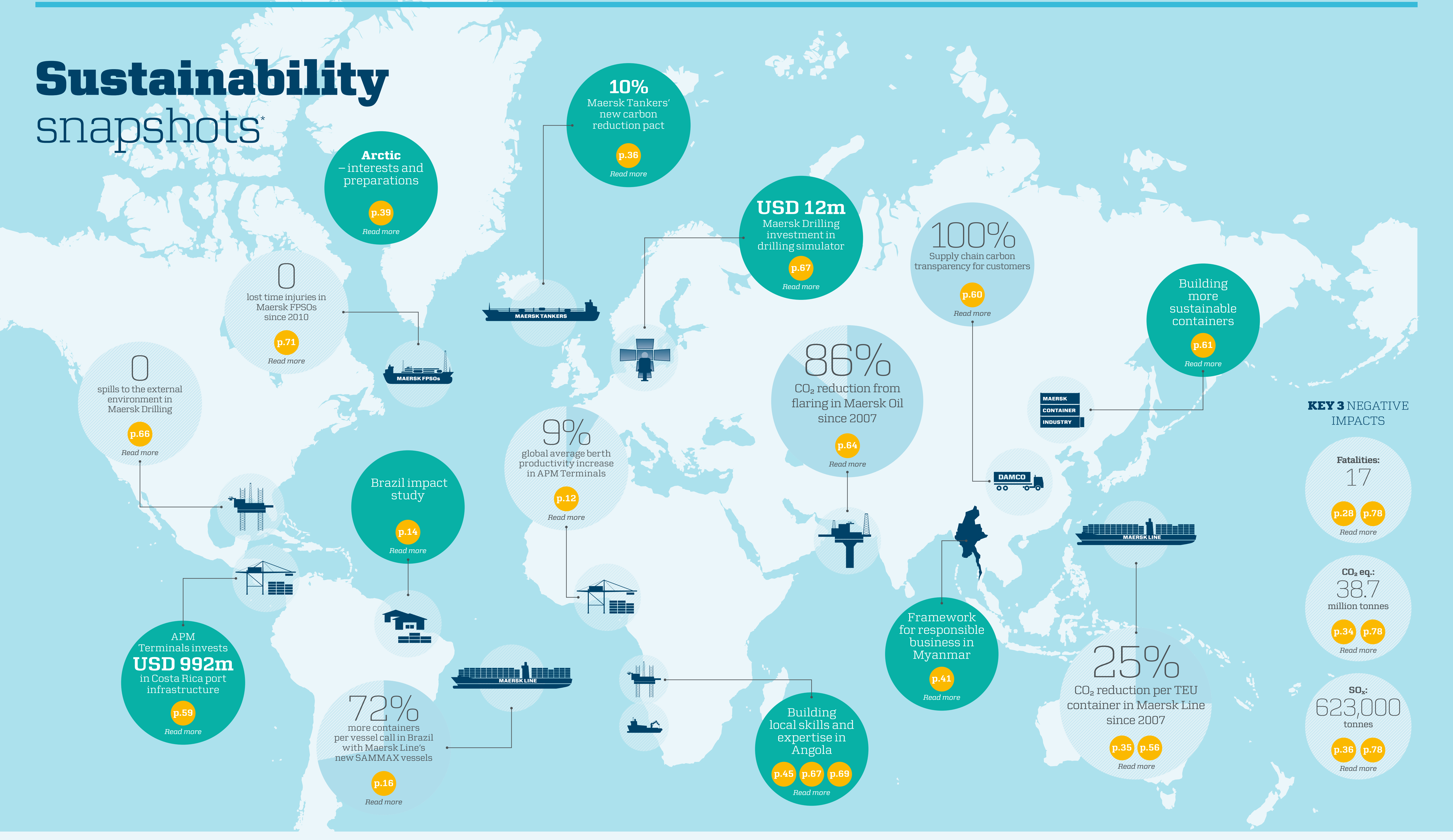
The A.P. Moller - Maersk Group's

Sustainability Report **2012**

Going for Growth

MAERSK

Sustainability snapshots*



* The map shows selected snapshots from the report. It includes page references to case stories. The map is not exhaustive.

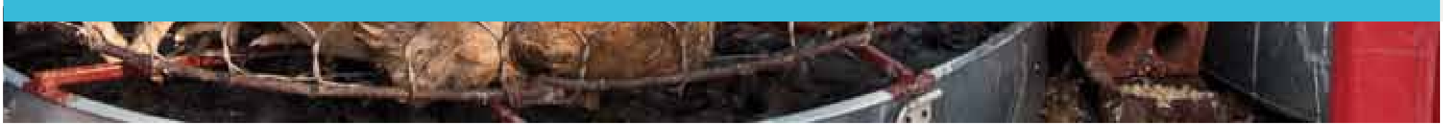
This report fulfils the A.P. Moller - Maersk Group's obligation to communicate on progress to the UN Global Compact and is split into three related yet independent sections:

Introduction
Sets the scene and explains the context within which the Group operates and our business response to key sustainability challenges and opportunities.

Group performance
Provides an overview of 2012 performance within our Group programmes which involves all our businesses: efforts within safety, climate and environment, diversity, human rights, anticorruption and responsible procurement.

Business unit section
Reports on key material issues and performance for each of our businesses in container transport, oil & gas and retail.

The last part of the report delivers consolidated data and relevant explanation. It includes our sustainability accounting principles and the assurance statement.



Contents

INTRODUCTION

GROUP PERFORMANCE

BUSINESS UNITS PERFORMANCE

ABOUT THE REPORT

Company profile

The A.P. Moller - Maersk Group is a worldwide conglomerate with core focus on shipping and oil & gas.

We employ approximately 121,000 people, operate in 130 countries and are headquartered in Copenhagen, Denmark.

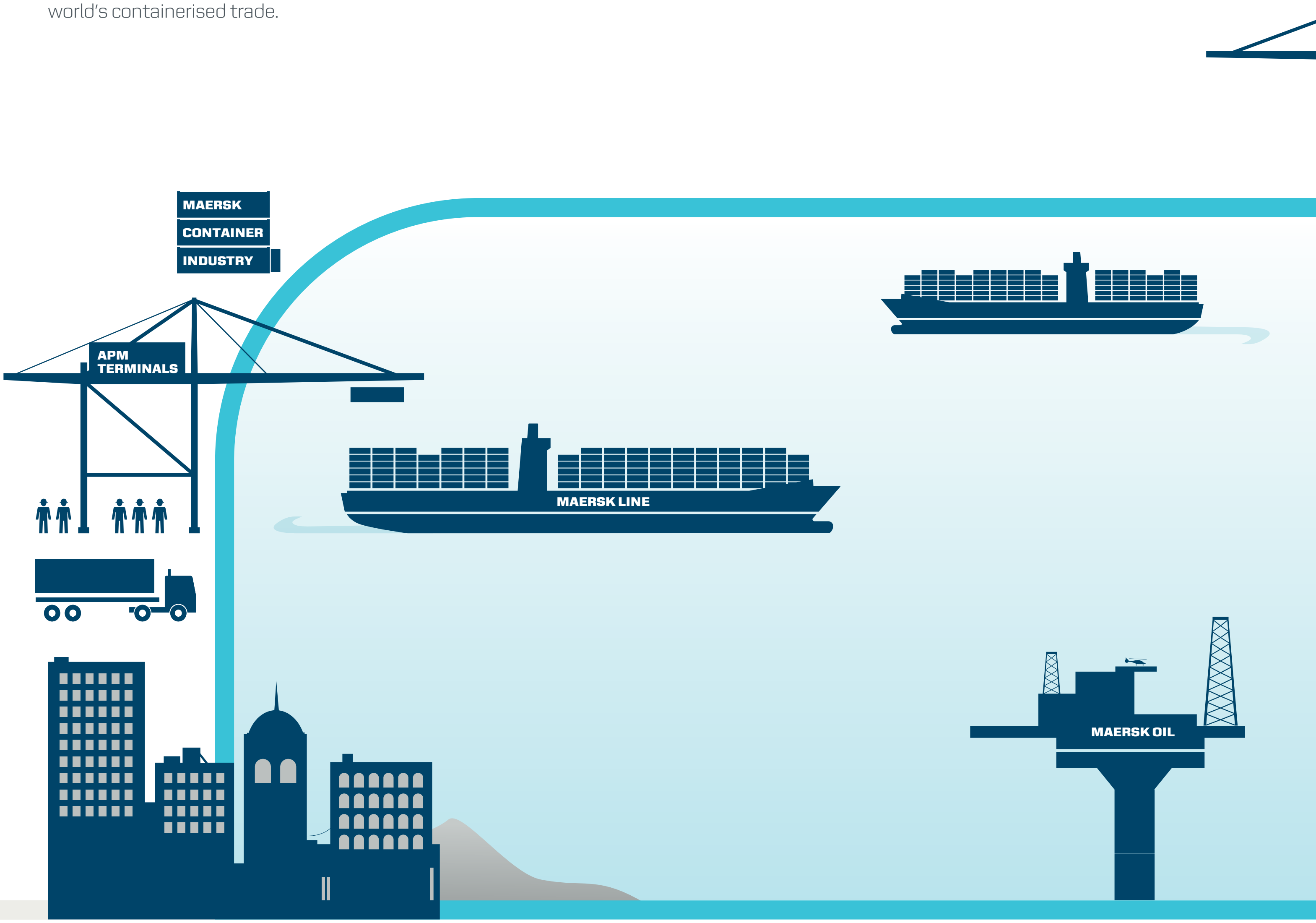
Facilitating global containerised trade
We are the world's largest container shipping company and together with our container terminals and logistics businesses we handle a large share of the world's containerised trade.

Supporting the global demand for energy
We support global energy needs through the exploration, extraction and transportation of oil and gas.

Retail and other businesses
The Group is also active in retail, operating more than 1,300 stores in four countries.

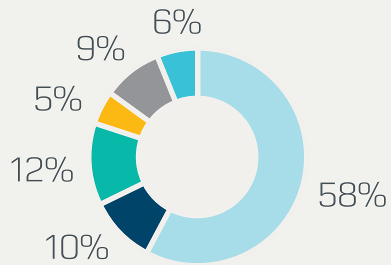
Our major businesses are displayed in the graphic below. A more extensive list of our companies can be found on maersk.com and in our annual report.

Read more
maersk.com/investorrelations



2012 cash outflow
distributed by stakeholder group

- Suppliers
- Employees (salaries)
- Shareholders (dividends)
- Public sector (taxes)
- Investments (net)
- Repayment of borrowings



2012 COMPANY **FACTS**

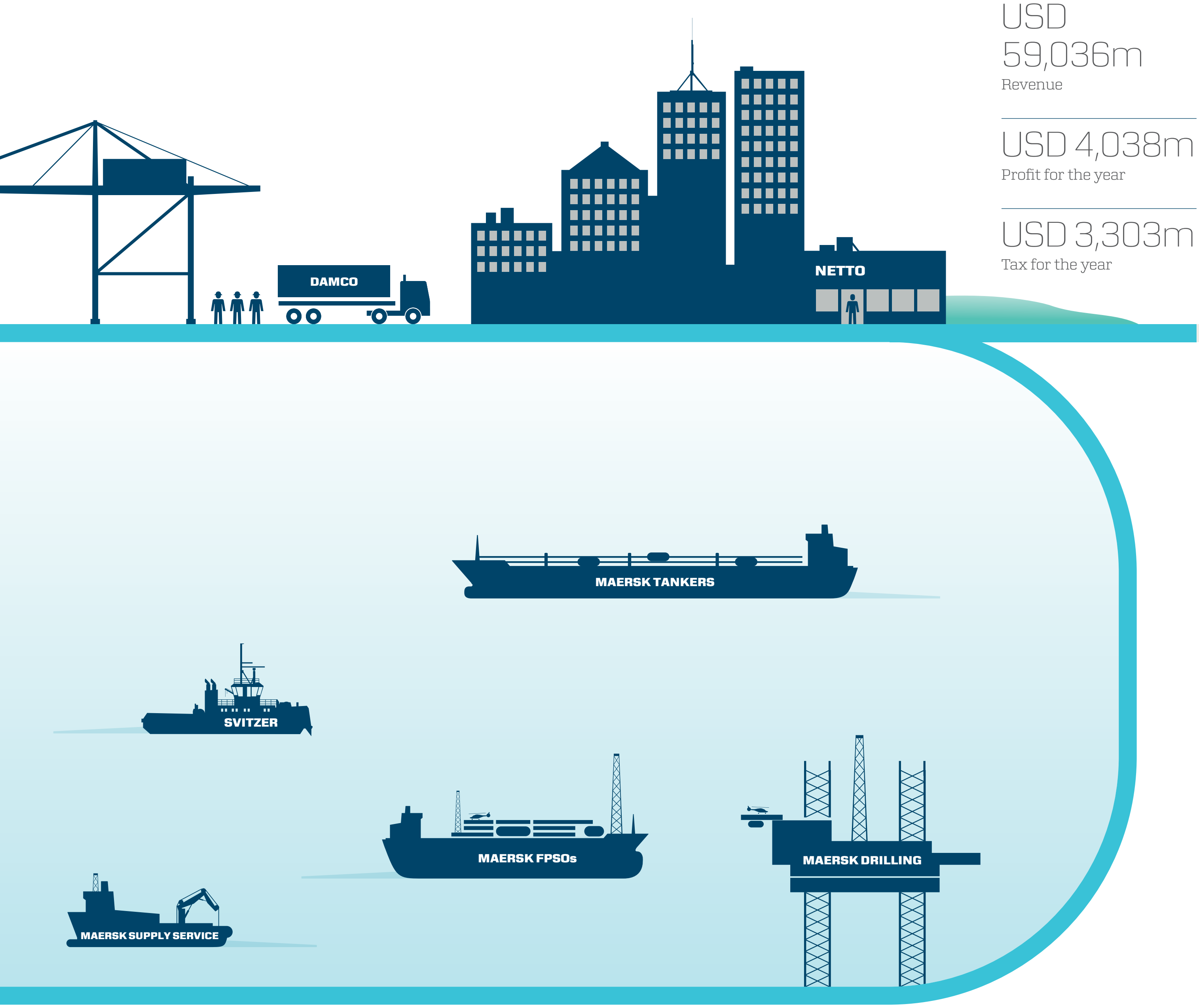
+121,000
Employees

130
Countries

USD 59,036m
Revenue

USD 4,038m
Profit for the year

USD 3,303m
Tax for the year



The Executive Board consists of the A.P. Moller - Maersk Group's CEO and CFO, along with the CEOs of the four companies that are the main focus of our investments in strategic growth. From left:

Claus V. Hemmingsen, CEO, Maersk Drilling and Chairman of the Sustainability Council
Nils S. Andersen, Group CEO
Trond Westlie, Group CFO

Jakob Thomasen, CEO, Maersk Oil
Søren Skou, CEO, Maersk Line
Kim Fejfer, CEO, APM Terminals

> "There is a difference between just making money and building a long term sustainable business. Transparent responsible business practices make that difference for us."

Dear reader,

The A.P. Moller - Maersk Group has set its course on growth. Our investments are targeted at quality services that can enable growth and development – for our company, our customers and local communities. Our primary focus for new projects is on the world's growth markets.

Here, our terminals and shipping services offer countries and businesses better access to markets, efficient infrastructure and reliable transport services. Globally, our oil and gas businesses help provide the energy needed to underpin the ambitions of growing industries and economies.

Fuelling economic growth and trade presents a number of sustainability challenges. We are committed to addressing these as part of our signatory to the UN Global Compact.

We must provide a safer workplace

Our responsibility is to ensure that our employees return safely to their homes and families after work. But during 2012 seventeen people lost their lives in our operations. There is no excuse for this reality – we fundamentally believe that every accident can be prevented. The increase in fatal accidents across several of our businesses stresses the need to further strengthen our focus on process safety and risk management. Our goal is simple: zero fatalities.

Leap in energy efficiency spurs new ambitions

Climate change is a global concern which we share. Our focus on energy efficiency has been successful in reducing our footprint and lowering costs; especially in shipping where technical innovation and daily optimisation help define new standards for mass-moving goods. Since 2010, the Group has achieved an 8% improvement in CO_2 efficiency. Both our relative and absolute emissions decreased in 2012. Our new target is a 20% improvement from 2010 to 2020.

On the right track with increased transparency

Whether we are building a new container terminal, drilling for oil or developing a shipping service, we want to be transparent about what we do, why and how. We see increased transparency on strategy, performance and industry challenges as an important part of our competitive advantage. It is not just our results that matter, but how we deliver them. Our customers, partners and employees naturally prefer to work with someone they can trust.

...and prepared for the work ahead

Our growth ambitions depend on our people. To attract and retain the best people we want to leverage the multiple forms of diversity in our company and drive diversity forward more proactively – most notably in terms of the number of women we have in leadership positions. Overall, diverse and engaged teams prove to perform better. We concluded 2012 with top quartile employee engagement – a proud achievement and a fundamental prerequisite for fulfilling our growth ambitions.

The Group stands prepared for the work ahead. There is a difference between just making money and building a long term sustainable business. Transparent responsible business practices make that difference for us.

Nils S. Andersen
CEO of the A.P. Moller - Maersk Group

The Group at a glance
2012 performance

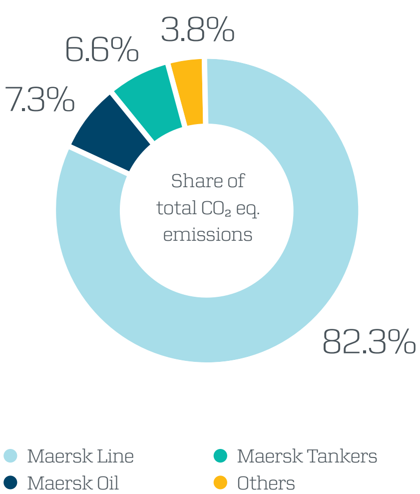
Performance **snapshots**

- We experienced 17 fatalities. This is an unacceptable reality. We will continue to focus on improving process safety and risk management to reach our goal of zero fatalities.
- Our fuel oil consumption decreased and as a consequence so did our absolute and relative CO_2 emissions. Consequently, the Group has adjusted its CO_2 reduction target.
- We continue to make progress on our Group programmes to implement our anti-corruption policy, global labour principles and responsible procurement practices. Training of employees and engagement with suppliers are a key part of this.
- We met our goal of being considered a best in class company on employee engagement which has never been higher in the Group.
- Our employee engagement survey and gender diversity numbers show that we need to take more measures to realise our aspirations for diversity, most notably in terms of increasing the number of women we have in leadership positions.

CO_2 IMPROVEMENT

Relative CO_2 reduction (2010 baseline):

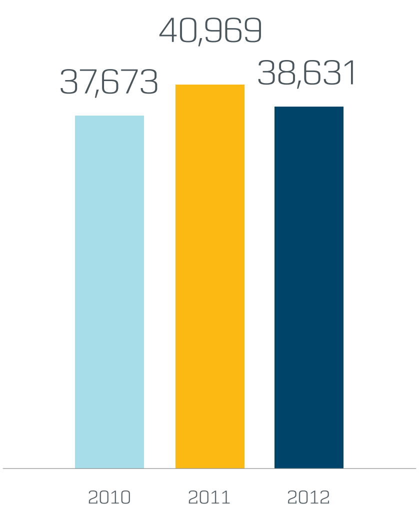
8%



CO_2 EMISSIONS 1,000 TONNES CO_2 eq.

Decrease million tonnes:

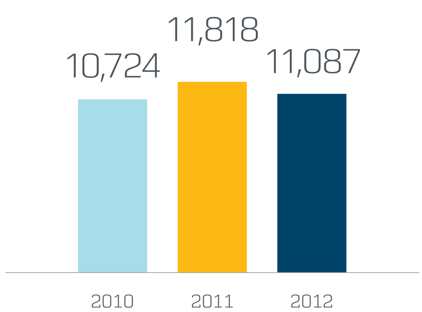
2.3



FUEL OIL 1,000 TONNES

Decrease:

6%

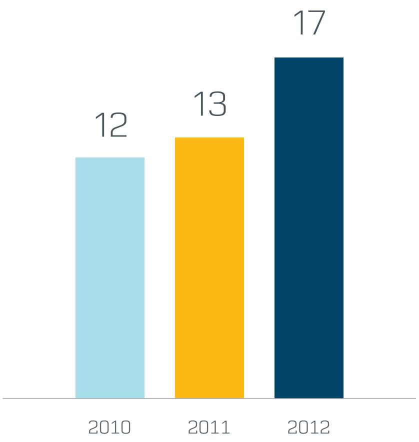


For the scope of each of the performance indicators, please refer to the respective pages in the report and our sustainability accounting principles on pages 80–82.

FATALITIES

Number of fatal accidents:

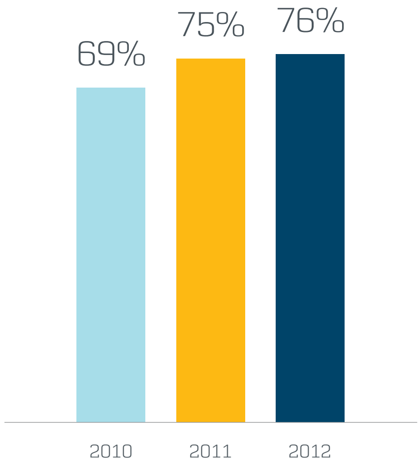
17



EMPLOYEE ENGAGEMENT

Overall engagement score:

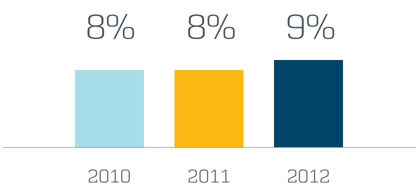
76%



WOMEN IN LEADERSHIP

Female employees in leadership positions (Director and Vice President level):

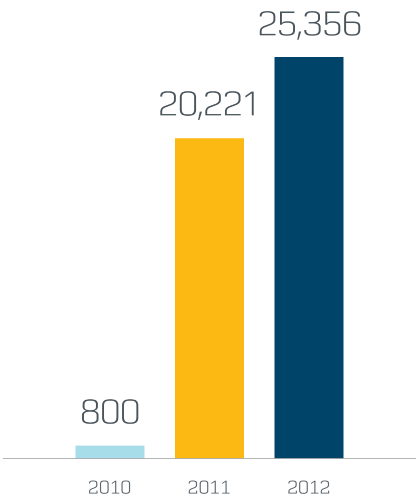
9%



ANTI-CORRUPTION

Total (cumulative) number of employees trained in anti-corruption year to date:

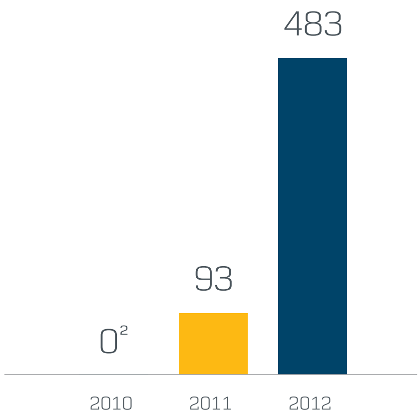
25,356[1]



LABOUR PRINCIPLES

Total (cumulative) number of nominated leaders trained in the our labour principles year to date:

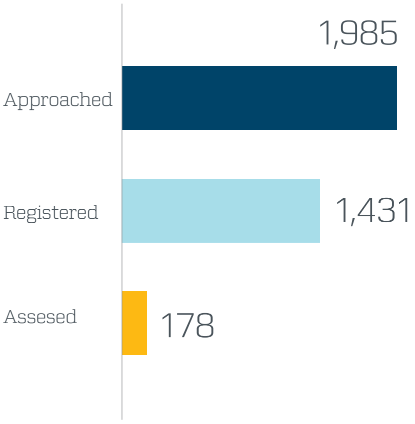
483



RESPONSIBLE PROCUREMENT

Number of suppliers[3] registered in the Group's responsible procurement programme:

1,431



[1] Approximate total, since some training data is not available.
[2] Programme was launched in 2010.
[3] Since the programme's launch in 2011.

Growing our business

The A.P. Moller - Maersk Group's business and long-term plans support economic growth and development. Our contribution to sustainable economic growth lies first and foremost in our ability to advance the benefits and address the challenges intrinsic to global transport, infrastructure and energy.

Today's growth markets are forecast to account for 34% of the world's wealth by 2025, compared to 20% in 2005[1]. We focus on advancing our core businesses in these markets, where the needs of growing populations and rising affluence mean increased demand for the goods transported by Maersk Line and the infrastructure provided by APM Terminals. At the same time we are investing to grow our oil production and drilling services.

Contributing to economic growth

Cost-efficient transport, access to markets and energy are all integral components of most economies today. They can act as dynamic opportunity creators for local businesses and affect the economic performance of a region. Positive impacts derive from doing things safer, more efficiently and with a long-term perspective. For example, adjusting ship designs to local port conditions, and the other way around, can help increase container throughput. Derived cost efficiencies can help generate new trade flows between countries.

Furthermore, we can accelerate our positive impacts by structurally combating societal challenges – such as corruption – that negatively impact our employees, the communities we operate in and the cost of doing business. At the same time, by ensuring safe and fair working conditions, improving diversity and developing our employees, we help support our growing business and a more sustainable growth trajectory for the countries we work in. Growth, however, is not devoid of challenges.

The twin challenge: economic growth and climate change

While economic growth undoubtedly brings benefits in terms of increased incomes and quality of life, there is sound evidence associating it with negative impacts on resource sustainability, the climate and environment. We recognise that without documenting, measuring, understanding and mitigating these negative impacts, desired levels of economic growth may not be sustainable and will incur increased costs to society.

The global challenge is to increase economic well-being for a growing population without incurring corresponding increases in environmental pressure, i.e. decoupling environmental degradation and economic growth. The United Nations acknowledge this as one of the biggest global challenges over the coming decades[2].

In the next pages, we describe the impacts of our activities in transport, ports and energy, both good and bad, and how we go about addressing them.

OUTLOOK

Today's growth markets are forecast to account for

34%

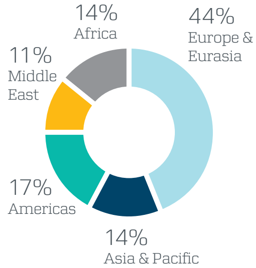
of the world's wealth in 2025, compared to 20% in 2005.[1]

30–40%

increase in the Group's investments over the next five years.

FACTS

The Group's revenue distribution 2012
Revenue split by region



[1] The European Commission (2009): The World in 2025 – Rising Asia and socio-ecological transition.
[2] United Nations: Climate change and the development challenge, www.un.org.

The level of access to trade and efficiency of transport are important factors for any economy and export ambition. We have a role to play in helping markets overcome domestic trade growth barriers while reducing the footprint of global containerised transport.

