
b 31-50	2	-	-	-	-
c) 51+	0	-	-	-	-
Senior Management Earnings ratio, percentage Women:Men (office based)					
Sweden		101%	101%	-	-
a) senior management	118%	-	-	-	-
b) other employees	87%	-	-	-	-
Norway		93%	98%	-	-
a) senior management	98%	-	-	-	-
b) other employees	89%	-	-	-	-
Korea		95%	80%	-	-
a) senior management	92%	-	-	-	-
b) other employees	77%	-	-	-	-
USA		95%	87%	-	-
a) senior management	91%	-	-	-	-
b) other employees	80%	-	-	-	-
Overall score from employee engagement survey	7.6	7.4	-	-	-
Diversity score from employee engagement survey, (score 1-8)	8.1	8.0	7.9	7,6	-
Health, Safety & Wellbeing					
Work related fatalities	-	-	1.00	-	1.00
Number of marine casualties, percentage classified as very serious	-	-	-	-	-
Lost Time Incident Frequency, Shipping services	0.56	0.38	0.88	0.99	0.73
Lost Time Incident Frequency, Logistics services	14.33	15.97	15.15	13.99	15.79
Port state controls					
Number of port state control detentions	3.00	-	-	-	-
Average number of deficiencies per vessel inspection, Shipping[13]	1.01	0.78	0.73	1.00	-
Number of road accidents and incidents, road transport	25	3	6	3	-
Safety Measurement System BASIC percentiles for					
1) unsafe driving	5	3	2	0	-
2) hours of service compliance	24	22	0	0	-
3) Driver fitness	0	0[14]	0[14]	0	-
4) Controlled substances/alcohol	0	0	0	0	-
5) vehicle maintenance	10	23	25	24	-
6) Hazardous Materials Compliance; road transport	0	0	0	0	-
Annual retention rate of Shipping crew[15]	0.94	0.99	0.97	0.97	0.95
Absenteeism, Logistics services (days away due to illness per hours worked)	3.28%	2.52%	2.35%	2.55%	3.00%

13 Target is <1
14 6=0: updated 6 from n/a to 0 in 2021 and 2022
15 Several new vessels added to the fleet in 2023

KPI & Description	2023	2022	2021	2020	2019
Training & development					
Office workers invited to take a performance dialogue	100%	100%	100%	100%	100%
Average training hours for all employee cateogry (hours)	28,8	-	-	-	-
Average training hours per employee (hours) (senior / general managers and above)	48,6	-	-	-	-
Human and Labor rights					
Number and % of retired vessels recycled according to responsible recycling policy	0; 0%	0; 0%	2[16]; 100%	2; 100%	-
Principles of governance					
Ethical business conduct					
Number of cases which group companies were found in breach of international sanction laws and regulations	-	-	-	-	-
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	3	3	-	-	-
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International Corruption Perception Index	10	12	23	11	-
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	-[17]	-	-	-	-
Total 1)number 2)percentage of operations assessed for risks related to corruption	3 67%	-	-	-	-
Governance body members and employees the organization's anti-corruption policies and procedures have been communicated to	78%	100%	80%	-	-
% of 1)board members	0	-	-	-	-
2)Top executive team members that have received training on anti-corruption	100	-	-	-	-
Incidents of corruption confirmed during the current year, related to this year	-	-	-	-	-
Incidents of corruption confirmed during the current year, but related to previous years	-	-	-	-	-
Total number of cases reported to AlertLine	32	85	21	-	-
- HR related cases	18	39	12	-	-
- Safety-related cases	5	3	3	-	-
- Performance and or compensation related cases	2	23	5	-	-
- Compliance related cases	7	12	1	-	-
- Human rights and labor-related cases	-	-	-	-	-
Security					
Cyber security, % up-time of essential systems[18]	99.9	99.9	-	-	-
Cyber security, Number of days where expected uptime of essential systems is met or exceeded[18]	364	354	-	-	-

16 Number of recycled vessels updated from 1 to 2
17 We are not aware of any fines, significant or otherwise related to corruption
18 New metric for 2022

KPI & Description	2023	2022	2021	2020	2019
Number of incidents of security breaches or theft, Logistics services	46	12	3	-	1
Number of security breaches on board company owned vessels	3	5	6	2	3
Number of substantiated breaches of customer privacy and data security	-	-	-	-	-
Number of substantiated breaches of empoloyee privacy and data security	-	-	-	-	4.00
Prosperity					
Quality					
Customer Satisfaction[19]					
Q2	3.8	4	-	-	-
Q4	4	3.8	-	-	-
Tax practices					
Number of tax incentives or special tax agreements with authorities	1	1	1	1	1

19 New disclosure for 2022, no data for previous years. The survey is completed two times a year, in Q2 and Q4

EU Taxonomy reporting

The EU Taxonomy Regulation provides a classification system that translates the EU's sustainability goals into common criteria for environmentally sustainable economic activities. The purpose of the regulation is to:

1. reorient capital flows towards sustainable investments,
2. systematically integrate sustainability into risk management, and
3. promote transparency in economic and financial operations by defining sustainable activities through a "common language".

Wallenius Wilhelmsen reports in line with the regulation as a non-financial company. This requires disclosures of revenue (turnover), capital expenditure (CapEx) and operating expenses (OpEx) that are associated with taxonomy-eligible and taxonomy-aligned economic activities[1].

Identifying environmentally sustainable economic activities

The group's activities are linked to the boundaries of the reporting entity as defined by IFRS and described in the group financial statements. In 2023, we identified three economic activities specified in the taxonomy that has relevance to our ocean-based and land-based business.

When determining whether an economic activity was relevant to our reporting, we firstly assessed the descriptions of the activities defined under the transport sector[2]. We then assessed whether the activity was relevant for one or several of the substantial contribution criteria contributing to climate change mitigation.

Sea and coastal freight water transport, vessels for port operations and auxiliary activities (CCM 6.10): This activity includes purchasing, financing, chartering and operation of vessels used for transport of freight.

Most of our economic activities are under shipping and government services, as all core and most auxiliary activities in the segments are related to international ocean movement of RoRo cargo. All our ships are eligible assets under CCM 6.10.

Four new methanol-capable and ammonia ready ships have been ordered and is estimated to be ready for operation in late 2026. These new ships will meet the technical screening criteria that specifies a limit on average greenhouse gas intensity of the energy used on-board shall not exceed 76.4 g CO_2e/MJ. All CapEx that has been made towards these new ships are thus aligned expenditures.

Freight transport services by road (CCM 6.6): This activity comprises heavy-duty vehicles in the categories N1, N2 and N3[3]. These vehicles are trucks that can have certain amount of permissible maximum laden.

