

A.P. Moller - Maersk

ESG

Investor Day 2022



MAERSK

ESG Investor Day

2022 Agenda

13:00 - 13:05

Welcome to ESG Investor Day 2022

Patrick Jany

Chief Financial Officer

Sarah Spray

Head of Investor Relations

13:25 - 14:05

Decarbonising Logistics

Henriette H. Thygesen

CEO, Fleet & Strategic Brands

Morten Bo Christiansen

Head of Decarbonisation

14:40 - 15:00

Finance & Targets

Patrick Jany

Chief Financial Officer

13:05 - 13:25

ESG: The Maersk Approach

Søren Skou

CEO, A.P. Moller – Maersk

14:10 - 14:20

Coffee break

14:20 - 14:40

Creating Value for our Customers

Vincent Clerc

CEO, Ocean & Logistics

15:00 - 15:10

Led by our Purpose & Values

Søren Skou

CEO, A.P. Moller – Maersk

15:10 - 15:40

Q&A

15:40 - 15:45

Closing

Patrick Jany

Chief Financial Officer

Session 1:

ESG – the Maersk
approach

ESG: Integral to business strategy and value creation

At Maersk, ESG is:



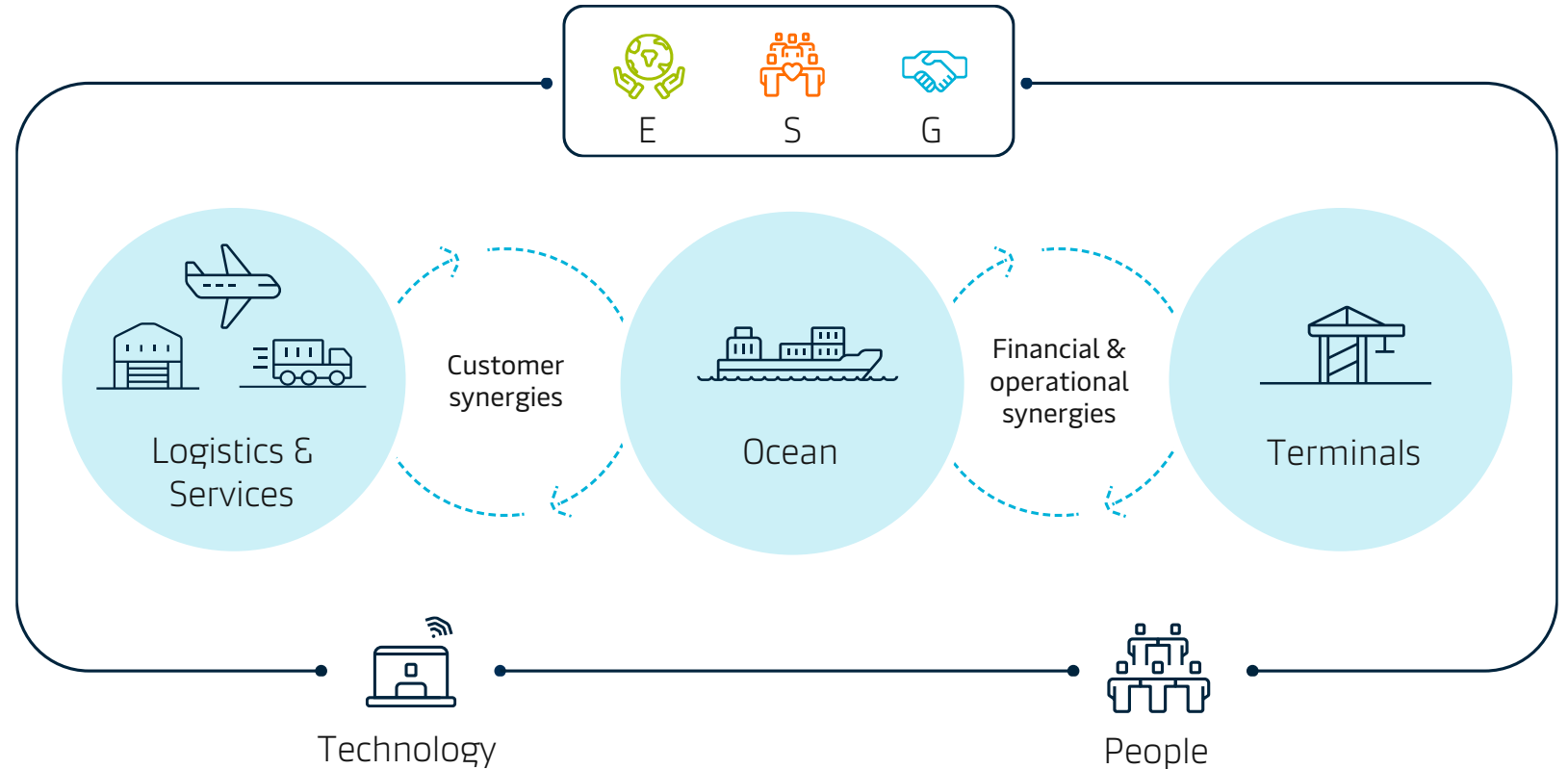
Core to our business strategy



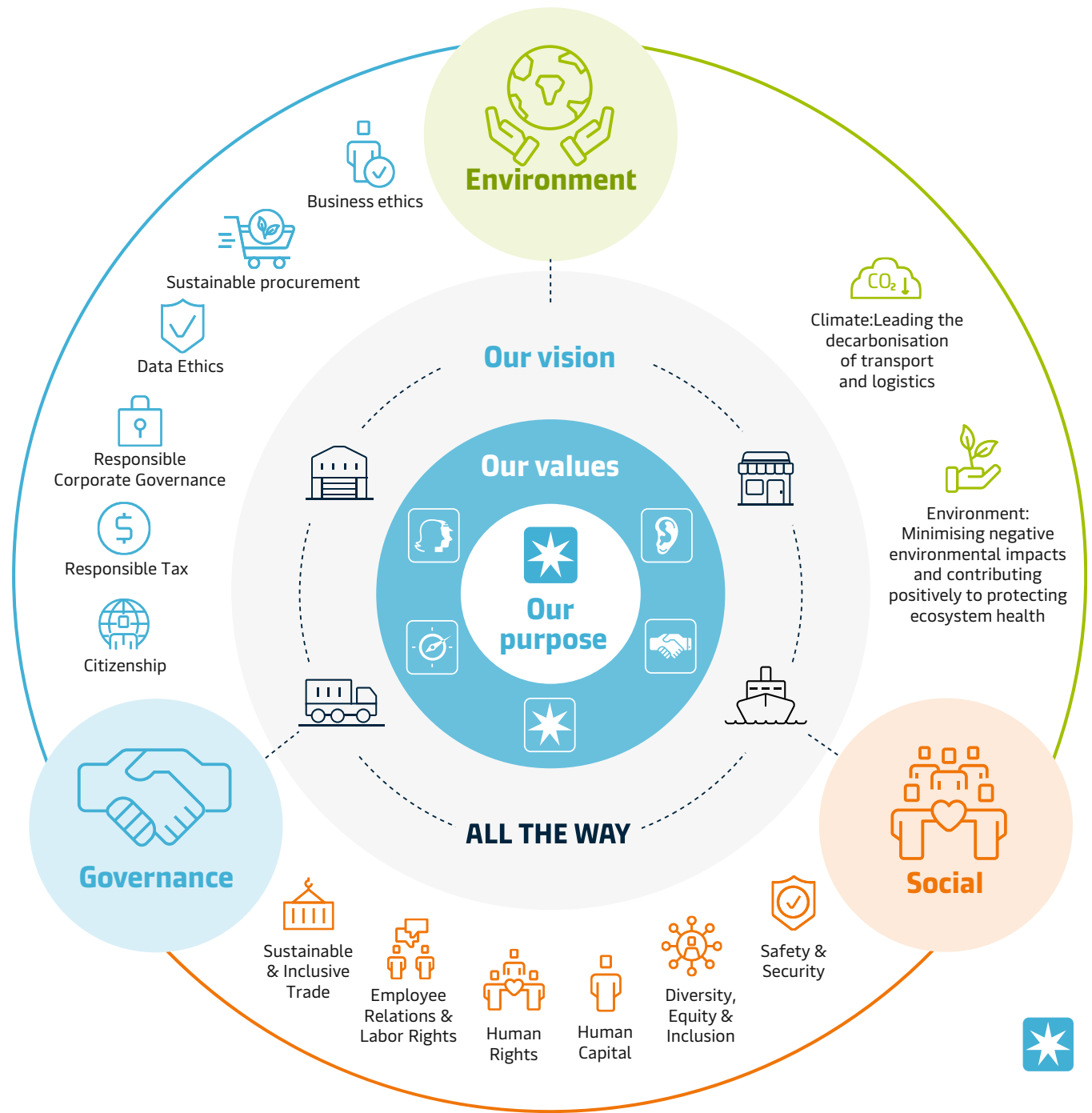
Embedded with concrete targets



Integral to our company purpose and values



Our strategic sustainability priorities



Governance

Operating based on responsible business practices



Business Ethics



Sustainable Procurement



Data Ethics



Responsible Corporate Governance



Responsible Tax









Citizenship



Enabling
our growth
and business
transformation

Social

Ensuring that our people thrive at work

-  Safety & Security
-  Diversity, Equity & Inclusion
-  Human Capital
-  Human Rights
-  Employee Relations & Labor Rights
-  Sustainable & Inclusive Trade



