

A.P. Møller - Mærsk A/S

# Modern Slavery Statement 2021

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This statement is made in accordance with The Australian Commonwealth Modern Slavery Act 2018 as well as Section 54 of the UK Modern Slavery Act 2015 on behalf of the following entities reporting as part of A.P. Møller - Mærsk A/S ("Maersk"):

UK entities:

- Maersk Logistics and Services UK Limited
- Maersk Line UK Limited
- The Maersk Company Limited
- Maersk Supply Service Subsea UK Limited
- Maersk Supply Service UK Limited
- Maersk Supply Service A/S
- Maersk Supply Service Integrated Solutions A/S
- Maersk Training UK Limited
- Svitzer Marine Limited
- Felixarc Marine Limited
- Maersk A/S
- Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft A/S & Co KG
- Sealand Europe A/S
- Maersk Container Industry A/S
- Maersk Insurance A/S

Australian entities:

- Maersk Logistics & Services Australia Pty Ltd (formerly known as Damco Australia Pty Ltd)
- Svitzer Australia Pty Ltd
- Maersk A/S (Australia Branch)

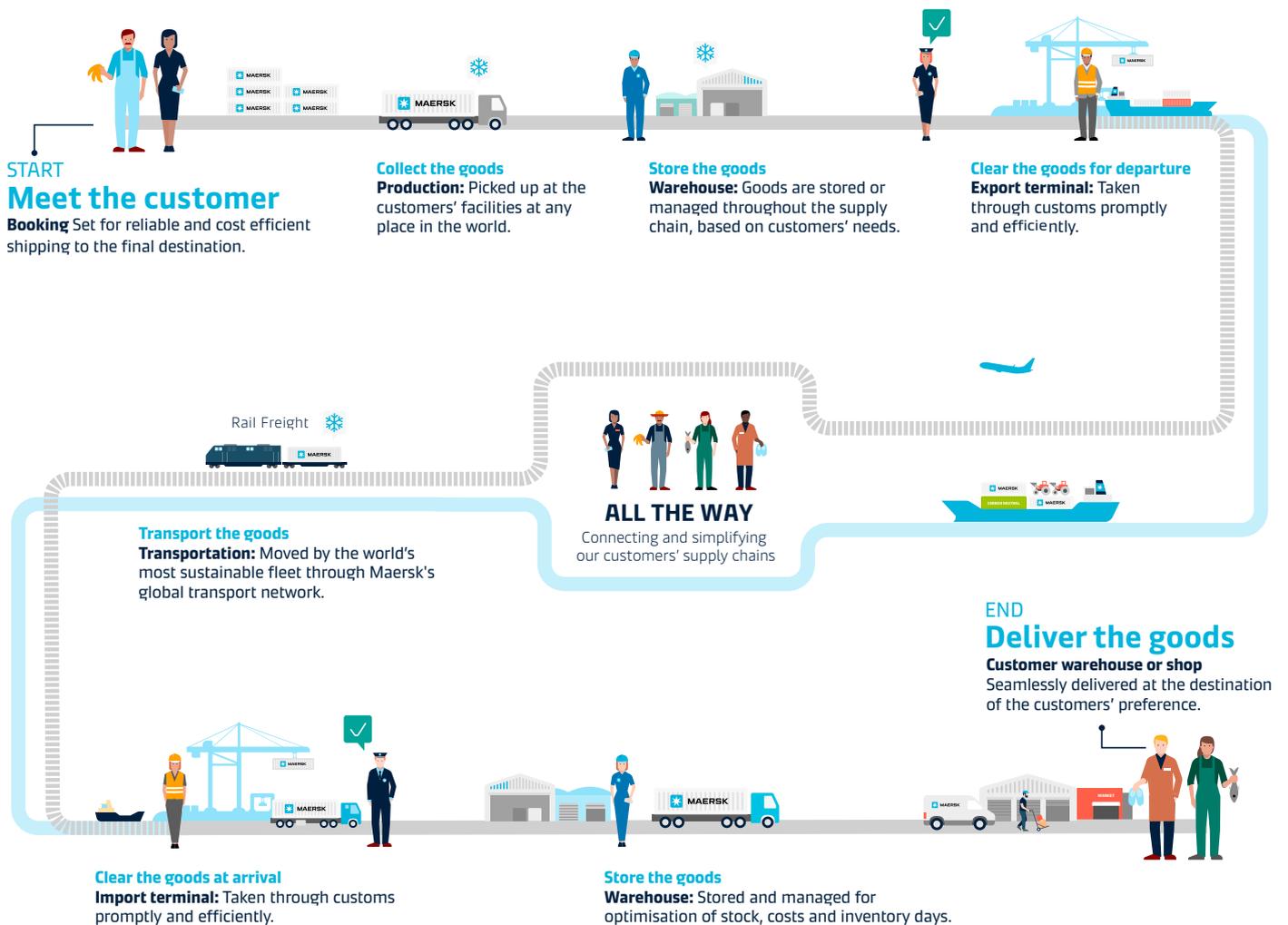
The Statement provides an overview of Maersk's policies and due diligence processes relating to the risk of modern slavery and should be regarded as complementary to the A.P. Møller - Maersk Sustainability Report 2021.