Vehicles in our logistics operations include on-and off-loading of cargo from vessels to the terminal, transferring cargo from ports to processing centers and to the end customer. Across the world, we have 182 trucks that transport cargo. These are eligible assets in CCM 6.6. For the vehicles to meet the technical screening criteria, they must have zero direct CO_2 emissions. In 2023, we invested in four new electrical trucks that meet the technical screening criteria and are considered as taxonomy-aligned CapEx.

1 In accordance with regulation EU (2020/852) and the supplementing delegated acts.
2 As outlined in regulation EU (2020/852) and the supplementing delegated acts
3 As referred to in Article 4(1), point (b)(iii), of Regulation (EU) 2018/858

Infrastructure enabling low-carbon road transport and public transport (CCM 6.15): This activity includes construction, modernization, maintenance, and operation of infrastructure that enables zero emission road transport and transshipment activities.

We have infrastructure that is dedicated to the operation of vehicles with zero emissions which are considered eligible in accordance with CCM 6.15. The technical screening criteria related to public transport are not relevant for our business as we do not operate passenger transport. We also have several electric charging points on our terminals, but these are considered non-eligible as the vehicles using these points are not used for road transport.

In 2023, we invested in two electric charging points for trucks that are required for zero-emission road transport. This CapEx is considered taxonomy-aligned.

Compliance with Do No Significant Harm (DNSH) criteria

In addition to making a substantial contribution to climate change mitigation by meeting the technical screening criteria, the eligible activities must also comply with the criteria of not causing significant harm to any of the other environmental objectives.

Our sea and coastal freight transport services meet the DNSH criteria for all environmental objectives by complying with relevant EU and IMO regulations and are not dedicated to the transportation of fossil fuels.

Our freight transport services by road activities meet the DNSH criteria for all environmental objectives as long as they have performed a climate risk and vulnerability assessment, meet the criteria for reusable or recyclable parts and use tires which comply with external noise requirements.

Our infrastructure enabling low carbon activities meet the DNSH criteria for all environmental objectives by complying with relevant EU and IMO regulations and are not dedicated to the transportation or storage of fossil fuels.

Compliance with minimum safeguards

Our activities are carried out in compliance with the minimum safeguards. Please refer to the Code of Conduct, GRI Index and the following sections for further information:

- **Human rights, including labor rights:** Our approach to human rights and labor rights are described in the People chapter. Our due diligence process is guided by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Wallenius Wilhelmsen has not been held liable or found to be in breach of labor law or human rights in 2023 and we are committed to engaging with relevant stakeholders including OECD's National Contact Point and the Business and Human Rights Resource Centre should we be requested to do so.
- **Bribery and corruption:** Wallenius Wilhelmsen has developed and adopted a compliance program covering the prevention and detection of corruption and bribery. Anti-corruption policies and procedures have been communicated to executive management and other relevant employees. None of the members of our senior management were convicted of corruption or bribery in 2023. Please refer to the section on risk management and internal control in our Principles of Governance chapter.

- **Taxation:** For information on taxes, please refer to our section on tax practices in the Prosperity chapter and note 7 in the financial statements. Wallenius Wilhelmsen treats tax governance and compliance as important elements of oversight and applies adequate tax risk management strategies and processes (as outlined in OECD MNE Guidelines covering tax). The company was not found in violation of tax laws in 2023.
- **Fair competition:** Wallenius Wilhelmsen is committed to fair competition and to complying with all applicable anti-trust and competition laws. This is anchored in our Code of Conduct and training is provided for senior and other relevant employees. None of the members of our senior management were found in breach of competition laws in 2023. For information on our fair competition and anti-trust practices, please refer to the Principles of Governance chapter.

The table below shows the total Revenue, OpEx and CapEx for the Wallenius Wilhelmsen group, and the estimated proportion of economic activities which is considered aligned, non-aligned, eligible, and non-eligible as defined in the regulation. In combination, the indicators below are intended by the taxonomy to express the group's activities that qualify as environmentally sustainable.

Measuring performance

Revenue (turnover): Revenue represents the group's total revenue from contracts with customers as described in our accounting policies. Revenue from eligible activities includes revenues earned in the shipping services and government services segment as well as inland transportation within the logistics services segment.

Capital expenditure (CapEx): CapEx comprises additions to vessels and other tangible assets, additions to right-of-use assets (leases) and purchase or development of intangible assets, all as described in our accounting policies. CapEx related to eligible economic activities includes both investment in new and existing facilities and equipment.

Operating expenditure (OpEx): OpEx comprises a subset of "Operating expenses" in the group's income statement and represents the group's total expenses that are not capitalized that relate to maintenance and repair, any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. Eligible OpEx relates to the assets and processes associated with taxonomy-eligible economic activities.

Contents →

Proportion of Turnover from products or services associated with taxonomy-aligned economic activities – disclosures covering year 2023

Financial Year N	2023			Substantial Contribution Criteria						"DNSH Criteria ('Does Not Significant Harm') (h)"									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
		USDm	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Freight transport services by road	CCM 6.6	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	N/A	Y	Y	N/A	Y	0%	-	T
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0%	-	T
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0%	E	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	0%	0%	0%	0%	0%	0%								0%		
Of which Enabling			0%	0%	0%	0%	0%	0%	0%								0%	E	
Of which Transitional			0%	0%													0%		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Freight transport services by road	CCM 6.6	196	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	4,121	80%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								84%		
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4,318**	**84%**	84%	0%	0%	T	0%	0%								**88%**		
Turnover of Taxonomy eligible acitvities (A.1 + A.2)			**84%**	84%	0%	0%	0%	0%	0%								**88%**		

B. Taxonomy-non-eligible activities

Turnover of Taxonomy-non-eligible activities (B)	**831**	**16%**
TOTAL (A+B)	**5,149**	**100%**

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2023

Financial Year N	2023			Substantial Contribution Criteria						"DNSH Criteria ('Does Not Significant Harm') (h)"									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
		USDm	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Freight transport services by road	CCM 6.6	2	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	N/A	Y	Y	N/A	Y	0%	-	T
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	42	30%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0%	-	T
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	0	0.1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0%	E	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**44**	**31%**	100%	0%	0%	0%	0%	0%								0%		
Of which Enabling			0%	0%	0%	0%	0%	0%	0%								0%	E	
Of which Transitional			45%	100%													0%		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Freight transport services by road	CCM 6.6	2	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	96	51%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								70%		
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**98**	**69%**	84%	0%	0%	0%	0%	0%								**77%**		
CapEx of Taxonomy eligible acitvities (A.1 + A.2)		**142**	**76%**	84%	0%	0%	0%	0%	0%								**77%**		

B. Taxonomy-non-eligible activities

CapEx of Taxonomy-non-eligible activities (B)	**46**	**24%**
TOTAL (A+B)	**188**	**100%**