Creating an environment where employees are able to bring their whole selves to work and contribute their fullest

Environment

Taking leadership in the decarbonisation of logistics



Driving the decarbonisation of transport and logistics



Minimising negative environmental impacts and contributing positively to protecting ecosystem health



Making a global impact at scale within the decade and supporting our customers and the industry to meet net zero emissions goals

A.P. Moller - Maersk

Carbon footprint

- Total annual, global emissions of green house gases (GHG) are estimated to be approximately 50bn tonnes of CO₂ equivalent¹
- The transportation sector represents about 16% of annual, global GHG emissions

- There are considerable differences in the carbon intensity between different modes of transportation:²

	Air Freight = 1,060 g CO ₂ e/t km
	Truck = 92 g CO ₂ e/t km
	Barge = 19 g CO ₂ e/t km
	Rail = 17 g CO ₂ e/t km
	Large Container Ship = 6 g CO ₂ e/t km

- In 2021, the total GHG emissions for A.P. Moller-Maersk were 66,125 (1,000 tonnes CO₂ e) of which:
 - Scope 1 = 36,863 (1,000 tonnes CO₂ e) 56%
 - Scope 2 = 310 (1,000 tonnes CO₂ e) 1%
 - Scope 3 = 28,952 (1,000 tonnes CO₂ e) 44%
- For more detail, please see our annual [Sustainability Report](#)



Taking leadership in decarbonising logistics

2018



- Launched Net Zero ambition
- Introduced ECO Delivery
- Defined future fuels priority
- Invested in 13 green methanol-enabled vessels

2022



- Accelerated targets towards 2030 and 2040
- Invested in 6 more green methanol-enabled vessels

2030



- Industry-leading green customer offerings across the supply chain
- Aligned with a Science Based Target 1.5-degree pathway

2040



- Net zero across our business and 100% green solutions to customers



Session 2:

Decarbonising
Logistics

Maersk decarbonisation targets on the way to 2040

2030

2040



- Ocean: ~50% reduction in emission intensity from 2020 baseline
- Min. 25% of Ocean cargo transported with green fuels



- Logistics facilities: Min 90% green operations*
- Landside: Min 20% of moves of customer's cargo on low/zero emissions technology



- Air: Min. 30% of cargo transported with Sustainable Aviation Fuels



- Terminals: ~70% emissions reduction from 2020 baseline (Scope 1 & 2 from own terminals)



0



Decarbonising Ocean

2030 Targets



Ocean

~50% reduction in emission intensity from 2020 baseline

Min. **25%** of Ocean cargo transported with green fuels

Key Levers



Fuel efficiency improvements

- Network optimisation
- Network execution
- Technical management

Transitioning to green fuels

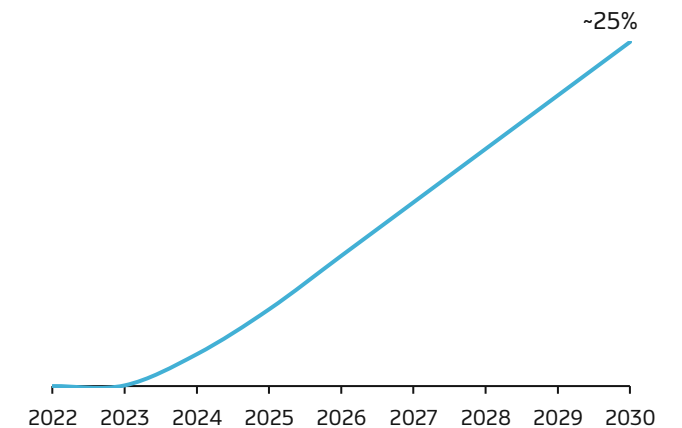
- Investment in green vessels via existing fleet renewal plan
- Potentially retrofit select existing vessels
- Introduce chartered green vessels
- Use of bio-diesel as a gap closer

Actions



19 green methanol-enabled vessels on order through 2025

Green fuel enabled TEU capacity (% of total fleet by year end)



Decarbonising Logistics Facilities & Terminals

2030 Targets



Logistics Facilities

Min. **90%** of logistics facilities on green operations*

Terminals

~70% of emission reduction vs. 2020 (Scope 1 & 2 from own terminals)

Key Levers



Electrification

- Equipment: 100% indoor, outdoor where possible
- Renewable energy sources, e.g. purchase agreements or on-site installation

Efficiency improvements

- Efficiency improvements through automation and asset digitization
- Building design, LED lighting, improved insulation and ventilation
- Use of natural refrigerants

Actions



- Current investment in 12 warehouses with BREEAM, LEED or Green 5-star certified



- Ordered over 180 pieces of electric and hybrid container handling equipment



Decarbonising Landside & Air Freight

2030 Targets



Landside Transportation

Min. **20%** of customer cargo moves on low/zero emissions technology

Air Freight

Min. **30%** of Maersk air freight cargo on SAF-based transport

Key Levers



Efficiency improvements

- Modal shifts
- Digitally enabled optimized network and routing
- Investment in new, state-of-the-art aircraft

Energy transition

- Battery electric trucks
- Potential use of biofuels
- Use of Sustainable Aviation Fuel (SAF)

Actions



- 2021: Ordered 16 Volvo VNR Electric Class 8 e-trucks
- 2022: Ordered 100 Volvo e-trucks and 300 Einride e-trucks



- Running SAF pilot to determine customer demand
- Potential launch 2023



Green Fuels

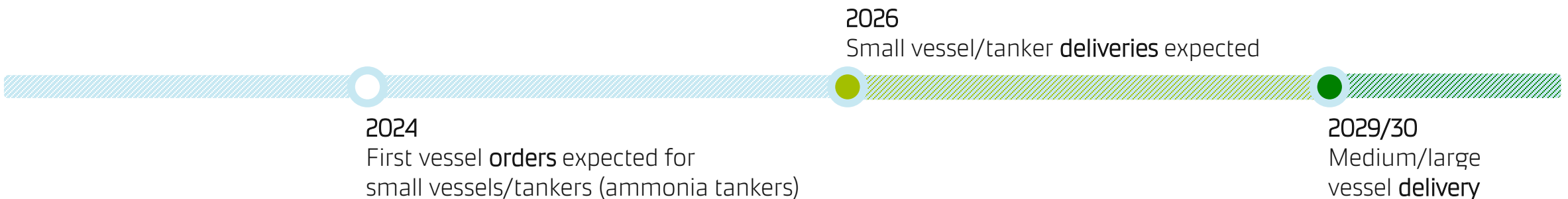
Expected technology maturation timeline

Green methanol

//// Piloting //// Scaling



Green ammonia (current expectations; scalable late this decade)



Imperative for success: securing adequate supplies of cost competitive green fuel

Sourcing levers



Drop-in biodiesel
ECO Delivery fuel today;
gap-closer going forward



Signed green fuel MOUs¹
MOUs for +1.5m tons of
methanol signed and strong
pipeline