Global transport and trade

Our focus on economy of scale, fuel efficiency and smart ship designs helps ensure that global trade of goods and energy can be conducted as efficiently as possible.

Trade is potentially a significant driver of economic growth, creating jobs, increasing consumer choice, and helping countries acquire new technologies. There is a documented direct link between countries' logistics performance and income level[3]. One critical challenge for developing countries is how to overcome infrastructure barriers to trade expansion and how to reap the full benefits of trade.

Tailor-making transport to overcome trade barriers

Some parts of the world do not yet have the port capacity, draft or equipment to take advantage of the efficiencies stemming from the use of the largest container ships. Maersk Line's 16 SAMMAX ships were specifically designed to overcome these challenges in Brazilian ports. In Brazil's busiest port in Santos, Sao Paolo, the vessels are now loading and discharging 50% more containers per call than the port's average. The SAMMAX vessels are helping the port reduce the waiting time and paving the way for increased trade of potentially 39,000 containers (TEU) annually in Santos (see our Brazil impact study on pages 14–19).

Key sustainability challenges

Shipping's significant contribution to the global economy has a sizeable environmental impact. The fossil fuel dependent industry accounts for 3–4% of man-made CO_2 emissions worldwide. Maersk Line alone accounts for approximately 0.1% of the world's CO_2 emissions, emitting 31.8 million tonnes of CO_2 in 2012. Sulphur emissions (SO_x) are also a challenge in shipping, impacting both air quality and health.

We take this very seriously and work continuously to improve the fuel efficiency of our transport services to reduce our impacts. In 2012, we reduced both the absolute and relative CO_2 emissions of our container shipping services (see page 56).

We strongly support CO_2 regulation of the shipping sector to create a global level playing field. Reducing the industry's dependence on fossil fuels may be an option in the future, if innovation can overcome the many current barriers to the wide-scale production and uptake of alternative fuels.

Other key challenges in global containerised transport are issues that add to the cost of trading, such as corruption, illegal cargo and piracy. We seek to address these global challenges in our policy work, training of staff and through industry collaborations (see pages 33 and 48).

OUTLOOK

A small recovery in container traffic growth is forecast for 2013:

4.9%

compared to 3.4% growth in 2012.*

FACTS

600+

container vessels in **Maersk Line** fleet.

8.5

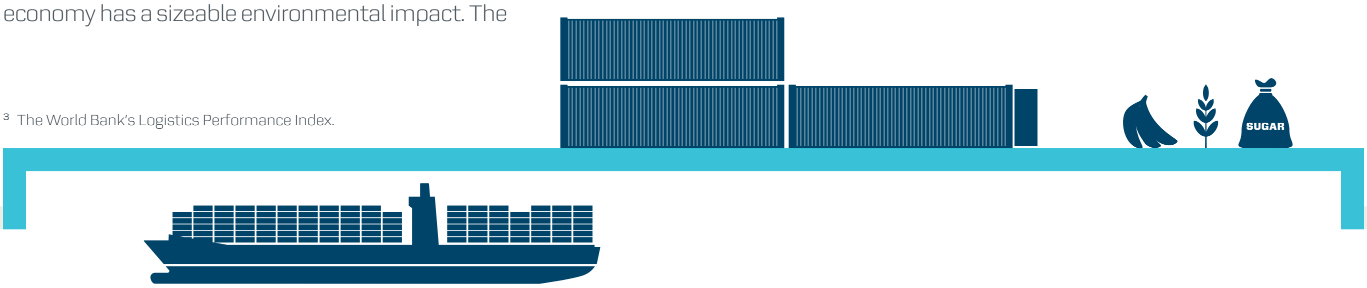
million containers (FFE) transported by Maersk Line in 2012.

31.8

million tonnes of CO_2 eq. emitted by Maersk Line in 2012.

* Drewry Container Market Review and Forecaster (Quarter 3, 2012).

[3] The World Bank's Logistics Performance Index.



Infrastructures are not an end in themselves, rather they are means for ensuring the smooth running of many economic sectors. That makes the performance of ports and inland transport infrastructure important factors for national competitiveness.

Port infrastructure

Ports, container terminals, roads, rail and depots represent some of the physical infrastructure needed for the continuing development of the global economy.

Countries that invest in infrastructure are likely to benefit from not only faster and safer transportation of goods, but also increased business activities, more efficient allocation of labour and overall improved national competitiveness[4].

Port productivity has wider economic impacts

The performance of ports is important for the overall efficiency of trade flows. Efficiency gains achieved at sea can be nullified if port and inland infrastructure does not perform efficiently. Efficient port infrastructures have the knock on effect of decreasing storage and fuel cost. Lower transportation cost can improve the competitiveness of the country's exports and decrease prices of imported goods[5].

Through APM Terminals we actively pursue terminal projects and partnerships in underserved high-growth markets. In 2012, APM Terminals' work to develop, modernise and optimise container terminals helped increase its global average berth productivity by 9% compared to the previous year.

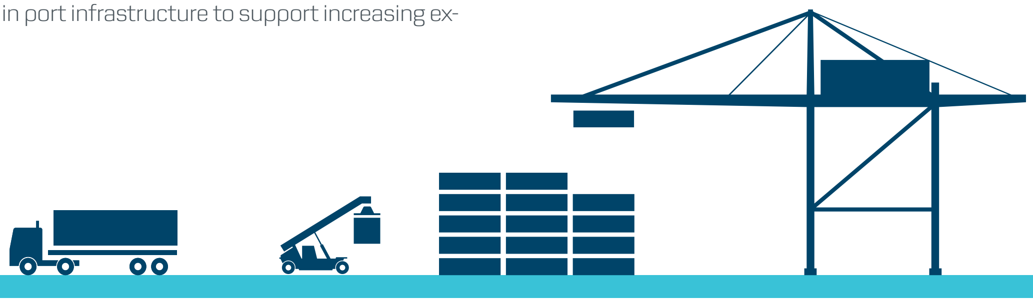
Brazil is a prime example of a country that is investing in port infrastructure to support increasing exports and underpin its growing economy. Upgrades to the Port of Santos are being made to alleviate congestion and delays. Here, APM Terminals is building a container terminal under a joint venture agreement. The USD 1 billion investment will improve Santos' berth productivity by up to 10%. We have calculated the wider socio-economic impacts of this investment (see our Brazil impact study on page 16).

Key sustainability challenges

The risks of accidents in port operations remain a major challenge. Severe accidents continue to happen and some have fatal consequences for our employees and the people working on our premises. This is a challenge we do not take lightly (see page 28).

The same goes for corruption which continues to hold back trade and economic growth in different parts of the world (see page 48).

Running a terminal involves carefully managing stakeholder interests within the port community as well as minimising any potential adverse impacts on the local environment (see page 58).



OUTLOOK

6%

global container port demand growth forecast per year from 2011 to 2017, but with significant regional variations.*

Reducing supply chain barriers to trade could increase GDP by nearly

5%

and trade by

15%**

FACTS

APM Terminals' portfolio includes operations in

63

ports and terminals with 6 new terminals in development and 160 inland services operations.

9%

APM Terminals' global average berth productivity increase in 2012.

* Drewry Global Container Operators Annual Report 2012.
** WEF: 'Enabling Trade: Valuing Growth Opportunities' 2013.

[4] World Economic Forum (2010): Positive infrastructure – A framework for revitalizing the global economy.
[5] See Maersk Line's 2011 WAFMAX study on maerskllineroute2.com.

The oil industry is key to support the energy needs of industries and countries. In light of climate change concerns and resource sustainability, the pursuit of a profitable growing oil business brings forth sustainability challenges.

Energy

Global energy demand is expected to increase by 40% between 2009 and 2035[6]. Fossil energy sources are currently making up more than 80% of the world's energy mix[7].

Fuelling economic growth and trade

Besides supporting a growing population and industrialisation with access to energy services, the oil industry is currently key to keeping the global economy mobile. Today, more than 50% of the global oil and gas production is being used to serve transportation needs.

We are investing to increase our oil production by 50% by 2020 to 400,000 barrels per day.

Key sustainability challenges

The pursuit of a profitable oil business and the fact that CO_2 emissions induce climatic changes that are potentially highly detrimental to society raise a number of sustainability challenges and dilemmas.

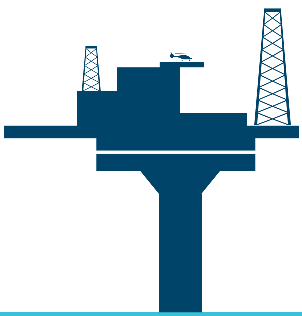
The A.P. Moller - Maersk Group supports the position to reduce global warming whilst recognising the direct and indirect impacts that oil production entails. Our view is that governments and companies must each play their role to address the dilemma. Government policy action is needed to shape the future of energy and we support legislative frameworks that create a level playing field.

We see our role in addressing climate change as in optimising our production and consumption of resources. In our oil activities our focus is thus on increased operational efficiency to ensure that resources can be produced in an efficient and economically sound manner. The pressure to maintain such performance will only intensify as competition for natural resources drives the industry to explore and produce in increasingly harsher environments.

Key sustainability opportunities

For us, the most impactful way to address climate change is through energy efficiency in shipping. Our shipping activities are responsible for 82% of the Group's total CO_2 emissions. Here, significant advancement in energy efficiency is helping us reduce the impacts of fuel price fluctuations and bringing about significant cost and CO_2 reductions. The improvements made so far in energy efficiency are enabling us to push the bar for continuously more efficient transport of food and goods.

The cost of consuming resources such as bunker fuel oil will continue to drive energy efficiency in our company. The shipping industry's dependence on bunker fuel oil is also helping to sow the early seeds for potential future energy diversification. Developing affordable alternatives to bunker fuel in shipping is still in the very early stages. However, we support the research and development efforts to overcome the current barriers.



OUTLOOK

Global energy demand forecast to be about

40%

higher in 2035 compared to 2009.*

FACTS

Transportation is one of the largest consumers of energy in the world, accounting for more than

50%

of liquid fuel consumption.**

Maersk Oil produces

257,000

barrels of oil equivalent per day (boepd, entitlement production).

Maersk Line consumed

9.9

million tonnes bunker fuel oil in 2012.

* OECD: www.oecd.org.
** WWF: Plugged in. The end of the oil age (2008).

[6] http://www.oecd.org/site/africapartnershipforum/50088908.pdf.
[7] U.S. EIA International Energy Statistics: http://tonto.eia.doe.gov/cfapps/ipdbproject/IEDIndex3.cfm.

Our impacts **in Brazil**

Socio-economic study puts numbers on our impacts in Brazil.

In 2012, we set out to deepen our understanding of the Group's socio-economic impacts within trade, infrastructure and energy in Brazil (see About the study on page 19).

Brazil – **a key growth market**

Brazil's growing economy has seen GDP per capita more than tripling over the last decade. Millions of people have been lifted out of poverty into a rising middle class. International trade has contributed to Brazil's economic growth: Exports have grown by 14% per year on average from 2005 to 2011[1]. Exports and imports accounted for 12% and 13% respectively of GDP in 2011[2].

Today, Brazil is the world's second largest exporter of soybean, is responsible for 80% of the world's orange juice and accounts for 35% of global exports of raw cane and refined sugar[3], to name just a few major commodities. Since 2000, Brazil's exports of agricultural products have grown by more than 500%[4].

But Brazilian freight logistics costs are high – about 15–18% of GDP[5]. Transport infrastructure bottle-necks are a key part of the problem. The Brazilian government recognises infrastructure development as one of the most important drivers to support economic growth and continued social progress[6].

Opportunities

Export expansion and economic development

USD 256bn

Brazilian exports in 2011

Exports accounted for:

12%

of GDP in 2011

Challenges

Trade bottlenecks and logistics costs

Brazilian freight logistics costs in 2011:

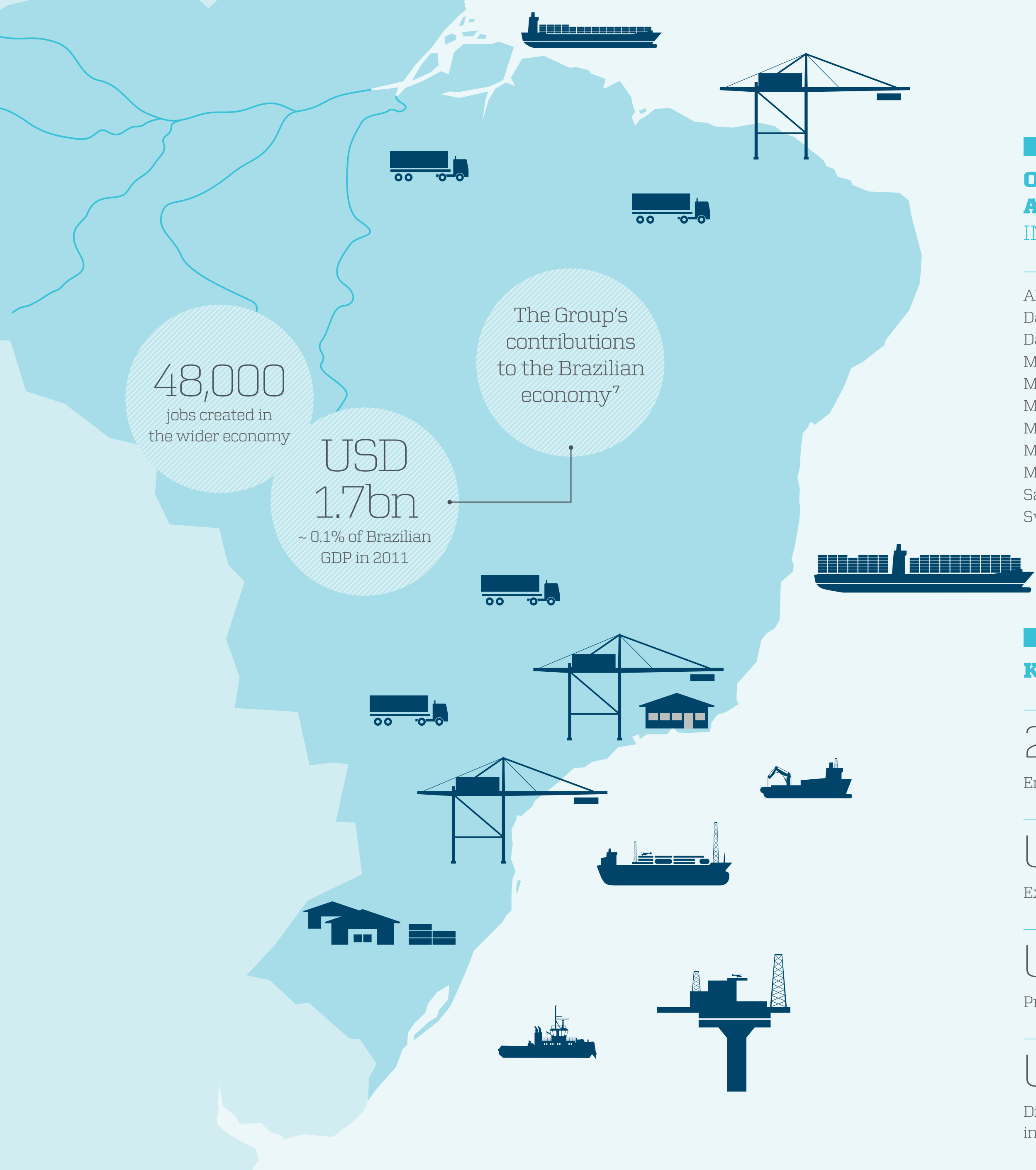
15–18%

of GDP

[1] WTO Database. See: http://stat.wto.org.
[2] World Bank indicators. See: http://data.worldbank.org/indicator.
[3] Trading Economics. See: http://www.tradingeconomics.com/brazil/exports.
[4] WTO database. See http://stat.wto.org.

Building **long-term presence**

We have been building up presence in Brazil since 1977. Our businesses in Brazil have invested a total of USD 3.4 billion in shipping, port operations and offshore oil activities in the country.



OUR COMPANIES AND BRANDS IN BRAZIL

APM Terminals
Damco
Danbor
Maersk FPSOs*
Maersk Line
Maersk Oil
Maersk Supply Service
Maersk Training Centre
Mercosul Line
Safmarine
Svitzer

KEY FIGURES 2011

2,169
Employees (FTE)

USD 1.3bn
External revenue

USD 373m
Procurement spending

USD 135m
Direct and indirect taxes paid, incl. 30 million payroll taxes

[5] World Bank, How to decrease freight logistics costs in Brazil, Transport Papers, TP-39, April 2012.
[6] OECD Economic Surveys – Brazil, October 2011.
[7] The impact study estimates the contribution to GDP as the total value-added of the Group's direct, indirect and induced impacts: Indirect impacts are the turnover and value added created by businesses which provide goods and services to our companies' activities. Induced impacts are the result of spending of the wages and salaries of our and the supplier's employees on food, housing, transportation, medical services, etc.
* Operated the Maersk Peregrino – a floating production storage and offloading vessel in the Peregrino oil field. The vessel was sold to Statoil in 2012.

Maersk Line's **SAMMAX** vessels are turning up the speed of Brazilian ports. Boosting port productivity and reducing waiting time and CO_2 give rise to more sustainable trade growth in Brazil[8].

MAXimising trade in Brazil

The SAMMAX vessels were introduced in 2011 to accommodate the large demand for refrigerated cargo between South America and Europe. They are designed to overcome the limitations of shallow waters and low port capacity in Brazil.

More containers through shallow waters
With 1,700 reefer plugs, the SAMMAX are among the largest reefer ships afloat. They have a draft of 14 metres and a capacity of up to 8,600 containers (TEU). The draft-container ratio allows the SAMMAX to call South American ports with more containers compared to the average vessel there.

Case in point

In 2012, the 16 SAMMAX vessels loaded and discharged 940 containers per vessel call on average, compared to the previous Maersk Line vessels' 550 moves per call – a 72% improvement. Also, the SAMMAX' berth productivity was on average 55 berth moves per call, compared to 40 for the previous Maersk Line vessels – a 37% improvement. The improvements have wider socio-economic impacts.

Increasing the efficiency of transportation lowers the cost of trade for businesses and consumers, and translates into a potential for increased trade, job creation and economic growth. Trade is however no guarantee for socially inclusive growth which depends on a range of factors including government policies.

SAMMAX vessels can carry up to
8,600
containers (TEU) and can pass shallow waters due to the draft-container ratio

37%
improvement in average berth productivity in 2012*

+72%
containers per vessel call*

[8] All data calculations, methods, models and scope used in this case study can be found in our Brazil impact study 2012.
* Compared to the previous 3,200 TEU Maersk Line vessels deployed on the same trade lane.

Port productivity **turned up a notch**

The SAMMAX's impacts on port productivity can be illustrated by looking at the Port of Santos, the biggest port in Brazil. In this port the SAMMAX load and discharge 1,202 containers per vessel call – 50% more than Santos Port's average of 805 in 2012, and 90% more than the previous Maersk Line vessels. For the same amount of containers this means that Maersk Line can reduce its annual calls by 110 calls and the overall waiting time in Santos by 5%.

The SAMMAX vessels also help reduce berthing time through faster load and discharge of containers. This is due to the vessels' length and improved stability enabling more cranes to operate at the same time. In Santos, the SAMMAX have a berth productivity of 78 berth moves per hour – 60% higher than the previous Maersk Line vessels and 30% higher than the average in Santos. This decreases our berthing time from 3,011 to 1,895 hours and overall berthing time in Santos by 2%.

The 5% waiting time reduction and the 2% berthing time reduction will decrease Santos' overall port turnaround time by 7%. On this basis we estimate that the SAMMAX vessels have the potential to increase annual trade by up to 39,000 containers (TEU) in Santos. Whilst trade growth increases CO_2 emissions in absolute terms, the SAMMAX vessels' CO_2 footprint is smaller per container. With the introduction of SAMMAX, the relative CO_2 emissions on Maersk Line's Asia-Brazil trade lane were reduced by 30% in 2012.

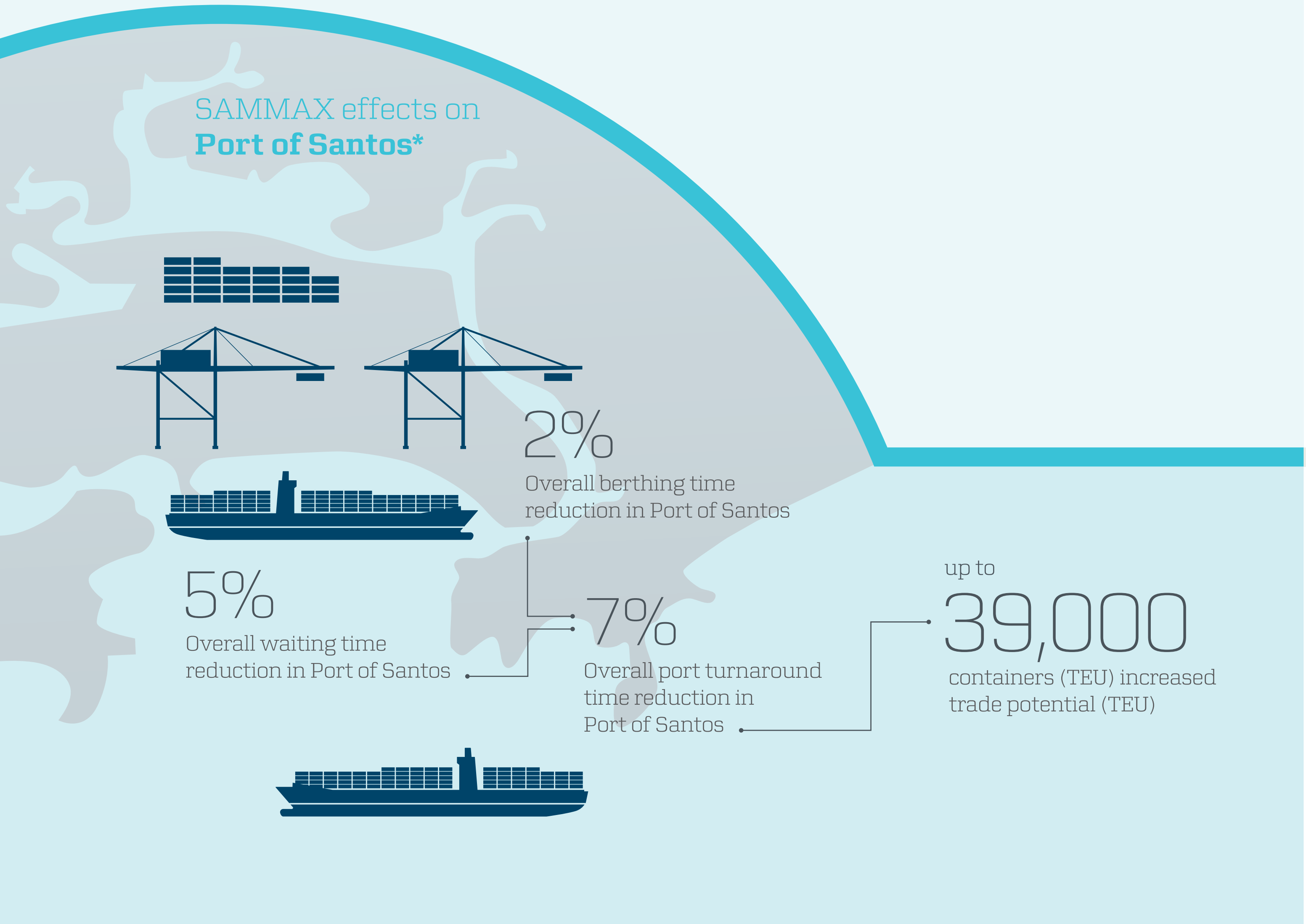
Similar benefits and trade growth potential can be expected in other ports called by the SAMMAX vessels.

MAXIMISING FUEL EFFICIENCY

The SAMMAX vessels' fuel efficiency is

10%

higher compared to other new vessels of the same size. Its waste-heat recovery system uses the energy in the hot exhaust gas to produce extra energy for propulsion.



Upgrades to Brazil's busiest port in Santos, Sao Paolo are being made to alleviate congestion and delays. We have calculated the socio-economic impacts that can be realised from a USD 1 billion joint venture container terminal project[9].

Building tomorrow's terminal today

The growth in Brazilian export and import is putting port capacity and productivity under pressure. With a 30% market share, the Port of Santos is Brazil's most important port.

Since 2003, the waiting time for vessels at the port has steadily increased. During the first half of 2012, ships have had to wait about 16 hours on average before berthing. The World Bank estimates that extra charges for delayed cargo constitute around USD 700 million per year in Santos[10].

Investing in Brazilian trade growth

Container traffic in the Port of Santos is expected to grow by 10–12% per year in the period 2010–2016. Maintaining the status quo of the current container terminal capacity in Santos would lead to excess demand for container transport of around 0.9 million containers (TEU) by 2015, corresponding to 25% of today's total demand.

Together with Terminal Investment Limited, **APM Terminals** is investing USD 1 billion in the construction of a new world-class container terminal, Brasil Terminal Portuario (BTP). When fully operational in 2013, BTP is expected to deliver a berth productivity of up to 80 containers per hour – a 32% improvement compared to the current average berth productivity of Santos' three operating terminals.

More containers at lower cost

The development of BTP will increase capacity in the Port of Santos by up to 40%. This will prevent further deterioration in waiting and berth times, increases in already high transport costs, and loss of trade and diversion to other ports. Moreover, BTP will improve Santos' overall berth productivity by up to 10%. Combined, the increased capacity and improved productivity have the potential to increase the annual container throughput by up to 12% – corresponding to an increased trade potential worth up to USD 15.3 billion per year.

But it requires better access roads

In Brazil, most containers are transported by trucks to and from the Port of Santos but the current access roads are not adequate to accommodate this traffic without delays. Today, the inland transport bottlenecks add to the costs of using the port. To fully reap the benefits of the BTP terminal project, Brazil would need to improve the road infrastructure around the port.

TAXES AND JOBS IN NUMBERS

Through the development of BTP, the Port of Santos will benefit annually from over:

USD 100m

tax income (federal, state and municipality).

BTP is expected to create:

3,000

jobs during the construction phase.

1,500

jobs during the operational phase.

9,000

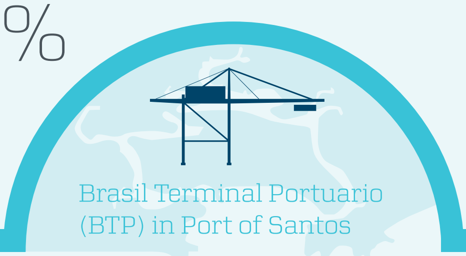
indirect jobs once operational.