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2023

Financial Year N	2023			Substantial Contribution Criteria						"DNSH Criteria ('Does Not Significant Harm') (h)"									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
		USDm	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Freight transport services by road	CCM 6.6	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	N/A	Y	Y	N/A	Y	0%	-	T
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0%	-	T
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	0	0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0%	E	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	0%	0%	0%	0%	0%	0%								0%		
Of which Enabling			0%	0%	0%	0%	0%	0%	0%								0%	E	
Of which Transitional			0%	0%													0%		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Freight transport services by road	CCM 6.6	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	49	100%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								100%		
Infrastructure enabling low carbon road transport and public transport	CCM 6.15	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**49**	**100%**	84%	0%	0%	0%	0%	0%								**100%**		
OpEx of Taxonomy eligible acitvities (A.1 + A.2)		**49**	**100%**	84%	0%	0%	0%	0%	0%								**100%**		

B. Taxonomy-non-eligible activities

OpEx of Taxonomy-non-eligible activities (B)	**0**	**0%**
TOTAL (A+B)	**49**	**100%**

Contents →

Taxonomy Statement related to nuclear and gas

Row	Nuclear energy-related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	**Yes**
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**No**
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**No**
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**No**
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**No**
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**No**

	Explanation
	We are participants in the Green Shipping Program, piloting an exploration of nuclear power utilization for ship propulsion. We believe this qualifies as a ‘Yes.’ Additionally, we are in dialogue with a project called NUPROSHIP (Nuclear Propulsion Ship), sponsored by the Norwegian Research Council, which also evaluates nuclear technology for commercial ships.

GRI Index

Global Reporting Initiative (GRI) is a independent international standards organization which has developed the world's most widely used framework for sustainability reporting. The GRI guidelines consist of reporting principles, aspects and indicators that organizations can use to disclose information related to economic, environmental and social performance.

Wallenius Wilhelmsen ASA has reported in accordance with the GRI Standards for the period 01.01.2023 - 31.12.2023.

The table below shows Wallenius Wilhelmsen reporting relative to the GRI Standards guidelines

			Omission		
GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: Genereal Discussions	2-1 Organizational details	Wallenius Wilhelmsen ASA Principles of governance (p. 94-111) Strandveien 20, 1366 Lysaker, Norway Wallenius Wilhelmsen at a glance (p. 5-18)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	Wallenius Wilhelmsen at a glance (p. 5-18) Principles of governance (p. 94-111) About the report (p. 2)			
	2-3 Reporting period, frequency and contact point	Period: 01 Jan 2023- 31 December 2023 Frequency: Quarterly for financial and sustainability reporting. Date of publication of annual report: March 15, 2024 Contact point: Anette.Ronnov@walwil.com, Chief Sustainability Officer			
	2-4 Restatements of information	As notes throughout the report. 0 material restatements in this year`s report.			
	2-5 External assurance	No, consistency check by financial auditor only.			
	2-6 Activities, value chain and other business relationships	Throughout prosperity chapter (p.78-92) Wallenius Wilhelmsen at a glance (p. 5-18)			
	2-7 Employees	Sustainability performance data (p. 219-220) People (p. 43-58) We report the total number of employees including a breakdown of region. A breakdown for gender is provided for the following employment categories: - all employees - office workers - production workers - office workers in senior roles The data has been collected using headcount. The data is collected at the end of the reporting period, on December 31st 2023.	b) Current reporting does not reflect GRI employee categories.	Information unavailable/ incomplete	We are in the process of updating our HR data system.
	2-8 Workers who are not employees	Sustainability performance data (p. 219-221) The data is collected in head count and at the end of the reporting period, on December 31st 2023.			

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 2: Genereal Discussions	2-9 Governance structure and composition	Wallenius Wilhelmsen at a glance (p. 15-19) Principles of governance (p. 94-111)			
	2-10 Nomination and selection of the highest governance body	Principles of governance, Nominations Committee (p. 102)			
	2-11 Chair of the highest governance body	Board of directors (p. 16) Chair of the board, independent			
	2-12 Role of the highest governance body in overseeing the management of impacts	Principles of governance: Board responsibility and work (p. 104-106) The Chief Sustainability Officer (CSO) is responsible for sustainability on a group level.			
	2-13 Delegation of responsibility for managing impacts	Principles of governance; Board responsibility and work (p. 104-106)			
	2-14 Role of the highest governance body in sustainability reporting	The Board reviews and approves the annual report, including the sustainability sections. Board responsibility and work (p. 104-106)			
	2-15 Conflicts of interest	Principles of governance; Nomination Committee (p. 102) Board of directors, composition and independence (p. 103) Board responsibility and work (p. 104-106)			
	2-16 Communication of critical concerns	Board responsibility and work (p. 104-106) Chief ethics and compliance officer has a direct reporting line to the Board. We have a procedure of reporting and managing concerns, covering how to report critical concerns within the company and how we address those concerns.	b) We do not report the total number and nature of critical concerns communicated to the highest governance body during the reporting period. The highest governance body are informed about all critical cases reported.	Information unavailable/ incomplete	
	2-17 Collective knowledge of the highest governance body	All board members were invited to complete our Sustainability training, which is mandatory for all employees.			
	2-18 Evaluation of the performance of the highest governance body	Principles of governance; General Meeting (p. 101)	Fully Omitted. Wallenius Wilhelmsen currently does not have a process to assess this, however we will be releasing an updated Governance Framework in 2024.	Information unavailable/ incomplete	
	2-19 Remuneration policies	Principles of governance; Remuneration of the board of directors (p. 106) Salary and other remuneration for executive personnel (p. 109) Financial Statements (note 4, p. 139-141) See further information on our executive renumeration report; https://www.walleniuswilhelmsen.com/storage/images/wallenius-wilhelmsen-remuneration-report-2022.pdf	a, b) Renumeration policies for the highest governance body is not reported in accordance with GRI.	Information unavailable/ incomplete	