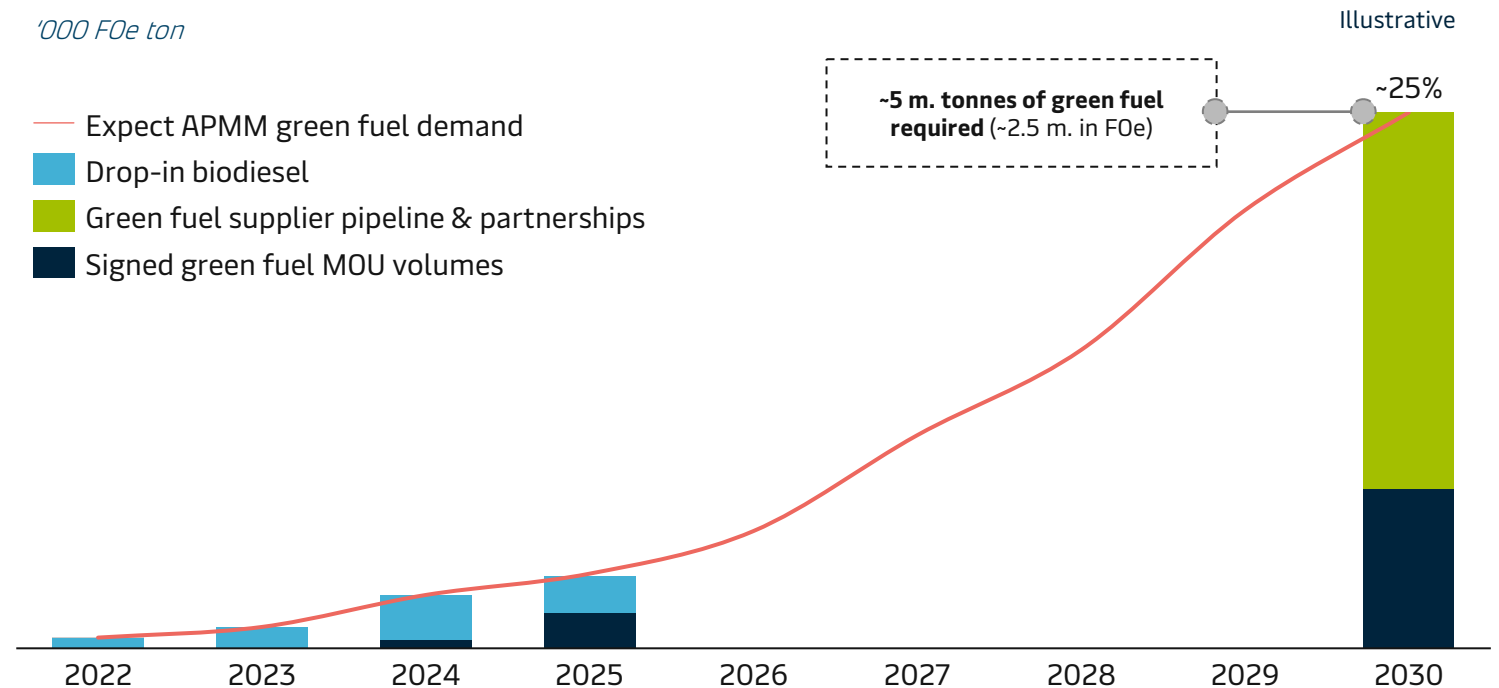


Signed partnerships with
sovereign governments

Expected green fuel requirement and sourcing lever

'000 FOe ton

- Expect APMM green fuel demand
- Drop-in biodiesel
- Green fuel supplier pipeline & partnerships
- Signed green fuel MOU volumes



(1) MOUs signed – still require final validation and contracting

Signed MOUs

Eight leading partners will support us on the journey – with more to come

Orsted

- 300,000 tonnes per year
- First delivery in 2025
- United States



CIMC ENRIC
中集安瑞科

- 250,000 tonnes per year
- First delivery in 2024
- China



**PRO
MAN**

- 100,000 tonnes per year
- First delivery in 2025
- Multiple locations



**Carbon
Sink^{LLC}**

- 100,000 tonnes per year
- First delivery in 2027
- United States



**EUROPEAN
ENERGY**

- 2-300,000 tonnes per year
- First delivery in 2025/2026
- South America & United States