BTP will improve the berth productivity of Santos Port by up to

10%

Combined with increased capacity this has the potential to increase the annual container throughput in Santos by up to

12%



The increased trade potential is worth up to

USD 15.3bn

per year

[9] All data calculations, methods, models and scope used in this case study can be found in our Brazil impact study 2012.
[10] World Bank (2012), How to decrease freight logistics costs in Brazil, Transport Papers, TP-39, April 2012.

Brazil's coastal shipping industry has an 800% growth potential. There are social, environmental and economic arguments for realising it[9].

The case for going coastal

Despite a long coastline of about 7,500 km (4,650 miles) studded with around 40 major ports[10], the potential of coastal shipping has not yet been fully realised in Brazil.

Only a fraction of the total domestic container transport is carried out by coastal shipping. The extensive use of trucks increases transport costs through 3–4 times higher freight rates, congestion and unreliable transport times. This in turn reduces Brazil's trade and weakens its national competitiveness.

Also, trucks have high socio-economic costs. Coastal shipping only transports cargo volumes corresponding to 4% of total truck transport, but compared to trucks, coastal shipping each year saves the Brazilian society 4,100 road accidents and USD 189–212 million in road maintenance, medical and material costs as well as 0.5 million tonnes of air emissions.

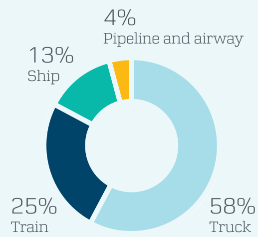
Making the move

In the Brazil impact study, we estimate that 2.7 million containers (TEU) can be moved from trucks to coastal ships. This is a relatively small share of the total volumes transported by truck but would correspond to an 800% increase in Brazil's coastal shipping transport volumes.

In numbers, going coastal with 2.7 million containers would reduce annual road accidents by approx. 36,000; road accident costs by USD 1,515–1,715 million; road maintenance by USD 125 million; and emissions by 4.4 million tonnes of CO_2. That means overall lower freight costs – socially, environmentally and economically.

Thus, coastal shipping could have a much more prominent role to play in supporting the sustainable development of the Brazilian economy and its ambitious export targets.

BRAZIL
MODAL SPLIT



Coastal shipping becomes a feasible alternative to trucks when distance exceeds 1,500 km, and when origin and destination are located within a 200 km radius of ports and terminals, all other things being equal.

2.7m

containers (TEU) can be moved from trucks to coastal ships – which would:

Reduce emissions by

4.4m

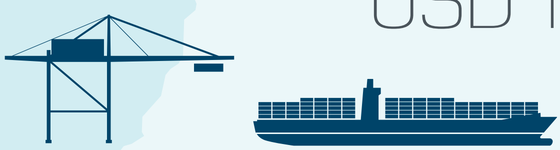
tonnes of CO_2

Reduce annual road accidents by approx.

36,000

and road maintenance costs by

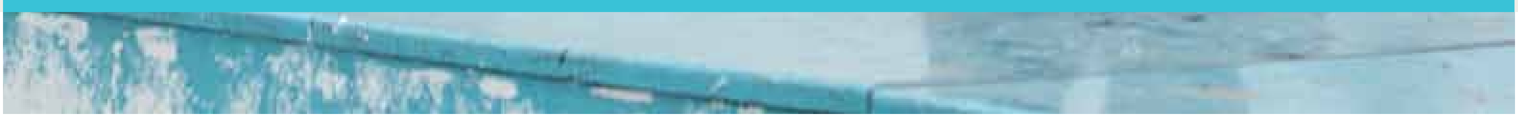
USD 125m



About the study

Our Brazil impact study 2012 includes a macroeconomic analysis of the impacts of the Group's activities in Brazil. It covers ten different businesses and six in-depth case studies. As the availability of adverse sustainability information (e.g. emissions, social impacts and work-related accidents) at a country level is very limited, the case studies do not include a detailed assessment of all of the social and environmental impacts of our operations and solutions, but focus mainly on the current and estimated future socio-economic impacts of our investments, including economic, social and environmental perspectives. Inherently, the data are comprised of estimations and contain significant assumptions. For a complete explanation on the approach and data sources used, the study can be obtained upon request.

Group performance



Materiality

Defining and communicating materiality helps us focus our efforts on areas that deliver the greatest value to our business and most important stakeholders.

Mapping material issues
In 2012, we worked systematically to gain an enhanced understanding of our material sustainability issues and their potential impact on our business. A dedicated tool was developed to support the materiality analysis and process.

Big ticket items
The issues that are of highest importance to both our business and stakeholders are major oil spills, fatalities, arctic operations and anti-corruption. Major oil spills and fatalities represent some of our most significant risks and stress the importance of

Materiality matrix

The map shows which issues are most material to our business based on the factors 'impact on cost, revenue, compliance and reputation', correlating this with the deemed level of importance to employees, customers, regulators, media, investors, local communities and NGOs.

READ MORE..

Anti-corruption & whistleblowing: pages 48–49
Arctic: page 39
Ballast water: page 38
Biodiversity: page 38
CO_2 emissions: pages 34–35
Diversity & inclusion: pages 43–45
Fatalities, accidents, LTIs and process safety: pages 28–32
Governance: pages 25–27
Human rights: pages 40–41
Labour standards: page 42
Lobbying: pages 23–24
Oil spills: page 36
Piracy: page 33
SO_x and NO_x: pages 36–37
Stakeholder engagement: pages 23–24
Supply chain management: pages 50–51
Tax: page 52
Waste management: page 38

continuously strengthening process safety and risk management. Whilst our activities in the Arctic at the moment are still in the very early stages – predominantly concerned with exploring any future potential – the overall growing corporate interests in the Artic are a subject of great importance and concern to some of our stakeholders. We fully recognise the sensitivity and uniqueness of the Arctic environment and describe our interests and preparation activities in this report.

Similarly, issues such as process safety, energy consumption and CO_2 emissions represent critical material issues in the Group. For example, our CO_2 emissions in shipping are significant in absolute terms but also represent a major driver for energy efficiency improvements and cost reductions.

Our anti-corruption efforts rank high on the list as well. Corruption negatively impacts our business, the communities where we do business and overall global economic development. Furthermore, supply chain management is critical to minimise risks in our supply chain, supporting responsible business conduct and the respect of human rights. Finally, diversity and inclusion are essential to reach our growth and performance aspirations.

Going forward

The matrix and tool will serve as valuable input for the process of preparing a new Group sustainability strategy during 2013. We will be validating our assessments through consultations with our internal and external stakeholders in the strategy process, and promote a unified approach to materiality assessments going forward.

TOP 3 MATERIAL ISSUES IN THE BUSINESSES

In 2012, a workshop for our businesses was conducted providing guidance on how to prepare materiality and stakeholder assessments. The materiality assessments by the businesses helped provide a foundation for their reporting this year by identifying their top three material issues (see pages 55–73).

Materiality **analysis process**

Defining the criteria

Listing significant business aspects and rating their relative importance.

Listing significant stakeholders and rating their relative importance.

Selecting the issues

Identifying environmental, social and economic issues that are, or might turn out to be, relevant to the A.P. Moller - Maersk Group and its stakeholders, and collecting the information needed to assessing their impact.

Describing the issues in detail

Defining the risks and opportunities associated with the issues.

Describing the stakeholders relevant to or concerned with the issues.

Analysing

Determining the status, importance and maturity of the issues using the tool's predefined rating scheme.

Mapping the issues

The results of the analysis are plotted by the tool in a matrix with the y-axis representing 'the importance to stakeholders' and the x-axis representing the 'importance to business'.

Stakeholder engagement

We want to build trust in our company by engaging in transparent practices and open dialogue with stakeholders.

Our ambition is to have a more structured and consistent approach to stakeholder engagement. We are not there yet and this will be an important part of our approach and governance going forward.

Key stakeholder engagement activities in 2012 include:

Shareholder and investor engagement
The A.P. Moller - Maersk Group held its first Capital Markets Day to increase transparency on strategy and financial performance. The company's performance, growth strategy and planned investments were presented with a focus on the plans for Maersk Oil and APM Terminals. More than 300 analysts and investors participated.

Engaging external stakeholders on sustainability
The UN Summit on Sustainable Development in Rio de Janeiro, Brazil (Rio+20) was an important event for us to engage with a wide group of stakeholders on our role in contributing to a more sustainable development. We engaged in panel discussions, co-chaired a session on anti-corruption and spoke on responsible procurement.

Engaging employees on sustainability
Our work with sustainability can be an engaging factor in itself and potentially help increase the company's attractiveness as an employer. In 2012, 78% of employees viewed the survey's sustainability dimension[1] favourably. The dimension is used as an indicator of how a given team is incorporating a sustainability mindset (social, economic and environment) into daily business decisions. It is the first time that we have this dimension.

On pages 46–47 we elaborate on our employees' general attitudes and perspectives towards the company and sustainability.

During 2013, we will be engaging with stakeholders in a systematic and structured manner to obtain input in connection with the development of a new sustainability strategy.

Responsible lobbying
The Group engages in dialogue and lobbying on issues that are relevant to our businesses. We believe that rendering our experience and opinion available to policy makers and other key opinion leaders provides benefits for both our business and society.

A large degree of our engagement at Group level takes place through our membership and participation in industry organisations, primarily the Danish

[1] The sustainability dimension consists of two questions: "My company is making a genuine effort to be socially and environmentally responsible" and "My manager encourages me to consider social and environmental impacts of my decisions".

Shipowners' Association and Oil Gas Denmark, in addition to ongoing business specific contacts with government and public authorities.

The majority of our dialogue and lobbying activities are conducted by our businesses e.g. through international industry organisations.

What investors think of our sustainability efforts

Opinions are divided but research indicates that sustainability reporting can ensure more stable stock prices, probably because they provide a more transparent risk profile which acts as a form of insurance against impact on stock prices from negative events[2].

Another benefit is thought to be lower cost of capital for the sustainability-reporting company.

Particularly institutional investors are expected to be best able to use the reports.

We asked two of our investors what they think: Danish ATP, one of the largest pension investors in Europe, and UK Hermes Equity Ownership Services, a provider of advisory services, renowned for its commitment to responsible investments and ownership.

"As investors we find that our capital is best protected by companies who are in dialogue with their surroundings, as we think they are better armed for success in a changing world. We do not focus on any particular issues but rather look for sustainability and corporate responsibility as integrated parts of the company and its business model. We are pleased that A.P. Moller - Maersk deals with the risks inherent to the industries in which they operate."

– Ole Buhl, Head of Environmental, Social and Governance (ESG), ATP

"We consider the management of sustainability issues to be indicative of the overall quality of management and the ability of a company to manage risk. This is particularly the case in the industries in which A.P. Moller - Maersk operates. We are long-term investors who have an interest in long-term value-creation in A.P. Moller - Maersk, so the management of health and safety (both process and occupational), energy and operational efficiency, as well as employee relations is very important to us."

– Paul Lee, Director, Hermes Equity Ownership Services

[2] Flammer, C. (2012) Corporate social responsibility and shareholder reaction: The environmental awareness of investors, Academy of Management Journal.

Strategy & governance

We aim to be a responsible and profitable enterprise balancing economic, social and environmental concerns for the benefit of A.P. Moller - Maersk and the global community.

Our strategy is to integrate sustainability systematically into all our business processes and make sustainability a competitive advantage. Top management at Group and business level are held accountable for progress. The full governance framework can be seen on page 27.

Dashboard creates overview

An integration progress dashboard is compiled twice a year on the basis of self-assessments completed by all our businesses[1]. The self-assessment measures progress of integration and not actual performance. Its purpose is to provide an overview of how far integration of sustainability has advanced according to our current strategy.

At the end of 2012, the dashboard showed that most business units are making good progress on integration into strategies, management systems and stakeholder engagement. Two specific areas stand out as lagging, and we will review these gaps in 2013:

1) Sustainability as an opportunity-creating driver of innovation and business development.
2) Integration into employee KPIs.

Our **sustainability journey**

2007
- HSSE Manual

2008
- Environmental strategy
- First Group HSE Report

2009
- Member of UN Global Compact
- Anti-corruption programme
- Diversity Programme

2010
- First Group Sustainability Report
- First Group Sustainability Strategy (2010–2013)
- Global Labour Principles
- Whistleblower Programme
- Group Sustainability Council

2011
- Member of UN Global Compact LEAD
- Member of the Logistics Emergency Teams (LET)
- Responsible Procurement Programme
- Climate Change Strategy
- Group Health & Safety Strategy
- First Annual Executive Sustainability Day

2012
- Integration of sustainability in internal training programmes
- Human Rights Framework
- Sustainability index in Employee Engagement Survey
- Sustainability integrated in enterprise risk management

[1] Maersk Drilling, Dansk Supermarked Group, Maersk FPSOs, Danbor Service, Maersk Container Industry, Maersk Supply Service, APM Terminals, Maersk Tankers, Svitzer, Maersk Oil, Damco and Maersk Liner Business (the latter including Maersk Line, Safmarine and other regional brands).

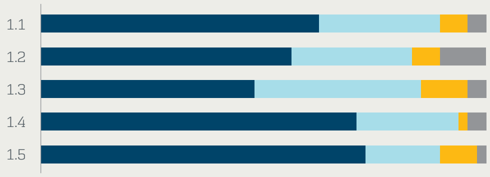
Sustainability **dashboard**

The businesses are asked to score their progress on a scale of 0–3 across 25 key measures of integration, considering each of the four focus areas of the Group's sustainability strategy: health and safety, social responsibility, environment and responsible business practices.

With business integration as the main focus of the Group's 2010–2013 sustainability strategy, each of the businesses will ideally be able to assign themselves a score of 3 on all questions by the end of 2013.

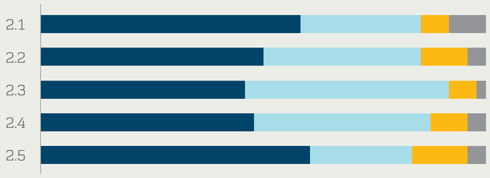
The dashboard below shows the status as of Q4 in 2012 (measured in %).

1. Sustainability strategy & commitment



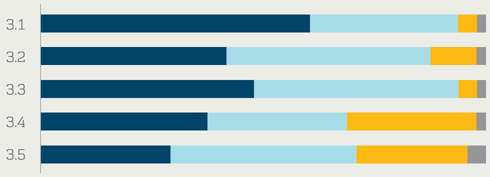
1.1 Is there a sustainability strategy in place?
1.2 Does the strategy include SMART objectives/targets, activities, timeline, resource allocation and governance setup?
1.3 Have you conducted robust materiality analyses?
1.4 Is the strategy aligned with the overall business strategy?
1.5 Are responsibilities and accountabilities clearly defined?

2. Management



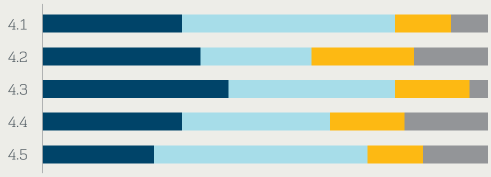
2.1 Do you measure performance on an on-going basis?
2.2 Have you defined necessary standards, tools and competencies to operate processes effectively?
2.3 Have you implemented the required structures?
2.4 Do you systematically assess key sustainability risks?
2.5 Are you currently on track to realise your targets?

3. Stakeholder engagement



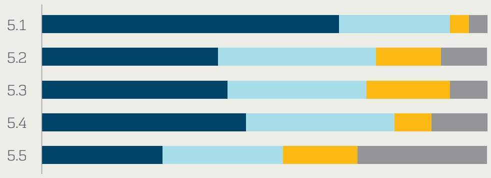
3.1 Have you identified your key stakeholders?
3.2 Have you defined who is responsible for engaging with key stakeholders?
3.3 Do you engage with key stakeholders on an on-going basis?
3.4 Do you get feedback on your engagement?
3.5 Do you share the feedback systematically with the organisation?

4. Anticipating change



4.1 Is sustainability included as a risk-mitigating driver in the business strategy?
4.2 Is sustainability included as an opportunity-creating driver in the business strategy?
4.3 Do you have a systematic approach for spotting trends and anticipating change?
4.4 Do you integrate sustainability into innovation and business development processes?
4.5 Do you allocate resources to test pilots or to innovate business models?

5. Culture



5.1 Does top management communicate to employees about sustainability?
5.2 Is sustainability included in management training programmes?
5.3 Is sustainability included in employee training programmes?
5.4 Have the training programmes been rolled out to all relevant employees?
5.5 Is sustainability included in employee KPIs and incentive programmes?

- Completed (score 3)
- Under implementation (score 2)
- Planned (score 1)
- Not started yet (score 0)

Advancement tools

We provide management and employees with tools to enhance their knowledge of sustainability. We have integrated sustainability modules into our leadership training in 2012. By the end of the year, 1,144 persons had participated in these training programmes.

We also developed and rolled out an e-learning based introduction course on sustainability in 2012. It is designed to serve as a pre-work to the leadership courses, but the course is available to all employees through our Learning Management System. Since the launch in September 2012, 233 people have completed this training.

An annual sustainability day is organised for all the Group's CEOs. In 2012, the focus was on the business value of sustainability. The day marked a starting point for the next phase in our approach to sustainability, where maximising synergies and generating income will be in focus. Erika Karp, Managing Director and Head of Global Sector Research for UBS Investment Bank, had been invited to give an investor's perspective and to participate in a panel debate with Maersk Line, Maersk Drilling and APM Terminals. The debate showed that while not all sustainability-related values are easily quantified, there is potential for linking sustainability closer to the core process of shareholder value creation.

HIGHLIGHTS

1,144

leaders completed sustainability training as part of their leadership training in 2012.

Our sustainability **governance framework**

Executive Board

– is responsible overall.

Sustainability Council

– oversees strategy and coordination.

Commitments

Our values
Constant care, humbleness, uprightness, our employees and our name.

Our Principles of Conduct, policies and guidelines
Our established commitments.

UN Global Compact
We are part of the LEAD group of companies, committed to showing leadership in corporate sustainability.

CEO and peer reviews

– Each year, business units participate in either a CEO review or a peer review with the Group Sustainability function.
– In 2012, five CEO reviews were held, and five businesses participated in two peer review workshops.

Management business reviews

– Sustainability issues are included in the annual business reviews conducted by the Group Strategy function.

Enterprise risk management

– A new enterprise risk management framework integrating sustainability was implemented in 2012.
– Input from businesses and Group functions on key risks is aggregated into a Group key risk register.

Performance management

Sustainability integration dashboard
Bi-annual self-assessments of the businesses that feed into progress reports for the Sustainability Council.

Employee engagement survey
Where a new question on sustainability leadership was added in 2012. Read more on page 46.

Leadership training
– Modules on sustainability in the Group's mandatory leadership training programmes.
– E-learning programme on sustainability.
– Annual Executive Board sustainability day.

Safety

Safety is at the core of the A.P. Moller - Maersk Group's business. We believe that each and every accident can and should be avoided. We must ensure that our employees can return home unharmed at the end of every work day.

Keeping our employees safe and secure while they do their job is of primary importance to us. Providing our employees with a safe working environment is also our licence to operate. But despite safety leadership positions in a number of our industries as well as continuous improvements in most safety performance areas, severe accidents continue to happen in some of our operations.

Our strategy and governance

The Group's Health & Safety Strategy, which we began implementing in 2012, facilitates systematic sharing of insights and better practices between businesses and thus helps improve existing standards and procedures.

The Health and Safety Committee oversees the Health & Safety strategy at Group level, whereas operational responsibility for health and safety lies with the individual businesses. In 2012, our Board of Directors began to receive more detailed quarterly reports on safety, with the same information being shared with the Executive Board and the Sustainability Council.

Fatalities – a major challenge

Our goal is zero fatalities. In 2012, we had 17 fatalities, compared to 13 in 2011, continuing the trend over the last couple of years – contrary to our stated goal and intent. That is unacceptable to us.

The story has more aspects than the bare numbers reveal. In 2012, Svitzer experienced their worst ever accident with a loss of seven people (read more on page 70). This was an extraordinary event. At the same time, APM Terminals, where historically most of the Group's fatalities are found, had five fatalities in 2012, compared to 10 in 2011. This coincided with a new approach to safety which seeks to mobilise the entire organisation in the battle for a fatality-free working environment (read more on page 31).

Our analyses show that fatal accidents can be divided into two groups, based on their root causes. One group involves traffic and container movements and the accidents are caused by traditional focus areas in safety work: mechanics, behaviour and safety culture. The second group of accidents have more complex causes and typically involve the failure of several processes.

This is in line with the conclusion made by an external working group on fatalities, in which we were active participants in 2010–2011.This group found that there was no conclusive evidence pointing towards one set of common precursors leading to fatal accidents.

There are clear indications that we need to increase our focus on process safety. The 2012 Svitzer accident grew to its significant size because of process safety issues, and had no direct links to the company's lost time injury frequency (LTIF) performance.

Maersk Line began testing of 844 refrigerated containers at risk of having counterfeit contaminated gas inserted into their refrigeration equipment

HIGHLIGHTS

17

fatalities in 2012.

50%

reduction in fatalities in APM Terminals.

7

businesses with an LTIF below 1.

>80%

of all our accidents occur in Dansk Supermarked Group and APM Terminals.

during maintenance. These containers had been grounded since 2011 when three such containers exploded. The testing is expected to be completed in 2013. As further insurance, Maersk Line has commissioned the development of a scalable method for testing for contaminated gas in existing containers which can be implemented globally, and has rolled out a test procedure for all new refrigerant gas.

Two kinds of safety

Many industries focus their safety efforts almost exclusively on occupational safety measures. In the oil industry, however, the inclusion of process safety measures has been a core practice for many years. The current trend is that still more industries are embracing process safety thinking, to make the final leap to incident-free environments. Below are explanations of both types.

Process safety focuses on preventing fires, explosions and accidental releases of hazardous materials. The impact of a process safety incident can be personal injuries, asset damage or damage to the surrounding environment (or a combination).

2012 Fatalities

Business unit	Location	Description	Employed by
APM Terminals	Callao, Peru	Contractor hit by load during lifting operations involving reach stackers.	Contractor
	Pipavav, India	Tally clerk crushed by lorry during the container loading process.	Contractor
	Callao, Peru	Stevedore fell inside the cargo hold during container operation.	Contractor
	Bien Hoa, Vietnam	Contractor died from injuries incurred when tyre exploded during re-fitting of wheel on a sideloader.	Contractor
	Mobile, USA	Genset landed on mechanic as it fell, struck the ground and pivoted during its dismounting from a reefer.	Own
Maersk Line	International waters east of South America	Two seafarers died as a result of a violent conflict on board one of our ships (categorised as a criminal act).	Own
	Kobe, Japan	Rescue boat hook failure during drill caused the boat to drop resulting in the death of one of our seafarers.	Own
	Jebel Ali, Dubai	Seafarer hit by vessel's stores crane hoisting handle.	Own
Maersk Container Industry	Qingdao, China	Employee died from injuries sustained in an explosion in a metallizing booth.	Own
Svitzer	Qatar	Seven people died in an explosion and fire on board a tug boat during its participation in hose maintenance.	Own (six), third party (one)

When we report on accidents leading to fatalities we include our own employees, those of our contractors and third parties. The pivotal point in this is whether the people involved were working under the A.P. Moller - Maersk Group's operational control. If so, they are included in this table. On the other hand, the level of influence we have on people's training differs depending on their employment status. For our own employees we can create compulsory training programmes, and to a large extent this is true for recurring contractors. We have limited control, however, over third party employees, except that we can demand certain levels of training from the supplying company.

Managing process safety is generally a matter of creating barriers to prevent multiple breaches and, as such to avoid the chain reaction that potentially can lead to a major accident happening.

Occupational health and safety is concerned with protecting the safety, health and welfare of people at work. Examples of typical areas of occupational safety are personal protection equipment, dropped objects, working alone and slips, trips and falls. LTIF is a common way of measuring your occupational health and safety performance. A key element in managing occupational health and safety is risk assessment, which is also closely related to process safety.

Progress on group activities

Health and safety targets are set and the work is carried out in the individual businesses. Group level is responsible for strategy, governance and high-level development activities. Our new strategy for 2011 committed us to the following:

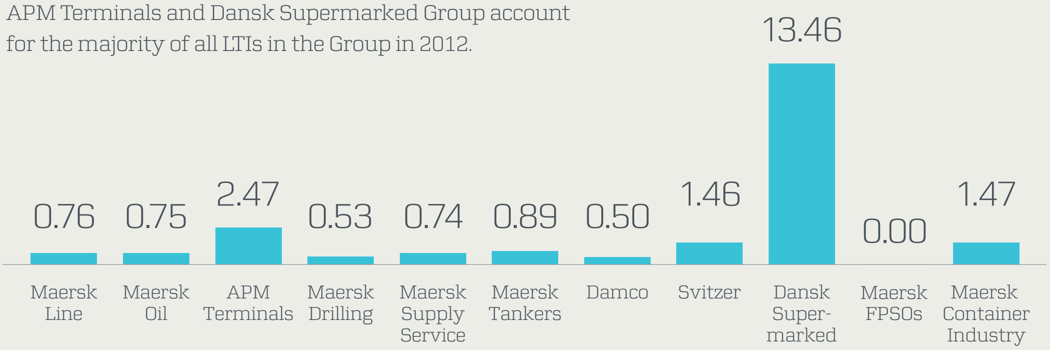
- **Establish fatality review group**
  Representatives from the major businesses have reviewed the investigations of the fatalities incurred during the year. The group found that often a fatal accident could have been avoided if established procedures had been followed. The businesses concerned have taken action to encourage stricter adherence.
- **Developing new performance parameters**
  While not pointing to specific precursors, we learned from the external fatalities group that we need a greater focus on process safety parameters. Working with process safety implies looking at risks inherent in the production processes and creating barriers to ensure that it is not possible to cause a large-scale accident as a result of a single or few actions. Process safety is widely practised in the offshore industry, and we will learn from the example of Maersk Oil.
- **Knowledge-sharing framework**
  The fatality review group is instrumental in sharing good practice for accident investigations. Furthermore, an online portal was launched in 2012 with the goal of creating an internal platform for discussion of our approach to safety. Finally, to gain insights and inspiration for use in our development of health and safety initiative.

Safety performance

Overall, our LTIF data from 2012 show a declining or flattening trend over the last four years. Hidden in this data is the fact that seven out of eleven businesses have an LTIF below one. This equals one accident per 550 employees during a year.

Lost time injury frequency per business 2012

APM Terminals and Dansk Supermarked Group account for the majority of all LTIs in the Group in 2012.



APM Terminals and Dansk Supermarked Group account for the majority of all our LTIs in 2012. Dansk Supermarked Group reported 616 LTIs and APM Terminals 286. Comparatively, Maersk Oil had 17 and Maersk Drilling 11 LTIs.