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 2: Genereal Discussions	2-20 Process to determine remuneration	Principles of governance; Remuneration of the board of directors (p. 106) Salary and other remuneration for executive personnel (p. 109) People; Human and labour rights (p. 49-52) Nomination Commitee; Articles of Association (https://www.walleniuswilhelmsen.com/who-we-are/governance)			
	2-21 Annual total compensation ratio		Fully omitted.	Information unavailable/ incomplete	We currently only track compensation ratio for women compared to men.
	2-22 Statement on sustainable development strategy	Words from CEO (p. 19-21)			
	2-23 Policy commitments	People; Human and labor rights (p. 49-52) Principles of governance; Governance in partly owned companies (p. 106) Relevant policies are available on our webpage, under commitment and policies. https://www.walleniuswilhelmsen.com/who-we-are/sustainability All policies are approved by group executive management. board of directors approve key policies. Policies are communicated in on-boarding, trainings, and on the intranet. IT enabled employees are required to sign the code of conduct.			
	2-24 Embedding policy commitments	Refer to the descriptions in specific policies for responsible business which are available on our homepage. https://www.walleniuswilhelmsen.com/who-we-are/sustainability People, Training and development (p. 57-58)			
	2-25 Processes to remediate negative impacts	We send out an employee engagement survey (#engage), which informs our grievance mechanism structure and processes. Stakeholders may raise concerns regarding our human rights impacts by using the Wallenius Wilhelmsen Alert Line. Details can be found at www.walleniuswilhelmsen.com/who-we-are/governance If Wallenius Wilhelmsen through its actions directly cause or contribute to harmful human rights impacts, the company will promote access to and/or provide fair remediation. This policy is communicated throughout the company and is available publicly on our website. It will be reviewed on a regular basis to ensure continued relevance and drive continous improvement. For further information see sectionWhy is it important on People, Planet, Prosperity and Principles of governance chapters.			
	2-26 Mechanisms for seeking advice and raising concerns	People; Human and labor rights (p. 49-52) We have an open AlertLine which is a confidential service that you can access from any location. Reports may be made on either an anonymous or named basis. This website is hosted by an independent third party. You can access it and read more abour our AlertLine on our webpage at: https://www.walleniuswilhelmsen.com/who-we-are/governance Employees can seek advice on implementing organizations policies and practices in the code of conduct. https://www.walleniuswilhelmsen.com/storage/images/ww-CoC-report-230323-v3-1.pdf			

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 2: Genereal Discussions	2-27 Compliance with laws and regulations	Principles of governance (p. 94-111) Key risk exposure (p. 38) Sustainability performance data, incidents of corruption (p. 221) To our knowledge there are no significant instances of non-compliance with laws and regulations during the reporting period. We have established a compliance committee, where cases are considered significant (CFO, CFO, Chief People Officer, General Counsel and Chiefs Ethics and Compliance Officer). Significant risks are determined in accordance with procedure for reporting and managing concerns.			
	2-28 Membership associations	The Ocean Exchange, Norwegian Shipping Association, World Shipping Council, Maritime Anti Corruption Network (MACN), National Association of Waterfront Employers, Norwegian Shipowners' Association, Norwegian Sea Law Association, The Association of European Vehicle Logistics (ECG), American Association of Port Authorities, National Freight Transportation Association.Maersk Mc-Kinnet Møller Center for Zero Carbon Shipping, Green Shipping Program and Maritime CleanTech.			
	2-29 Approach to stakeholder engagement	We carry out regular stakeholder engagement through multiple means including sector specific initiatives and working groups. In 2023, we engaged with customers on sustainability topics through Drive Sustainability, as well as one-on-one engagements with targeted customers and investors on sustainability topics such as climate and vessel recycling. Stakeholder engagement carried out through Double Materiality Assessment (DMA), investor meetings, industry associations, etc. Sustainability performance data; #Engage (p. 220)			
	2-30 Collective bargaining agreements	Pension obligations (p. 162) Note 15, Employee retirement plans (p. 161-162)	a, b) We do not report the percentage of total employees covered by collective bargaining agreement.	Information unavailable/ incomplete	We are exploring the feasibility of collecting this data through our new HR data system.

Material topics

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission		
GRI 3: Material Topics 202	3-1 Process to determine material topics	Principles of governance (p. 94-98)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	Principles of governance (p. 96-98) 1. Green House Gas (GHG) emissions and climate risk 2. biodiversity 3. air quality and waste management 4. health, safety & well-being 5. human and labor rights 6. diversity, equity, inclusion 7. training & development 8. innovation 9. quality of service 10. sustainable consumption 11. sustainable supply chain management 12. tax practices 13. ethical business conduct 14. security, privacy and data 15. sustainable finance 16. emergency preparedness There have been no changes to the list of material topics compared to the previous reporting period.			

Contents →

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Principles of governance (p. 94-111) Our policies, including code of conduct are available on our website, under sustainability and the governance section. https://www.walleniuswilhelmsen.com/who-we-are/sustainability https://www.walleniuswilhelmsen.com/who-we-are/governance			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Principles of governance (p. 94-111) Sustainability performance data (p. 221) Significant risks related to corruption identified through risk assessment; - Risk of bribery and corruption to / from customers and suppliers - Risk of bribery and corruption via use of agents / intermediaries - Joint ventures partner / Joint ventures employees commits corruption or bribery - Employees do not report concerns of violations of the Wallenius Wilhelmsen Code of Conduct			
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability performance data (p. 221) The Code of Conduct provides a framework for what Wallenius Wilhelmsen considers responsible and acceptable business conduct. https://www.walleniuswilhelmsen.com/storage/images/ww-CoC-report-230323-v3-1.pdf The Code of Conduct is applicable to all Board members, employees (permanent and temporary), contractors and consultants of Wallenius Wilhelmsen, its subsidiaries and partly owned or controlled entities of Wallenius Wilhelmsen. All employees, senior management and Board are required to complete Code of Conduct Training. Suppliers, subcontractors, agents and other business partners of Wallenius Wilhelmsen, (including companies in which Wallenius Wilhelmsen has a minority stake, acting on behalf of the company), are expected to adhere to standards which are consistent with Wallenius Wilhelmsen's Code of Conduct. The Group will promote and strive for such adherence.	a-e) We do not report a breakdown by region for communication and training of anti-corruption policies and procedures. c. We do not report the total number and percentage of business partners that the organization`s anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.	Information unavailable/ incomplete	
	205-3 Confirmed incidents of corruption and actions taken	Principles of governance (p. 94-111) Zero confirmed incidents of corruption in 2023. Zero legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases. Zero number og confirmed incidents whern contracts with business partners were terminated or not renewed due to violations related to corruption.			
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	Principles of governance (p. 94-111)			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability performance data (p. 221) 3 class action processes. Settlements related to civil claims not included here.			

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission		
			Requirement(s) omitted	Reason	Explanation
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	Prosperity (p. 90)			
GRI 207: Tax 2019	207-1 Approach to tax	Prosperity, section on Tax practices (p. 90)	a) Our tax approach is described in the prosperity chapter; tax practices (p. 90). We do no not have a publicly available tax strategy meeting all the GRI reporting requirements. Corporate tax affairs are the CFO's responsibility and extends to all jurisdictions where the company operates. The tax position taken in all significant transactions is supported by obtaining an external opinion.	Information unavailable/ incomplete	
	207-2 Tax governance, control, and risk management	Prosperity, section on tax practices (p. 90)	a-c) Our tax approach is described in the prosperity chapter; tax practices (p. 90). We do no not have a publicly available tax strategy meeting all the GRI reporting requirements. Corporate tax affairs are the CFO's responsibility and extends to all jurisdictions where the company operates. The tax position taken in all significant transactions is supported by obtaining an external opinion.	Information unavailable/ incomplete	