Green Technology Bank

- 350,000 tonnes per year
- First delivery in 2024
- China



WASTEFUEL

- 30,000 tonnes per year
- First delivery in 2024
- South America



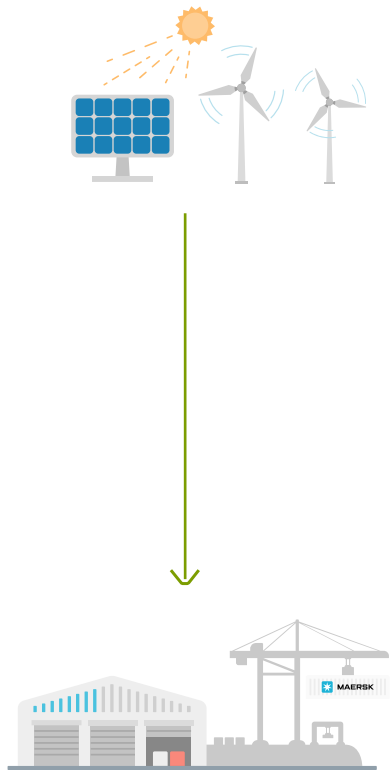
Debo

- 200,000 tonnes per year
- First delivery in 2024
- China

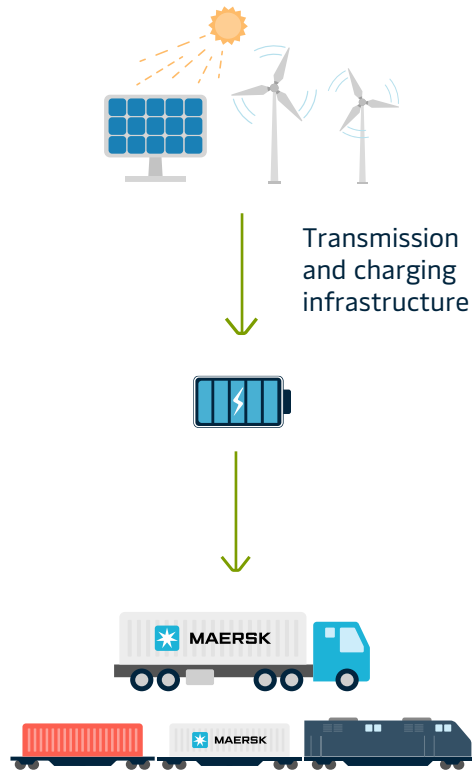


Our decarbonisation roadmap from renewables through Power-to-X

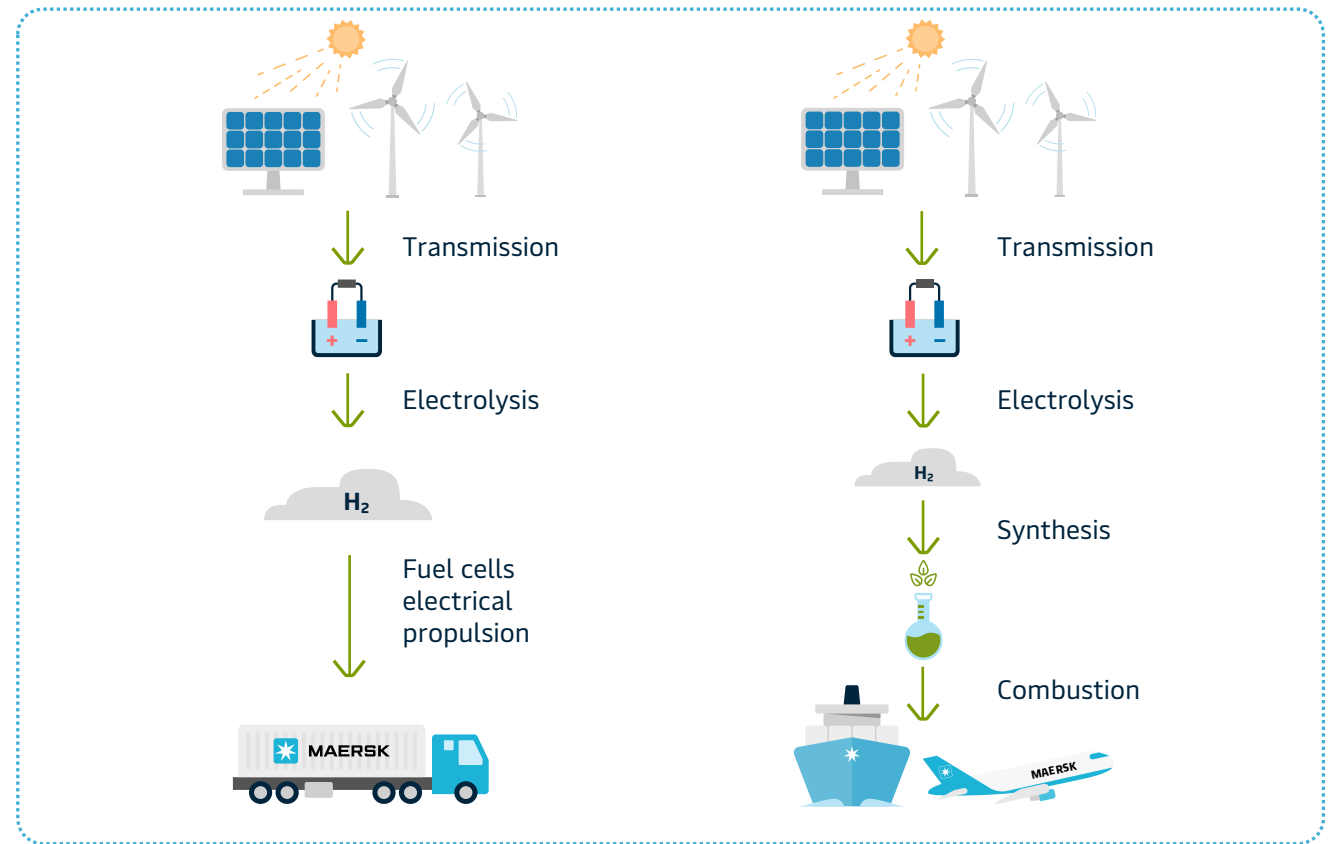
Direct electrification



Battery electrification



Power-to-X



Current regulation points in the right direction

Decided Not decided

Regional Measures

EU Fit for 55

(ETS, FuelEU etc.)

- Maersk supports as a catalyst for change
- Good first, regional step
- Supports the production and use of the right fuels and carbon pricing

US IRA and Clean Shipping Act

- Has the potential to raise awareness and secure production of cost-competitive renewable fuels

Global Measures

Carbon intensity indicator

(IMO – CII)

- First, real global measure to address emissions from shipping
- Soft enforcement to-date
- We support greater transparency and anticipate publication of Maersk data after first year of reporting

Energy Efficiency Design Index

(IMO – EEXI)

- For Maersk, a minimal impact

Long-term IMO measures

- Long-term measures still missing
- 50% reduction in 2050 is inadequate
- Basket of measures needed: Fuel standard, global carbon price, design clause (moratorium on fossil fuel vessels after a certain date)

A level regulatory playing field is key to achieving full decarbonisation

Maersk position



A market based GHG price/carbon tax of at least USD 150/ton is required



A well-to-wake approach is required (lifecycle perspective to decarbonisation)



Must look beyond CO₂ and include all GHG, notably methane and nitrous oxide



Higher IMO ambitions for 2030 and 2050 and rigorous implementation required



US and EU measures will only address part of the problem – need global rules

- Strategic imperative
- Tangible solutions in place
- Strong long-term regulation required



Session 3:

Creating value
for our customers

Where are customers today?

Level 1: Explorers

- Acknowledge that sustainability in logistics is important
- Are defining their sustainability logistics priorities
- Are seeking information/guidance from suppliers on sustainability
- May be willing to invest in sustainable logistics options over time, but need guidance

35% of our top 200 customers

Level 2: Risk managers

- Have basic minimum sustainability requirements
- Have integrated sustainability parameters into logistics decisions
- Engage with industry forums (e.g., Clean Cargo)
- Are considering investing in sustainable logistics options

45% of our top 200 customers

Level 3: Implementers

- Have ambitious sustainability strategy integrated with logistics
- Have sustainability parameters integrated into logistics decisions
- Contribute financially to industry sustainability investment
- Are willing to invest in sustainable logistics options

15% of our top 200 customers

Level 4: Leaders

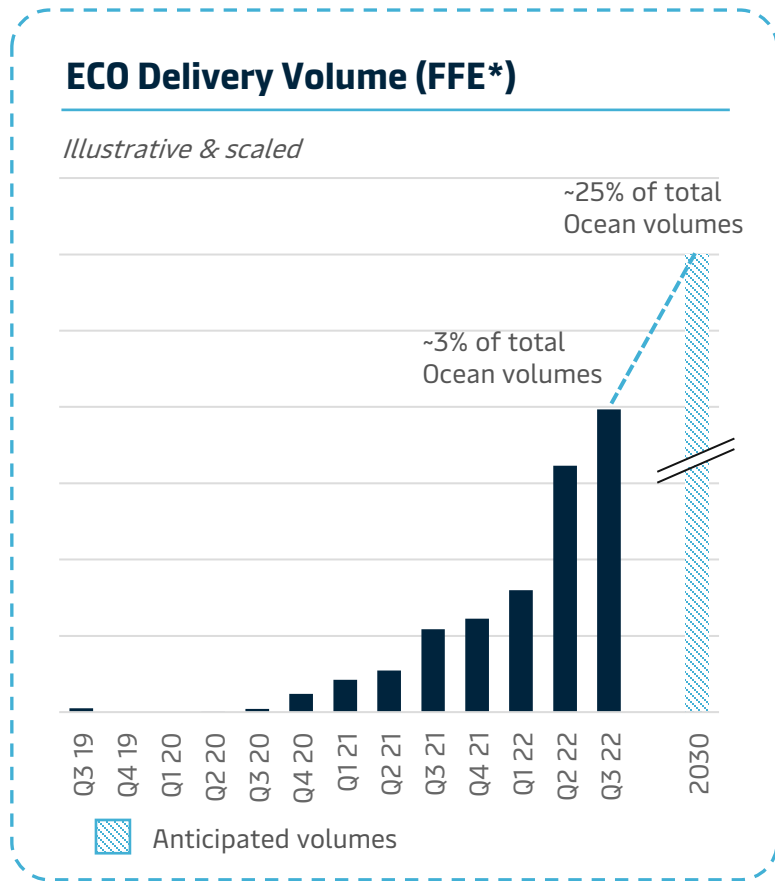
- Are visible first-movers interested in sustainable transformation
- Have high interest in long-term partnerships and co-innovation
- Engage in long term partnerships and investment
- Exhibit high willingness to invest in long-term sustainable logistics transformation

