

Maersk Greenhouse Gas Emissions Recalculation Policy

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Purpose of the Maersk Greenhouse Gas Emissions Recalculation Policy

The Maersk Greenhouse Gas Emissions Recalculation Policy (subsequently referred to as 'the Policy') governs the greenhouse gas emissions baseline calculated by A. P. Moller-Maersk (subsequently referred to as 'Maersk') and its brands¹ to maintain consistency in public reporting of emissions and externally committed greenhouse gas reduction targets. It also outlines the types of changes and thresholds that trigger a recalculation and restatement of previously reported greenhouse gas emissions. In this way, the purpose of the Policy is to ensure that Maersk can maintain a greenhouse gas emissions inventory that allows for meaningful and consistent comparison over time, or in other words, comparisons of 'like with like' data. In addition, the Policy support the integrity of internal analysis of Maersk risks and opportunities owing to this consistency.

This Policy is based on the principles and guidance of the Greenhouse Gas Protocol (subsequently referred to as GHG Protocol) and Science Based Targets Initiative (subsequently referred to as SBTi) and will be revised in accordance with developments in their guidance. This document must be considered supplementary to Maersk accounting policies for emissions, which outline the annual calculation and reporting of Maersk's greenhouse gas inventory subject to external assurance. In its current form, the Policy does not cover the nuances of supranational and national regulation differing from the aforementioned standards but may be used to inform Maersk's participation in development and subsequent adherence to legislative requirements.

Base year

Currently, Maersk determines the year 2022 to be representative of its current and future operations as an integrated logistics company.

With due consideration to current and upcoming reduction targets committed to by Maersk and its brands, Maersk will use a fixed target base year. A rolling base year may be considered for targets at a future date if obtaining and maintaining reliable and verifiable data for a fixed target base year is deemed challenging. Further, this is also subject to SBTi's consideration, as current guidelines do not provide guidance for a rolling base period. A review, if required, will be conducted in accordance with the section 'Timeline of recalculation'. Please note that every recalculation mentioned in this document implies recalculation of the greenhouse gas emissions for the base year, and not necessarily the full emissions profile between base and target years. Maersk will consider recalculation of previously reported years (full emission profile) on a case-by-case basis, if feasible and possible depending on but not limited to methodology changes, data availability, and errors.

Please note that this consideration does not intend to supersede the requirements of supranational or national regulations. In the event the considerations of a supranational or national regulation differ with voluntary provisions of GHG Protocol or SBTi, Maersk will disclose its emissions inventory according to all legislative and voluntary provisions.

Significance threshold for recalculation

In accordance with *SBTi Net Zero Guidance*², Maersk and its brands adopt a significance threshold of 5% deviation i.e., the recalculated emissions deviate by at least 5% compared to the previously communicated emissions baseline utilized for externally assured and disclosed targets. This is subject to significant changes as defined in the section 'Determinants of recalculation' and with due consideration to the following:

- Maersk Group targets: If Maersk Group's externally disclosed and assured targets are affected by significant changes, both the absolute emissions and intensity emissions (if relevant) must be recalculated for Maersk and its brands.
- Targets per brand: If a Maersk brand's own externally disclosed and assured target is affected by significant changes in its operations, the absolute emissions and intensity emissions (if relevant) should be recalculated for

¹ Brands refer to the publicly distinguished corporate entities representing Maersk operations, such as, Maersk, APM Terminals, and Svitzer. This bifurcation is in line with Maersk's annual financial reports released to external audiences.

² Please refer to the latest version of the [Science Based Targets Corporate Net-Zero Standard](#)

the brand. In this event, the corporate inventory of Maersk Group will only be revised if brand level changes in emissions also cumulatively influence the corporate inventory to surpass the significance threshold.

- Supranational and national schemes: Maersk and its brands targets subject to regulations (for example, but not limited to, International Maritime Organization (IMO) regulations), must follow the significance considerations of regulation, if specified, but may adopt the specified guidelines in the document if deemed fit.

Determinants of recalculation

Maersk and its brands base year emissions must be retroactively recalculated, both for increases and decreases, to reflect changes that would otherwise compromise the consistency and relevance of Maersk and its brands externally disclosed inventory and targets subject to the 'Determinants of recalculation'.

Any of the following cases will trigger recalculation of base year emissions if the impact on externally assured and disclosed targets by Maersk and its brands is significant as defined in 'Significance threshold for recalculation':

- Structural changes to the company, such as mergers, acquisitions, and divestments
 - A structural change involves the transfer of ownership or control of emissions-generating activities or operations to or from Maersk and its brands.
 - This includes a transfer of existing facilities and assets external to Maersk into its financial control which were previously not in Maersk's greenhouse gas inventory boundary but existed in the base year.
 - This includes changes in ownership, such as from joint venture to majority owner and vice versa.
 - While a single structural change might not have a significant impact on the base year emissions, the cumulative effect of several minor structural changes can be considered as significant impact.
- Changes in calculation methodology owing to data availability or data quality.
 - A methodological change in Maersk's calculation of the same sources of GHG emissions owing to updates in external calculation guidelines (for example, ISO standards) or more accurate data input such as activity data or emission factors.
 - For Maersk's scope 3, this includes existing activities previously not captured in the baseline inventory considering the evolving nature of this scope.
 - Maersk may optionally choose to recalculate emissions for years other than the base year. If methodological changes cannot be reasonably applied to all past years, Maersk may reasonably estimate these data points, or choose to not recalculate. In both events, Maersk will describe and disclose methodological changes in its annual disclosures.
- Errors in the original data or calculation or several cumulative errors in the baseline of Maersk and its brands, that are collectively significant as defined in 'Significance threshold for recalculation'.

The following cases will not trigger recalculation of base year emissions for externally assured and disclosed targets by Maersk and its brands:

- Acquisition or divestment of companies or operations that did not exist in the base year, including:
 - Acquisitions or divestment of companies that did not exist as an entity in the base year.
 - Facilities and assets that did not exist in the base year.
- Organic growth
 - Organic growth/decline refers to increases or decreases in production output, changes in product mix, and closures and openings of owned and controlled Maersk entities.
 - Due to lack of evidence of unchanged atmospheric emissions owing to, for example, market share capture, organic growth or decline is assumed to influence a change of emissions to the atmosphere. Therefore, it will be counted as an increase or decrease in Maersk's emissions profile over time.

- Insourcing or outsourcing if activity already reported under one of the GHG scopes.
 - Activities that shift emissions between scopes and sources reported without a change in total emissions.
 - An exception may be made if outsourcing/insourcing significantly shifts emissions (as defined in 'Significance threshold for recalculation'), subject to the considerations of structural changes.

This document will be reviewed annually in line with Maersk's annual disclosures processes.

Document change log

| Version | Date of Review | Document ownership | Document review |
|---------|----------------|---|----------------------------------|
| 1.1 | 26.01.2024 | Head of Energy Transition Transparency and Enablement | Head of Corporate Sustainability |