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax		a) Our tax approach is described in the prosperity chapter; tax practices (p. 90). We do no not have a publicly available tax strategy meeting all the GRI reporting requirements. Corporate tax affairs are the CFO's responsibility and extends to all jurisdictions where the company operates. The tax position taken in all significant transactions is supported by obtaining an external opinion.	Information unavailable/ incomplete	
	207-4 Country-by-country reporting	Prosperity, section on tax practices (p. 90) We report on tax payable 2023, in the Group`s most significnat countries.	a-c) While we report on taxes paid by countries, we are not able to provide all the elements of this disclosure.	Information unavailable/ incomplete	

Energy

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	Planet, Greenhouse gas emissions (GHG) and climate risk (p. 60-70)			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Sustainability performance data (p. 218)			
	302-3 Energy intensity		Fully omitted. We do not report on the energy intensity ratio for the organization. We report CO_2 intensity from Shipping services. See the Planet chapter; Greenhouse gas emissions and climate risk (p. 60-70) and the sustainability performance data (p. 218).	Not applicable	
	302-4 Reduction of energy consumption		Fully omitted. We do not report data on reductions in energy consumption. See Planet chapter, Greehouse gas emissions and climate risk for our journey to net zero (p. 60-70). See sustaiability performance data regarding energy use (p. 218).	Information unavailable/ incomplete	

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services		Fully omitted. We do not report data on reductions in energy consumption. See Planet chapter, Greenhouse gas emissions and climate risk for our journey to net zero (p. 60-70). See sustaiability performance data regarding energy use (p. 218).	Information unavailable/ incomplete	

Water and effluents

GRI 3: Material Topics 2021	3-3 Management of material topics	Planet, Water Consumption (p. 72)			
GRI 303: Water and Effluents 2018	303-5 Water consumption	Planet, Water Consumption (p. 72)			

Biodiversity

GRI 3: Material Topics 2021	3-3 Management of material topics	Planet; Biodiversity (p. 71-73)			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Fully omitted.	Information unavailable/ incomplete	We plan to do a biodiversity impact assessment in 2024.
	304-2 Significant impacts of activities, products and services on biodiversity	Planet; Biodiversity (p. 71-73) Sustainability performance data (p. 219)	b) Our current reporting does not include significant direct and indirect positive and negative impacts on biodiversity.	Information unavailable/ incomplete	We plan to do a biodiversity impact assessment in 2024.

Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	Planet (p. 60-76)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Planet (p. 60-70) Sustainability performance data (p 218)			
	305-2 Energy indirect (Scope 2) GHG emissions	Planet (p. 60-70) Sustainability performance data (p 218)			
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability performance data (p 218)			
	305-4 GHG emissions intensity	Planet (p. 60-70)			

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Planet (p. 60-70) Sustainability performance data (p 218) Negligible emissions of CH4, HFCs, PFCs, SF6, NF3 and as such are not reported. A base year of 2019 was selected due to it being the most representative activity level in our fleet, prior to the Covid-19 pandemic.			
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Planet (p. 60-76) Sustainability performance data (p 218)	We do not report total NO_x emissions	Information unavailable/ incomplete	It is technically not possible to report on this, because we cannot measure it.
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Planet (p. 75-76)			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Planet (p. 75-76) Sustainability performance data (p. 219)			
	306-2 Management of significant waste-related impacts	Planet Chapter; Waste management (p. 75-76) The process used to collect and monitor waste-related data for shipping is defined by MAROPOL annex V. For logistics, the environmental framework is designed to comply with ISO 14001 standards and local regulatory requirements. A key aspect of this framework is the use of systematic processes to collect and monitor waste-related data. Each site has the ability to report their waste on a monthly basis using the WoW Global KPI reporting page, and the information collected is displayed on the WoW Sustainability reports. This year, a new KPI was introduced to measure cubic meter waste generated over 1000 units processed, providing a better understanding of the waste generated per unit processed. By using these processes to collect and monitor waste-related data, the organization can ensure that it is meeting its environmental obligations and reducing its impact on the environment.	b) We do not report on the process to determine whether third party manages waste in line with contractual or legislative obligations.	Information unavailable/ incomplete	We are looking into ways of improving our monitoring and reporting in this area.
	306-3 Waste generated	Reporting on waste management: Planet, waste management (p. 75-76) Sustainability performance data (p. 219). Waste is reported for shipping in cbm.	Fully omitted. We do not currently report a breakdown by hazardous versus non-hazardous waste nor waste treatment method.	Information unavailable/ incomplete	This is challenging due to the global nature of our operations and variable local waste and recycling practices.
	306-4 Waste diverted from disposal		Fully omitted. We do not currently report total weight of waste diverted from disposal and a breakdown of this total by composition of waste, recovery operations.	Information unavailable/ incomplete	This is challenging due to the global nature of our operations and variable local waste and recycling practices.

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 306: Waste 2020	306-5 Waste directed to disposal	Reporting on waste management; Planet, waste management (p. 75-76) Sustainability performance data (p. 219)	Fully omitted. We do not currently report total weight of waste directed to disposal in metric tons, including a breakdown of waste composi-ton and disposal operations. We do not currently report a breakdown by hazardous versus non-hazardous waste.	Information unavailable/ incomplete	This is challeng-ing due to the global nature of our operations and variable local waste and recy-cling practices.

Employment

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	People (p. 43-58)			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	People (p. 43-58)	Employee turn-over	Information unavailable/ incomplete	We are imple-menting a new HR system which will be able to track global turn-over. To be completed within 2024.

Occupational health and safety

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	People (p. 43-58)			
GRI 403: Occupational Health and Safety 2018	403-1 Occupa-tional health and safety manage-ment system	All employees are covered by an occupational health and safety management system, based on recognized risk management and / or international standards or guidelines. The policy applies to all employ-ees within the Wallenius Wilhelmsen group, including temproary staff, contractors, and agency staff. The Company has procedures, plans and instructions and checklists for key shipboard operations concerning the safety of the person-nel, ship and protection of the environment. Tasks are defined and assigned to qualified personnel. The SMS includes procedures ensur-ing that non- conformities, accidents and hazardous situations are reported to the company, investigated and analysed with the objective of improving safety and pollution prevention. The Company also has established procedures for the implementation of corrective action, including measures intended to prevent recurrence. At logistics services, the company requires Hazard Assessments, which includes on-site hazard identification and job safety analyses. e.g. before all physical jobs there is a process to assess and discuss potential work related hazards between team members. All employ-ees are trained in identifying potential hazards. In addition poten-tial hazards identified are reported in the incident reporting system and must be addressed by the line manager and marked complete when they have been mitigated. Reminders are automatically sent by the system to ensure risks are addressed and results are discussed regularly at daily operations manager meetings. The company uses Systems Evaluations, weekly HSE Audits and Programme Manager Audits to ensure the quality of these processes, and system changes are identified and approved at quarterly management reviews. The company's Ethics Hotline and Issues & Opportunities Register are tools for all employees and contractors to enter HSQ risks from their mobile devices. Read more about our occupational health and safety management system in the people chapter; health, safety and wellbeing (p. 43-48).			