5% of our top 200 customers

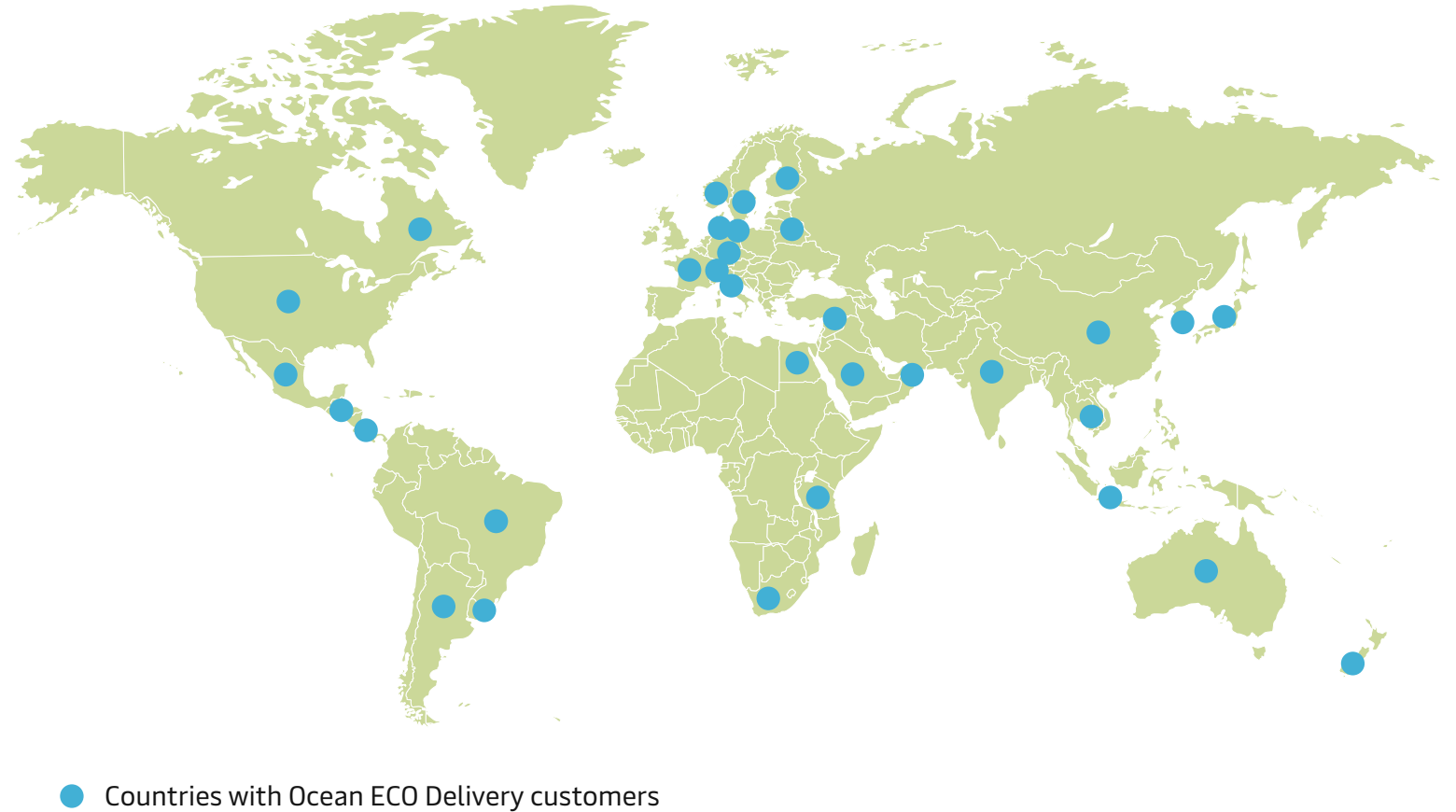


Customers are at differing levels of maturity. We can help them wherever they are.

Ocean ECO Delivery: strong and expanding demand



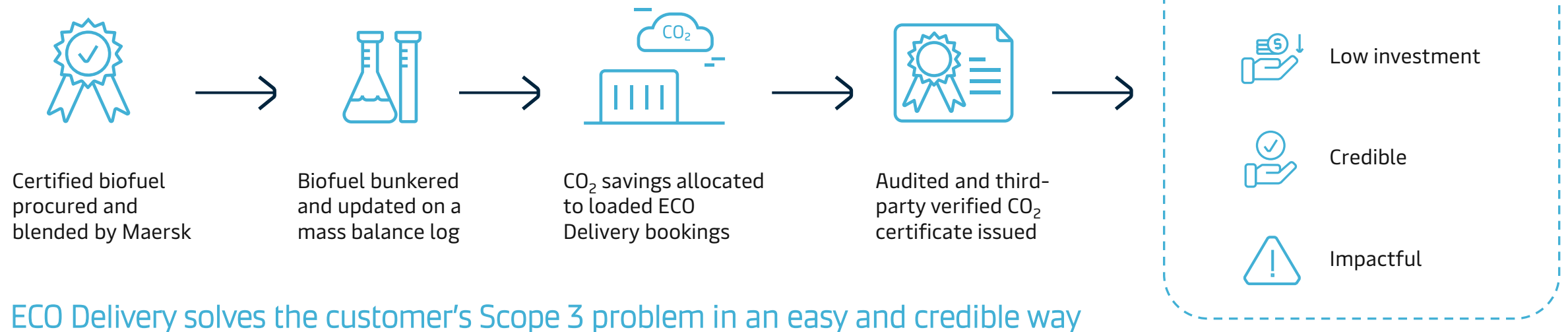
*Forty Foot Equivalent Units



Ocean ECO Delivery: what's the differentiator?

The Ocean ECO Delivery product offers emissions reduced shipping based on biofuels enabling immediate and externally verified GHG savings for customers

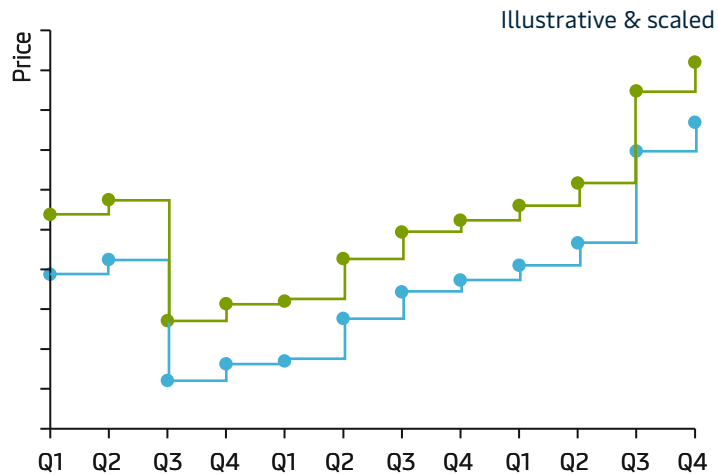
How it works (current Ocean ECO Delivery product)



ECO Delivery solves the customer's Scope 3 problem in an easy and credible way

The value proposition for Ocean ECO Delivery will go beyond emissions abatement

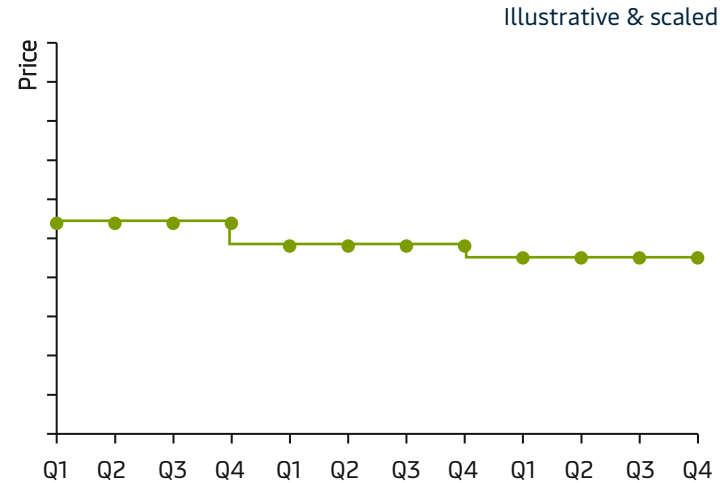
ECO Delivery 1.0 = current fuel price+



Highly volatile based on premium to Bunker Adjustment Factor (BAF)

Subject to volatile fossil fuels and quarterly adjustment

ECO Delivery 2.0



Limited volatility due to long-term agreement on green fuel price

Based on long term agreements on green fuel deliveries with a transparent price calculation formula



Ocean ECO Delivery 2.0 customer benefits:

- Price certainty and stability
- Visibility and credibility for CO₂ savings

On the horizon: End-to-End challenge

Our goal: Industry leading green offerings across the supply chain by 2030 – net zero by 2040

A holistic approach in which we engage our customers as partners:

- Create and provide visibility tools for customer emissions for all our services
- Understand supplier engagement for innovation and engage in pilot projects
- Collaborate using long-term commitments including co-investment for network coverage
- Aggregate demand in order to create potential scale



A credible, commercial pathway to achieve our emission targets

The view from 2030: How the future may look from a technology and cost perspective:

Direct Electrification

Negative to low abatement cost



- < USD 0 per ton of CO₂
- Decarbonisation is a good business case no matter what

Battery Electrification

Abatement cost **below** current carbon tax estimates



- < 50 USD per ton of CO₂
- Decarbonisation is a good business case in a regime with current level of carbon tax