In developing this Statement, we actively engaged and consulted with the relevant companies we own or control. A cross-functional working group representing both A.P. Møller - Maersk and the relevant reporting entities have provided input for the content of the Statement.

# Our Business

A.P. Moller - Maersk (Maersk) is a global integrator of container logistics, aiming to connect and simplify our customers' supply chains and enable sustainable trade. We operate across more than 130 countries employing approximately 85,375 people. Maersk is headquartered in Copenhagen, Denmark, and is listed on the Copenhagen Stock Exchange.

Our value chain is illustrated below:



# Policies and Governance

A.P. Møller - Maersk, and its subsidiaries, is committed to conducting business in a responsible and upright manner and to respect human rights across our activities, in line with the Maersk Values. Our commitment to respect human rights is described further in our [Human Rights Policy Statement](#). We have zero tolerance for forced or involuntary labour, human trafficking and other practices defined as 'modern slavery', which is outlined in the [A.P. Møller - Maersk Code of Conduct](#) and implemented through the [Commit Rule on Global Employee Relations](#), and our [Supplier Code of Conduct](#).

## A.P. Møller - Maersk Code of Conduct

The Code of Conduct outlines our standards, and governs how each brand, business unit and employee within Maersk engages with customers, authorities, colleagues, suppliers, the community and other stakeholders. Our commitment to responsible business practices including fair employment practices and employee relations is a core component.

Responsibility for implementing the Code of Conduct lies with the Head of Corporate Affairs, reporting to the Executive Board. Governance of Maersk global policies (Commit Rules) is anchored in the Risk and Compliance Committee, where three members of the Executive Leadership Team meet quarterly.

## Commit Rule on Global Employee Relations

The Commit Rule on Global Employee Relations details our standards and sets out responsibilities in relation to implementing our commitment to respect fundamental labour rights and provide decent working conditions for our employees. The Commit Rule is implemented across A.P. Møller - Maersk. Responsibility for monitoring the implementation of, and compliance with, the Commit Rule rests with the A.P. Møller - Maersk Global Employee Relations Council, reporting to the Chief Human Resources Officer of A.P. Møller - Maersk.

*"Maersk will not use any form of forced or involuntary labour, and refrains from practices that can give rise to a risk of involuntary labour."*

### Commit Rule on Global Employee Relations

## Supplier Code of Conduct

The A.P. Møller - Maersk Supplier Code of Conduct describes expected business conduct by our suppliers. The Code is implemented through our global Sustainable Procurement programme (please see further below). The Code sets out expectations concerning responsible business behaviour in the areas of health and safety, equal opportunity rights, compensation and working hours, child labour and forced or involuntary labour, freedom of association, anti-corruption and environment.