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	At logistics services, each site has a dedicated Health & Safety First representative, who has specialist knowledge and training to support workers at their site. Additionally, hazard identifications, hazard assessments and job safety analyses contribute to finding and eliminating hazards. For Shipping services, in compliance with ISM Code, and to ensure the safe operation of each ship and to provide a link between the company and those on board, the company has designated a person or persons ashore having direct access to the highest level of management. The responsibility and authority of the designated person(s) include monitoring the safety and pollution- prevention aspects of the operation of each ship. The company also maintains a global Ethics Hotline so employees and stakeholders can report (confidentially if desired) concerns about health and safety issues, or any other concerns, read more about the system and protection of workers on page 108. All workers are protected against reprisals per the SafetyFirst programme documentation, and have continual training and are aware of targets around incident reporting to ensure high levels of hazard reporting. Occupational health and safety management system is implemented, monitored and reviewed to address the specific risks and opportunities related to the organization`s activities and impacts. Wallenius Wilhelmsen`s risk management system includes regular risk assessments, hazard identification, and control measures to ensure operational and technical safety by identifying, assessing and controlling all hazards. Appropriate action must be taken when a hazard is identified. A number of KPIs, including injury related KPIs, completion of audits, and audit scores, are tracked to monitor the OHSMS and ensure management system compliance. Read about our global safety committee on page 47 in the Health and Safety chapter.			
	403-3 Occupational health services	People chapter; health, safety and wellbing (p. 43-48)			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Monthly global safety meetings and weekly safety meetings are held at all production (logistics) sites, and weekly safety topics are communicated to all safety responsibles. Additionally, shift meetings follow a standardised format coverng safety topics before every shift at all sites. Safety Committee members play a vital role supporting the Safety 1st culture. Safety Committees provide an opportunity for employees to use their experience to assist in promoting safe work practices and working conditions. Safety Committee members are available as a resource and point of contact to promote safe work practices. The Safety Committee Chairperson and site Operations Manager work as a team to facilitate the effective implementation of the Safety 1st Program, perform senior level reviews/evaluations, and serve as the liaison with the Safety 1st Program Manager.			

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	At Shipping services, the company complies with ISM Code Ch.6, and ensures that vessel masters are properly qualified for command; fully conversant with the company's Safety Management System; and given the necessary support so that the master's duties can be safely performed. We ensure that each ship is manned with qualified, certificated and medically fit seafarers in accordance with national and international requirements; and appropriately manned in order to encompass all aspects of maintaining safe operation on board. (See the Principles of minimum safe manning, adopted by the Organization by Resolution A.1047(27). The Company also has procedures to ensure that new personnel and personnel transferred to new assignments related to safety and protection of the environment are given proper familiarization with their duties. Instructions essential to be provided prior to sailing are identified, documented and given. We ensure that all personnel involved in the company's SMS have an adequate understanding of relevant rules, regulations, codes and guidelines. Additional procedures exist for a. identifying any training which may be required in support of the SMS to help ensure training is provided for all personnel concerned; and b. ensuring the ship's personnel receive relevant information on the SMS in a working language or languages understood by them. The Company ensures that the ship's personnel are able to communicate effectively in the execution of their duties related to the SMS. At production and logistics sites, Safety Committee members are trained in using the JSA process as it relates to all facets of our logistics operations, including the generation of a health and safety plans or risk management strategies for project work.			
	403-6 Promotion of worker health	a. Logistics employees have access to two Company-sponsored services: - Active employees are eligible to enroll into company sponsored medical plans. Employee pays a portion of cost. - All employees can participate in short-term disability insurance. The cost of this insurance is fully paid by the company. While Wallenius Wilhelmsen uses from time to time contract staffing services, contract (Temporary) employees are not eligible for this coverage. b. The company also provides an employee wellness program. These services include healthy lifestyle coaching and deep, clinically-focused condition management. Ocean crew are directly employed by ship management suppliers hired by Wallenius Wilhelmsen. Healthcare is provided to ocean crew by ship management company and paid by Wallenius Wilhelmsen. We also pay for additional healthcare insurance for families. The ship management companies are held responsible for implementing our Ship Operation & Management Policy and ensuring that the vessel complies with the company's HSEQC policies as well as all IMO SOLAS requirements. Our Marine Operations Management team can have vessels audited for compliance with the company's policies on fair wages and working conditions. Additionally, the company maintains a global Alert Line which crew and employees can use (confidentially, if desired) to report complaints on working conditions or any other subject.			

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission Requirement(s) omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	At logistics services, when working with heavy equipment and products, there are often health and safety risks that may not be directly under our control. Therefore we actively communicate to business partners about our health & safety standards through our Code of Conduct for employees and suppliers, and train our employees so they can report incidents where they feel unsafe for example through our whistleblower channel. We also conduct trainings (RoRo Rodeo, etc) to show our suppliers, customers and other partners how to work safely with heavy equipment. For Shipping services, in compliance with ISM Code Chapter 12, the company conducts internal safety audits on board and ashore at appropriate intervals to verify whether safety and pollution-prevention activities comply with the SMS. The Company also periodically verifies whether all those undertaking delegated ISM-related tasks are acting in conformity with the company's responsibilities. The Company periodically evaluates the effectiveness of the SMS, and audits and possible corrective actions are carried out in accordance with internal procedures. Management personnel responsible for the vessel or area involved is required to take timely corrective action on deficiencies found. People, Health, safety and wellbeing (p. 43-48)			
	403-8 Workers covered by an occupational health and safety management system	All employees are covered by an occupational health and safety management system (OHSMS), based on recognized risk management and / or international standards or guidelines. The OHSMS is monitored and reviewed to address specific risks and opportuntiies related to the organization`s activities and impacts. The policy applies to all employees within the Wallenius Wilhelmsen group, including temporary staff, contractors and agency staff, who are responsible for understanding, promoting and conducting their work in accordance with this policy. On the logistics services side, the majority of locations have achieved ISO 45001 certification, including all locations in the Americas and EMEA. Asia and Oceania have in 2023 worked to implement Safety 1st and are preparing for ISO certification in 2024. Shipping services is also pursuing ISO certification and rolling out WoW and Safety 1st, which started 2023 and is continuing through 2024.			
	403-9 Work-related injuries	People Chapter; Health, safety and wellbeing (p. 43-48) Sustainability performance data (p. 220)	a-c) Office workers are not included in the LTI statistic and office related man-hours are not reported. the total number of hours worked are used to calculate LTIF per million man-hours. We currently do not have a breakdown by emplyees and contractors.	Information unavailable/ incomplete	
	403-10 Work-related ill health		Fully omitted.	Information unavailable/ incomplete	We do not report data on work-related ill health.