Power-to-X

Abatement cost **'reasonably'** above current carbon tax estimates



- USD ~200 per ton of CO₂
- Some price signal from customers is needed

Sustainable Aviation Fuel

Abatement cost **'excessively'** above current carbon tax regime



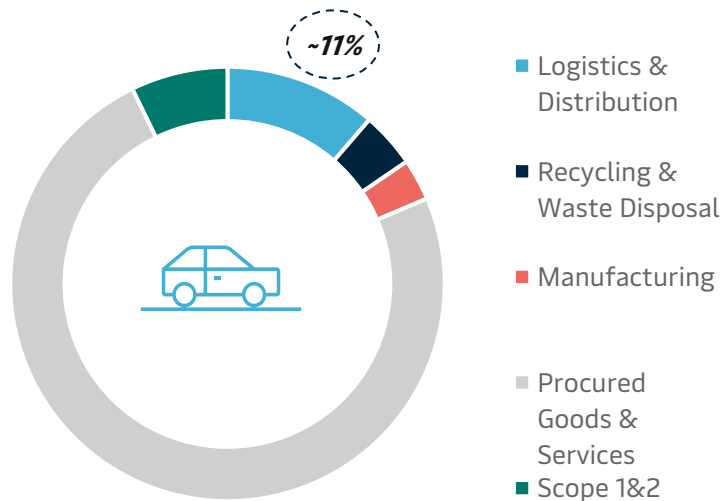
- > USD 350 per ton of CO₂
- Significant additional willingness to pay from customers and carbon pricing is needed to drive full decarbonisation

Solving the Scope 3 challenge for our customers

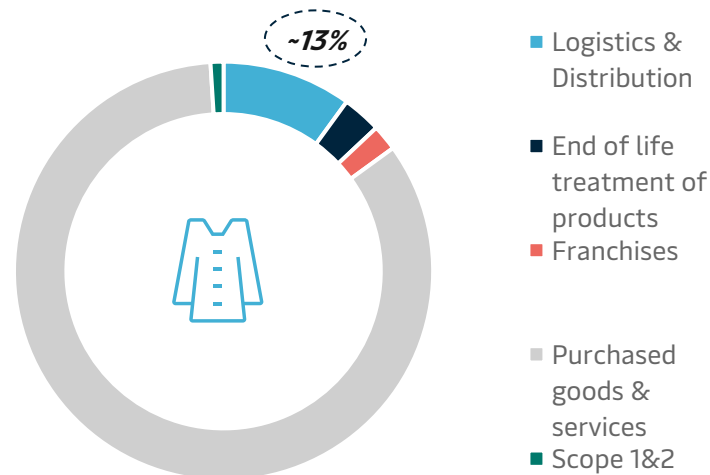
Select customer emission scopes and characteristics

■ Scope 1+2 emissions
 ■ Logistics share of scope 3 emissions
 ■ ■ ■ Other scope 3 emissions

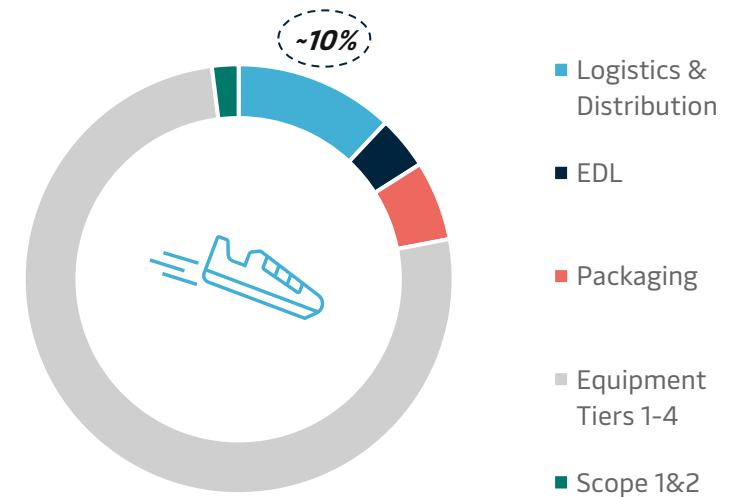
Automotive Customer



Apparel Customer



Sporting Goods Customer



The ECO Delivery product is an attractive and proven value proposition for customers

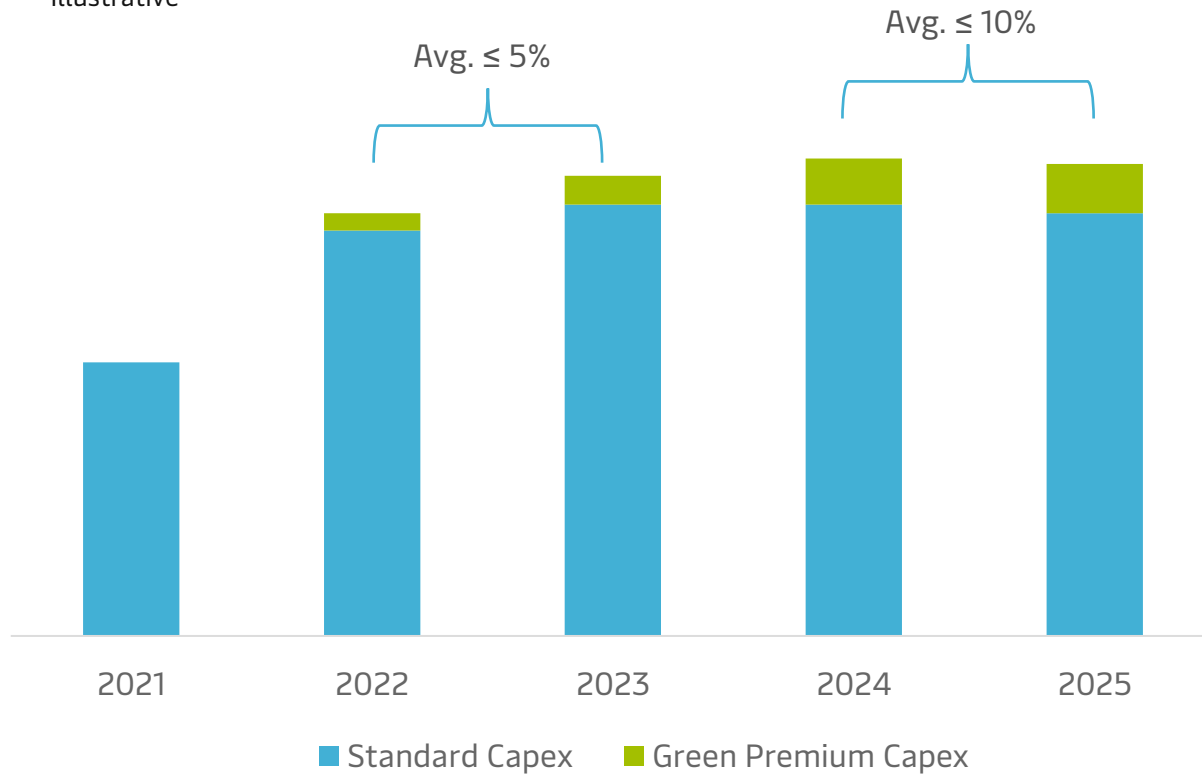
Session 4:

Finance & Targets

Clear and manageable financial commitments to reach decarbonisation targets

“Green premium” adds approximately USD 1.5bn to capex through 2025

Illustrative



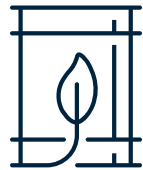
Capex

- In order to meet 2030 targets, we expect approximately \$5bn of capex incremental to planned expenditure, of which ~ 50% in Ocean, ~30% in L&S and the remainder in Terminals.
- Majority of investment to reach our goals is part of normal capex spend, with additional green premium representing a marginal increase

Opex

- Opex premium for Ocean will depend on the spread between green fuel and bunker for 25% of our bunker spend by 2030
- Spread expected to be progressively covered by increased economies of scale in the production of green fuels, customer price signal, and introduction of carbon pricing through regulation
- Opex savings in L&S and Terminals expected from use of electrified equipment, improved energy performance and onsite renewable energy sources.
- Green Opex is expected to be between \$200-400m through 2025

Capital deployment to secure green fuel supply



Green fuel

We enable supply of green fuels by de-risking green fuel investment through off-take agreements

- 8 MOUs signed, expected to cover the methanol requirements of the ships on order
- Negotiating with further green methanol pipeline partners



Partnership

We are open for partnerships in order to accelerate large-scale production of green fuel

- Two MOUs signed with the governments of Egypt and Spain
- Currently in feasibility studies with several partners for large-scale production of green methanol



Investment

We invest in new, renewable fuel technologies via Maersk Growth

- Invested \$60m since 2021 in alternative fuel and decarbonisation start-ups
- Wide range of different technologies supportive of our decarbonisation goals

