

# Performance data

	A.P. MOLLER - MAERSK		CONTINUING OPERATIONS		DISCONTINUED OPERATIONS	
	2018	2017	2018	2017	2018	2017
<b>Social performance</b>						
<b>Our employees</b>						
Number of employees (FTEs)	84,404	85,667	80,220	75,814	4,184	9,853
Women in leadership (% based on headcount)	25%	23%	25%	26%	10%	16%
Gender – female/total (% based on headcount)	27%	26%	27%	28%	8%	10%
Target nationalities in leadership (% based on headcount)	37%	31%	37%	40%	12%	9%
Target nationalities/total (% based on headcount)	70%	69%	71%	74%	23%	40%
Fatalities (headcount)	7	7	7	6	0	1
Lost-time injury frequency (based on exposure hours)	1.29	0.89	1.32	0.94	0.67	0.52
<b>Environmental performance</b>						
<b>Energy consumption</b>						
Fuel oil (1,000 tonnes)	12,017	10,369	11,970	10,296	47	73
Gas fuels (1,000 tonnes)	17	369	17	17	0	352
Other fuels (1,000 tonnes)	118	160	118	109	0	51
Electricity (1,000 MWh)	732	816	725	700	7	116
Energy consumption (total, TJ)	498,209	449,578	496,185	427,428	2,024	22,150
<b>Greenhouse gas (GHG) emissions</b> (1,000 tonnes CO <sub>2</sub> eq)						
GHG emissions	39,165	35,981	39,004	33,787	161	2,194
Direct GHG emissions (scope 1 GHG Protocol)	38,826	35,579	38,667	33,442	159	2,137
Indirect GHG emissions (scope 2 GHG Protocol)	339	402	337	345	2	57
<b>Other air emissions</b>						
SO <sub>x</sub> (1,000 tonnes)	615	531	615	530	0	1
NO <sub>x</sub> (1,000 tonnes)	955	826	951	818	4	8
<b>Other resource consumption</b>						
Waste (1,000 tonnes)	340	272	336	254	4	18
Water (1,000 m <sup>3</sup> )	2,256	2,971	2,206	2,616	50	355
<b>Spills (hydrocarbon)</b>						
>10 m <sup>3</sup> (number of spills)	0	0	0	0	0	0
<b>Economic performance</b> (USD million)						
Revenue	39,019	30,945	39,019	30,945	n/a	n/a
Profit/loss before depreciation, etc. (EBITDA)	3,806	3,532	3,806	3,532	n/a	n/a
Capex	2,876	3,599	2,876	3,599	n/a	n/a
Tax for the year	645	1,191	386	219	259	972

■ Financial scope. Covered by the A.P. Moller - Maersk Generally Accepted Accounting Policies and controlling guideline.

■ Operational scope. Covered by the Generally Accepted Accounting Policies.

■ Described in the Generally Accepted Accounting Principles – data from other sources than the financial and operational scoped data. Since 2017 gender and nationality data is reported by headcount, previously by FTE. See our Sustainability Accounting Principles at <https://www.maersk.com/about/sustainability/reports>

2017 data includes performance data for continuing operations and discontinued operations (Maersk Oil, Maersk Drilling and Maersk Supply Services). Maersk Oil is not part of sustainability reporting for 2018. Maersk Drilling and Maersk Supply Service continue to be classified as discontinued operations and are included in this report with data presented on aggregate level.

## COMMENTS ON 2018 PERFORMANCE DATA

### Social performance

#### Our employees

Increase in total number of employees is due to the acquisition of Hamburg Süd.

The increase in target nationalities in leadership for A.P. Moller - Maersk is due to different entities that we are reporting on. The entities for 2018 have a steady number of target nationalities and fewer non-target nationalities at this level, therefore the % of target nationalities has increased. Further comments on our performance on diversity and inclusion, along with our targets and performance on representation of women on the Board of Directors and representation of women and persons from countries that are not in the OECD high-income countries list, can be found on p. 35.

LTIF has increased mainly due to a positive change in safety maturity across our terminals where improvements in employee engagement have led to increased transparency in the reporting of lost time injuries. There has also been an increase in the number of terminal facilities fully in scope for reporting on safety. More details about our safety performance can be found on pages 28–29.

### Environmental performance

#### Energy consumption

Fleet of vessels has grown 8% due to the acquisition of Hamburg Süd. Increase in fuel oil is also caused by more vessel days deployed and the addition of new services.

No material change in natural gas consumption from continuing operations as compared to 2017.

Increase in other fuels consumption for continuing operations due to improved reporting processes for our terminal facilities.

Increase in electricity consumption from continuing operations due to the acquisition of Hamburg Süd as well as improved reporting processes for our terminal facilities.

Increase in energy consumption (total, TJ) is due to the increase in fuel oil consumption.

#### Greenhouse gas (GHG) emissions

Increase in GHG emissions is due to increases in energy consumption.

98% of our scope 1 emissions come from the operations of our fleet. Increase in direct GHG emissions is due to increase in fuel oil consumption.