The incident severity ranges from minor injuries resulting in a few sick days to permanent disability e.g. lost limbs. In Dansk Supermarked Group, injuries cover employees in stores, warehouses and offices. The main part of the injuries is of a psychological nature following robberies in the stores. In addition, the severity of the injuries are generally low (strains, cuts and bruises), and injuries with permanent disabilities are extremely rare.

At Group level, we do not have systems to capture the severity of the LTIs, but the Health and Safety Committee is working to set up a severity index, as a way of tracking the causes of the most serious accidents.

The business with the most novel approach to managing safety is APM Terminals (see the box below).

Safety activist in fight for lives

In 2012, APM Terminals took the extraordinary step of appointing an internal "safety activist" in a bid to make a change in safety on its quays and in its yards the world over. The company's former Europe CEO – an APM Terminals veteran – was charged with ending fatal accidents in a move thought to be a first for the ports industry.

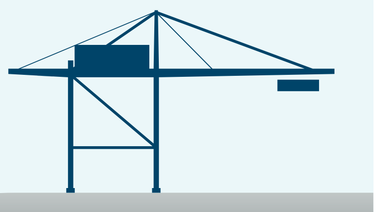
Actions included:

- New safety principles that empower all workers, regardless of rank, to stop unsafe operations. They also remind employees of their own obligation in terms of APM Terminals' promise to never lower its standards.
- Regional safety managers established global minimum requirements to be enforced at all terminals, while an online collaboration platform brought terminal management together.
- Four training sessions for around 50 employees with an international leading accident investigation company. Fifteen of those had additional training, which makes it possible to deliver training to the remaining facilities. Those 15 people also constitute a global response team which will be dispatched in case another fatality occurs. They would use an updated investigation procedure and report through a new incident reporting system, which is due in early 2013.
- The safety activist travelled to problematic sites and made weekly phone calls to ports and inland operations for updates on safety and to offer high-level support on safety matters.
- Use of social media was increased as a means to communicate with everyone in and outside the organisation. Photos of threats to safety – big and small – found at an APM Terminals location were posted on Facebook, with people asking questions and others answering them.

Sites across the world have already embraced the escalation of safety by appointing their own activists – in Morocco, Peru, Costa Rica, Argentina and Jordan.

50
people trained in accident investigation

50%
drop in fatal accidents



Their LTIF has dropped from 5.82 to 2.47 over the last four years. A lack of valid benchmarks for safety in the port industry makes it difficult to know the performance level compared to competitors.

The safety-productivity equation

Our work on safety is not driven by business case considerations. Nevertheless, we are seeing still more cases of a link between improved safety and higher productivity.

Maersk Oil has compared the last ten years' reductions in LTIF with production efficiency and while it is likely that other factors contribute to the rise in productivity, the comparison does give an indication that improved safety is good for business.

In the ports industry, there are examples such as the port in Tema, Ghana, of which APM Terminals owns 50%. After two fatalities within a span of five months between March and July 2012, APM Terminals invested USD 450,000 to limit man-machine interface.

The port lost 25% of its berth productivity in the first month of enacting the new policy. Workers were confused, truck drivers were losing their way in between stacks, cranes, stations, etc. But gradually operations began to get back into rhythm and the port ended September setting new records in terms of container handling combined with a strong safety performance.

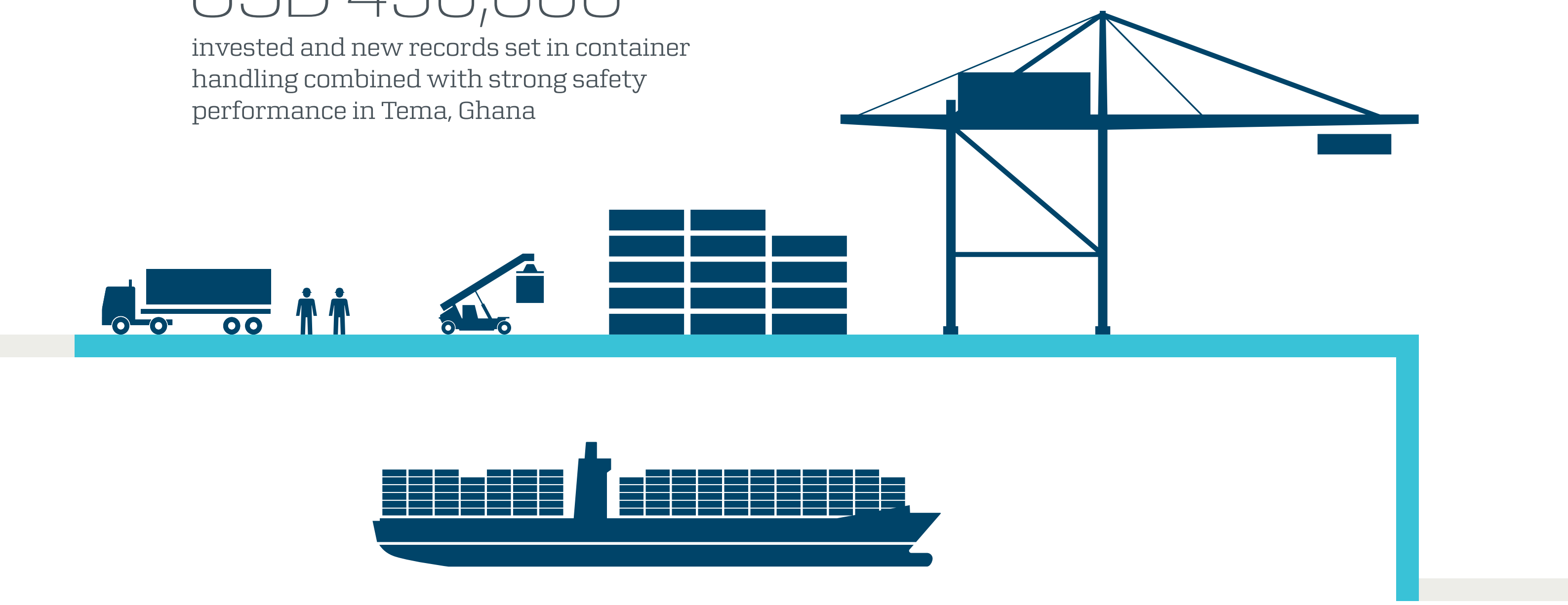
The APM Terminals' Port of Itajai in Brazil registered 327 days without lost time injuries – a new record for the terminal. At the same time, berth productivity rose by 64%. Again, there could be other factors influencing the increase in productivity, but there seems to be a clear pattern here and in other terminals.

64%

berth productivity increase in 327 days without injuries in Port of Itajai, Brazil

USD 450,000

invested and new records set in container handling combined with strong safety performance in Tema, Ghana



Piracy

The cost of piracy is high. Lives are altered or lost due to piracy, trade needs to re-route and shipping companies invest large sums to avoid attacks. In 2012, the A.P. Moller - Maersk Group continued to invest in securing our close to 3,000 transits through the Gulf of Aden and past the Somali coast – the main arena for maritime piracy.

Fortunately, global society's investments began to show a dividend. From a total of 173 in 2011, there were 36 incidents in 2012. We experienced two attempted hi-jackings, which were unsuccessful as our ships increased speed and left the area.

The main drivers behind this positive trend are compliance with best management practices for anti-piracy, including the use of armed guards in selected cases, and still more efficient patrolling by naval forces. Extensive risk assessments, training and experience in sailing in these waters meant that we could begin slow steaming off the coast of Somalia. As yet, no cases of accomplished attacks on a ship compliant with best management practices have been registered.

When employing armed guards, we carry out training in the roles and relationships between our crew and the guards. We hire guards only through providers that have been vetted and screened by external providers and audited by the Group.

A long-term solution

Our position remains that only a concerted effort from the global community can alleviate this threat to global trade. In the meantime, we have joined forces with Shell, BP, Stena Line and Japanese shipping companies (NYK, MOL and "K" Line) to support community and job creation projects in the coastal regions of Somalia. The companies will contribute between them around USD 2.5 million over two years (2013–2014). The basic premise of the initiative is that piracy may be a problem at sea but it requires a long-term sustainable solution on land.

A moving target

Unfortunately, the more stable conditions in the Gulf of Aden do not imply less risk of piracy for the shipping industry in total. We are seeing a growing number of attacks off the coast of West Africa. So far, none of our ships have been attacked in this area.

HIGHLIGHTS

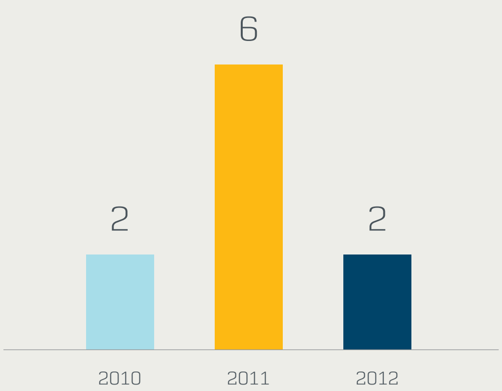
USD 500,000

earmarked by the A.P. Moller - Maersk Group for investing in an initiative to combat root-causes of piracy in Somalia.

Number of **attempted hi-jackings**

In line with the total recorded number of attempted hi-jackings in the area off the Somali coast, we experienced a significant drop in pirates circling in on our ships.

This positive trend is a result of the more efficient naval patrolling of the area and enhanced protection on the ships.



Climate & environment

We recognise the risks climate change poses to society and our business as well as the need to shift to a low carbon economy. We support the position that adequate efforts must be made to limit global warming.

The A.P. Moller - Maersk Group's activities carry significant environmental risks as well as direct and indirect impacts on the environment. The three primary environmental risk categories across the Group have been identified as major oil spills, fuel consumption and related CO_2 emissions, and bio-diversity impacts, with specific importance placed on the Arctic. On page 37 we explain our progress in

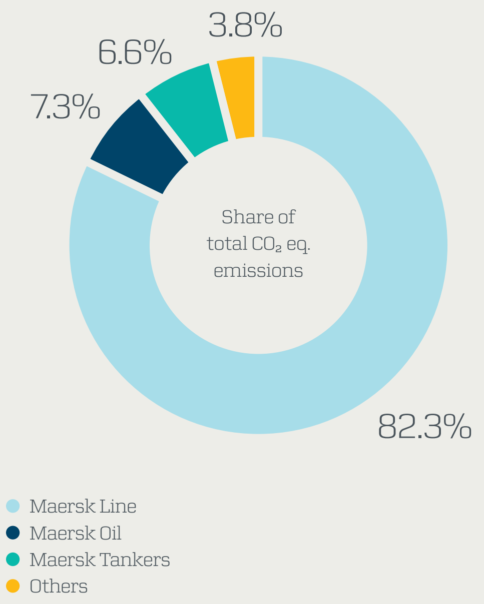
The carbon cake

Each business has a share of the Group's total CO_2 emissions.

Our businesses measure their relative CO_2 efficiency in different ways. For example, Maersk Line operates with CO_2 per container (TEU), Maersk Tankers uses CO_2 per cargo unit x nautical mile, and APM Terminals CO_2 per lifted container (TEU), to mention just a few examples.

When we consolidate the annual CO_2 efficiency of each business to determine the Group's CO_2 efficiency, we first determine the change in performance by percentage for each business. The relative performance for each business is collated into a Group index. In this index each business' contribution is weighted in terms of their share of the total Group CO_2 emissions.

This figure shows key businesses' share of the total Group CO_2 emissions.



HIGHLIGHTS

20%
new Group target for relative reduction in CO_2 from 2010 to 2020.

8%
relative CO_2 reduction achieved from 2010 to 2012.

82%
of the Group's CO_2 emissions come from Maersk Line.

6%
reduction in SO_x emissions.

0
oil spills (categories 1 and 2).*

* The definition of category 1 and 2 spills is explained in our sustainability accounting principles on pages 80–82.

managing these risks in order to mitigate and reduce any adverse impacts on the environment – from process safety procedures to efficiency measures and new technology.

Climate change and energy efficiency

Climate change is the key environmental issue across the Group. Primarily due to the direct and indirect CO_2 impacts related to running an oil business, as well as the significant levels of CO_2 emitted by our fleet of more than 600 container ships.

As a response, we focus on advancing energy efficiency across the industries in which we work, and put the lion's part of our efforts where we have the largest impact: shipping. While our size in shipping comes with a significant footprint, it is also through our scale and position that we can drive significant efficiencies and help raise industry standards.

The shipping industry is pivotal in improving the efficiency of the entire global transportation system as shipping is the most efficient way of transporting goods across the globe.

New Group CO_2 reduction target: 20%

To document and promote efficiencies across our different businesses, we have a Group-wide target of reducing relative CO_2 emissions. We have adjusted our target from a 10% relative CO_2 reduction from 2010 to 2020 to reflect Maersk Line's advancement in energy efficiency (see the box below). The new Group-wide target is a 20% relative CO_2 reduction from 2010 to 2020. The increased target would correspond to the reduction of more than 750,000 tonnes of total CO_2 emissions, all other things being equal (i.e. with the same level of business activity in 2020 as today).

Maersk Line's quantum leap in **energy efficiency**

Maersk Line clearly demonstrates the business case of energy efficiency. In 2012, the shipping line reached its 2020 target of reducing CO_2 emissions by 25% per container (TEU) from its benchmark 2007 levels – eight years ahead of time.

To keep momentum, Maersk Line has raised the target to a 40% reduction in CO_2 per container (TEU) by 2020. Maersk Line's focus on energy efficiency has made the company significantly more cost competitive.

It is estimated that shipping carries 90% of globally traded goods. While shipping is by far the most energy efficient way to transport cargo long distances, the contribution of CO_2 to the atmosphere is 3–4% of the global annual total.

Maersk Line reached its target largely from a combination of operational efficiency, network and voyage optimisation, slow steaming and technical innovation. More of the same will help Maersk Line reach the 40% target. Also, continued cooperation with vessel leasing partners to retrofit ships and the arrival of the next generation Triple-E vessels will contribute to future CO_2 reductions.

40%

New Maersk Line relative CO_2 reduction target (2007–2020)

25%

CO_2 reduction per container since 2007

Group performance 2012

The A.P. Moller - Maersk Group has achieved an 8% improvement in CO_2 efficiency since 2010, mainly driven by large improvements in our container business. Both our relative and absolute CO_2 emissions decreased in 2012. The improvements are mainly due to Maersk Line's advancement in energy efficiency (see the box on the previous page).

Maersk Oil exceeded its target to reduce CO_2 emissions from flaring by 50%. CO_2 emissions from flaring from operated producing facilities were reduced by 86% since 2007. This helps consolidate Maersk Oil's position as better than average on CO_2 performance against its industry peers. Most of the flaring reductions were achieved in Qatar (see page 64).

SO_x and NO_x

41,000 tonnes of SO_x were cut by the Group in 2012. The main contributor was Maersk Line, primarily through reduced fuel consumption, and by virtue of a new Emission Control Area (ECA), which entered into force in August 2012 covering an area of 200 nautical miles from the coast off North America.

Spills

Maersk Tankers ship, Maersk Erin, accidentally spilled 9.06 m^3 of waste, while de-canting slops in the Atlantic, which was the only category 1 and 2 spill in 2012. None of the businesses have experienced major oil spills. The definition of category 1 and 2 spills is explained in our sustainability accounting principles on pages 80–82.

Maersk Tankers' **carbon pact**

In 2012, Maersk Tankers became the first tanker company to sign a carbon pact with a major oil company. The pact calls for a 10% relative reduction of the footprint of Statoil's voyages over a three year period (2012–2014).

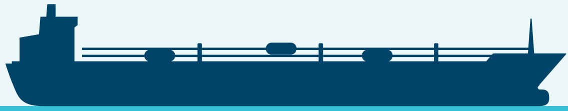
To live up to the pact, Maersk Tankers is servicing Statoil with their most energy efficient ships and monitoring the performance of every single voyage. Every six months Maersk Tankers updates Statoil on its progress.

Maersk Tankers will engage with Statoil in technical, operational and commercial workshops to optimise the shared benefits of the pact.

So far, the pact has paid off. The 15 vessels deployed on Statoil's voyages have reduced their carbon footprint by 37%, most of which is due to speed awareness and on time arrivals in port.

10%

targeted relative CO_2 reduction of the footprint of Statoil's voyages (2012–2014)



Our top environmental risks and mitigating steps

Major oil spill response

Oil spills are a risk shared by most of our businesses: when drilling for and extracting oil, accidents may lead to oil streaming from the well; and when transporting oil, the ship may suffer a breach and leak substantive amounts of oil into the sea. The same scenario can be envisaged for large container ships that carry significant quantities of bunker oil for consumption. Such breaches could also occur while in a port, as re-fuelling takes place in ports.

The responsibility for responding to an oil spill lies with each of the our businesses, all of which have oil spill response plans.

CO_2 emissions and fuel consumption

The main driver of our continuous reductions in CO_2 emissions is reduced speed, also known as slow steaming. This leads to lower fuel consumption and CO_2 emissions. Slow steaming is possible with slight alterations to the ship's engines and the way they are operated, which we developed with engine suppliers and shared freely with the shipping industry.

Today, slow steaming is the norm, and in 2012 we pursued new efficiency levels by optimising our route network for wider use of slow steaming. This included taking out ports from journeys, higher efficiency in ports allowing for more time at sea, improved communication between ports and ships to allow for lower speed in case of port delays and renegotiation of arrival times for established journeys.

The majority of our fleet was built for a time where speed was a priority. We are working to optimise these ships using technology-based solutions in accordance with the focus on fuel efficiency:

– Replacing the ships' bows with a shape better suited to slow steaming. The reduction potential is 1–2% of fuel consumption per year. Installations begin in 2013.

– Maersk Line has applied methods to switch individual turbo chargers on and off. The reduction in total fuel consumption is estimated to be 1.2% (2.5% on individual vessels). 110 vessels are now equipped with the solution.

– Adjusting pumping capacity for seawater used to cool down the machinery of a ship may reduce total consumption by 0.6%. Some ships already have this solution installed and other ships are being evaluated for installation.

– Installing small fins on the central part of the ship's propeller provides an estimated reduction in total fuel consumption of 1.3%. The installation is currently being investigated by Maersk Line and Maersk Tankers.

The saving potentials should be compared to current fuel costs of around USD 7 billion per year. Saving 1% of fuel equals 1% less CO_2 emissions.

NO_x

Combustion of all fuels releases NO_x. New ships built after 1 January 2016 will be required to reduce NO_x emissions by 80% when operating within Emission Control Areas (ECAs). In co-operation with MAN Diesel & Turbo, we are conducting an onboard test, starting March 2013, on a MAN engine expecting 80% NO_x reduction.

SO_x

The global goal is to lower SO_x emissions and the issue is being regulated by the International Maritime Organisation (IMO). Known ways to reduce marine SO_x emissions are burning fuel with lower or no sulphur content, by cleaning exhaust gas through the use of scrubbers, and using onshore power while in port.

IMO regulations came into force in 2012, and further limitations on allowed sulphur levels will come into force in 2020. A number of Emission Control Areas (ECA) are already in place, also regulated by IMO. When a new SO_x restriction within ECAs comes into force in 2015, the sulphur in fuel will be lowered from 1% to 0.10%.

We support the goal of lowering SO_x emissions. Since 2006, Maersk Line has conducted seven voluntary fuel switch programmes worldwide in areas outside ECAs, where the ships switch to low-sulphur fuel when entering a specified area. Five of these are still active.

We are investigating technology-based solutions within scrubbers, liquid natural gas and biofuels. The scrubber test is expected to begin in the first half of 2013.

– continued

Biodiversity

In 2012, the A.P. Moller - Maersk Group partnered with the UN Environment Programme – World Conservation Monitoring Centre, to undertake a study to assess our global operating sites' potential exposure to biodiversity sensitivities, and to develop a common framework for use across our operations. This Biodiversity Sensitivity assessment included threatened species, protected areas, vulnerable species and ecosystems and areas of conservation importance.

Apart from creating a common framework and definitions for the Group, this analysis provides a first step in enabling our businesses to understand biodiversity in the context of their operations and to begin to manage impact.

Waste

The most significant decrease of waste amounts in 2012 is related to the fact that the Group did not scrap any ships in 2012; whereas in 2011 SL Integrity was scrapped for Maersk Line.

In Dansk Supermarked Group, waste amounts have increased due to more stores, but the direct re-use has increased even further due to an enlarged agreement on pickup of surplus bread, which is resold for pork feed.

Suitable waste and recycling facilities are not always available in ports, though needed by our ships, which cannot dispose of non-biodegradable waste and sludge at sea according to our environmental policy. Maersk Line has therefore initiated co-work with some port authorities and waste removal companies to ensure compliance with the Group's standards.

Ballast water

Discharge of untreated ballast water leads to potential release of non-native or invasive species in marine environments worldwide.

For this reason, the IMO will administer regulations that will disallow emission of water when crossing from one 'eco-zone' to another. These zones are to be determined by the individual countries. The regulations can be expected to come into force in 2014/2015.

In order to prepare for this regulation, we are planning to install ballast water treatment plans on-board all ships in international trade. To ensure supply we have participated in the development of a ballast water treatment system, certified by the IMO in 2012.

Other options are also being considered, for example water treatment plans may be installed on-shore rather than on-board.

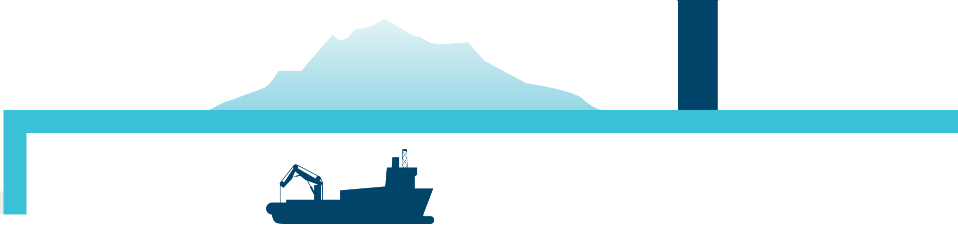
Exploring the Arctic

In a 2008 U.S. Geological Survey, the Arctic was estimated to be home to more than 20% of the world's undiscovered conventional hydrocarbon reserves untapped. Recovery of these reserves could make an important contribution to secure economic growth and continued welfare of populations both locally and globally.

Exploring the Arctic for oil is more challenging than any other environment. The majority of the area is ice-free only a few months per year and, even then, icebergs sail through the waters. At the same time the marine environment is fragile at best, and some scientists claim that if an oil spill were to occur it would be very difficult to deal with in waters with such low temperatures.

We fully recognise the sensitive and unique Arctic environment. To us, it is a new area and significant amounts of analyses and preparations lie ahead of eventual operations in the area.

What is true for all of our business activities in this area is that the safety and natural environment of the Arctic region and its people must not be compromised. Our position is clear: if we cannot find a way to ensure that we can handle daily operations in a safe way as well as upholding a satisfactory level of disaster response, we will not proceed.



Arctic interests and preparations

The Arctic seas may – or may not – one day turn into an area of oil extraction. Due to the special sensitivities of the Arctic, it will be at least another three to five years before we decide if we believe oil production can take place in a safe manner. In the meantime we are working to make our decision an informed one.

Maersk Oil has a 47.5% interest in an exploration licence for an area in the Baffin Bay offshore North West Greenland. During 2012, the company carried out activities to gain a better understanding of the area:

1. *A 3D seismic survey* – The 3D seismic survey is a normal first activity when exploring for oil. The challenging part was the presence of many icebergs in the area. The operation lasted two months and was completed satisfactorily, and currently the data is being processed.

2. *Hydrographic survey* – The hydrographic survey, a detailed mapping of the water depth, was performed in the same area as the seismic acquisition. Additionally, some 60 samples were collected from the seabed at a maximum depth of some five metres. The purpose was to get a better understanding of the near seabed conditions because some of the area was known to contain very hard material, which can impact the interpretation of the seismic data.

3. *Shallow coring* – Maersk Oil initiated the formation of a consortium of oil companies with licenses in the Baffin Bay to obtain a better understanding of the area's geology. The consortium, operated by Shell, drilled wells at 11 locations from where the cores were extracted. These cores will provide a good understanding of the subsurface representing several kilometres in the area where the potential deep drilling will take place in the future. Maersk Oil expects to process and interpret the collected data over the next few years to assess the hydrocarbon potential in order to decide if a deep well is warranted.

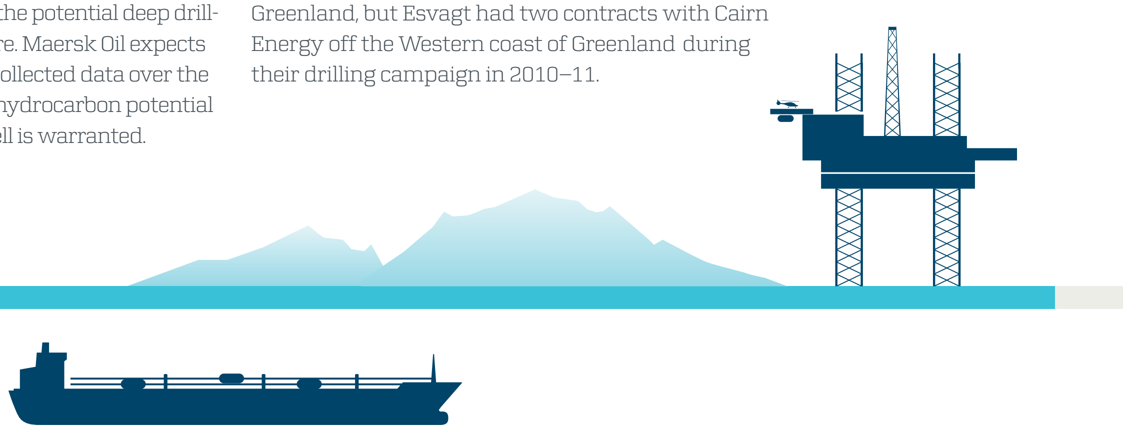
Maersk Drilling is exploring the possibility and potential of developing an all-year solution for drilling in the Arctic. This project, which is carried out in cooperation with Maersk Supply Service, Esvagt and Danbor, is still in its early stages and deciding whether Maersk Drilling will be active in the Arctic is still some years away. The solution explored in the current project combines existing technologies in new ways, involving drones and submarines for ice management, newly designed ice-breaking ships, new ways of controlling the entire drilling process and comprehensive risk analyses.

Maersk Supply Service has been mapping Arctic opportunities and is currently designing ice breaking anchor handling ships that are able to operate in the Arctic, and is involved in the Maersk Drilling-led Arctic concept. Maersk Supply Service works on two potential business opportunities in the Arctic: oil exploration and commercial ice breaking.