Target setting and ESG reporting

Environment



Ocean:

- ~ 50% reduction in emission intensity from 2020 baseline by 2030
- Min 25% of Ocean cargo transported with green fuels by 2030

L&S:

- Logistics facilities: Min 90% green operations*
- Landside: Min 20% of moves of customer's cargo on low/zero emissions technology
- Air: Min. 30% of cargo transported with Sustainable Aviation Fuels

Terminals:

- ~ 70% emissions reduction from 2020 baseline by 2030

Social



Group:

- Top Quartile score on engagement survey by 2025
- > 40% women in management by 2025
- > 30% diverse nationality of executives by 2025
- 100% High Potential Incidents trigger front line learning Teams by 2023

Governance



Group:

- 100% on employees trained on Code of Conduct by 2023
- 100% of employees trained on data ethics by 2023
- 100% of suppliers trained on Code of Conduct by 2024

- We will report annual progress on our metric-based targets via our Sustainability report
- We are committed to quantitative reporting of all metrics over time

Committed to transparency and best practice



Today

Current reporting on material KPIs aligned to EU reporting standards (NFRD), SASB and TCFD frameworks and receiving limited external assurance



Tomorrow

Committed to transparent reporting aligned with upcoming ESRS and ISSB standards, aspiring to reasonable assurance by external auditors



Ratings

Aspire to leadership ratings by selected agencies.



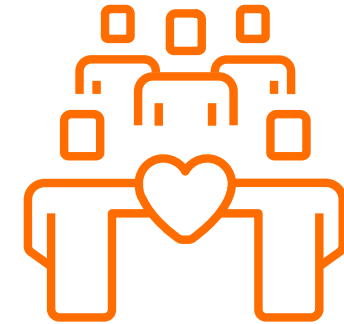
Goals anchored in management remuneration



Decarbonisation



Safety



Diversity

- Scorecard based on performance in three categories with a three-year vesting period
- Represents 20% of Executive Leadership Team (ELT) LTI compensation
- Effective from 2023 LTI program

Session 5:

Led by our purpose
and values

Our Core Values

Constant Care

Take care of today, actively prepare for tomorrow

Whether solving today's challenges or exploring opportunities to shape the future, we anticipate, innovate and strive to improve everything we do.



Humbleness

Listen, learn, share and create value for others

We stay curious, open-minded and respect other perspectives, always seeking to learn from each other, our customers, and the world around us. We only succeed together.



Uprightness

Our word is our bond

Every day, we earn the trust of our customers and partners. They can rely on us to keep our promises and do the right thing, even when it's hard. We speak openly and honestly, and always act with integrity.



Our Employees

The right environment for our people

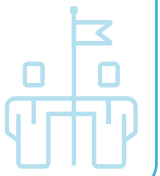
Connected by real purpose, we create opportunities to grow, develop and exceed expectations. We win together as a diverse and global workplace where people feel safe, valued and empowered.



Our Name

Everything we stand for

Our name is a promise and a commitment to trust and excellence. We are all ambassadors representing and safeguarding the Maersk name, striving for a more sustainable and integrated world.



Q&A



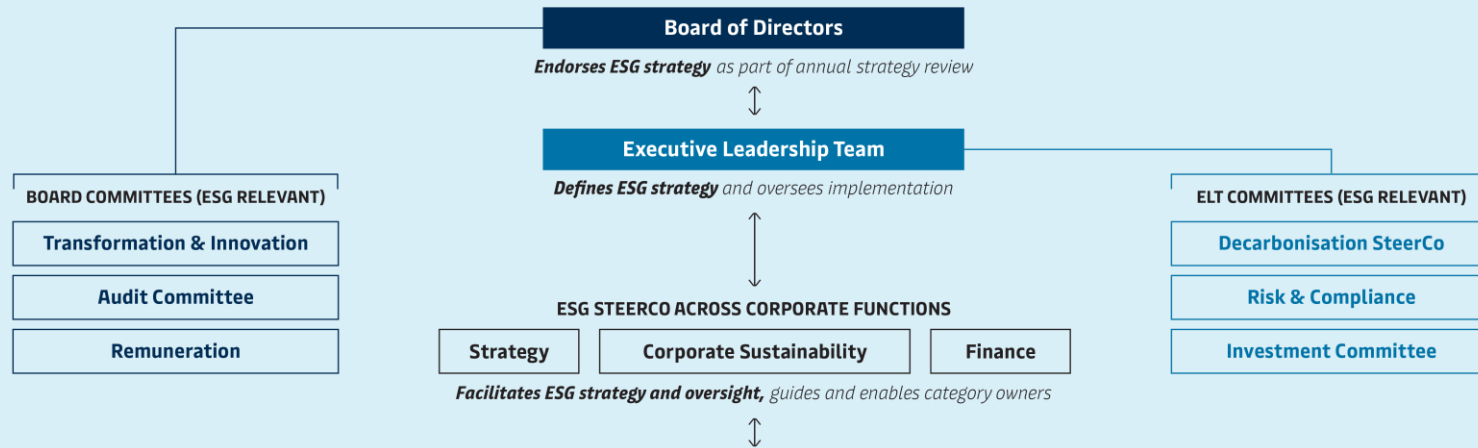
Improving life for all
by integrating
the world

Closing remarks

- ESG is fully integrated into our corporate strategy
- As a purpose and values led organisation we recognise our obligation to lead in the decarbonisation of logistics
- We have a solid roadmap to achieve our targets and the commitment of all stakeholders on the journey
- We are committed to transparency and doing the right thing

Appendix

Integration into corporate governance



Executive remuneration linked to key ESG targets from 2023



CATEGORY-SPECIFIC GOVERNANCE

Environment			Social			Governance		
ESG category	ELT sponsor	Owner	ESG category	ELT sponsor	Owner	ESG category	ELT sponsor	Owner
Climate change	Henriette Hallberg Thygesen	Decarbonisation	Human capital	Susana Elvira	HR	Governance	Caroline Pontoppidan	Sustainability
Environment & ecosystems	Henriette Hallberg Thygesen	Safety & Resilience	Diversity, equity and inclusion	Susana Elvira	HR	Business ethics	Caroline Pontoppidan	Compliance
			Human rights	Caroline Pontoppidan	Sustainability	Sustainable procurement	Henriette Hallberg Thygesen	Procurement
			Employee relations and rights	Susana Elvira	HR	Responsible tax	Patrick Jany	Tax
			Safety & security	Henriette Hallberg Thygesen	Safety & Resilience	Citizenship	Caroline Pontoppidan	Sustainability
			Sustainable/inclusive trade	Vincent Clerc	Sustainability	Data ethics	Navneet Kapoor	Technology

Physical impact of climate risk



Risk

Assessment climate scenarios

- Maersk has conducted an in-depth analysis to understand and manage the risks from the physical effects of climate change in relevant locations, i.e. land-based assets.
- The analysis includes assessment of different climate scenarios.



Asset identification

107 assets selected for analysis

- Maersk land-based assets, including terminals, warehouses, data-centers and third-party properties, the extended infrastructure on which Maersk depends.
- 5 main vessel routes were also included in the study.



Impact

Analysing the scenarios from 2020 - 2050

- Results indicate that physical impact of climate change on Maersk operations is moderate.
- The study further enable Maersk to enhance disclosure of on climate related risks and opportunities in line with TCFD¹ recommendations



Mitigation

7 assets were identified in high-risk locations

- Mitigation strategies are already in place for the high-risk locations.
- Further studies are planned to examine the impact of climate change on the supply chains Maersk operates.