Decrease in indirect GHG emissions is partly due to decrease in electricity consumption.

#### Other air emissions

SO<sub>x</sub> is produced from the combustion of heavy fuel oil. Increase in SO<sub>x</sub> emissions is due to increases in fuel oil consumption.

NO<sub>x</sub> is produced from the reaction of nitrogen and oxygen gases in the air during combustion of fuels. Increase in NO<sub>x</sub> emissions is due to increases in fuel oil consumption.

#### Other resource consumption

Increase is mainly due to changed methodology for calculating waste generation on our vessels (see Accounting Principles 2018). 2017 and 2018 numbers are non-comparable.

Decrease in water consumption for continuing operations is primarily due to improved reporting processes in two of our terminals.\*

#### Spills (hydrocarbon)

No spills above the threshold of >10m<sup>3</sup>.

### Economic performance

Financial data is taken from the audited Annual Report of A.P. Moller - Maersk. The annual accounts and independent auditors' report can be found at <http://investor.maersk.com/>

\* Two of our terminals accounted for approximately 1/3 of the reduction in water consumption for continuing operations.

There is a decrease in all indicators for discontinued operations due to the sale of Maersk Oil.

# Sustainability accounting principles

## Reporting framework

The report was prepared using the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines as guidance to determine report content and quality in terms of materiality, stakeholder inclusiveness, sustainability context, completeness, balance, comparability, accuracy, timeliness, clarity and reliability. A.P. Moller - Maersk no longer applies GRI-specific disclosures.

## Reporting period

Our reporting covers the period from 1 January to 31 December 2018.

## Controls

The consolidated reporting tool used by our businesses to report performance data is validated via IT audit, with manuals and online training in place. A set of generally accepted accounting principles for sustainability has been established, which defines the reporting rules, processes and responsibilities. A controlling guideline has been distributed to help secure the businesses own assurance of submitted data, before sign-off by the respective CEOs and CFOs. Furthermore, all businesses are obliged to provide explanation sheets on significant data developments. Furthermore, the data reported under financial scope is included in the framework used to assure risks and controls for financial reporting (Danish Statements Act §107b, section 1, no 6).

## Scope

Operational scope is applied for health and safety and spills data when A.P. Moller - Maersk or one of its subsidiaries has the governing authority and responsibility for health, safety and environmental management of the people, processes and facility – either directly or indirectly via third-party contractual arrangements.

This approach excludes data from assets that are partly owned by A.P. Moller - Maersk but operated by another company (i.e. a non-operated joint venture). Mobile assets are included when operated by A.P. Moller - Maersk. For vessels, the International Safety Management Code Document of Compliance must be held by A.P. Moller - Maersk to include the data.

Financial scope is applied for all other sustainability data, and is defined as follows:

- Owned assets and leased in assets that A.P. Moller - Maersk uses: A.P. Moller - Maersk is liable for consumption, emissions and other environmental elements
- Owned assets that are leased out: A.P. Moller - Maersk is not liable for consumption, emissions and other environmental elements – the lessee is

Technical management of an asset on behalf of third parties does not change the responsibility. Thus, consumption and emissions still belong to the asset owner/lessee who uses the asset. With regard to greenhouse gases, the reporting must be compatible with the Greenhouse Gas (GHG) protocol: direct emissions from own assets (Scope 1), indirect emissions from purchased electricity and district heating (Scope 2). Within our current climate change policy, we report on scope 1 and 2 GHG emissions.

Diversity and inclusion data includes all segments, global service centres, corporate functions, and Boards. Joint ventures and data not included in SAP is out of scope. For 2018, gender and nationality data, which includes women in leadership, gender – female/ total, target nationalities in leadership, target nationalities/ total, is reported by headcount. Data was extracted from SAP HR as of 31st December 2018.

## Comparability

Due to the change in reportable segments from Brands to Ocean, Logistics & Services, Terminals & Towage, and Manufacturing & others, we will no longer report on Brands separately. In line with the new business strategy, we report on sustainability performance as One Maersk, only separating between continuing operations and discontinued operations.

Maersk Oil is not part of sustainability reporting for 2018. Maersk Drilling and Maersk Supply Service continue to be classified as discontinued operations and are included in this report with data presented on aggregate level. 2017 and 2018 data for discontinued operations is not comparable.

Sustainability data for Hamburg Süd is included for 2018, except for the Bulk & Tanker business which is not reported upon as it is considered immaterial.

From 2018, data on shipboard waste generation, incl. sludge, will be based on actual data from WIN-ADMI instead of using conversion factors.

## Consolidation

For operational scope, 100% of the data from the operated assets is included irrespective of percentage ownership. Financial scope uses our financial consolidation methodology; data is collected per legal entity per activity, and the figures are consolidated line-by-line. Subsidiaries, in which A.P. Moller - Maersk has full control, are included 100%. Joint ventures and associated companies and other companies, in which A.P. Moller - Maersk does not have control, are excluded. Using financial consolidation principles allows us to compare sustainability indicators directly with

financial data, thereby providing context for our performance.