Training and education

GRI 3: Material Topics 2021	3-3 Management of material topics	People, training & development (p. 57-58)			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability perfromance data (p. 221)	a i) Average hours of training that the organization's employees have undertaken during the reporting year by gender is not available.	Information unavailable/ incomplete	Our HR data system does not collect this data.

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	All office employees are included in our GoGrowSucceed programme and are offered person development discussions with manager.			
	404-3 Percentage of employees receiving regular performance and career development reviews	People, training & development (p. 57-58) Sustainability Performance Data (p. 221)	a) Data not available for non-office based employees.	Information unavailable/ incomplete	Our HR data system does not collect this data.

Diversity and equal opportunity

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	People; diversity, equity and inclusion (p. 53-56)			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	People; diversity, equity and inclusion (p. 53-56) Sustainability performance data (p. 219-220) Board of directors (p. 16-18) The board consists of 3 female (50%) and 3 male (50%) members	a ii) We do not report the age group of the board of directors.	Information unavailable/ incomplete	We do not collect this data.
	405-2 Ratio of basic salary and remuneration of women to men	People chapter; Diversity, Equity and Inclusion (p. 53-56) The locations were selected because they are key offices.	a) We do not report a ratio of the basic salary and remuneration of women to men for each employee cateogry.	Information unavailable/ incomplete	Going forward we will conduct a global gender pay compensation analysis.

Customer privacy

GRI standard/ other source	Disclosure	Wallenius Wilhelmsens' response	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	Principles of governance (p. 94-111)			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	We have had zero privacy and security incidents.			

SASB Index

Topic	Accounting metric	Unit of measure	Data 2023	SASB code
Greenhouse Gas Emissions	**CO_2 Emissions**			
	Gross global Scope 1 emissions: Financial control approach	Metric tonnes CO_2-e	**4,095,675**	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative description	**Planet** (p. 60-70)	TR-MT-110a.2
	Energy consumed			
	Total energy consumed, shipping services	Gigajoules (GJ)	**54,386,000**	TR-MT-110a.3
		Percentage of energy from heavy fuel (%)	**35%**	
		Percentage of energy from renewable/low-carbon sources (%)	**0.3%**	
	EEDI			
	Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO_2 per tonne-nautical mile	**12.8**	TR-MT-110a.4
Air Quality	**Other emissions to air**			
	(1) NO_X (excluding N2O)	Metric tons	**Data not available**	TR-MT-120a.1
	(2) SO_X	Metric tons	**10,167**	
	(3) particulate matter	Metric tons	**Data not available**	
Ecological Impacts	**Marine protected areas**			
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	**Not available**	TR-MT-160a.1
	Implemented ballast water			
	(1) exchange	Percentage (%)	**4%**	TR-MT-160a.2
	(2) treatment	Percentage (%)	**96%**	
	Spills and releases to the environment			
	(1) number	Number	**0**	TR-MT-160a.3
	(2) aggregate volume	Cubic meters (m^3)	**0**	
Employee Health & Safety	**Lost time incident rate**			
	Lost time incident rate (LTIR)	Rate	**Shipping: 0.56** **Logistics: 14.33**	TR-MT-320a.1
Business Ethics	**Corruption index**			
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	**10**	TR-MT-510a.1
	Corruption			
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	**We are not aware of any fines, significant or otherwise related to corruption.**	TR-MT-510a.2
Accident & Safety Management	**Marine casualties**			
	Incidents	Number	**0**	TR-MT-540a.1
	Very serious marine casualties	Percentage (%)	**0**	
	Conditions of Class			
	Number of Conditions of Class or Recommendations	Number	**Data not available**	TR-MT-540a.2
	Port State Control			
	(1) deficiencies	Rate	**1.01 average deficiencies per inspection**	TR-MT-540a.3
	(2) detentions	Number	**3.00**	

Topic	Activity metric	Unit of measure	Data 2023	SASB code
Shipboard personnel	Onboard positions	Number	**1850**	TR-MT-000.A
	Crew-pool	Number	**Approx. 2650**	
Vessel operation	Total distance travelled by vessels	Nautical miles (nm)	**Approx. 12,000,000**	TR-MT-000.B
	Operating days[1]	Days	**40 688**	TR-MT-000.C
	Deadweight tonnage[2]	Thousand deadweight tons	**2221194,3**	TR-MT-000.D
	Number of vessels in fleet[3]	Number	**125**	TR-MT-000.E
	Number of vessel port calls[4]	Number	**8,338**	TR-MT-000.F
	Car Equivalent Unit[5]	CEU	**847 900**	TR-MT-000.G

1 Data for WWO and Eukor
2 Unit of measure; deadweight tonnage, value is approximation
3 Vessels in fleet was calculated on 31 Dec 2023
4 Data for WWO and Eukor
5 We do not measure twenty-foot equivalent unit (TEU), instead we measure Car Equivalent Unit (CEU)

TCFD Index

Theme	Recommendation	See section, page:
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Principles of governance (p. 94-111) Planet (p. 60-76)
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Planet (p. 60-76)
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Planet (p. 60-76)
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Planet (p. 60-76)
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Planet; Greenhouse gas emissions (GHG) and climate risk (p. 60-70)
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	Key risk exposure (p. 37-39) Planet (p. 60-76)
	b. Describe the organization's processes for managing climate-related risks.	Planet (p. 60-76)
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Key risk exposure (p. 37-39) Planet (p. 60-76)
Metrics & targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Planet (p. 60-76)
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Sustainability performance data (p. 218)
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Planet (p. 60-76)

Responsibility statement

The responsibility statement includes the board of directors and the CEO's approval of the annual report

The board of directors and the CEO approve the annual report for Wallenius Wilhelmsen ASA ("the Company") and the Wallenius Wilhelmsen Group ("the Group") for the financial year ending December 31, 2023.

We confirm, to the best of our knowledge, that as of December 31, 2023:

- The consolidated financial statements have been prepared in accordance with current applicable accounting standards and they give a true and fair view of the Company's and the Group's assets, liabilities, financial position and results
- The consolidated financial statements and the financial statements of the parent company have been prepared based on the going concern assumption, and the conditions to make that assumption are present
- The annual report meets the requirements of the Sustainability Accounting Standards Board's (SASB) Marine Transportation and Road Transportation as well as the GRI Universal Standards for sustainability reporting
- The annual report covers the requirements of the Norwegian Transparency Act regarding reporting on human rights due diligence
- The annual report meets the requirements of the Norwegian Accounting Act regarding the content of the report of the board of directors, statements of corporate governance and corporate social responsibility
- The annual report includes disclosures in accordance with the requirements in the Norwegian Code of Practice for Corporate Governance
- The annual report, including the message from the board, and the chapters on corporate governance and sustainability, give a true and fair view of the development, performance and financial position of the Company and the Group, and include a description of the key risks and uncertainties facing the Company and the Group