¹Task Force on Climate-related Financial Disclosures

We are becoming a diverse equitable and inclusive workplace

Our commitment

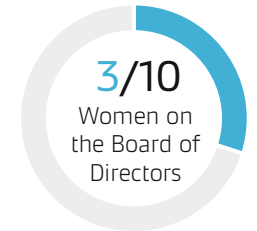
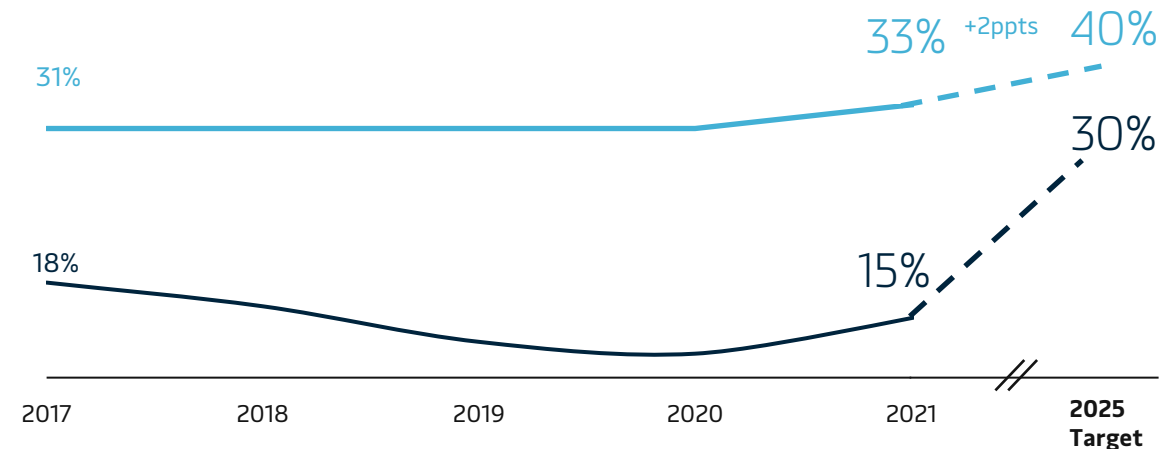
Leverage diversity of backgrounds and experiences to create a more equitable, and inclusive workplace at Maersk, where our employees feel able to bring their whole selves to work and contribute to their fullest.

Our 2025 targets

- >40% of women in management
- >30% diverse nationality of executives

Gender

- Women in management (JL4+ - % based on headcount)
- Non OECD Nationalities/Exec Leadership (JL8&9 % based on headcount)



Green Target/Capex/Opex Overview

Ocean



- 50% reduction in emission intensity based on a 2020 baseline.
- 25% of cargo transported with green fuels

Capex premium

- Investments into Own Green Methanol vessels, TC methanol vessels, conversion of the 14k vessel series and other TC conversion projects.
- Retrofits for energy efficiency

Opex premium

- Difference between conventional fuel and Green Methanol.

LnS



- Air: 30% of cargo transported with SAF.
- Logistics Facilities: Min. 90% green operations*
- Landside : Min. 20% of moves of customers' cargo on low/zero-emissions technology

Capex premium

- Investments logistics facilities, electric trucks and charging infrastructure.

Opex premium

- Difference between conventional jet fuel and Sustainable Aviation fuel (SAF).
- Opex reduction at logistics facilities (CL+CCL) using electrified equipment, improved energy performance and onsite renewable energy sources.

APM Terminal



- 70% emission reduction based on a 2020 baseline (scope 1 and scope 2)

Capex premium

- Phased investment into electric equipment at standard replacement cycle and then accelerated to 2030, if viable.

Opex premium

- Opex reduction from using electrified equipment

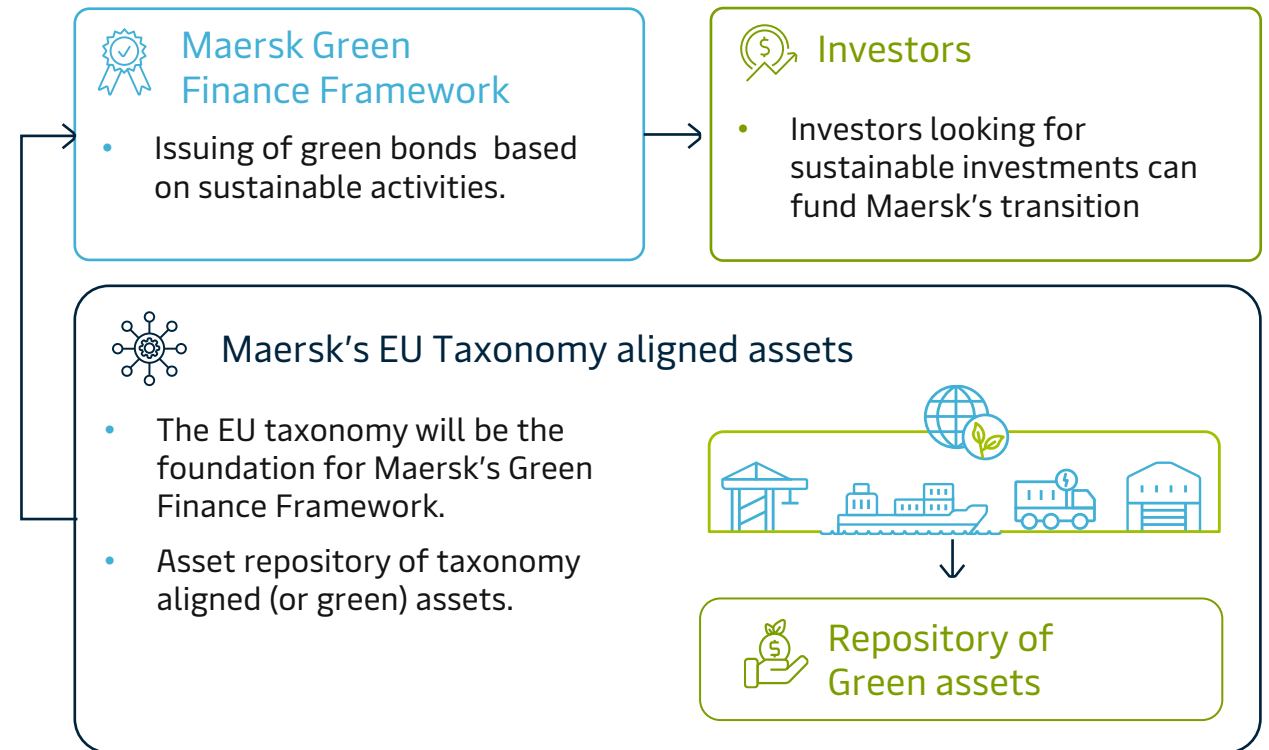
*Operated on renewable electricity and/or green fuels

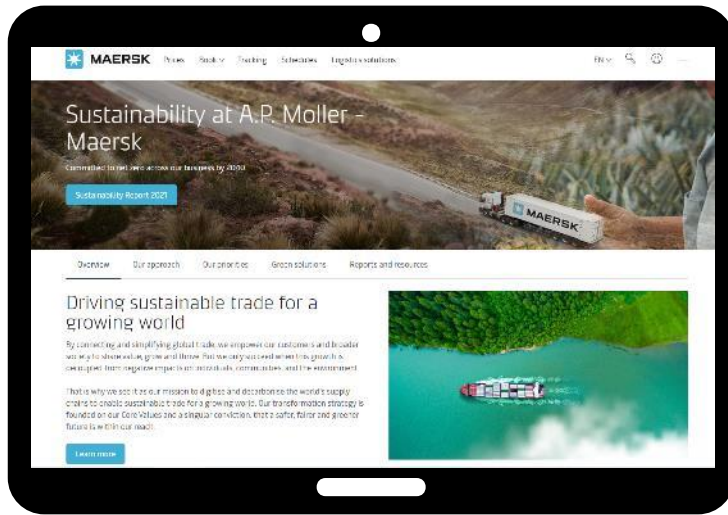
Maersk's Green Finance Framework

The green finance framework aligns Maersk's funding strategy with sustainability objectives

- Maersk has created the Green Finance Framework which will allow issuance of **sustainable financing instruments**: loans, bonds, project finance etc.
- Through the framework **Maersk is committing adhere to market standards** such as the Green Bond principles and Green loan principles **and the EU Taxonomy**.
- The framework provides **transparency to investors** on i) use of proceeds, ii) selecting projects, iii) management of proceeds and iv) reporting.
- In 2021 **Maersk issued green bonds worth ~\$500m** to finance investments in green methanol-enabled vessels. Cicero was appointed for 3rd party verification of sustainable assets **based on the EU Taxonomy criteria**.

Source: <https://investor.maersk.com/green-finance>





Read more about our commitments
 Learn more about our responsible business practices, our commitments to net zero GHG emissions, and our engagement with customers

maersk.com/sustainability

Sustainability reports and ESG data

maersk.com/sustainability/reports-and-resources