Maersk Tankers has since April 2012 been delivering energy to Greenland on a five year contract and is supporting the implementation of standards and regulations to ensure safe and sound shipping activities in the Arctic region.

Danbor Service has together with Royal Arctic Line, a shipping company from Greenland, set up the joint venture Arctic Base Supply, which is operating a shore base for Cairn Energy. Arctic Base Supply is responsible for amongst other things loading and unloading of supply ships, cargo handling, packing and stocking of containers, handling of pipes and waste.

Esvagt currently has a 10-year contract in the arctic region of Norway: The Goliat field with Hammerfest as base harbour. There are no current activities in Greenland, but Esvagt had two contracts with Cairn Energy off the Western coast of Greenland during their drilling campaign in 2010–11.



Human rights

We respect human rights and work to ensure that we do not contribute to human rights violations.

By working to integrate human rights in our business processes, we are able to stay true to our values and simultaneously reduce risks in the supply chain. Non-compliance with human rights creates the risk of both disruptions to operational stability, reputational damage and stable market conditions.

Strategy and governance

Our approach is to integrate human rights management into existing business processes. We aim to work in accordance with the UN Guiding Principles on Business and Human Rights. The 2012 efforts at Group level and targets for 2013 can be seen in the box below.

In practice, a large part of the human rights agenda is covered by other programmes such as health and safety, responsible procurement, labour principles and anti-corruption, or simply responsible business practices. Progress in these areas is described in

HIGHLIGHTS

11

workshops on business and human rights with high-level representatives from our businesses.

3

of our businesses participated in a fact-finding mission to Myanmar.

Action plan 2012–13

Work-stream	Mapping and integration of human rights risks	Extreme risk countries	Operational level grievance mechanism	Legal and contracting practices
2012 progress	Analysis of human rights' effect on risk and impact profiles of business performed; interpretation of results in progress.	Initiated coalition for examining the UN Guiding Principles' suitability as framework for operating in extreme risk countries and testing the framework in Myanmar.	Possible local operationalisation of the UN Guiding Principles' request for access to a grievance mechanism for victims of abuse was postponed and will be included in impact assessments of selected risk areas in 2013.	We participated in the Global Business Initiative's working group on mitigation of human rights risks in contracts, and provided input for the State of Play report launched during the UN's annual Forum on Business and Human Rights.
2013 targets	Targeted impact assessment of potential risks in selected sites. Human rights risk integrated into Group and business risk management. Human rights due diligence conducted in all businesses.	On a needs basis, establish a Group position on conducting business in such countries.	Develop Group principles and share with businesses.	Participate in international work streams and share best practice across the Group's legal departments.

separate chapters in this report. Beyond these programmes, human rights in business requires translation of universal principles into practical, relevant guidelines for action in areas such as responsibility in the value chain, responsibility by association with business partners and customers and when operating in politically volatile regions.

In 2012, we carried out 11 high-level workshops facilitated by the Danish Institute for Human Rights, and with representatives from our businesses. This resulted in a list of prioritised issues for us to investigate further, for example working conditions for third party in-premise staff. We will work further with these issues in 2013.

Opening markets

Our business is strongly dependent on emerging economies. On many occasions, the markets we focus on may also be highly volatile and corruption-plagued. When we work with human rights we also mitigate our risks in growth markets.

An example of this type of work is our involvement in developing a framework for responsible business in Myanmar – and ultimately other growth markets. The work is based on the UN Guiding Principles on Business and Human Rights and was initiated by the Danish Institute for Human Rights and the UK-based Institute for Human Rights and Business, the British Government, Ericsson, the GE Foundation and A.P. Moller - Maersk.

The framework has three parallel tracks:

- a business and investor track to support responsible business practices of local and international businesses operating or investing in Myanmar;
- a government track to support national reform processes and international collaboration in support of sustainable business in the country; and
- a civil society track to support the inclusion of local civil society into the responsible business agenda.

Case in point: Myanmar

Following speedy reforms, Myanmar, home to about 60 million people, was opened to business in 2012 with companies from the US, Europe and beyond. Many companies are eyeing opportunities but are equally wary of risks in a market which is the focus of intense attention from international NGOs and the media.

In 2012, the Danish Institute for Human Rights and the Institute for Human Rights and Business started to lay the foundations for a resource centre on responsible business in Myanmar. As part of this initiative, representatives from Maersk Line, Damco and APM Terminals participated in a fact finding mission to Myanmar in March 2012. This included meetings with NGOs, local companies and diplomats. Subsequently, an initial presence for the resource centre was established within the British Council in Yangon.

Through this project we may be able to fulfil several ambitions: we can build our own business, mainly for Damco, APM Terminals and Maersk Line, mitigate risks and help our customers do the same. It is our ambition to establish ourselves as a preferred partner in the long-term. Finally, we can support the opening of one of the world's last untouched markets, helping Myanmar gain access to global trade through improved infrastructure.

Global labour principles

The A.P. Moller - Maersk Group's global labour principles are key to documenting fair labour conditions for the people who work for us. This helps maintain our reputation as an attractive and trusted employer, as we are convinced that globally implemented labour principles maintain a stable, engaged workforce and reduce the risk of workplace disputes.

Strategy and approach

Our labour principles cover all businesses across our global operations. They are based on international conventions and designed to provide equal minimum standards for all employees.

The principles were launched in 2009 and their implementation has since then been coordinated by a Global Labour Relations Council with representatives of the Group's major businesses. A soft implementation approach was chosen at the outset while we explored best practices. In 2013, we will modify the governance and introduce mandatory self-audits across the Group.

Dilemma-based training

Managers and human resources leaders from all businesses are eligible for training in accordance with nominations by the businesses' human resources departments. The training is provided through an online, dilemma-based programme, which to the best of our knowledge represents best practice. The implementation of the third and final module in the programme has unfortunately been delayed until the beginning of 2013, but with that in place, all of our eight global labour principles will be covered.

The next step in training is to develop an e-learning module accessible by all employees with access to the Group's Learning Management System.

Performance 2012

At the end of 2012, 483 of the nominated managers had completed both modules of training in the e-learning system. The percentage completion rate in 2012 grew to 55%, up from 18% in 2011. It should be noted that this completion rate fluctuates since the group of nominated managers grows whenever new appointments are made. In 2013, we aim for a 90% completion rate for nominated managers for all three modules.

It was also an ambition for the businesses to begin to self-asses their local compliance. Maersk Oil was the first business to do so and conducted a structured self-assessment through interviews with 12 Managing Directors and Heads of HR in Houston, Norway, Aberdeen, Denmark, Qatar and Kazakhstan. The outcome of the self-assessment showed a need for additional leadership training and awareness in inclusion, and a potential need to look into the supply chain/contractors and ensure external compliance with our labour principles. Maersk Oil's executive team is determining the next steps.

In 2013, all businesses are to complete self-assessment for high and medium risk locations and business activities, and develop appropriate action plans to mitigate risks.

HIGHLIGHTS

483

managers completed both modules in the dilemma-based training programme.

55%

of the nominated managers were in compliance with training requirements by the end of 2012.

8

principles make up the our global labour principles, covering health, safety and security as well as diversity and equal opportunities, child labour, forced labour, freedom of association and collective bargaining, working hours, compensation and fair procedures.

Diversity & inclusion

The A.P. Moller - Maersk Group is a global company and we aim to reflect the communities in which we operate and attract talent from the broadest pool possible.

We are committed to providing positive, productive and supportive working environments where all employees are valued and inspired to be the best they can be. We base our diversity and inclusion work on the principles that diversity benefits business results, that we will treat every employee with respect and dignity and that we will not tolerate discrimination or harassment of any kind. Employment-related decisions are based on a variety of relevant factors such as qualifications, skills, performance and relevant experience.

We wish to drive diversity forward more proactively as our statistics are not satisfying for a company operating globally and in diverse settings.

In our 2012 employee engagement survey, we included a new question asking employees whether they agreed that 'Leadership in my company is genuinely committed to attracting, developing and keeping a diverse work force'. 70% of our employees were favourable towards this question. The other two questions measuring diversity and inclusion in the survey scored 83% and 88% (see the column on the following page).

The survey and our gender diversity numbers for 2012 show that we need to take more measures to realise our aspirations.

Gender diversity

% representation of women	Level	2010	2011	2012	Target
Denmark Headquarters	General Manager	17.6%	19.5%	20.5%	20% (2014)
	Director	7.2%	6.8%	9.5%	15% (2014)
	Vice President	4.0%	4.0%	4.7%	10% (2014)
Global*	General Manager	20.6%	20.5%	20.3%	under review**
	Director	8.4%	8.5%	9.9%	under review**
	Vice President	4.0%	4.0%	5.0%	under review**

* Figures are based on headcount, and the global figures do not include Dansk Supermarked Group, blue collars, Lindø Industry Yard and some joint ventures.
** The global long-term targets are being reviewed by the senior management and will be finalised in Q1 2013, hence missing from this report.

We would like to be **a world-recognised inclusive employer embracing and leveraging multiple forms of diversity**. Our key focus areas of diversity are gender and ethnicity/nationality as these are where we have the greatest leadership opportunities.

Our 2012 activities

Three priority areas were in focus in 2012: supporting leaders in leading diverse teams, developing and enabling female talent, and growth market talent. Within each of these, a number of specific activities was completed (see the table below).

One young world

Bill Clinton, Kofi Annan and Twitter CEO, Jack Dorsey, were joined on stage by 13 young A.P. Moller - Maersk employees from 12 growth market countries at the 2012 'One Young World' event in Pittsburgh, USA. They joined 1,300 delegates from organisations all over the world at the annual event which mixes political and business leaders with aspiring members of the next generation of global leaders.

A valuable opportunity

The event provides the Group with an opportunity to develop and inspire aspiring leaders, especially in growth market countries where competition for business also means fierce competition for talented employees.

In 2013, we will continue to work on the three priority areas. The analysis of the employee engagement survey's diversity and inclusion dimension will lead us to address the issues in order to improve for next year. We will also engage our businesses further in driving diversity and inclusion forward in their organisations. Each business will develop a three year diversity and inclusion strategy.

Diversity & inclusion **activities in 2012**

Priority 1: Support leaders in leading diverse teams	Diversity and inclusion modules were included in our leadership development programmes.	A diversity and inclusion dimension was added in our employee engagement survey.	A diversity and inclusion e-learning course was launched for all employees. More than 1,000 are enrolled within the first two months of the launch.
Priority 2: Develop and enable female talent	Sponsorship of the Women's International Networking (WIN) conference, and 26 of our leaders participated.	A Strategies for Success Programme for middle level female managers was launched globally with sessions in Singapore, Mumbai, Copenhagen and Panama with 96 participants. An IMD Strategies for Leadership Programme is offered for senior female managers for their preparations for top roles and board positions.	Senior management exposure through talent reviews.
Priority 3: Develop and enable growth market talent	HR councils have been initiated in five growth markets, to secure local transparency of talent and collaboration to build synergy and scale.	We sponsored 13 seats at the global conference, One Young World, which focuses on inspiring and empowering young leaders.	Senior management exposure through talent reviews.

HIGHLIGHTS

83%
of respondents in the employee engagement survey think that 'My company treats people equally with respect to gender, race, nationality, religion and other differences'.

88%
favourable score on the question 'In my current job, I am being treated with respect'.

70%
find that 'Leadership in my company is genuinely committed to attracting, developing and keeping a diverse work force'.

Building local skills and expertise in Brazil and Angola

What do you do when contracts require that you hire local staff, but very few have the necessary skills? If you want to compete – you start to offer training. And lots of it.

In Brazil, the scenario is simple: Petrobras, the national oil giant, is looking to double its current production of 2 million barrels per day to more than 4 million in 2020. Most of Brazil's oil is offshore, so reaching the target requires an increase in production units, drilling rigs, supply ships, FPSOs, shuttle tankers and rescue ships. And they all have to be deployed and manned.

A number of the A.P. Moller - Maersk Group's businesses are competing for the Petrobras contracts. There is a stumbling block, however. Brazilian law requires 66% Brazilian employees on foreign-flagged rigs and ships. Already now, the offshore industry is picking up people about as fast as the current training facilities churn them out, and yet there is a documented shortage of 4,500 seafarers to man the existing 300 supply ships. The number of ships will need to double for Petrobras to reach its 2020 objective, which means even more qualified – Brazilian – seafarers are needed.

Training in Brazil

It is in situations like these that being a conglomerate proves its value. Because while each of our businesses making their entry into the Brazilian market may not have the experience to pull off this level of training, the Group's shared training entity, Maersk Training, does.

Maersk Training has set up a training centre in Brazil. As of December 2012, the numbers for Maersk Training Brazil were 14 instructors, six office staff and one Managing Director. In three years, the number of instructors is set to reach 60, and by 2016, the organisation plans to train 4,000 Brazilians annually from the offshore maritime oil and gas industries in Brazil on board ships as well as in the training centre in Rio de Janeiro.

In Angola for the long term

In Angola, the story is the same yet different. The country is believed to have one of the largest deep water oil reserves in the world, and Maersk Drilling has already entered Angolan waters. Here, the national government requires that 70% of the rig crew has to be local employees within a few years after start-up. So far, 35–40% of the Maersk Drilling rig's crew are locals.

Language can be a huge barrier to effective training. To help out, Maersk Drilling has two Portuguese-speaking interpreters onboard and all safety officers are fully bilingual. Another way forward is to place bilingual Angolan staff amongst the crews to overcome communication problems on the spot.

Maersk Drilling has found that what matters is the candidates' attitude – are they committed and eager to learn and work for an international company? If so, the investment in training will be worthwhile. The company is in Angola for the long term and wants to invest in people with a clear potential.

4,000

Brazilians to be trained each year by 2016

Employee engagement

The A.P. Moller - Maersk Group's ambitions for growth and strengthening of our performance demand an engaged and motivated workforce.

Engagement drives performance. External studies have established that high employee engagement is related to improved net results and shareholder returns. Our studies show that employee engagement has an impactful and visible effect on customer satisfaction.

We believe in individual performance in highly professional teams living our values and we aim to offer employees global opportunities in a culturally diverse, stimulating environment.

In the top 25 percent

Employee engagement has never been higher in the Group. The majority of businesses improved or maintained their engagement score. The Group's result of 76% on the overall engagement score led us to our goal of being considered a best in class company on engagement. The response rate is also at an all-time high with 91% participation in the survey[1].

The increase in engagement is an encouraging result. The high response rate shows that employees trust that the results of the survey will be taken seriously and lead to follow-up action.

All managers are obligated to discuss the survey's results with their team and set out action plans to improve where needed. These plans help the company to progress and develop.

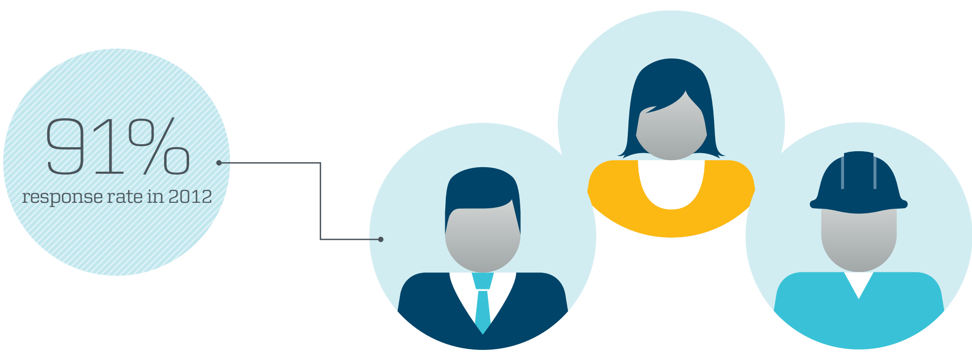
Progress potential in leadership development

One issue which continues to be a challenge for the Group is that we see great variance in how employees score their leaders. Leaders who are

HIGHLIGHTS

83%
favourable score on the question "Overall, I am extremely satisfied with my company as a place to work."

76%
find that "My manager helps me develop and use my potential."



[1] Nearly 59,000 of the A.P. Moller - Maersk Group's 121,000 employees were invited to participate in the survey and 53,575 employees completed the survey. The engagement survey does not include Dansk Supermarked Group and most joint venture companies. Blue-collar workers are only partially included. Maersk Line and APM Terminals conduct separate employee surveys for seafarers and blue collar workers.

engaging, who inspire and motivate are crucial to driving performance. While the number is decreasing steadily year-on-year, we still have more than 20% of our leaders score in the low end when compared to our external benchmark.

There can be a wide range of reasons for why these scores are low and the support and development activities need to be adjusted accordingly. What is of crucial importance is that the results are discussed with the team and appropriate action plans are designed and implemented to improve on what has caused the low scores.

Engaged employees in growth markets

The weighted average engagement score for the 15 countries determined as high growth markets is 80% favourable compared to 79% in 2011. This is higher than the Group average score, and the majority of the countries have increased their scores since 2011, which indicates that in general we are well positioned in these markets. The growth market countries also score higher on other key measures such as manager effectiveness and values.

China (83% favourable), India (82% favourable) and Indonesia (83% favourable) scored particularly high and well above the external benchmarks. An improvement area that emerged from the engagement survey for the M15 countries* is career and development. The Group needs to have an increased focus on offering satisfactory career opportunities and job training in these countries.

Enabling high performance

External research indicates that employee perceptions of areas such as training, service quality, customer orientation and involvement are excellent leading indicators of financial performance and customer satisfaction over time.

2012 was the first year that we included the performance enablement dimension in the employee engagement survey. It indicates that the Group is well placed in terms of teamwork and co-operation as we score 8% above the external benchmark on this question. In terms of 'having the training needed to do the job effectively' our scores are below the external benchmark, implying an improvement potential in this area.

HIGHLIGHTS

80%

employee engagement in growth markets.*

84%

manager effectiveness in growth markets.

86%

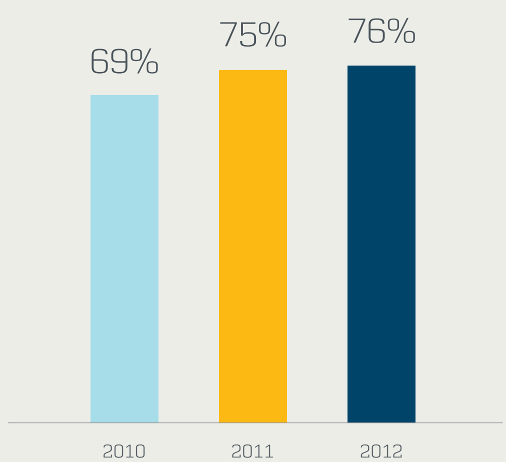
values index in growth markets.

* Selected 15 countries determined as high growth markets for the A.P. Moller - Maersk Group.

How engaged are our employees?

With a result of 76% on the employee engagement score, the A.P. Moller - Maersk Group is now in the external top quartile for the first time since the survey was introduced in 2006. The increase in engagement is good news.

Every year the outcome of the survey is shared with managers across the Group, who are in turn expected to share the results with their teams. Reports from the survey include information on manager effectiveness, diversity and sustainability.



Anti-corruption & whistleblowing

Our policies leave no doubt about our position on corruption: we work against all forms of corrupt practices, including bribery and facilitation payments.

According to the United Nation's Global Compact, corruption adds 10% to the total cost of doing business globally, and a staggering 25% to the cost of procurement contracts in developing countries. Corruption is an impediment to predictable markets and holds back economic development.

Our approach

Implementation of the A.P. Moller - Maersk Group's anti-corruption policy takes place in the businesses through training of employees by in-person training and e-learning, integration of anti-corruption clauses in contracts, the use of risk assessments and due diligence, and not least, making tough, upright decisions. We are also active in industry collaborative actions and international working groups, notably the UN Global Compact's anti-corruption working groups.

Performance 2012

All businesses have developed anti-corruption programmes and have made solid progress in implementing these, including mandatory in-person training. The categories of employees trained include primarily managers, procurement staff, finance, operations, commercial and compliance/legal staff, as well as vessels officers. In late 2011, we began implementing our e-learning course on anti-corruption throughout the Group, and three businesses have begun mandatory e-learning. Looking ahead, e-learning will continue and we will increase partnership activities, including those concerned with combating facilitation payments.

Combatting facilitation payments

Our anti-corruption policy clearly states our opposition to facilitation payments and our goal of

HIGHLIGHTS

4,335*

employees trained in anti-corruption in 2012.

25,356*

employees trained in anti-corruption year-to-date.

* Approximate total, since some training data is not available.

Anti-corruption **training 2012**

	Maersk Line	Maersk Oil	APM Terminals	Maersk Drilling	Maersk Supply Service	Maersk Tankers	Damco	Svitzer	Dansk Supermarked	Maersk FPSOs	Maersk Container Industry	Group Procurement
Number of people trained	1,982	341	625	244	335	*	465	191	0	84	68	0

* Data not available

ultimately stopping them altogether, but such payments are a reality in global business today. We instruct our employees that when met with demands for facilitation payments they must refuse to pay or request a receipt or ask to speak to more senior officials or employees. If a payment cannot be avoided, we document it. All businesses but one have dedicated reporting systems for facilitation payments, and Maersk Line, Maersk Tankers and Maersk Supply Service have automated onboard reporting systems. We are joining a growing number of customers in efforts to avoid such payments.

Targeting ports

Facilitation payments cannot be eliminated by individual companies' actions. In 2010, Maersk Line initiated the Maritime Anti-Corruption Network (MACN), which now runs a pilot project in Nigeria in collaboration with the UN Development Programme, to develop a model for combatting facilitation payments in ports. Under the MACN umbrella, ports with frequent demands for facilitation payments were mapped. The next step is to find solutions and engage with authorities. The Group is also participating in efforts to combat facilitation payments in the freight forwarding, oil and gas industries.

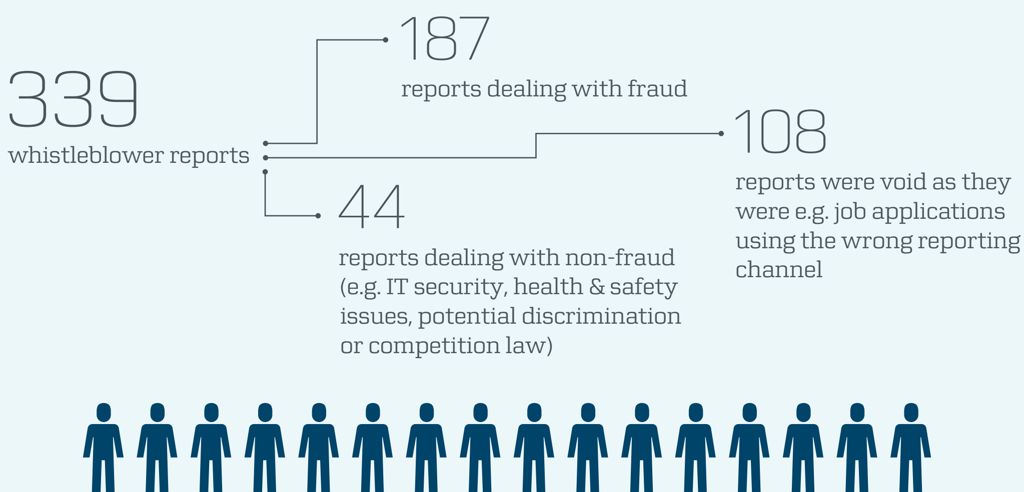
Going forward

Anti-corruption training for relevant employees will continue. Each year, the number of employees to be trained will be determined on an as-needed basis.

When someone **blows the whistle**

There were 152 non-fraud reports made through our whistleblower system in 2012. 108 of these were void as they were e.g. job applications, using the wrong reporting channel. Ten cases of potential discrimination or harassment, 22 on health, safety or environmental issues, seven dealing with IT security, three with alleged corruption and two with competition law were reported. Fraud e.g., suspicions of cheating or embezzling company funds, was the subject of 187 reports, bringing the total number of reports in 2012 to 339.

All were investigated according to our guidelines. Seven HSE reports, four IT reports, two corruption reports and one competition report were substantiated, as well as 138 fraud reports (including partially substantiated allegations). Appropriate remedial actions were carried out, including dismissal, reprimands, warnings, additional training, operational, procedure and system changes and filing necessary reports with public authorities.



Responsible procurement

The A.P. Moller - Maersk Group is working on mainstreaming responsible business practices in our supply chains.

As a conglomerate with global operations, we recognise that our corporate responsibility extends to the more than 100,000 suppliers in our supply chain.

Responsible procurement is a must for sustaining and extending our license to operate in both existing and new markets. It is critical for the Group to work towards transparent supply chains, untainted for instance by human rights violations or negative environmental impacts. By using our documented approach we are making progress towards this goal.

Strategy and approach

Our Third Party Code of Conduct spells out our requirements towards suppliers. Dialogue, commitment, self-assessment and audits are the tools used to verify that supplier practices are consistent with the Code.

The businesses independently manage their own responsible procurement targets with oversight by the Group's Responsible Procurement team. The team supports with tailored strategy and risk profiling, training and project management.

In the current phase of the programme, our efforts focus on critical suppliers, internal engagement and understanding of how responsible procurement is crucial for our operations. We define critical suppliers according to a risk classification based on country location and product specification, volume of spend, business criticality and financial dependency to our company. High-risk locations and human rights issues are key considerations in our risk classification.

Dansk Supermarked Group, although not covered by the responsible procurement programme, is implementing responsible procurement through the membership of Business Social Compliance Initiative (BSCI).

HIGHLIGHTS

1,431
suppliers registered in our responsible procurement system.

23
supplier audits conducted.

10
supplier improvement plans implemented.

1,023
employees introduced to responsible procurement through e-learning course.

Our commitment

Since roll-out in 2011, the Group's Third Party Code of Conduct has been the main framework for supplier engagement. The document reflects international standards and soft law governing sustainable supply chain management, i.e. the ILO fundamental conventions and the UN Global Compact principles.

We take an active role in business initiatives to promote responsible procurement practices. We are members of the UN Global Compact Advisory Group on Sustainable Supply Chains, the Business for Social Responsibility (BSR) 'Beyond Monitoring' Working Group, and in 2012 we joined the Danish branch of the Ethical Trading Initiative.

Assessing suppliers

Suppliers with critical issues are asked to follow up on performance and documentation or take immediate action. Assessments and verification are done by qualified third party providers. In case of critical non-compliance, the supplier is subject to an audit against our Code carried out by an independent auditing company. Based on the findings, the supplier must develop a specific, time-bound improvement plan.

Collaboration is our first choice

We are loyal to our collaborative approach where our response is always to sustain supplier relations, even when non-compliances are unveiled. However, relations are terminated if severe and repeated violations are discovered and if the supplier does not show willingness to improve its practices. This is, however, rarely the case.