The leaders of our businesses and the Head of Maersk Procurement are responsible for implementing the Responsible Procurement Programme, reporting to our Executive Board.

*"Suppliers should...not use or benefit from any kind of forced or involuntary labour and prohibit the use of recruitment fees, deposits, including by recruitment agencies, or other practices that may prevent employees from freely ending their employment."*

### Supplier Code of Conduct

## A.P. Møller - Maersk Whistleblower System and Ombuds Function

We take seriously any allegations that human rights are not respected in our operations or business relationships. Allegations can be reported by any person within or outside A.P. Møller - Maersk through our whistleblower system, available worldwide in more than 75 languages. It enables people to report concerns safely on all human rights issues, including human trafficking and forced or involuntary labour, child labour, and actions harming persons, their livelihood or properties, related to our operations, suppliers, contractors, third-party agents,

and other business partners with a direct link to A.P. Møller - Maersk.

In 2021, A.P. Møller - Maersk introduced the internal Ombuds function as a neutral, independent, informal and 100% confidential function that will listen to and assist those employees who do not feel comfortable reporting concerns to human resources departments, line managers or posting to the whistleblower system, in resolving conflicts or concerns. It offers a voluntary and safe place for employees to seek guidance, voice concerns and discuss options for any work - related matter.

# Identifying Modern Slavery Risks

In 2021 A.P. Møller - Maersk updated its corporate-wide Human Rights Assessment, together with external experts, with the purpose of mapping our most salient human rights impacts across the business and determining whether we have any gaps in our mitigating activities, in line with the UN Guiding Principles. Most of the salient human rights risks are known and managed via robust management systems. However, there is always room for improvement. The assessment results showed that A.P. Møller - Maersk's salient human rights impacts are mostly within the supply chain: working conditions (wages, benefits, hours and accommodation) and health and safety in the supply chain are two primary priorities.

## Risks within our Business

The Human Rights Assessment showed that we have a very low risk of modern slavery in our own operations. On working conditions in general (wages, benefits, and hours) there is low risk in our own operations,

however, we can always strive to improve, for example, in limiting overtime hours and exploring a global approach to living wages.

## Risks within our Supply Chain

The Human Rights Assessment showed that modern slavery risks in the supply chain can be present. Some sectors and practices carry higher risk, for example the use of migrant workers and contracted labour (especially in construction sector), recruitment and use of manning agencies in logistics and services sector including warehousing and trucking, and in catering and facilities management. The Assessment also highlighted global trends, including the covid pandemic exacerbating modern slavery, and the global climate crisis

creating climate-induced migration, which carries high risks for vulnerable migrants.

At A.P. Møller - Maersk our Sustainable Procurement department has identified 15 high-risk supplier categories (see box). These high-risk supplier categories are prioritised for further supplier due diligence which is described further below. Based on the Human Rights Assessment, these categories will be reviewed in 2022.

### Supplier categories with highest potential impact

1. Trucking / Intermodal
2. Warehousing services
3. Facility management
4. Outsourced labour
5. Terminals
6. Shipbuilding yards / Drydocks
7. Security offshore
8. Promotional items
9. Custom agents
10. Security onshore
11. Construction
12. Chemicals / Paints
13. Equipment / Maintenance / Repair (EMR)
14. Container manufactures
15. Manning – Seafarers

# Due Diligence

We assess compliance with the Supplier Code of Conduct with approximately 4,200 suppliers in high-risk categories, by conducting due diligence activities such as audits, self-assessments and documentation reviews. This is out of a total supplier population of about 60,000. We use a risk-based approach working with suppliers in 15 high-risk categories.

Suppliers are asked to address any gaps in the implementation of requirements through a time-bound improvement plan in consultation with Maersk. Periodic reviews and follow-up audits are conducted. Our audit and assessment activities in 2021 are detailed below. We increased our number of onsite audits for logistics and services-suppliers, primarily related to third party workers in terminals and warehouses.