Lysaker, March 12, 2024

The board of directors of Wallenius Wilhelmsen ASA

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List of Signatures

Page 1/1

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Name	Method	Signed at
Anna Elsa Felländer	BANKID	2024-03-13 15:28 GMT+01
Bjerke, Rune	BANKID	2024-03-13 14:49 GMT+01
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Wilhelmsen, Thomas	BANKID_MOBILE	2024-03-14 01:59 GMT+01
Kristoffersen, Lasse	BANKID	2024-03-13 15:58 GMT+01

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The below list maps requirements in the Norwegian Accounting Act related to the board of directors report to the relevant sections in the annual report

Norwegian Accounting Act reference	Content	Annual report chapter reference	Page reference
Section 3-3a, para. 1	Information regarding the nature and location of the business, including information on any branch offices	Wallenius Wilhelmsen at a glance	4-18
		Message from the board	22-41
		Principles of governance	93-111
		Group financial statements:	
		- note 2	133-137
		- note 12	157-158
Section 3-3a, para. 2	Overview of the development and results of operations and position, together with a description of the main risks and uncertainty factors facing the group and including information on research and development activities.	Words from CEO	19-21
		Message from the board	22-41
		Prosperity	77-92
Section 3-3a, para. 5	A description that provides a basis for assessing the enterprise's future outlook, including whether the results for the year agree with previously stated expectations and reasons for any discrepancy.	Message from the board	22-41
Section 3-3a, para. 6	Information regarding any financial risk that is significant to the evaluation of the company's assets, liabilities, financial position and results. This information shall include goals and strategies that have been determined for managing the financial risk, including the strategy for hedging each main type of planned transaction for which a hedging assessment has been used. An account shall be given of the enterprise's exposure to market risk, credit risk and liquidity risk.	Message from the board	22-41
		Principles of governance	93-111
		Group financial statements:	
		- note 17	168-178
Section 3-3a, para. 7, cfr. Section 4-5	Information regarding the going concern assumption	Responsibility statement	246-247
Section 3-3a, para. 8	Proposal for the allocation of profit or settlement of loss	Message from the board	22-41
Section 3-3a, para. 9	Information about the work environment, along with an overview of implemented measures relevant to the working environment including information on injuries, accidents and sick leave rates.	Message from the board	22-41
		People	42-58
Section 3-3a, para. 10	Information shall be provided about matters relating to the business, hereunder its factor inputs and products, which may result in a not insignificant impact on the external environment. The environmental impacts each aspect of the business has or may have, as well as the measures implemented or planned implemented to prevent or reduce negative environmental impacts, shall be stated.	Message from the board	22-41
		Planet	59-76
Section 3-3a, para. 11	Information on whether there is insurance cover for the board members' and CEO's potential liabilities towards the company and third parties, including information on the relevant insurance coverage	Principles of governance	93-111
Section 3-3a, para. 12 cfr. Securities Trading Act Section 5-8a (1)-(4)	Shareholder information: - description of any provisions of articles of association that restrict the right to trade in the shares of the company - description of who exercises the rights attached to shares in any employee share schemes where authority is not exercised directly by the employees covered by the scheme - agreements between shareholders which are known to the company, and which restrict the possibilities of trading in or exercising voting rights attached to shares - significant agreements to which the company is a party, the terms of which take effect, alter or terminate as a result of a takeover bid, and a description of those terms	N/A	
Section 3-3b	Report on corporate governance	Principles of governance	93-111
Section 3-3c, para. 1	Report on social responsibility	Message from the board	22-41
		People	42-58
		Planet	59-76
		Prosperity	77-92
Section 3-5, para. 1	Signature requirements for the consolidated financial statements, the financial statements of the parent company and the message from the board.	Responsibility statement	246-249
Norwegian Transparency Act	Report on due diligence carried out to identify and assess any adverse impact on human rights and decent working conditions in the group's operations or its supply chains.	People	42-58
Equality and Anti-discrimination Act para. 26a	Report on the actual status regarding gender equality in the organization and which activities are undertaken to prevent discrimination (reported for Norwegian companies with employees).	Separate report published on the group's website	

Auditor’s report

To the General Meeting of Wallenius Wilhelmsen ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wallenius Wilhelmsen ASA, which comprise:

- the financial statements of the parent company Wallenius Wilhelmsen ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Wallenius Wilhelmsen ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 14 years from the election by the general meeting of the shareholders on 12 February 2010 for the accounting year 2010.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Similar to the 2022 audit, we focused on *Impairment Assessment of Goodwill* as this risk remains relevant.

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment Assessment of Goodwill	
The net book value of goodwill as at 31 December 2023 is USD 201 million. In line with IFRS requirements, an impairment test for goodwill was performed as at 31 December 2023 resulting in no impairment recognised. The goodwill impairment assessment involved significant management judgment in preparing cash flow forecasts for the applicable reporting segments and in assessing the discount rate. We focused on goodwill due to the significance of the amount in the balance sheet and the significant judgment applied by management in assessing the potential need for impairment. We refer to note 1 (Significant accounting judgments, estimates and assumptions), note 8 (Goodwill, customer relations/contracts and other intangible assets) and note 11 (Impairment on non-current assets) for further information on management's impairment assessment.	We evaluated and challenged management's impairment assessment and the process by which this was performed. We assessed management's accounting policy against relevant IFRSs and obtained explanations from management as to how the specific requirements of the standards, in particular IAS 36 – Impairment of assets, were met. The forecast for the future cash flows were based on a detailed budgeting process. To assess the reliability of management's forecast, we held discussions with management and challenged them on several of the assumptions applied in the impairment model, such as the discount rate, the long-term growth rate and capital expenditure. Specifically, we used our internal valuation specialists and external market data to discuss the assumptions management had used to build the discount rate. We found that the discount rate used by management was within a reasonable range. We reviewed management's authorized budgets and forecasts and discussed the impact of climate related risks to the future cash flows of the Group. Where possible, we compared these to current and historical market data to corroborate the reasonableness of cash flows used by management. Our procedures also included sensitivity analyses to key assumptions applied. The performed sensitivity analyses indicated headroom for all key assumptions for the segments. Through our testing and discussion, we found that the assumptions applied by management in the impairment assessment were reasonable. We also tested the mathematical accuracy of the impairment model. We found that the model was calculating net present values as intended. We considered the appropriateness of the related disclosures in note 1, 8 and 11 to the consolidated financial statements to the requirements of the applicable financial reporting framework, IFRS, including IAS 36 – Impairment of assets and found the disclosures to be adequate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Wallenius Wilhelmsen ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 549300NBN0URT3RA3Y54-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU)

2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 12 March 2024

PricewaterhouseCoopers AS

Bjørn Lund

State Authorised Public Accountant

(This document is signed electronically)

Securely signed with Brevio

Auditor's report

Signers:

Name	*Method*	*Date*
Lund, Bjørn	BANKID_MOBILE	2024-03-12 19:30

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