## Data categories and accuracy

A.P. Moller - Maersk has defined two categories of data: documented and probable data. The reason for this split is that some data is more difficult to document than other data.

- Documented data comprises: our employees, energy consumption, other air emissions and financial data

- Probable data comprises: health and safety, waste, water consumption, spills, gender and nationality

Documented data (financial and non-financial) is valid and complete, and is essentially at the same quality level.

The reliability of probable data is somewhat lower, but is still provided to the best of the management's knowledge.

Financially scoped probable data (water and waste) must always be defensible, and if assumptions are necessary due to lack of documentation, then the assumptions made must be verifiable. The documentation demand is that we use ISA 500 evidence, to the extent that it exists. If no such evidence exists, then assumptions based on the probable data must be made in writing and shall be verified by the reviewer, whereby the data are always defensible.

Operationally scoped probable data (safety and spills data), along with gender and nationality, has the weakest data quality, as it is not possible to review for validity and completeness. The data is still provided to the best of the management's knowledge, bearing the practices of the individual business units' industries in mind.

## Emission conversions

Our GHG emissions are calculated indirectly via default conversion factors for energy consumption and other GHG gases. The conversion factors for 2018 have been updated for electricity/district heating. The basis of the update was the annual update of these converters, by the International Energy Agency.

Primary schemes used are API (updated 2009), DEFRA (updated 2014) and IEA (updated 2016). The principles for choosing among the schemes for default conversion factors are:

- Newest schemes are preferred
- Internationally recognised generic schemes are preferred

- A scheme must always be used in full. Thus, no combined schemes are allowed unless specific elements were not included in the primary scheme
- Specific industry schemes can be included when not in conflict with the above

## Definitions:

- Number of employees measures the average number of full-time equivalents (FTEs). FTEs are calculated based on the total number of compensable hours (days) in a work year compared to the number of hours (days) in a 'norm' work year. Excluded are employees on unpaid leave, contractors and temporary staff
- Headcounts are defined as regular employees not on leave, on paid leave and on unpaid leave. Excluded are contractors and temporary staff

- Women in leadership is the percentage of women in level 5, 6, 7, 8 and 9, corresponding to Senior Managers, Leaders, Senior Leaders, and Executives, compared to total headcount of the same levels

- Target nationalities in leadership is the percentage of leaders with non-high-income OECD nationalities in level 5, 6, 7, 8 and 9, corresponding to Senior Managers, Leaders, Senior Leaders, and Executives, compared to total headcount of the same levels

- Lost-time injuries (LTI) is the sum of fatalities, permanent total disability (PTD), permanent partial disability (PDD) and lost work day case (LWC). A Lost Workday Case (LWC) is any work related injury, other than a fatal injury, which results in a person being unfit for work on any day or shift after the day of occurrence of the occupational injury. "Any day" includes rest days, weekends, leave days, public holidays or days after ceasing employment. Any time spent on delays in connection with medical assistance is not included in this determination. Permanent Partial Disability (PDD) is any work injury which results in the complete loss, or permanent loss of use, of any member or part of the body, or any impairment of functions of parts of the body, regardless of any pre-existing disability of the injured member or impaired body function, that partially restricts or limits an employee's basis to work on a permanent basis at sea. Such an individual could be employed ashore but not at sea in line with industry guidelines. Permanent Total Disability (PTD) is any work injury which incapacitates an employee permanently and results in termination of employment

on medical grounds (e.g. loss of limb(s), permanent brain damage, loss of sight) and precludes the individual from working either at sea or ashore

- LTIF (Lost-Time Injury Frequency) measures the number of lost-time injuries per million exposure hours. LTIs include fatalities, PTD, PDD, and LWC, but excludes suicide or attempted suicide, criminal or terrorist activity, and incidents which occur off the ship but where the consequences appear onboard at some later time

- Energy consumption is based on fuel oil, natural gas, other fuels (diesel, kerosene and heating oil) as well as the consumption of electricity/district heating

- Direct GHG is the sum of all six Kyoto gasses converted to CO<sub>2</sub> equivalents. Kyoto gasses comprise: CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, which are calculated based on fuel consumption/ combustion, and HFC, SF<sub>6</sub>, NF<sub>3</sub> and HCFC, which are based on direct consumption

- Indirect GHG is the CO<sub>2</sub> equivalents' converted sum of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O, calculated on consumed electricity and district heating bought from a third party

- Amount of waste is the sum of all waste types generated

- Amount of water is the sum of all water consumed, excluding ballast water and water for re-injection

- Oil spills are defined as any type of spills of hydrocarbon liquids greater than ten m<sup>3</sup>, resulting from any unintended release associated with current operations, from primary or secondary containment

- To secure completeness, office standards have been developed based on 2014 data, which can be used for offices with no production or warehousing, etc. These standards are only to be used, if other more accurate information is not available