As we progress on our Global Integrator strategy, we are expanding the scope of our ambitions to ensure responsibility and sustainability in our supply chain. This is driven by a greater exposure to sustainability-related risks, opportunities and responsibilities as we expand our landside activities. Also, there is a growing regulatory pressure on the responsible management of supply chains. Finally, our customers clearly express that they expect us to secure responsible practices across the logistics solutions we provide, and to help them deliver on the commitments and promises they have made on sustainability challenges such as decarbonisation, labour conditions in the supply chain and anti-corruption to name a few.

## Continued focus on third-party labour

We continue to work on ensuring that people working on our premises and performing tasks for us, but not hired by us directly, are offered working conditions that meet the standards in our Supplier Code of Conduct.

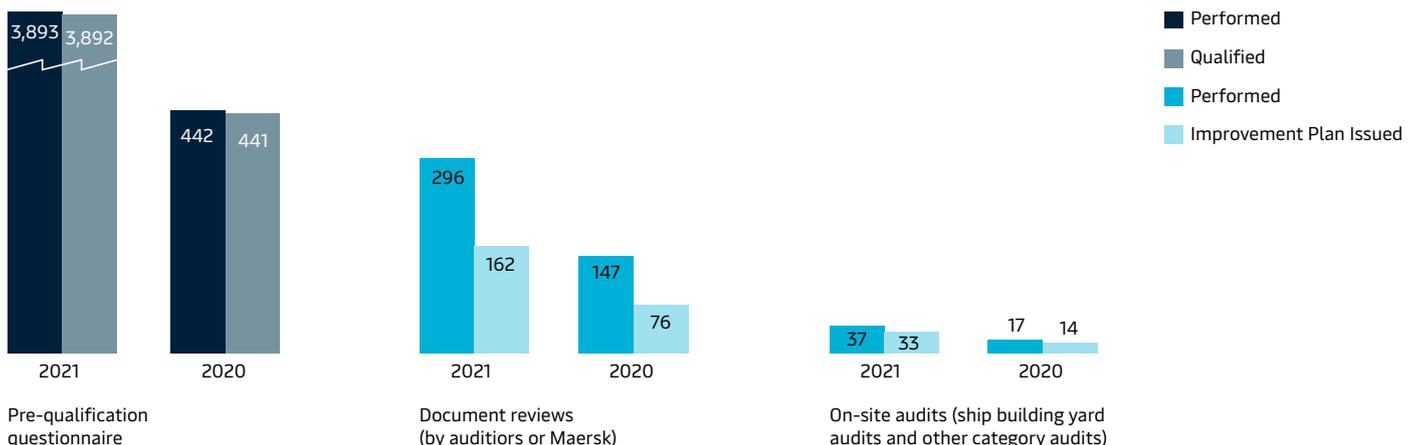
We employ third-party labour in many parts of our business. Since 2019, we have worked specifically with working conditions for 3rd party workers in trucking and warehousing as part of our sustainable procurement efforts. We have established a pre-qualifying self-assessment and in 2021 we applied an audit process for the trucking category in five locations, involving a collaboration between members of Maersk’s local health, safety, security and environment teams and local procurement teams.

Also related to trucking, we continued our participation in the Responsible Trucking initiative run by CSR Europe. The first phase of this project was completed and guidelines on sustainable procurement practices in this category were published. We are now working with CSR Europe and other partners on how to operationalise these guidelines and build a common approach to procurement due diligence in trucking, and as part of this we reach out to the truckers working for us to get their input and experiences integrated into the proposition.

# Findings and experiences

One way that we measure the effectiveness of our policies and procedures in relation to the supply chain is to conduct audits and assessments, and related to that, follow up with improvement plans. For 2021 our supplier audit and assessment activities are detailed below.

## Audits and assessments in 2021



From the above activities, 195 improvement plans have been established with suppliers where critical and major gaps against our Supplier Code of Conduct were identified. The improvement plans are being followed up continuously.