In most cases, our partnership approach spurs collaboration and real improvements. For example, in 2012 an Asian supplier of heavy machinery was found non-compliant with fire security and management of hazardous operations. We took action by engaging the supplier's local management who welcomed the request and is now implementing an improvement plan.

Performance

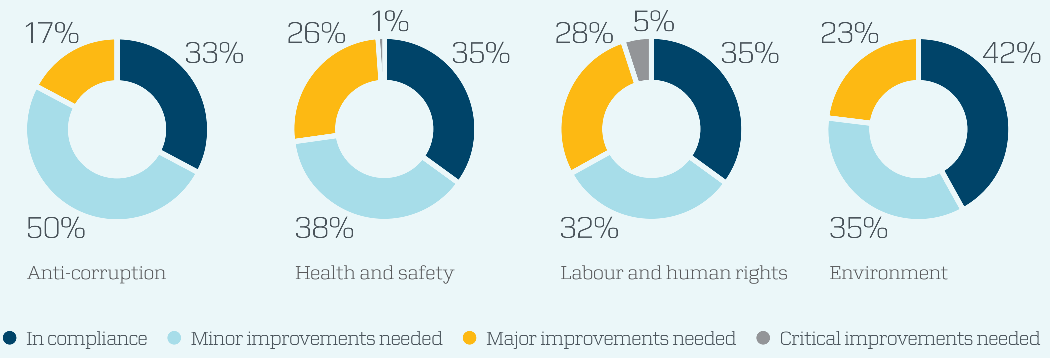
Since the programme's beginning in 2011, we have approached 1,985 suppliers, of whom 1,431 became part of the programme. In other words, we approached external vendors equivalent to 32% of the Group's total external spend and assessed 7%. We also introduced 1,023 employees to responsible procurement, and 394 employees recieved face-to-face or WebEx training. We assisted businesses in customising their responsible procurement strategies in accordance with their industry-specific challenges.

We prioritised and assessed 178 suppliers, including 23 audits. The prevailing issues identified during audits were working hours, overtime compensation and sub-contractor transparency. Ten suppliers have signed formalised improvement plans to rectify the identified issues, while we are in dialogue with others to implement more improvement plans where needed in the future.

Our ambitions for 2013–2015 are to both progress on our quantitative targets, but also to tackle some of the challenges to improve supplier practices. For instance, to strengthen responsible procurement clauses and to improve the way we verify and follow up on supplier improvements.

Supplier practices in China

We work together with our suppliers to ensure responsible practices in our supply chain. 12 Chinese suppliers' self-assesment in 2012 highlighted improvements needed within four main categories. The findings place health, safety, labour and human rights as the overall biggest areas for improvement.



Tax

Tax is an important element of companies' impact on society. The A.P. Moller - Maersk Group pursues competitive tax levels in accordance with applicable rules and the requirements of responsible business conduct.

In 2012, A.P. Moller - Maersk's tax expense comprising actual and deferred tax was USD 3,303 million, equal to an effective tax percentage of 45% compared to the profits before tax of USD 7,338 million.

Tax in context

Tax is one of the areas in which we interact with society. Along with investments, revenues, jobs created, the beneficial effects for suppliers, training and education of people, etc., tax payments contribute to societies in which we are active. Furthermore, tax regulations are a tool used by governments to direct the activities of corporations towards job creation or investment in sectors which the government finds beneficial to the nation.

In Brazil, one of our many growth areas, we have invested a total of USD 3.4 billion in shipping, port operations and oil production activities since commencement of operations in 1977. In 2011, the Group's contributions to the Brazilian economy were USD 1.7 billion[1] (~ 0.1% of Brazilian GDP), 2,169 jobs, USD 1.3 billion in external revenue, USD 373 million in procurement spending and USD 135 million paid in direct and indirect taxes, hereof including payroll taxes of 30 million (see our Brazil impact study on pages 14–19).

In 2012, the total tax charge for the A.P. Moller - Maersk Group was USD 3.3 billion. The decrease was primarily caused by a settlement of an Algerian tax dispute resulting in a one-off income of USD 0.9 billion. Of the total tax charge, taxes payable to Denmark were USD 1.6 billion in 2012, of which USD 1.0 billion related to the special hydrocarbon tax and profit share to the Danish State, and USD 0.6 billion represented corporate tax on oil activities.

Responsible conduct

We comply with the tax regulations in the countries in which we operate and pay tax as required by law.

The A.P. Moller - Maersk Group's **tax expenses**

(USD million)	2009	2010	2011	2012
Profit before tax	2,781	9,672	9,422	7,338
Tax	3,805	4,655	6,060	3,303
Percentage of profit before tax	137%	48%	64%	45%

[1] Total value-added of the Group's direct, indirect and induced impacts (see page 17).
Relates to all direct tax costs for the Group. For full understanding, please refer to the Group's Annual Report 2012, available on maersk.com.

Globally, tax is a competition parameter among states and tax incentives can influence the choice of location for new investments. Pursuing value creation for our shareholders means pursuing competitive tax levels in accordance with applicable rules and meeting expectations for responsible business conduct. This means paying taxes in accordance with the involved countries' transfer pricing regulations, and acting in an upright and transparent manner towards public authorities.

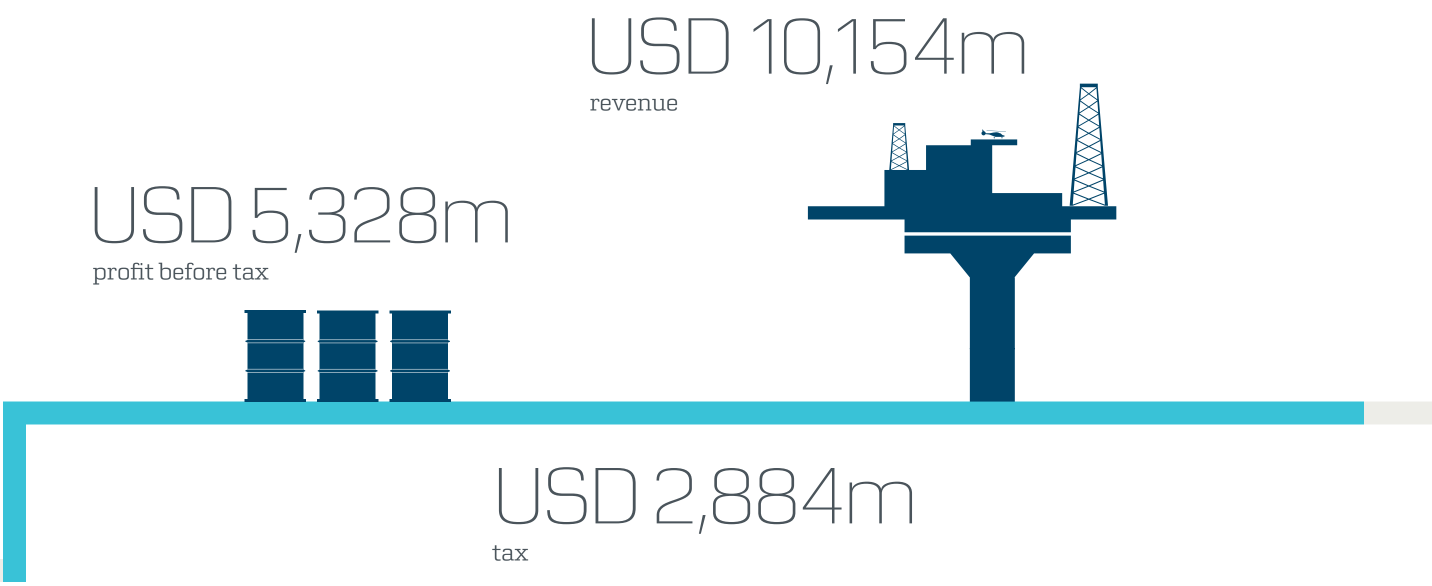
A.P. Moller - Maersk is a global group operating in more than 100 countries. Some tax rules can be unclear and open for interpretation, or the interpretation of the rules may change. Consequently, there can be different views of how a law is to be interpreted or what it means in practice for our company. Where the matter is of fundamental importance, it may make sense for both parties to have it resolved in court.

A.P. Moller - Maersk was one of the first European multinational companies to achieve a bilateral Advance Pricing Agreement (APA) with the authorities of Denmark and China, and this agreement was renewed for a further five years in 2012. The agreement between the authorities on an appropriate transfer pricing methodology enhances the certainty and predictability of tax treatment of international transactions. It is beneficial for both countries and our company as it eliminates double taxation, ensures that all profits are correctly allocated and taxed and reduces administration costs for the tax authorities.

Disclosure and reporting

There is a growing focus on disclosure levels for corporate tax both in terms of strategies and payments. Our policy is to comply with all applicable rules for tax reporting and follow international and national accounting rules regarding information on tax payments. We provide all information required by applicable tax regulations to the authorities in the countries where we operate. As an example, Maersk Oil is member of the Extractive Industries Transparency Initiative (EITI), a coalition of governments, companies, civil society groups, investors and international organisations. The aim of EITI is to strengthen governance by improving transparency and accountability in the extractives sector.

Maersk Oil 2012 key tax figures



Business units performance

Container industry

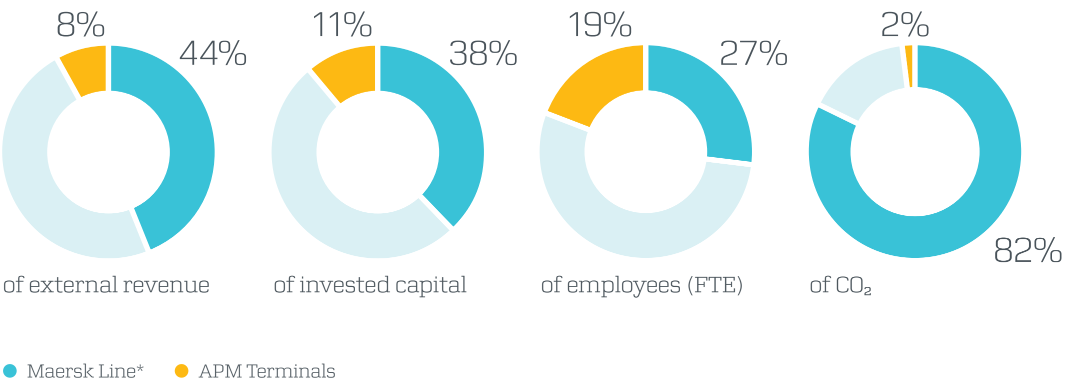
MAERSK LINE · APM TERMINALS Lifting Global Trade. · DAMCO Global logistics. Individual solutions. · MAERSK CONTAINER INDUSTRY

Facilitating global containerised trade

Active in the global transportation supply chain
The A.P. Moller - Maersk Group is active in the global transportation supply chain – from the production of containers, inland transport and storage, to ocean freight and port operations.

Subsequently, our businesses have an important role to play in optimising the movement of containerised cargo – moving food and goods in a safe, cost and energy efficient manner. High port productivity, freight reliability and smart logistics are key to reducing waste in global supply chains.

Share % of the A.P. Moller - Maersk Group



FACTS

Maersk Line

600+
Container vessels

32,500
Employees (FTE)

USD 27,118m
Revenue

USD 461m
Net profit

APM Terminals

63
Ports and terminals

23,150
Employees (FTE)

USD 4,780m
Revenue

USD 723m
Net profit

* Maersk Line, Safmarine, MCC and Seago Line.
In 2012, as a result of conducting a materiality analysis, each business has defined its top three material issues. The performance summaries on the following pages are based on that. Targets do not exist for all material issues but many of them are under development in 2013. Full data sets are available for each business on maersk.com.

MAERSK LINE

The largest shipping line in the world

MATERIAL ISSUES

- Safety
- Air emissions
- Anti-corruption

A global trade enabler

Maersk Line plays an important role in facilitating global trade by providing container transportation services across the world.

Air emissions

Container shipping is the most energy efficient way of mass-moving goods across long distances, but in absolute terms, the environmental impacts of CO_2 and SO_x emissions are significant.

In early 2012, Maersk Line launched a strategy aimed at turning the company back to profitability. Fuel and capacity optimisation was a key part of the strategy. The optimisation drive helped Maersk Line reduce CO_2 emissions by 11% per container (TEU) in 2012[1].

The increased use of slow steaming is the main contributor to the positive result. The average speed has been reduced by 2 knots over the course of the year. Capacity was also optimised as vessels were taken out on the Europe-Asia trade lane.

As a result, absolute CO_2 and SO_x emissions decreased by 2.4 million tonnes and 42,000 tonnes respectively. Also, the new Emission Control Area (ECA) in North America has lowered SO_x emissions in the region, as shipping lines switch to cleaner fuels.

Technical upgrades and the delivery of new and more efficient vessels (i.e. SAMMAX, WAFMAX and Triple-E) are expected to lead to further reductions in fuel and CO_2 in the near future.

Safety

The safety of employees is a key priority for Maersk Line. The goal is to drive the operation towards zero accidents. While the number of accidents were reduced, Maersk Line had four tragic fatalities in 2012. Two of the fatalities were the result of violence between three seafarers onboard a container vessel. The two remaining accidents were work-related. A seaman lost his life and an officer was badly injured in a man overboard drill, in the port of Kobe, Japan. In Jebel Ali, Dubai an officer died in a crane accident.

The work-related fatalities have been thoroughly investigated by Maersk Line and concrete improvements to procedures and equipment have subsequently been undertaken to avoid similar situations in the future. The accidents are currently also being investigated by the Danish Maritime Accident Investigation Branch from where we will draw additional recommendations when the investigations are finalised.

Going forward, Maersk Line will continue to focus on improving the reporting and safety culture to reduce work-related accidents. That means continuously following up on every work-related injury, assessing the safety risk profile of tasks being handled on board vessels and becoming better at sharing learnings across the fleet.

Anti-corruption

Corruption remains on the international agenda as a concrete issue to be addressed by governments

[1] Clean Cargo Working Group methodology (see pages 80–82).
[2] Onshore personnel: All Maersk Line employees, excluding employees who do not have access to Maersk Line's internal learning systems.
Off-shore personnel: The e-learning course needs to be taken by all deck and engine officers onboard, whether employed permanently or on voyage employment.
[3] Scope: Maersk Line and Safmarine charter vessels.

PERFORMANCE 2012

SAFETY*

Target:	Performance:
Zero fatalities	4 fatalities

TRCF REDUCTION**

Target:	Performance:
5%	23%

TARGET 2013: N/A

ANTI-CORRUPTION TRAINING***

Target:	Performance:
75%	83%

TARGET 2013: >90%

CO_2 EMISSIONS****
Reduction per container (2007–2020)

Target:	Performance:
25%	11% from 2011
	25% from 2007

TARGET UPDATE 2013 (2007–2020): **40%**

* Operational scope.
** 2011 baseline: 3.43. 2012 result: 2.81. Operational scope.
*** Performance: 77% of employees completed the online anti-corruption course; 110 senior officers have been trained face to face.[3]
**** Verification of 2012 data not yet final.

as well as businesses. The maritime industry is no exception. Maersk Line continues to focus on anti-corruption initiatives in line with the A.P. Moller - Maersk Group's policy. To date, 83% of all office personnel and 70% of the seafarers have passed the company's anti-corruption e-course. In addition, Maersk Line has conducted face to face training sessions for 123 senior officers in Denmark, India and the Philippines.

A gap assessment tool was created for the local offices to evaluate performance against some key questions on compliance. This tool was made mandatory for all Maersk Line countries and to date over 90% of the offices have completed the assessment.

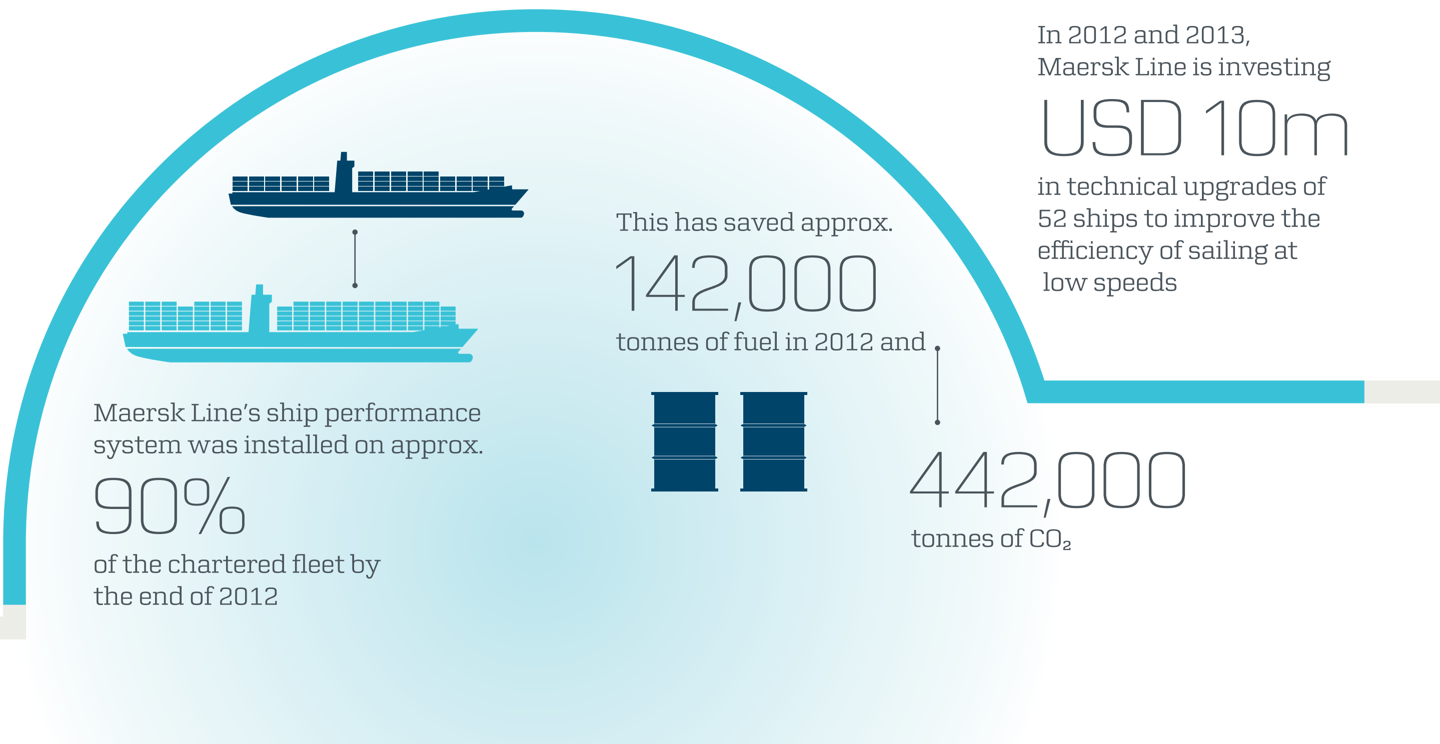
Maersk Line maintains a key role in the industry's Maritime Anti-Corruption Network (MACN) which is now continuing as a formalised network facilitated by Business for Social Responsibility (BSR). Within MACN, Maersk Line is seeking support from governments and relevant organisations, for example by exploring collaborations with the UN Development Programme to design and implement initiatives that will reduce and prevent corruption in ports.

Some of the company's challenges concern reporting as increased transparency may be seen as a risk in some countries. Maersk Line is currently working on a strategy to further strengthen the efforts to combat corruption.

Chartered vessels **– the next big wave of energy savings**[3]

Almost half of Maersk Line's fuel consumption comes from vessels chartered from third parties. By the end of 2012, Maersk Line's ship performance system was installed on approximately 90% of the chartered fleet. The new improved energy efficiency tracking on the charter fleet has saved approximately 142,000 tonnes of fuel and 442,000 tonnes of CO_2 in 2012.

In 2012 and 2013, Maersk Line is investing USD 10 million in technical upgrades of 52 ships owned by external vessel suppliers. The investment will be used to cut out the ships' turbo chargers to improve the efficiency of sailing at low speeds. The investment is expected to save 31,000 tonnes of fuel and 96,000 tonnes of CO_2 already within the first year after installation.



APM TERMINALS Lifting Global Trade

A global port, container terminal and inland services operator

MATERIAL ISSUES

- Safety
- Community impact
- Diversity and inclusion

A strategic growth business

APM Terminals' goal is to be the most efficient and profitable terminal operator in the industry, with 70 operating terminals by 2014. The expansion strategy is focused on underserved high growth markets.

Safety

Although the number of accidents was reduced, fatalities remain an issue of concern. Two fatal accidents occurred last year in Callao, Peru. The first happened at an inland facility where a contractor was struck by a cargo load during lifting operations, and the second occurred when a stevedore fell into an open hatch while onboard a vessel being worked at the terminal. In Pipavav, India a contractor was crushed by a truck during a container loading process. At Cai Mep, Vietnam, a third-party contractor was fatally injured while changing a tire on a reach-stacker, and most recently, a mechanic was fatally injured while repairing a reefer container in Mobile, USA. These causalities have been fully investigated by both internal and external experts, and the conclusions and lessons have been shared throughout the company.

Any fatalities are unacceptable and APM Terminals has made a strong commitment to constantly improve safety performance in every location. The commitment entails aggressive safety activism, increased on-site visits and a new approach to communication, among other initiatives. The company's global safety activist, a representative from the senior management team, along with other safety personnel, have travelled extensively to port facilities and inland facilities to explore safety issues and discuss action plans with local managers. Resulting safety reviews and updates, including analysis of near-miss cases, injury incidents and best practices were then shared. One of the challenges APM Terminals is confronting is to become better at communicating safety issues and best practices to all personnel across the portfolio.

APM Terminals introduced new global minimum safety requirements in 2012 which are now mandatory for all operations. Facilities which are not yet in compliance have been charged with preparing an action plan to meet these standards. The senior management has instituted four basic safety principles which include the option of reevaluating the company's participation in any business or operation which does not live up to the global safety standards. Selected staff has been trained in incident investigation to increase the efficacy of risk assessment, prevention procedures and information dissemination.

Community impact

APM Terminals is an integral part of many local communities. Understanding and managing local social, environmental and economic impacts is a key component of APM Terminals' license to operate. As the operator becomes more engaged particularly

[1] APM Terminals has decided to focus on leading indicators on safety performance and concrete action plans and will therefore no longer use lost time injury frequency (LTIF) as an explicit target to drive and measure performance.
[2] Top quartile is against external comparable industries. The questions and feedback are from our yearly global Employee Engagement Survey.

PERFORMANCE 2012

SAFETY*

Target:	Performance:
Zero fatalities	5 fatalities

LTIF REDUCTION**

Target:	Performance:
15%	37%

NO LTIF TARGET 2013[1]

DIVERSITY AND INCLUSION

Top quartile employee feedback[2]

Leadership in my company is genuinely committed to attracting, developing and keeping a diverse workforce.

No 2011 data	Performance:
	72%

TARGET 2013: 77%

CO_2 EMISSIONS***

Reduce CO_2 intensity per TEU (2010–2020)

Target:	Performance:
25%	4% from 2011

* Operational scope.
** 2013 target: Completion of action plans for high severity incidents. Completion of action plans on global minimum requirements.
*** Financial scope.

in emerging markets where the socio-economic impacts of new investments can be considerable, this principle has become even more important. The presence of terminals can become a significant positive influence through the introduction of new technologies, employment and educational opportunities, implementation of global safety, health and operating standards, increased tax revenue, economic expansion through employment and payments to local suppliers. Conversely, any potential adverse impacts on the local community and environment must be properly evaluated and addressed.

A better understanding of the effects of local investment in terminals will help to foster strong positive relationships with local stakeholders. Two terminal impact studies are currently being conducted in Callao, Peru and Moin, Costa Rica where APM Terminals has committed to invest USD 749 million and USD 992 million respectively.

Diversity and inclusion

Increased diversity creates larger talent pools and strengthens the leadership pipeline. The objective is not to institute quotas or use preferential treatment during the hiring process, but rather to focus on the ongoing education of hiring managers and the organisation as a whole. In 2012, 28 employees completed the company's Magnum programme, a premier leadership acceleration programme designed for the most talented general managers. The 2013 graduating class includes multiple nationalities, 70% of which are from growth markets. Furthermore, eight employees joined the Women's International Networking and One Young World conferences. The employee engagement survey places APM Terminals at or near top quartile external benchmarks in some areas of diversity and inclusion, but the company still has gaps to address. As part of the 2013 action plan, there will be a global roll-out of a revised recruitment training programme and awareness training.

Economic growth in Costa Rica

APM Terminals will design, finance, construct and maintain a new container terminal in the Caribbean port of Moin in Costa Rica. It is the largest single investor infrastructure project in the country. The investment is likely to attract other investors, business activities and development efforts that will stimulate economic growth.

400

core jobs estimated once fully operational

Indirect effects

Many more jobs are expected to be created locally as a knock on effect of the investment.

Foreign investments

APM Terminals Moin has co-founded the Limon Development Agency to support the effort of attracting foreign investors for industrial growth.

7.5%

of gross income will go to the regional development of the Province of Limon

Health and education

APM Terminals Moin's community programme focuses on improving health and digital skills in the community.

Inland infrastructure

The terminal will be the property of the Costa Rican government. The government has committed to invest in roads, an oil refinery plant, electricity and water services.

Global logistics. Individual solutions.

Specialising in customised freight forwarding and supply chain solutions

MATERIAL ISSUES

- Anti-corruption
- Employee development
- Green logistics

Anti-corruption

With a high degree of interactions with public officials in activities such as customs clearance in high risk countries, Damco is exposed to corruption risks every day. In 2011, the company began implementing a comprehensive anti-corruption programme. The main elements are leadership commitment and communication, training, risk assessments, standards & controls, monitoring and auditing.

Year to date, 90% of Damco's employees in the Asia Pacific and Africa regions have completed the company's online anti-corruption training. In total more than 600 of our employees in high and medium risk countries and employees with senior and middle management responsibility have been trained in anti-corruption. Financial auditors were trained to audit compliance with the anti-corruption policy, and anti-corruption data is now included in financial audits.

As an asset light company, Damco's work on anti-corruption relates closely to responsible procurement. Being relatively new to structurally engaging suppliers in a formalised responsible procurement programme, Damco's focus in 2012 has been on engaging larger suppliers, i.e. ocean and air carriers, and suppliers in key growth market countries, i.e. China, Indonesia, Vietnam and Thailand. In 2012, Damco conducted a formal assessment of seven suppliers. Damco engaged 268 suppliers, 39% of addressable spend, falling short of the 50% target as enrolling suppliers in some countries took longer than anticipated. The 2013 target is 60% of the company's spend (400 suppliers).

