

# OPERATING RESPONSIBLY

NOL is committed to environmental stewardship in all our activities. In recent times, our industry has faced demands for improved environmental accountability from customers and communities. As an industry leader, we are addressing a range of environmental issues related to our businesses. In 2008, we expanded and strengthened our environmental department while making progress in a number of areas.

## A New Policy

During the year we launched a new Environment Policy which sets down guiding principles for improving our environmental performance. This policy states our commitment to:

- identify, assess and manage environmental risks;
- evaluate operations to mitigate adverse impacts on the environment;
- implement pollution prevention measures and processes;
- promote activities to conserve resources and energy and minimise and recycle waste; and
- strive for environmental excellence through continual improvement.

The policy also states that, as a responsible corporate citizen, we will ensure compliance with all applicable environmental regulations and legal requirements; engage in open dialogue with stakeholders and encourage a shared responsibility for environmental excellence; and continue to play a prominent role in our industry as it moves forward to address its environmental impact.

## Environmental Initiatives

Container shipping is an efficient means of moving cargo across the world. The average vessel emits far less carbon dioxide per tonne of cargo moved than planes, trucks or trains. However, the size and nature of our industry means that we need to be both diligent and vigilant when it comes to protecting the environment. In 2008, we maintained a focus on the identification, assessment and management of environmental risks and resource preservation. During the year, work continued on the development of carbon calculators for the measurement of emissions.

In late 2008, we continued to test innovative technologies through a series of fuel emulsification tests where water was put into the fuel to potentially reduce emissions. We also maintained our work on “cold ironing” – another emission reduction scheme which involves powering berthed vessels with cleaner, shore-generated electricity. In addition, we have developed plans for an innovative ballast water treatment system, designed to prevent the spread of invasive aquatic species. This system will be tested aboard a vessel in the coming year.

In our US terminal operations, environmentally friendly yard tractors have been operating since 2007, delivering significant reductions in emissions.

During the year, we worked alongside environmental agencies, regulators, government bodies, port authorities, service

# NOL CONTINUED WORKING WITH INDUSTRY AND GOVERNMENT GROUPS TO PRESERVE THE QUALITY OF THE WORLD'S OCEANS.

providers and customers to address the environmental issues faced by our businesses. At an industry level, our involvement with the Clean Cargo Working Group, a collaborative industry body, is helping to increase understanding of the environmental footprint of global trade. We took on a leadership role with the North American Marine Environment Protection Association in late 2008 and kept up our contribution to World Shipping Council's environmental work alongside our fellow carriers. On the US West Coast, APL continues to be very active in the Pacific Merchant Shipping Association's environmental efforts.

## Recognition

In 2008, APL received the US Coast Guard William M. Benkert Marine Environmental Award. The award recognises organisations that have demonstrated sustained excellence and outstanding achievement in protecting the marine environment. APL Logistics received its second SmartWay Environmental Excellence Award for reducing emissions of air pollutants and greenhouse gases in freight transport activities. The award, given by the US Environmental Protection Agency, acknowledged the leading role APL Logistics has taken in promoting sustainable transport practices. Over two years, the program has

reduced carbon dioxide emissions by almost 600,000 kilograms and lowered diesel fuel consumption by over 450 million litres. At the Port of Los Angeles on the US West Coast, APL received an award from the port commissioners of both Los Angeles and Long Beach for its participation in the low sulphur fuel incentive program.

## Employee Training and Outreach

The environmental issues we face fall into the following broad categories – air emissions, oil, chemicals and harmful substances, sewage, garbage, ballast water, anti-fouling paint and ozone depleting substances. Employee training is an important component of improving our performance in these areas.

We conduct training in bunkering procedures, oil/sludge management, waste management, ballast water management, pollution prevention, Hazmat training and emergency drills. Priority is given to improving procedures, performance and abilities of employees who carry out tasks with a potentially significant environmental impact. While not every employee needs this level of training, we will seek to engage each and every employee worldwide on the importance of protecting the environment and the company's work in that regard.