In 2021, we completed four sample audits in terminals in Nigeria, Columbia and Oman. The audits show indications of issues in conflict with our Supplier Code of Conduct, on for example working hours, overtime, health and safety and workers' accommodation. We also conducted audits at warehouses we use but do not own in Bangladesh. These audits resulted in similar findings. We have taken immediate actions to address all issues found. In addition, we will be conducting a landscape review of third-party labour agreements and practices across our terminals in 2022, with results being shared across Maersk and expected to lead to adjustments and improvements in our policies and practices.

Focusing on our own company, one way we are measuring the effectiveness of our processes is via our biennial labour

rights assessment. Every 2-3 years Maersk sends out an internal questionnaire to the business to gauge how effective the Commit Rule on Global Employee Relations is implemented, covering both our own employees and contracted staff. This year the assessment results confirmed that our labour rights issues are mainly related to working hours, discrimination and compensation. In 2022 we will continue our efforts to strengthen the labour rights due diligence process to gather actionable insights that will help address these issues in our business.

We continually assess the risks that our business causes, contributes, or is directly linked to adverse human rights impacts, in line with the UN Guiding Principles, and monitor the effectiveness of the processes and procedures to address these risks. We partner with customers, suppliers and other networks to promote responsible business practices and increase leverage for change where possible.

## Training

All employees must complete annual training in our Code of Conduct. In 2021, 36,691 employees equal to 91% of employees in scope were trained in the Code of Conduct.

Employee Relations Commit Rule e-learning module for launch in 2022. This e-learning will be mandatory for all new employees and complements the Code of Conduct training for current employees. In addition, we have conducted face to face trainings "Managing Employee Relations in Daily Operations" for frontline leaders in our terminals across the globe. The training is aimed at strengthening our terminals leadership skills in Employee Relations and is focused on establishing good relations with unions and promoting respect

for freedom of association and collective bargaining. To date, we have trained leaders in nine terminals with approximately 281 participants and will continue this training in 2022 for up to 10 more terminals.

To support the implementation of our commitment to respect labour rights in our supply chain, we also train our employees working with procurement activities. These employees are trained on our sustainable procurement process and requirements via an e-learning. In 2021, 66% of the people in scope completed such training activities. In 2022 we will be focusing on strengthening the controls in place to increase the training completion rate.

## Employment during COVID-19

As COVID-19 continued through 2021 we continued to experience challenges with ensuring the health and safety of our employees, particularly our seafarers. Despite a UN resolution designating seafarers as key workers, signed by 46 countries including many with key ocean shipping hubs, there are still severe strains being put on our people. The key worker designation was supposed to ensure seafarers ease of travel between home and vessel, as well as the right to disembark from their ships to seek medical treatment ashore. This is rarely the case, and our seafarers are particularly pressed by the lack of shore leave and lack of access to medical care, also if unrelated to COVID-19. As an employer wanting to keep

safe its employees, Maersk finds the lack of support from authorities unacceptable.

In 2021 we were able to reduce the number of colleagues who were on board our vessels longer than their contracts stipulated, compared to 2020. Out of 12,500 seafarers of 40 nationalities on 300 vessels, an average of 180 colleagues stayed on board beyond their contracts. In total, 60 crew members went beyond 11 months on board, which is the limit set in the Maritime Labour Convention. The delays were due to COVID-19-related restrictions hindering crew change, for example crew relief is not allowed for vessels in dry dock in China. All crew were disembarked at the first opportunity.

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This statement was approved by the Boards of Directors, which are higher entities of the reporting entities:

**Søren Skou**

Chairperson Maersk A/S

**Henriette Thygesen**

Chairperson Svitzer A/S and Maersk Supply Service A/S

**Vincent Clerc**

Chairperson Maersk Logistics and Services A/S

**Morten H. Engelstoft**

Chairperson Maersk Training A/S

**Sean Fitzgerald**

Chairperson Maersk Container Industry A/S

**Niclas Erlandson**

Chairperson Maersk Insurance A/S