Employee training and development

As Damco's presence in and revenue from growth markets is increasing, strengthening the talent pipeline for future growth is more important to the business than ever. In 2012, the Damco International Graduate Programme was established, a two-year entry level programme. Furthermore, the company's two-year IMPACT programme seeks to develop and retain middle management talents, and for senior management there is a one-year Global Talent Programme.

The programmes are starting to have a positive impact on Damco's talent pipeline. From the IMPACT programme more than two thirds of the 2011 participants have changed their scope of work and moved on to key commercial positions. From the Global Talent Programme more than half of the participants have taken up roles of higher leadership responsibility. The graduate programme is in its early stages but all participants are already deeply engaged in projects of strategic importance to Damco. In 2012, the employee engagement index for Damco remained unchanged at 73.

Green logistics innovation

In 2012, Damco launched Global Supply Chain Carbon Dashboard. It builds on the Supply Chain Carbon Dashboard product launched in 2010. With this product, Damco is now able to give customers visibility of the carbon footprint of the entire supply chain, not just the part Damco manages. As an example, a 38% reduction in CO_2 per m^3 shipped since 2007 was documented for Marks & Spencer.

PERFORMANCE 2012

ANTI-CORRUPTION TRAINING*

Target: Further implement programme | Performance: 90%

TARGET 2013: 90%

CO_2 EMISSIONS
Reduce CO_2 intensity (2009–2014)

Target: 30% | Performance: 5.5% from 2011, 15% from 2009

LTIF[1]
Year-on-year reduction

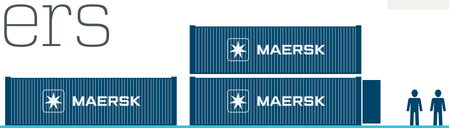
Target: 10% | Performance: 37%

* Performance: employees in high risk Asia Pacific and Africa regions trained. 2013 target: 90% of employees in high risk job functions to receive on-line and in person anti-corruption training. 90% of employees in medium risk job functions to receive on-line anti-corruption training.

[1] Most of Damco's employees work in office environments. In 2012, there were no severe injuries to personnel or assets and the year was concluded with a record low lost time injury frequency (LTIF). Focus is on improving investigations of incidents and learning from those. Damco's year on year LTIF reduction target is 10%. In 2012, the LTIF was reduced to 37% (operational scope).

MAERSK
CONTAINER INDUSTRY

The world's second-largest manufacturer of refrigerated containers



MATERIAL ISSUES

- Safety
- Sustainable products
- Environmental performance

Safety

The manufacturing of containers requires the utmost consideration for safety. To continuously improve the safety performance in factories, Maersk Container Industry (MCI) focuses on stringent safety procedures, education of staff and automation of processes.

In 2012, MCI's lost time injury frequency (LTIF) slightly increased from 1.45 to 1.47, largely due to an accident in a container factory in Qingdao. In March 2012, a fire broke out and turned into a zink dust explosion that injured 14 employees. One employee later passed away.

Investigations conducted by MCI, the Chinese authorities and third party experts found the cause to be a chain of events that became dangerous when combined. A safety assessment of the whole MCI group was carried out and corrective action was taken on the findings. Among other actions were a complete redesign and renewal of the involved equipment. Also, the work relevant process has to a large extent been automated.

The dry container factory in Dongguan continues to raise the bar on safety. The LTIF there was 0.40 per one million work hours, which is a low number by any industry standard. MCI attributes the performance to the various safety training initiatives conducted there throughout the year.

Sustainable products

Delivering more sustainable products is part of MCI's value proposition to customers. It is also necessary from an environmental perspective. Well ahead of the 2004 European phase-out deadline for HCFC-141b, a chemical compound used in foams, MCI introduced the SuPoTec® insulation foam ten years ago.

MCI's patented solution reduces CO_2 emissions during production, use and end-of-life by about 27 tonnes per container compared to conventional reefers using HCFC-141b. Over ten years, that equals a total saving of 349,000 tonnes of CO_2.

According to the industry trade magazine World-Cargo News, at least 85% of the two million reefers (TEU) in the current world fleet contain HCFC-141b. This presents an environmental challenge because these reefers contain substances that can harm the ozone layer and climate.

The EU has made a regulation that imposes restrictions on the import of reefer containers containing HCFC-141b into the European market. In the reefer industry, the success of this regulation depends on enforcement.

Environmental performance

MCI is committed to reducing the environmental footprint of its production. However, in 2012, the relative amounts of energy and water consumed and waste produced have increased across the MCI group, despite the implementation of saving measures. This is mainly due to increased production of dry containers, partly offset by a decrease in the production of reefer containers.

In order to further scale up the efficiencies of the production, MCI has carried out energy and utility audits at production facilities in China, and is currently evaluating the findings. The result will form the basis for setting reduction targets for the next five years.

PERFORMANCE 2012

SAFETY*

Target:	Performance:
Zero fatalities	1 fatality

LTIF REDUCTION**

Target:	Performance:
10% reduction	1% increase

TARGET 2013: 10%

CO_2 EMISSIONS***
Reduction from production

Target:	Performance:
5% reduction	4% increase

TARGET 2013: 5%

HAZARDOUS WASTE REDUCTION****

Target:	Performance:
8% reduction	13% increase

TARGET 2013: 8%

* Operational scope.
** 2011 baseline: 1.46. 2012 result: 1.46. This target is based on operational scope (year on year).
*** 2011 baseline (0.099 CO_2 e/ USD).
**** 2011 baseline (3.4 kg/ USD).

Oil & gas industry

MAERSK OIL | MAERSK DRILLING | MAERSK TANKERS | MAERSK SUPPLY SERVICE | SVITZER | MAERSK FPSOs

Supporting the global demand for energy

Active in the extraction and supply of oil and gas
The global challenge is to ensure that resources can be produced in an economically and environmentally sound manner to meet increasing demand and offset natural field decline. The pressure to maintain such performance will only intensify as competition for natural resources drives the oil and gas industry to explore and produce in increasingly harsher, more remote and sensitive locations.

Our focus is on developing and providing safe and high-efficiency drilling and oil production services as well as building experience in operating in some of the most challenging environments.

FACTS

Maersk Oil

257,000
Entitlement production of barrels of oil equivalent per day (boepd)

3,830
Employees (FTE)

USD 10,154m
Revenue

USD 2,444m
Net profit

Maersk Drilling

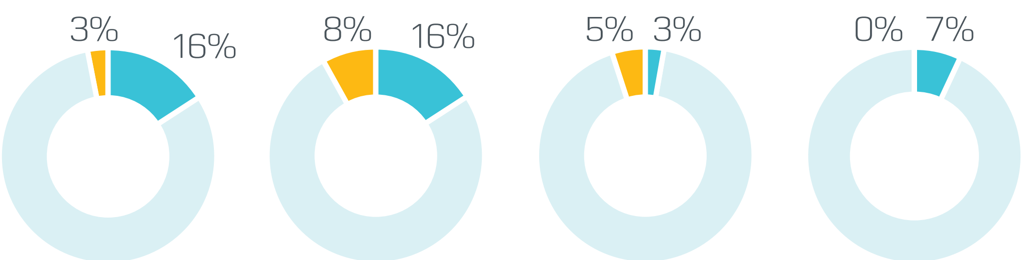
26
Offshore drilling units

6,305
Employees (FTE)

USD 1,889m
Revenue

USD 359m
Net profit

Share % of the A.P. Moller - Maersk Group



of external revenue | of invested capital | of employees (FTE) | of CO_2

● Maersk Oil ● Maersk Drilling

In 2012, as a result of conducting a materiality analysis, each business has defined its top three material issues. The performance summaries on the following pages are based on that. Targets do not exist for all material issues but many of them are under development in 2013. Full data sets are available for each business on maersk.com.

MAERSK OIL

An international oil and gas company

A strategic growth business

Maersk Oil produces oil and gas in Denmark, the UK, Qatar, Kazakhstan, Brazil and Algeria. Exploration activities are on-going in Angola, Norway, the US Gulf of Mexico, Greenland, Iraqi Kurdistan and in the producing countries. In the coming years Maersk Oil will invest significantly in the development of discoveries. The goal is to increase the entitlement production by 50% to 400,000 barrels of oil equivalent per day (boepd) by 2020 from a current level of 265,000 boepd.

Safety

The ambition of Maersk Oil is to be incident free. The focus on process safety continued in 2012 together with on-going activities in Occupational Health and Safety. In 2012, process safety integrity reviews were conducted in Denmark and the UK and the outcomes will be used to form the plans in 2013.

Global training in incident investigation was continued, including management of change, safety inductions for new hires and safety workshops with contractors. The management participated in a review of the 2011 process safety incidents to better understand the risks that need to be managed.

The preventative shut down on the Janice installation in the UK North Sea is one example of Maersk Oil's commitment to safety. In 2012, an emergency shutdown valve failed a routine inspection. As a consequence, Maersk Oil decided to shut down production until spare parts arrived and a safe procedure for replacement was in place. Production was shut down for approximately three months.

Maersk Oil's 2012 lost time injury frequency (LTIF) showed a decrease compared to 2011, continuing the downward trend since 2000. The company has seen an increase in near miss reporting. The trend can be interpreted as a positive indication of willingness to highlight weaknesses in systems and processes. In 2013, Maersk Oil will continue improving learnings from incidents and further encourage near miss reporting.

Environmental stewardship

Since 2007, Maersk Oil has reduced CO_2 emissions from flaring from operated producing facilities by 86% and thus exceeded its target of a 50% reduction. The achievement has consolidated Maersk Oil's CO_2 efficiency above the industry average. The facilities in Qatar and Kazakhstan have delivered the biggest reductions – more than 90% and more than 80% respectively. For the work in Qatar, Maersk Oil received the Excellence in Flaring Reduction Award 2012 from the World Bank's GGFR[1].

During 2012 Maersk Oil continued to assess how to best access and operate in areas of high biodiversity value. Noise modelling work in Greenland, promoting the conservation of whale sharks in the Arabian Gulf, and participating in coastal sensitivity mapping in Angola were all examples of working with stakeholders to improve the understanding of the environments in which Maersk Oil operates.

Responsible business practices

Maersk Oil developed and rolled out a new process for establishing social investment strategies that are

[1] The Global Gas Flaring Reduction public-private partnership (GGFR), a World Bank-led initiative, facilitates and supports national efforts to use flared gas.

MATERIAL ISSUES

- Safety
- Environmental stewardship
- Responsible business practices

PERFORMANCE 2012

LTIF*

Target:	Performance:
Zero	0.75

TARGET 2013: ZERO

CO_2 EMISSIONS**
Reduction from flaring by 2012 (2007 baseline)

Target:	Performance:
50%	86%

TARGET 2013: TO BE DECIDED

* The LTIF target is operational scope.
** The CO_2 flaring target is operational scope.

tailored to local socio-economic needs and that leverage business capabilities. The aim is to ensure that social investments have a sustainable benefit and address key social, environmental and economic development issues of local communities.

Corruption is a challenge in some parts of the world where Maersk Oil operates. In 2012, Maersk Oil's global Compliance Awareness Drive included in-person training for employees at risk of being exposed to corruption issues. Mandatory e-learning for all employees is being tailored to the specific challenges experienced in the oil and gas industry and will be rolled out during 2013.

2012 activities **in Greenland**

Maersk Oil's initial activities in Greenland commenced in 2012 with two surveys, a 3D seismic survey and a hydrographic survey. These types of surveys are the very first step in oil exploration activities to get an understanding of the ocean floor and underlying geology.

Seismic surveys use sound waves to produce an image of the earth's subsurface. The impact of noise is the most important environmental consideration during seismic surveys, as underwater noise can disturb marine life, in particular marine mammals that use sound to communicate and navigate.

Step 1: Modelling noise proactively

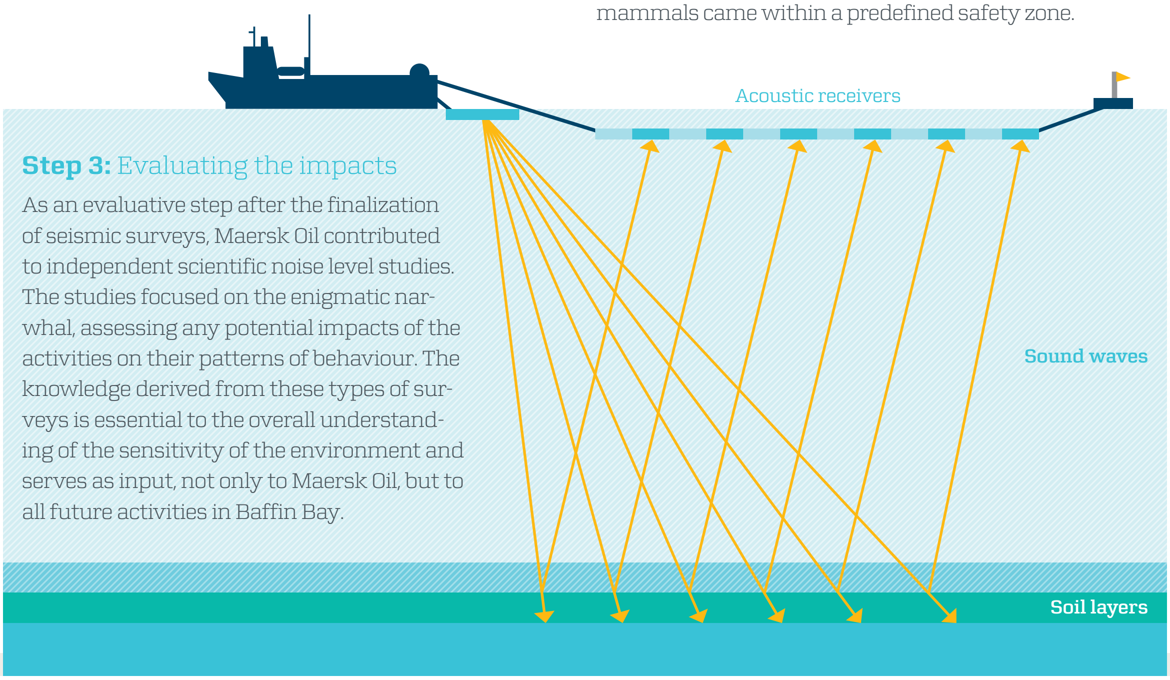
To reduce any risks related to conducting seismic surveys, Maersk Oil worked together with scientific experts and other operators to model how much noise the seismic activities would generate across Baffin Bay in Greenland.

Step 2: Reducing risks for marine mammals during 3D seismic and hydrographic surveys

The modelling enabled Maersk Oil and others to carry out seismic studies within scientifically recognised noise limits. In addition, Maersk Oil had marine mammal observers on board the vessels during the seismic surveys. These observers recorded the presence of the mammals and made sure that activities were shut down if the mammals came within a predefined safety zone.

Step 3: Evaluating the impacts

As an evaluative step after the finalization of seismic surveys, Maersk Oil contributed to independent scientific noise level studies. The studies focused on the enigmatic narwhal, assessing any potential impacts of the activities on their patterns of behaviour. The knowledge derived from these types of surveys is essential to the overall understanding of the sensitivity of the environment and serves as input, not only to Maersk Oil, but to all future activities in Baffin Bay.



MAERSK DRILLING

Providing drilling services to oil companies

MATERIAL ISSUES

- Safety
- Environment and climate change
- Local content

A strategic growth business

Maersk Drilling aspires to become a stable and significant contributor to the A.P. Moller - Maersk Group with a profit of USD 1 billion at the latest by 2018 and to conduct incident-free operations. This will be achieved through focused growth within the ultra deepwater floater and ultra harsh environment jack-up segments and relentless pursuit of safe, efficient and consistent operations across the rig fleet. With its Accelerated Growth strategy, Maersk Drilling will double its fleet and its workforce by 2018.

Safety

The major risk involved in offshore drilling is that of an operational blow-out which can have severe consequences for the safety of employees and the environment. Process safety and hazard management is therefore top priority. In 2012, Maersk Drilling held over 20 Management of Change workshops with employees, customers and suppliers to further reduce process safety risks.

In addition to the Dropped Objects Campaign from 2011, Maersk Drilling set up a new task force to prevent objects from being dropped. The HSSE e-learning induction course was updated. Despite these efforts, Maersk Drilling was unfortunately not able to keep up its record-low lost time injury frequency (LTIF) of 0.21. The causes appear to be human errors, insufficient risk assessments and a lack of adherence to processes and procedures. As a consequence, work on improving the usability of the management system was initiated.

Environment and climate change

In 2012, Maersk Drilling implemented a chemical management system to ensure a more efficient control of the chemicals that are onboard rigs. So far, the training and system has been rolled out on 14 rigs. The system will be used going forward to ensure continuous improvement on chemical handling and will be installed on new builds and on the two remaining rigs in the fleet.

Spills are another high potential environmental impact. By Maersk Drilling definition[1] there has been an increase in spills. The company has, however, reached its target of zero significant spills to the sea. With a constant focus on how to achieve its long term goal of zero spills, Maersk Drilling has implemented hose management on ten rigs as a preventive measure. In Norway, hose management is required, unlike the rest of the world. In 2013, the team will continue the implementation on the remaining fleet.

Maersk Drilling reduced its CO_2 emission by 3%. It did not reach its target, which was to reduce CO_2 intensity of operations by 10% by the end of 2012, based on a 2008 baseline. There is a wish to increase transparency on the parameters that can be influenced to drive efforts to become more energy efficient. Therefore, Maersk Drilling is working on a metric that can support this. In 2013 the company will review its CO_2 target.

PERFORMANCE 2012

LTIF*

Target: 1.00 | Performance: 0.53

TARGET 2013: 0.6

TRCF*

Target: 2.50 | Performance: 2.51

TARGET 2013: 3.0

SIGNIFICANT SPILLS*

Target: 0 | Performance: 0

TARGET 2013: 0

CO_2 EMISSIONS**
Relative CO_2 reduction (2008 baseline)

Target: 10% | Performance: 3% reduction

TARGET 2013: N/A

* Operational scope. Target: IADC Scope.
** Operational scope and includes scope 1 and 2 emissions and one element of scope 3 emissions which is diesel consumed by customers.

[1] Maersk Drilling: Operational scope, volume of all spills to the external environment, regardless of how significant or minor a spill is. The A.P. Moller - Maersk Group: Operational scope, volume of significant spills to the external environment, which are more than 1,000 m³.

Maersk Drilling's new environment and climate change strategy focuses on understanding environmental impacts and reducing them by focusing on spills and waste production and by collaborating with customers on NO_x emissions. The aim is to reduce the footprint of the operation and supply chain, integrate energy efficiency in new rig designs, and retrofit the current fleet. This will be done by strengthening the dialogue with customers to tailor solutions for the market.

Local content

Local content is an integral part of most tender processes and contractual agreements. It includes community investments such as education and training, living standards, local staffing and local procurement.

As Maersk Drilling is expanding its business into new areas of the world, including growth markets, local content rules pose both critical challenges as well as opportunities for creating shared value and position Maersk Drilling as a responsible partner. For example, a total of 70% of a rig's crew is required to be local nationals by Angolan law. The availability of adequate local skills presented a challenge when the Mærsk Deliverer rig began operating in Angola in May 2012. Through Maersk Drilling's investments in training and long-term career planning, 50–55% of the crew are now Angolans.

In 2012, a local content strategy was developed to provide stability for our operations and support customers' efforts in meeting local content requirements. It helps Maersk Drilling narrow the gap of securing local talent to man a growing fleet, as well as building goodwill in high growth markets.

Local content is part of Maersk Drilling's Corporate Social Responsibility (CSR) planning tool, which supports rig management in assessing and analysing relevant issues related to local operations. In 2012, support was provided to the operation by coaching and giving feedback on local CSR plans to flag and mitigate risks. A new e-learning course was launched that introduces employees to Maersk Drilling's CSR strategies and policies, including local content.

Preparing for the extreme

The MOSAIC II is a new offshore simulator training complex in Svendborg, Denmark. Maersk Drilling and Maersk Training have invested USD 12 million in this simulator. Safety is the main purpose. The simulator will be able to simulate extreme well control situations to ensure that Maersk Drilling's employees have the necessary experience to deal with the scenarios on board.

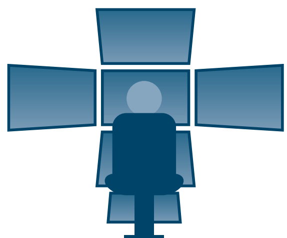
The Maersk Drilling Post Macondo Task Force identified two focus areas for improvement: the need for a broader approach to well control training, and the need for better communication and interaction between crew members in various functions on the rig.

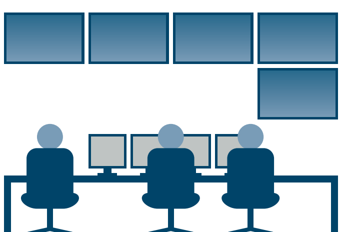
The simulator links together the driller's cabin, the central control room, the crane operation and the engine room to provide a more comprehensive well control scenario. It allows for both team-based and individual training.

Maersk Drilling will be hiring

3,000

new employees over the next five years





USD 12m

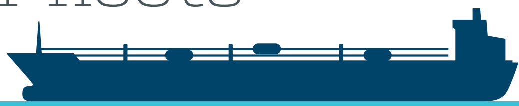
invested in a new drilling simulator

MOSAIC II

is the world's most advanced drilling simulator and training facility. It will be in high demand as Maersk Drilling is in the process of hiring 3,000 new employees and doubling its fleet by 2018.

MAERSK TANKERS

Operating one of the most modern tanker fleets



MATERIAL ISSUES

- Safety and security
- Fuel efficiency and CO_2
- Anti-corruption

Safety and security

Safety is paramount to Maersk Tankers' business. The company's 2012 safety performance continues to improve. In 2012 two safety awareness weeks were held on board two ships in the fleet to increase the safety awareness amongst seafarers. Furthermore, an oil spill prevention campaign was launched to re-emphasize preventive process safety measures.

In 2012, an incident investigation committee was established to improve incident investigations and root cause analyses. It consists of technical operations executives who meet every quarter to analyse the underlying causes and prepare action plans. Actions to prevent piracy attacks include the testing of different security equipment. In 2012, the use of razor wires was re-evaluated as some employees got injured when rigging the wires. Maersk Tankers is currently testing alternatives.

Fuel efficiency and CO_2

In 2012, Maersk Tankers' fuel efficiency drive helped the company save 71,000 metric tonnes of fuel oil (2010–2012 baseline) and 224,000 metric tonnes of CO_2 emissions for its owned fleet. The increased focus on speed reduction including the use of super slow steaming is the main contributor to the positive result. However, the total fuel consumption for the entire fleet increased due to changed fleet composition.

A base load reduction[1] initiative which includes 100+ Maersk Tankers vessels, saved 15,000 metric tonnes of fuel oil and 46,900 metric tonnes of CO_2 in 2012. Furthermore, performance based cleaning of hulls, together with a propeller polishing scheme optimised the efficiency of the vessels generating savings of approximately 18,200 metric tonnes of CO_2.

Today, all vessels as well as employees in the technical, operational and commercial departments have energy efficiency in their performance scorecards.

Anti-corruption

Maersk Tankers is stepping up reporting of facilitation payments. About 100 of the 170 vessels have been reporting facilitation payment requests in 2012. There is still some way to go in making sure that all ships report on this systematically. A quarterly report on the issue has been launched to identify the focus areas for reducing these payments. The analysis is helping Maersk Tankers map the ports where this problem is most dominant. In that way a constructive dialogue can be initiated with those ports on measures to combat the issue in the specific location. Maersk Tankers has seen improvements in 2012 but also experienced a push-back in certain areas resulting in increased and unwarranted port state control deficiencies, delays and illegitimate fines being imposed.

As a trial, Maersk Tankers had dummy security cameras installed on 16 vessels in 2012. The feedback from the captains indicates that they have been effective in reducing facilitation payments. The port officials seem to be more hesitant to demand facilitation payments when they spot the camera in the room, or when they are being made aware of it.

Maersk Tankers is an active participant in the Maritime Anti-Corruption Network (MACN). As part of the network, information, training material and courses for ship owners and seafarers are being developed focusing on bribery, facilitation payments and agents.

PERFORMANCE 2012

LTIF*

Target: 0.80 | Performance: 0.89

TARGET 2013: 0.80

TRCF

Target: 3.00 | Performance: 2.43

TARGET 2013: 2.50

SPILLS*

Target: 0 | Performance: 9 m^3

TARGET 2013: 0

CO_2 EMISSIONS[2]

Reduction per cargo unit x nautical mile (2007–2015)

Target: 15% | Performance: 8.5% from 2011, 5.4% from 2007

TARGET UPDATE 2013 (2010–2020): **20%**

* Operational scope.

[1] The base load project aims to reduce the electrical consumption used onboard at sea.
[2] 2007–2015 (operational scope). 2010–2020 (financial scope).

MAERSK SUPPLY SERVICE

A provider of global offshore marine services

MATERIAL ISSUES

- Safety
- Spills prevention
- Energy efficiency

Safety

Though the targeted 2012 improvement in lost time injury frequency (LTIF) was not met, Maersk Supply Service did see an overall improvement on safety. The total recordable cases frequency (TRCF) was reduced significantly, from 2.59 to 1.93. Some of the key factors of the continued improvement are believed to be weekly safety meetings, and the Safety Observation Card (SOC) initiative introduced in 2010. Safety observations have increased from 13,000 in 2011 to more than 27,000 in 2012. SOC reporting has made it possible to address unsafe acts and conditions in a preventive and proactive manner.

In 2012, Maersk Supply Service launched the Take5 initiative – an on-the-spot risk assessment tool – to further strengthen the concept of hazard recognition in the fleet. The initiative was supported by the implementation of a new risk management process for all operations onboard.

Furthermore, Maersk Supply Service launched a training programme to build Angolan seafaring and safety competencies. Angola requires foreign companies operating in the country to employ 70% of their workforce locally over time. That poses a challenge as well as an opportunity for creating shared value in a country with little seafaring tradition. The marine training programme also includes English language training for the 24 Angolan candidates currently being educated in Chennai, India.

Preventing oil spills

Recognising that accidental oil spills at sea or in port can harm the marine environment significantly, Maersk Supply Service continuously focuses on preventive actions to avoid environmental incidents.

In 2012, Maersk Supply Service experienced a 40% reduction in the number of uncontrolled spills compared to 39 uncontrolled spills in 2011. Spills overboard were reduced from 12 to 9. None of the spills overboard were more than 0.05 m³.

The improved performance is likely to be a result of increased knowledge from reporting of near misses, improved procedures and a focus on hardware maintenance through inspections of equipment. Maersk Supply Service measures and reports all spills regardless of size to learn and ensure that corrective actions are taken. The long-term aspiration is zero spills to the environment.

