

Horizon Lines, Inc. Environmental Policy

Our world is built on trade. Ever since man bartered his first tool for a bushel of wheat or set sail on the ocean in a ship laden with cargo, our economic prosperity has been intertwined with the efficient transport of goods. At Horizon Lines, we recognize that protecting the environment has become an essential ingredient in trade.

Environmental stewardship is a fundamental tenet at Horizon Lines. Our associates are expected, at a minimum, to comply fully with all U.S. and international environmental laws and regulations.

Mission: Horizon Green serves to better understand and measure our impact on the environment, and to develop programs that incorporate environmental thinking and mitigation into our core operations.

We are committed to making a difference in the following areas:

Marine Environment

To protect the marine environment, Horizon Lines has established several programs in addition to compliance with the MARPOL Convention (International Convention for the Prevention of Pollution from Ships) and ISM Code (International Safety Management Code) created by the International Maritime Organization (IMO, chartered by the United Nations). To learn more about IMO and the environment, please visit www.imo.org.

Our ongoing vessel management programs include:

- Shipboard waste management
- A ballast water management program
- Biodegradable lube oil products and TIN free anti-foulant coatings
- Purchasing of low sulfur diesel fuel that exceeds current EPA emissions standards, plus use of marine distillate fuels with extremely low (0.5 %) sulfur content for our vessels operating in or near ports
- An environmental audit program to assess stewardship of the environment
- Ongoing personnel training on environmental incident response

At our marine terminals, we have Storm Water Pollution Control Plans (SWPCC) and Spill Prevention, Control and Countermeasure Plans.

Emissions

Reducing emissions in transportation is a top priority. At Horizon Lines we are focused on reducing greenhouse and other gases, including carbon dioxide, particulates, nitrous oxides and sulfur dioxide that affect the local air quality and the global climate.

We have targeted four areas to assess improvement potential:

- Vessel fuel consumption and engine emission reductions
- Truck power, speed, and fuel consumption reduction



- Alternative fuels for truck and terminal handling equipment
- More efficient transportation modes

Sustainability

We believe a long-term, sustainable approach to running our business benefits Horizon Lines, our associates, customers, shareholders and the communities in which we live and work. Examples include:

- Backhaul reduction: intelligent routing of empty containers and chassis has meant a dramatic reduction in the total miles driven by our trucks in drayage and long haul
- Designing energy efficiency into all new facilities
- Introducing recycled materials into container new builds, e.g. composite material for floors in lieu of plywood
- Implementing a comprehensive recycling and energy efficiency program in our office environment

Carbon Offsets

Climate change knows no borders and is a challenge for the global economy. Transportation networks are still powered almost exclusively by fossil fuels, resulting in large emissions of greenhouse gases (GHGs).

To mitigate the environmental impacts from transportation, we have created our AeroGreen carbon offset solution. To learn more about AeroGreen, please visit www.aerologistics.com/aero_green.htm.

A Verified (CO₂) Emission Reduction is a reduction of one metric ton of greenhouse gas carbon equivalent. VERs allow GHG emitters to “balance” emissions of GHGs produced in one place by procuring GHG reductions from somewhere else (whether next door or around the world), thus meeting their emissions reduction targets.

AeroGreen calculates the amount of carbon dioxide emitted by each shipment using an innovative, proprietary calculator that adjusts for weight, distance, and mode of travel. Customers will then be given the option to offset the emissions generated by their shipments via the purchase of Verified Emission Reduction credits. AeroGreen recognizes those shippers that offset their emissions with a “Clean Shipper” seal that they can be posted on their website and in marketing materials if desired.

3Degrees, Inc. is our partner in AeroGreen. 3Degrees holds all of their Verified Emission Reduction projects to the strictest standards, resulting in the highest quality offsets available.

To begin using the AeroGreen calculator to offset emissions and join us on the path to clean shipping solutions, please visit www.aerologistics.com/carbon_calc.php

Partnerships

Horizon Lines is committed to being a leader in environmental mitigation working with our customers. We are reaching out to suppliers and select partners to identify new opportunities for emission reductions.

- EPA SmartWay Transport Program

SmartWay is a collaborative effort established by the U.S. Environmental Protection Agency (EPA) and the freight industry designed to increase energy efficiency while significantly reducing greenhouse gas emissions and air pollution.

SmartWay aims to achieve fuel savings of up to 150 million barrels of fuel per year. The partnership brings major shippers, trucking companies, railroads, logistics companies and associations together to pursue mutually beneficial solutions that result in emissions reductions and other environmental improvements, as well as cost savings to the companies. The Partnership currently has over 450 members.

To learn more about SmartWay, please visit www.epa.gov/smartway.

- 3Degrees, Inc.

3Degrees, Inc. is our carbon offset partner in the AeroGreen program. 3Degrees holds all of their Verified Emission Reduction projects to the strictest standards, resulting in verifiable greenhouse gas (GHG) emissions reductions. The company seeks to help reduce the magnitude of climate change by delivering customized, global climate change solutions to U.S. businesses, utilities and institutions. Their expertise in sourcing verified carbon offsets and certified renewable energy certificates enables customers to reduce their carbon footprint.

For more information on 3Degrees, please visit www.3degreesinc.com.

Achievements

In February 2008, we joined the SmartWay partnership with the highest EPA fuel efficiency and environmental performance ratings possible.

We recently had 13 of our ships recognized by the Chamber of Shipping of America for environmental excellence. Collectively they have a combined total of over 94 consecutive years of operation without any environmental incidents.

Contacts

We are committed to sharing our experience and knowledge with those interested in Horizon Green. For more information on the programs mentioned below or other transportation related environmental questions, please contact Gunther Hoock at ghoock@horizonlines.com or Wolf Liebchen at wliebchen@hrzlog.com.

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