A.P. Møller - Mærsk A/S
Modern Slavery Statement 2020

A.P. Moller - Mærsk (Maersk) is a global integrator of container logistics, aiming to connect and simplify our customers’ supply chains. Maersk employs approximately 83,500 people across 130 countries.

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:

UK entities:

- Maersk Logistics and Services UK Limited (formerly Damco 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 Dampfschifffahrts-Gesellschaft A/S & Co KG

Australian entities:

- Damco Australia Pty Ltd
- Svitzer Australia Pty Ltd
- Svitzer Towage 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. Moller - Maersk Sustainability Report 2020.
Policies and Governance

A.P. Moller - Maersk strives to conduct business in a responsible and upright manner, in line with the Maersk Values, and is committed to good and fair labour conditions in 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 the A.P. Moller - Maersk Code of Conduct and implemented through the Commit Rule on Global Employee Relations, and our Supplier Code of Conduct.

Commit Rule on Global Employee Relations

- All employees are covered by a single set of principles, designed to protect their rights and safety.
- The Commit Rule on Global Employee Relations is 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.
- Responsibility for monitoring the implementation of and compliance with the Commit Rule on 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.

Supplier Code of Conduct

- The A.P. Moller - Maersk Supplier Code of Conduct describes expected business conduct by 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.
- The leaders of our businesses and the Head of Maersk Procurement are responsible for implementing the Responsible Procurement Programme, reporting to our Executive Board.

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 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. Moller - Maersk.
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 recruitment practices. All suppliers with a contractual agreement are as a minimum required to follow our Supplier Code of Conduct or equivalent international standards.

We monitor supplier adherence to our Supplier Code of Conduct through our global Responsible Procurement programme. We engage with approximately 3,500 high risk suppliers through due diligence activities such as audits, self-assessments, documentation reviews, and improvement plans. This is out of a group of about 12,500 suppliers with whom we have a contract, and a total supplier population of about 59,000.

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. This is based on a geographical risk mapping combined with supplier risk categories to drive focused efforts. This is available on our website here. We currently operate with 15 high-risk supplier categories (see box), which are also listed on our website.

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

Supplier risk assessment

Within these high-risk categories we assess 1st tier suppliers and selected 2nd tier suppliers using a combination of onsite audits, self-assessments and documentation reviews, where suppliers’ performance is compared to the requirements of our Supplier 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** enable operational flexibility but can also pose a risk due to the less direct oversight of how workers are hired. Recruitment happens across multiple countries by e.g., manning and crewing agencies. On the landside (e.g., for warehouses), where we use local contractors to hire labour (outsourced labour), we have established a document review process to establish conformance with local laws and the Maersk Supplier Code of Conduct. 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 (www.maersk.com) for more information on how we address human rights and responsible procurement or have a look at the A.P. Moller – Maersk 2020 Sustainability Report.
Findings and experiences

During 2020, Maersk conducted 17 audits and 595 self-assessments of suppliers in high-risk categories. 130 improvement plans have been established with suppliers where critical and major gaps against our Supplier Code of Conduct were identified. No instances of modern slavery practices were encountered, but in a few cases suppliers were asked to adopt written policies on forced and bonded labour.

Focusing on our own company, Maersk has conducted internal labour rights self-assessments covering both own employees and contractors in all entities world-wide. In the latest assessment in 2019, the company found that in a few countries local laws may require employees to obtain approval from their current employer to move to a different employer. There is also a limited number of cases where employees are granted loans by the company. In these cases, Maersk has through local management teams worked to describe the rights and responsibilities of employees to avoid any situation that can give rise to a risk of bonded labour practices.

Training

During 2020 Maersk launched an e-learning course for employees working with suppliers about the Supplier Code of Conduct. The purpose of the e-learning is to raise awareness on compliance requirements. 92% of employees in the target group have completed the e-learning.

It was planned to conduct face-to-face trainings on negotiations & conflict management and employee relations in daily operations in 2020. Both were newly developed training programmes, aimed at enhancing insight and competencies into employee relations, including fundamental labour rights, for management – general and operational – particularly in our terminals business. However, due to COVID-19 these training sessions had to be cancelled, and instead the face-to-face training is being translated to a web-based format.

Employment during COVID-19

In 2020, many of Maersk’s seafarers experienced prolonged stays on the same vessel, as crew changes were hindered by government restrictions due to COVID-19. Normally, a crew member stays on a vessel anywhere from two to six months. The Maritime Labour Convention states that crews can spend a maximum of 11 months on board. These norms were broken in 2020.

At its highest, more than 2,500 seafarers had completed their contracts, but could not be relieved of their duties, and a much smaller group were unable to board vessels and fulfil their contracts.

Maersk set up a cross-functional task force to create agreements with governments, airlines, airport operators, hotels and port authorities that would enable crews to obtain essential worker status to safely travel to and from major port hubs with major international airports, including on special Maersk charter flights.

Maersk leadership had discussions with the International Transport workers Federation’s leadership to align approach on COVID-19 and explore options for collaboration. This resulted in sharing of information and knowledge about solutions to make the necessary crew changes, just as we contributed to discussions with the ILO which led to a resolution in December 2020, recognizing seafarers as essential workers.

Additionally, an IT solution was put together to help track seafarer locations and maximise the number of people that could be moved. To overcome the multitude of bottlenecks found on land, Maersk created its own quarantine safe centers in strategic locations such as Manila and Mumbai where crew could be tested and certified as healthy to travel to join a vessel. Maersk also created hubs for local quarantine in high-volume areas such as the Suez, Europe, Nigeria, Malaysia and Panama, which helped seafarers reach their destinations.

By the end of the year, the company had finally succeeded in arranging the crew changes and helping the overdue crew members to leave the vessels.

Across Maersk’s terminal business, procedures were applied to mitigate the risk of contracting COVID-19. These included procedures for entering, being in, and leaving the workplace. This included training sessions and inspections of facilities to ensure safety for employees and other port and warehouse users. Furthermore, employee rights in case of quarantine or staying at home were outlined and visibility of these rights ensured to all employees. These measures were established with local engagement with trade unions.
This statement was approved by the Executive Board of A.P. Moller - Maersk.

Signed

Søren Skou
Chief Executive Officer
February 2021