

**A. P. Møller - Mærsk A/S**

# **Modern Slavery Statement**

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## Modern Slavery Statement

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This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 by Maersk Line A/S reporting as part of A. P. Møller – Mærsk A/S.

It provides an overview of Maersk's policies and processes relating to the management of the risk of modern slavery, and should be regarded as complementary to the A.P. Møller – Maersk Sustainability Report.

For further information on our activities and progress, please see the Sustainability Report 2018.

A.P. Møller - Maersk is a global integrator of container logistics, aiming to connect and simplify our customers' supply chains. Maersk employs about 80.000 people across operations in around 130 countries.

## Policies and Governance

A. P. Moller - Maersk strives to conduct business in a responsible and upright manner, in line with the [A. P. Moller - Maersk Values](#), and is committed to good and fair labour conditions in our own operations and supply chain. We refrain from practices that can give rise to risks of forced or involuntary labour, human trafficking and other practices defined as 'modern slavery', as per our [Principles for Global Employee Relations](#) and our [Third Party Code of Conduct](#).

### Principles for Global Employee Relations

All employees are covered by a single set of Principles for Global Employee Relations, designed to protect their rights and safety.

The Principles for Global Employee Relations framework are implemented across A.P. Moller - Maersk with the aim of furthering constructive and productive relations with employees and their representatives, ensuring that employee relations and working conditions serve the interests of both the employees and the company.

**"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"**

- Maersk Principles for Global Employee Relations

Responsibility for monitoring the implementation of and compliance with the Principles for Global Employee Relations rests with the A.P. Moller - Maersk Global Employee Relations Council, reporting to the Chief Human Resources Officer of A.P. Moller - Maersk.

### Third Party Code of Conduct

The A.P. Moller - Maersk Third Party Code of Conduct describes expected business conduct by suppliers, third-party agents and contractors (hereafter 'suppliers') to A.P. Moller-Maersk. The code is implemented through a global Responsible 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.

**"We expect our suppliers to not use or benefit from, forced or involuntary labour as per 'Guidelines & Good Business Practice' addition to the Code. All employees shall enjoy the freedom of movement during the course of their employment. Personal/employment documents or payment of compensation must not be withheld, thereby preventing such an employee from terminating his/her employment.**

**We provide specific guidance to our suppliers on how to identify and prevent forced labour in their own operations and their supply chains"** - Third Party Code of Conduct (Read more [here](#))

The leaders of our businesses and the Head of Maersk Procurement are responsible for implementing the Responsible Procurement Programme, reporting to the Chief Operating Office of A. P. Moller - Maersk.

### A. P. Moller - Maersk Whistleblower System

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. Moller - Maersk through our [Whistle-blower 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. Moller - Maersk. During 2018, the system received no reports relating to modern slavery.

## Due Diligence in our Supply Chain

Managing our supply chain risks is of special importance due to less direct oversight and control of working conditions and recruiting practices. All suppliers with a contractual agreement are as a minimum required to follow our Third-Party Code of Conduct or equivalent international standards.

A. P. Moller - Maersk interacts with approximately 72,000 suppliers every year in more than 100 countries. Out of these, we have a continuous engagement with approximately 24,000 suppliers. We monitor supplier adherence to our Third-Party Code of Conduct through our global Responsible Procurement programme. Monitoring is prioritised according to a risk-based approach. This means we focus our follow-up efforts on those suppliers that we assess are at heightened risk of having adverse impacts within the areas covered by the code. In 2018, the current approach was further sharpened with a geographical risk mapping and by combining it with supplier risk categories to drive focused efforts. This is available on our website [here](#). We currently operate with 15 high-risk supplier categories, which are listed on our website. There are approximately 3,000 suppliers in the first and second tier of these high-risk categories (see box).

#### 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 manufacturers
15. Manning – Seafarers

## Supplier risk assessment

Within these high-risk categories we assess 1<sup>st</sup> tier suppliers and selected 2<sup>nd</sup> tier suppliers using a combination of onsite audits, self-assessments and documentation reviews, where suppliers' performance is compared to the requirements of our Third-Party Code of Conduct. The assessments are reviewed either by our Responsible Procurement team or by an approved third-party auditor. Based on findings, improvement plans are agreed and implemented.

For selected categories of suppliers, we undertake further due diligence measures:

- **Assets under construction** includes suppliers building vessels and terminals, where employment conditions of subcontracted workers could present a risk. These suppliers must be audited on-site prior to or shortly after contract signing.
- **Indirect hiring and recruitment** enables operational flexibility, but can also pose a risk due to the less direct oversight of how workers, often recruited across multiple countries by e.g. manning and crewing agencies or local contractors, are hired. When contracting third party manning and crewing agencies for our shipping businesses, we follow standardised auditing guidelines. This includes: periodic audits and self-assessment questionnaires through our Responsible Procurement Programme, and additional assessments to ensure their compliance with the Maritime Labour Convention (MLC) standards before entering contracts.

Please visit our website for more information on how we address [human rights](#) and [responsible procurement](#) or have a look at our [2018 Sustainability Report](#).

## Findings and experiences

During 2018, we conducted 40 audits and 1029 self-assessments of suppliers in high-risk categories. We have established 177 Improvement Plans with suppliers where we identified critical and major gaps against our Third-Party Code of Conduct. We encountered no instances of modern slavery practices but in a few cases, we asked suppliers to adopt written policies on forced and bonded labour. In 2018, we were made aware of poor working conditions for workers employed by subcontractors in Kenya. We take such instances very seriously and have initiated an assessment to ascertain the working conditions of impacted workers and take action to address any violations of our Third-Party Code of Conduct. The learnings will be used to strengthen our assessment approach for the third-party Terminals supplier category, where we have initiated a pilot through our Responsible Procurement program to cover 10 third-party terminals in high risk countries with further roll-out in 2019.

Focusing on our own company, in 2018 we conducted an internal labour rights self-assessment covering both direct staff and third-party employees in all our entities world-wide. We found that in a few countries where we operate, local laws and practices may require employees to obtain approval from their current employer if they wish to move to a different employer. There are also a limited number of cases where employees are granted loans by the company. Based on the assessment we will take further steps to ensure that such practices do not create a risk of involuntary labour.

## Training

During 2018 we rolled-out a new e-Learning module on international labour standards covering the following topics: equal treatment; freedom of association and collective bargaining; child labour; forced labour; working hours; compensation, health and safety; and grievance mechanisms. The 30-minute training is for all employees and has so far been completed by two thirds of our workforce. Alongside this we continued specialised training on international labour standards for those employees who deal with manning agencies, with a special focus on inland service operations. In 2018, this included 8 training workshops for a total of 200 employees across the businesses, both as face-to-face sessions and as webinars focusing on practices and rights related to labour.

**This statement is approved by the Board of Maersk Line A/S.**

**Signed**



Søren Skou  
CEO and member of the board of Maersk Line A/S  
2019