Energy efficiency

In 2012, Maersk Supply Service implemented a new vessel performance system that enables benchmarking of vessels' energy efficiency. The initiative is part of the efforts to reduce fuel consumption, cost and CO_2 emissions. With these benchmarks in place, crews are becoming more focused on optimising fuel efficiency. For example, Maersk Supply Service is now in dialogue with charterers to reduce transit speed. Using two engines, instead of all four, when approaching an oil platform can also help save large quantities of fuel. But it must be done with a proper risk assessment and close coordination with the customers.

The increased focus on energy efficiency has resulted in a 10% CO_2 reduction per vessel in 2012 compared to last year. The customer satisfaction score (CSS) on Health, Safety and Environment increased to 5.9 in 2012, from 5.8 in 2011 (the maximum score is 7.0). The total CSS[1] remained at the same high level of 6.0 in 2012.

[1] Total score is the average of four questions related to the customer's overall satisfaction and loyalty. Maximum score is 7.0.

PERFORMANCE 2012

LTIF

Target: 0.55 | Performance: 0.74

TARGET 2013: 0.75

TRCF

Target: 2.50 | Performance: 1.93

TARGET 2013: 1.74

SPILLS*
Reduction per year (2011–2017)

Target: 20% | Performance: 40%

CO_2 EMISSIONS
Reduction per vessel (2010–2020)

Target: 30% | Performance: 10% from 2011; 17% from 2010

All data are operational scope.
* 2011 baseline: 39 spills in total. 27 uncontrolled contained spills and 12 spills overboard. No spills overboard were more than 0.1 m³. Performance: 24 spills in total. 14 uncontrolled contained spills and 10 spills overboard. No spills overboard were more than 0.05 m³.

SVITZER

Leading the towage and emergency response market

MATERIAL ISSUES[1]

- Safety

Safety

Over the last few years, Svitzer has seen a consistent drop in lost time incidents, with many operations recording five years or more without any lost time injuries. But the incident on board a tug off Qatar in 2012 made it evident that further improvements in safety governance and risk management were necessary.

Seven fatalities in 2012

On 29 April, six employees and a customer's contractor lost their lives in an explosion and subsequent fire onboard a Svitzer tug while assisting in a maintenance operation at Ras Laffan, Qatar offshore a mooring buoy. The tug, Al Deebel was involved in flushing the loading hose string with sea water, when back flow of liquid condensate in the line and subsequent gas evolution resulted in an explosion on board. The mooring buoy is normally used for transferring liquid condensate into tankers. Four other crew members and another customer's contractor who was on board survived the incident. They were rescued from the water by attending Svitzer vessels supported by the local coast guard.

A new Safe Operations strategy

This tragedy has had a major impact on the organisation. It has triggered a comprehensive review and reshaping of the approach to operational safety. The main priority is to raise safety standards across the entire Svitzer organisation.

Svitzer's new Safe Operations strategy includes actions of setting up a new governance model and safety function; enhancing competencies in the offshore and terminal towage segment; ensuring the use of fit for purpose equipment; and systematically and proactively engaging with stakeholders, including customers, on safety matters. Having solid risks assessments in place before any operation is a key part of that.

Part of this process also includes streamlining safety procedures globally with the goal of establishing one global safety management standard, irrespective of where Svitzer operates.

In 2012, a Proactive Reporting Campaign was launched to address the need for continuous knowledge sharing between the vessels and their managers. Finally, the focus on increasing safety awareness through training continues, with more than 1,500 employees having completed the one day Safety Culture Course since its launch in 2011.

PERFORMANCE 2012[1]

SAFETY*

Target: Zero fatalities | Performance: 7 fatalities

TRCF

Target: 5.8 | Performance: 6.0

TARGET 2013: 6.0

LTIF**
Reduce lost time injuries by 2015

Target: 0 | Performance: 1.46 from 2011

SAFETY PROGRAMME***
Employees to complete our one day safety programme by 2015

Target: 100% | Performance: 40% from 2011

* Operational scope.
** This target is operational scope.
*** Performance: 1,800 employees.

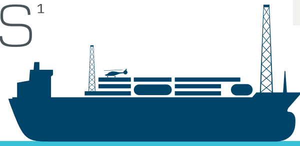
[1] A number of changes to targets and priorities have been made as a consequence of a severe accident in April 2012. Safety is now one of the two main pillars of Svitzer's company strategy. It is the most material sustainability issue for the organisation which is why Svitzer has chosen to focus their efforts in this area.

MAERSK FPSOs

An operator of mobile oil and gas production systems[1]

MATERIAL ISSUES

- Safety
- Environment
- Occupational health



Safety

Since 2010, Maersk FPSOs have not had any lost time injuries. In 2010, the lost time injury frequency (LTIF) was 2.83. Since then, the company has had two incident free years[2]. A strong safety and reporting culture has been instrumental in this success. In 2012, Maersk FPSOs took over the technical management of the Nkossa II located offshore of Congo. The biggest challenge was the implementation of the management system, SIRIUS, and introducing a cultural change onboard the unit. To encourage the crew to use Maersk FPSOs' reporting system on incidents, accidents, near misses and observations, a competition was organised and every month the best 'active card' was rewarded. These cards are now part of the daily routine.

On Maersk Inspirer, a new process safety dashboard was implemented to reduce the potential hazards from the process plants. It monitors safety risks and works as an effective intervention to address or reverse a negative trend.

In 2012, the Maersk Curlew had a piping failure and a subsequent gas leak on the gas compression system. Whilst some hydrocarbons were released, there were no further consequences and no-one was injured. A prohibition notice was issued by the authorities. Maersk FPSOs chose to shut down the production on the installation and initiated a detailed inspection and analysis of the area and affected equipment.

Environment

In 2012, Maersk FPSOs had a number of unfortunate spills to the external environment. All spills were registered and notified to the relevant authorities. The goal of having all units certified as ISO 14001 compliant was achieved. The global management system has also obtained ISO 14001 certification.

Maersk FPSOs has a strong focus on the safe use of chemicals. All units have been introduced to a new chemical management system, and the offshore personnel is regularly trained. As part of the audits programme, chemical inspections are also performed.

Occupational health

In 2011, it was decided to create a working group on occupational health and working environment to prepare a set of procedures and tools to better manage and understand the issues linked to the working environment. The first step in implementing the newly created procedures was the roll-out of a survey to collect data on the working environment on all units and offices. The survey considers a variety of factors, from the level of noise and the ergonomics of the work stations to psychological well-being matters e.g. stress. The results will be ready in 2013.

PERFORMANCE 2012

LTIF

Target:	Performance:
0	0

TARGET 2013: 0

TRCF*

Target:	Performance:
4.00	1.59

TARGET 2013: 3.00

EXTERNAL SPILLS**

Target:	Performance:
0	5

TARGET 2013: 0

ISO 14001 CERTIFICATION OF FLEET AND OFFICES***

Target:	Performance:
100%	100%

TARGET 2013: 100%

All targets follow Operational Scope.
* 2012 target: 4.0 or below.
** Performance: Total amount: 87 liters (category 5 spills).
*** 2013 target: Maintain 100% of assets ISO 14001 certified.

[1] Includes Maersk LNG.
In 2012, Maersk FPSOs divested FPSO Maersk Peregrino and transferred Maersk Inspirer/Volve back to Maersk Drilling.
[2] FPSO LTIF performance (excl. LNG): 0.00 (2009), 2.83 (2010) and 0.00 (2011).

Retail

Dansk Supermarked | NETTO føtex Bilka Salling

One of Denmark's leading retail groups

Dansk Supermarked Group operates 1,319 stores in Denmark, Germany, Poland and Sweden. The company runs the Føtex, Netto and Bilka supermarket chains as well as the Salling department stores. Netto is the only chain which operates abroad.

Dansk Supermarked Group takes a decentralised approach to sustainability as material issues may vary in each chain and country. The countries have different control and measuring systems that are not readily comparable. Therefore, units' performances are described in relation to the Danish authorities' governance systems. The following descriptions are therefore not adequate for the entire group across national borders. We are working on expanding the focus and scope of our sustainability governance and reporting to include our businesses outside Denmark.

Food safety and control

People rely on the retail industry to provide them with safe food of the highest quality. Food safety is an integral part of running a successful retail business and an issue Dansk Supermarked Group takes very seriously.

In Denmark, the so-called smiley-scheme is highly popular amongst consumers and has proved effective in improving the quality of food. The result of the authorities' inspections throughout 2012 places the company's supermarket chains among the best. However, food safety is still a challenge. For example, the Veterinary and Food Administration estimates that 10,000 people in Denmark alone have fallen ill from bacteria in imported fruit and vegetables.

The company has therefore increased the number of tests conducted in the countries of the products origin. This procedure is recommended by The National Food Institute. In addition to the spot checks carried out by the authorities, accredited laboratories performed more than 1,000 tests on foreign fruit and vegetables destined for Dansk Supermarked Group in 2012, compared to 400 in 2011. In 2012, the company also focused on improving the conditions concerning storage temperature, neatness, order and cleaning – areas representing some of the company's greatest challenges.

Working environment

A good working environment means more engaged employees who are motivated to provide customers with better service. Good working conditions reduce illness, accidents and absence. Fixed procedures and tools include training for employees, i.e. on lifting techniques, conflict management, workplace assessments, accidents investigations and employee satisfaction surveys.

To improve the working environment, the organisation began to focus on lifting in 2011, because heavy lifting may lead to injuries. The authorities had increased their focus on the issue as well. In 2012, Dansk Supermarked Group only received eight notices from

MATERIAL ISSUES

- Food safety and control
- Working environment
- Community engagement and diversity

the authorities in this area, an 86% reduction from 2011, indicating that its working environments had improved. In 2012, 97% of the workplaces were rated as healthy working environments by the authorities.

To get more traction on reducing accidents, Dansk Supermarked Group launched an accident barometer in 2011. It benchmarks the performance of all stores, shows how the individual stores are tracking against their targets and is visible to all. There is still room for improvement in terms of reducing the number of accidents. In 2012, the lost time injury frequency (LTIF) was reduced by 3.5% but the organisation did not meet its 10% reduction target.

Community engagement and diversity

People should be given the opportunity to realise their potential no matter their background. Tapping the potential of the diverse community, not only helps those communities, it also helps Dansk Supermarked Group. In Denmark alone the company partners with 60 organisations whose aim is to advance diversity and inclusion. These organisations work with people who have learning disabilities, the long-term unemployed and others in the margins of society. As part of this partnership, the company offered internships to 1,200 people in 2012. 40% of these led directly to employment.

Diversity is a win-win. Empowering people, after they may have experienced multiple setbacks in their lives, makes them more likely to repay that trust with diligence, loyalty and a positive work ethic. Moreover, employees who work in a diverse environment find that they themselves learn and develop.

PERFORMANCE 2012

POSITIVE FOOD SAFETY REVIEWS BY THE AUTHORITIES*

Target: 100% | Performance: 93.7%

TARGET 2013: 100%

LTIF REDUCTION

Target: 10% | Performance: 3.5%

TARGET 2013: 10%

HEALTHY WORKING ENVIRONMENT**

Target: 95% | Performance: 97%

TARGET 2013: 95%

* The Danish food safety smiley-scheme managed by the Danish authorities.
2013 target: Based on operational scope. Target only for Danish supermarkets.

** Targets: Min. 95% of workplaces rated as healthy working environments by the authorities. The Danish working environment smiley-scheme managed by the Danish authorities. The results are the final status calculated by the end of the year.
Performance: 97% positive reviews (75% in 2011).
2013 target: Based on operational scope. Target only for Danish supermarkets.

Diversity and inclusion boosts earnings

In the past, one of the Netto stores in Aarhus, Denmark was so badly affected by vandalism, theft and threats against its staff that it had to employ full-time security staff. This is no longer the case.

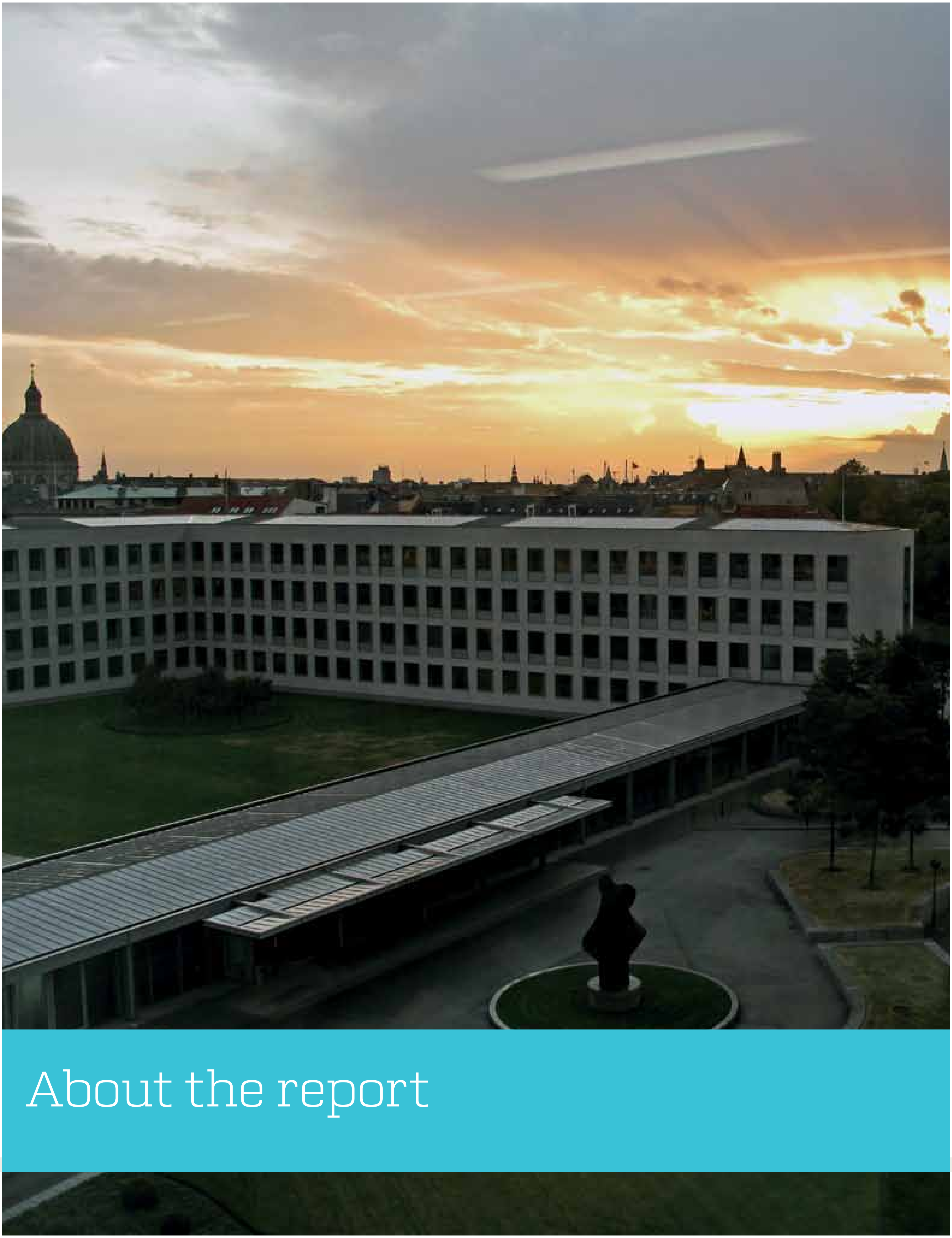
When Biwar Mosa took over as store manager in 2011, efforts were made to recruit appropriately qualified staff who better reflected the diversity of the local population. Over time, the gender and age distribution has become more evenly balanced, and a number of positions were offered to local teenagers and people with difficult backgrounds.

The work done by Mosa and his staff has led to a change in behaviour amongst the store's customers. Theft was reduced significantly as a result. Within a few months, the financial figures started to reflect these changes.

Growth in sales of around

20%

with earnings almost doubling



About the report

Our assurors included two key observations and recommendations in last year's assurance report. Additional detailed observations and recommendations were provided in their management letter.

Responding to 2011 key assurance recommendations

Assurance recommendation	Steps taken	Read more
Recommendation 1 The A.P. Moller - Maersk Group has begun implementing stakeholder engagement and materiality assessment at Group level and in the businesses. The assurors recommended extending the materiality assessment at Group level to include other sources of information, including input from the Group's strategic sustainability partners and stakeholder engagement. They also recommended improving the consistency of the approach to both stakeholder engagement and materiality assessment in the businesses to further ensure the comprehensiveness of the material issues reported upon.	In 2012 we developed a dedicated best practice tool to support our materiality analysis process at Group level. Furthermore, a workshop for our businesses was conducted providing guidance on how to prepare a materiality assessment. We will include our Group materiality analysis in consultations with internal and external stakeholders in 2013 and, where necessary, adjust the process and outputs going forward.	Pages 21–22
Recommendation 2 The Group uses the Sustainability Group Accounting Principles (GAP) for reporting on environmental and safety performance. The assurors recommended an in-depth review of these guidelines covering, in particular, the current threshold for spills reporting, extending reporting to cover oil in water, and the use, where feasible, of differentiated emission factors per business rather than generic group factors for key emissions such as CO_2, SO_x and NO_x.	**Spills:** this year, the threshold for the notification of spills from business units the Group has been extended to include category 2 spills, so it now includes i.e. Harbour: spill with a volume of more than 1 m^3 Coastal areas: spill with a volume of more than 10 m^3 On open sea: spill with a volume of more than 100 m^3 **Group-converters:** the Group is a conglomerate and to ensure the Group's sustainability report is consistently consolidated, it has been decided to use the same converters across all entities and activities.	Page 36

Independent assurance report

To the readers of the Sustainability Report 2012

We were engaged by the Management of A.P. Møller - Mærsk A/S to provide assurance on the Sustainability Report 2012 (further 'The Report') of the A.P. Moller - Maersk Group (further 'the Group'). The Management is responsible for the preparation of The Report, including the identification of material issues and the determination of the GRI Application Level. Our responsibility is to issue an assurance report based on the engagement outlined below.

Scope

Our assurance engagement was designed to provide limited assurance on whether:

- The Report is fairly presented, in all material respects, in accordance with the G3 Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative;
- The Group has applied the AA1000 Accountability Principles Standard (2008) as set out on page 80.

In addition we were asked to check whether the company's GRI Application Level, as disclosed on page 80, is consistent with the GRI criteria for the disclosed Application Level. We do not provide any assurance on the achievability of the objectives, targets and expectations of the Group.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

Reporting and other criteria

As described on page 80, the Group applies the G3 Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative for The Report and uses the AA1000APS (2008) criteria for the three principles of inclusivity, materiality and responsiveness to help embed sustainability in its business activities. It is important to view the performance in the context of these criteria.

Assurance Standards

We conducted our engagement in accordance with the International Standard for Assurance Engagement (ISAE 3000): Assurance Engagement other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board and a Type 2 assurance engagement under the AccountAbility AA1000 Assurance Standard (2008). Limited assurance in ISAE3000 is consistent with a moderate level of assurance as defined by AA1000AS (2008). These standards require, among others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information. We also comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure our independence. We used a multidisciplinary team including specialists in AA1000APS/AS, stakeholder engagement, environmental, social and financial aspects, with experience in similar engagements.

Work undertaken

Our procedures included the following:

- An evaluation of the results of the Group's stakeholder consultation process and processes for determining the material issues at Group level;
- A risk analysis, including a media search, to identify relevant environmental, safety and social issues for the Group in the reporting period.

- Interviewing management at Group and business level responsible for the sustainability strategy, management and reporting.
- Interviews with relevant staff at Group and business level responsible for providing the information in The Report and reviewing internal control procedures on the data in The Report.
- An analytical review of the data and trend explanations submitted by all businesses for consolidation at Group level.
- A visit to Maersk Oil Qatar, Dansk Supermarked Poland and a Maersk Line vessel to review the environmental and safety data.
- Evaluating internal and external documentation, based on sampling, to determine whether the information in The Report is supported by sufficient evidence.
- With respect to our work on the disclosed GRI Application Level, our procedures were limited to checking whether the GRI Content Index is consistent with the criteria for the disclosed Application Level and that the relevant information is publicly reported.

Conclusions

In relation to the report:
Based on the procedures performed, as described above, nothing has come to our attention to indicate that The Report is not fairly presented, in all material respects, in accordance with the G3 Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative.

In relation to the AA1000APS principles of inclusiveness, materiality and responsiveness
Based on our procedures, as described above, nothing has come to our attention to indicate that the Group has not applied the AA1000APS principles to the extent described on page 80 and in the sections on stakeholder engagement, materiality and strategy & governance on pages 21–27. As disclosed by the Group, further work is in progress to develop guidance and tools for stakeholder engagement, while progress in all three areas varies across the business units.

Report on GRI application level

Based on the procedures performed we conclude that the Application Level C+ as disclosed on page 80 and based on the GRI G3 Content Index on www.maersk.com/sustainablity is consistent with the GRI criteria for this Application Level.

Amsterdam, 22 February 2013

KPMG Sustainability
Part of KPMG Advisory N.V.

Wim Bartels
Partner

Copenhagen, 22 February 2013

KPMG
Statsautoriseret Revisionspartnerselskab

Jesper Ridder Olsen
State Authorised Public Accountant

Group consolidated performance

Social performance

Our employees

		2010	2011	2012
Number of employees (full time equivalents)	FTEs	113,741	117,080	**121,105**
Gender (female/total)	%	33	32	**31**
Employee engagement (percentage favourable)	%	69	75	**76**
Performance appraisals (percentage recieved)	%	60	67	**62**
Safety				
Fatalities	number	12	13	**17**

Definitions, scope, comparibility, controls, etc. are described in the sustainability accounting principles, pages 80–82.

* Changed since last year, please see pages 80–82 in sections on comparability and emission conversions to know more about the updates made.

Environmental performance

Energy consumption

		2010	2011	2012
Fuel oil	1,000 tonnes	10,724	11,818*	**11,087**
Diesel	1,000 tonnes	184	182*	**176**
Natural gas	1,000 tonnes	607	653*	**660**
Electricity	1,000 MWh	1,232*	1,311*	**1,321**
Energy consumption	GJ	475,884,213*	522,611,251*	**493,162,161**
Greenhouse gas (GHG) emissions				
GHG emissions	1,000 tonnes CO_2 eq	37,673*	40,969*	**38,631**
Direct GHG emissions (Scope 1 GHG Protocol)				
CO_2	1,000 tonnes	36,469*	39,745*	**37,421**
CH_4	1,000 tonnes CO_2 eq	236*	229*	**215**
N_2O	1,000 tonnes CO_2 eq	202*	216*	**204**
HFC	1,000 tonnes CO_2 eq	81	65	**98**
PFC	1,000 tonnes CO_2 eq	0	0	**5**
SF_6	1,000 tonnes CO_2 eq	0	0	**0**
HCFC	1,000 tonnes CO_2 eq	32*	29*	**5**
Indirect GHG emissions (Scope 2 GHG Protocol)				
CO_2	1,000 tonnes	650*	681*	**679**
CH_4	1,000 tonnes CO_2 eq	0	0	**0**
N_2O	1,000 tonnes CO_2 eq	3	4*	**4**
Other emissions				
SO_x	1,000 tonnes	610	664*	**623**
NO_x	1,000 tonnes	866	948*	**890**
VOCs	1,000 tonnes	18*	18*	**17**
Particulate matter	1,000 tonnes	79	77	**72**
Other resource consumption				
Waste total	1,000 tonnes	629*	569*	**547**
– recycled (composting, reused, recycled)	1,000 tonnes	271	175*	**130**
– solid (landfill, on-site storage, incineration)	1,000 tonnes	338*	384*	**398**
– hazardous (controlled deposit)	1,000 tonnes	20	10	**19**
Water consumption	1,000 m^3	2,841*	3,314*	**3,655**
– surface water	1,000 m^3	45	80	**59**
– ground water	1,000 m^3	235*	353	**352**
– rainwater	1,000 m^3	0	2	**0**
– municipal water supplies/water utilities	1,000 m^3	2,561	2,879*	**3,244**

Economic performance

		2010	2011	2012
Revenue	USD million	56,090	60,230	**59,036**
Profit for the year	USD million	5,018	3,377	**4,038**
Tax for the year	USD million	4,655	6,060	**3,303**
Electricity cost	USD million	183	190*	**192**

Comments on the Group consolidated performance

Social performance

The number of employees in the A.P. Moller - Maersk Group has increased in the period with 4.025 FTEs (3%); mainly related to business development in Maersk Line, Damco and Maersk Oil – but at the same time there has been a significant decline in the number of FTEs in Maersk FPSOs and Maersk LNG (218 FTEs), due to the divestment LNG activities and two FPSOs in 2012.

The gender split is almost the same this year as last year, with Maersk Tankers only having 4% women in total, whilst Dansk Supermarked Group has 58% women in their staff.

The employee engagement survey shows a slight increase from 75% to 76%. At the same time though, the number of people having had a performance appraisal conversation has decreased from 67% to 62%, which is partly due to management rotation in a number of our businesses.

Environmental performance

Fuel oil consumption has decreased by 731,000 tonnes, which is primarily due to Maersk Line using super slow steaming and including new fuel efficient ships in their fleet, though slightly offset by Maersk Tankers' change in fleet mix.

The diesel consumption declined slightly by 6,000 tonnes. The decrease is partly due to Maersk Oil using less supply vessels in Angola, and grounding of helicopters for periods of time in the UK, Denmark and Qatar. This is partly offset by Maersk Line, using more diesel for gensets and an increase due to Hurricane Sandy in the USA.

There has been a slight increase in the use of natural gas of 7,000 tonnes, which is primarily caused by Maersk Oil, who has changed field activities in Qatar.

Mass of flared gas was reduced by 9%, mainly because the Qatar production decreased. Mass of vented gas is constant.

Since Dansk Supermarked Group has opened more stores, their consumption of electricity has increased significantly, but at the same time Maersk Line lost the NL-DE corridor, wherefore electricity consumption for the locomotives has decreased. Maersk Container Industry is also consuming less electricity, since the reefer production has decreased, though partly offset by increased production of dry containers. Finally, Damco is also using less electricity, since they have moved to new and smaller offices, though partly offset by new warehouses in Belgium and Poland. Net electricity is only increasing by 10,000 mWh.

Water consumption has increased by 341,000 m^3, mainly due to new terminals in Gothernburg, Poti and Callao. Waste has been reduced by 22,000 tonnes, mainly because the Group did not scrap any ships in 2012; whereas in 2011 SL Integrity was scrapped for Maersk Line. This decrease is partly offset by Dansk Supermarked Group who has increased amounts of waste in 2012 due to more stores, but the direct re-use has increased even further due to an enlarged agreement on pickup of surplus bread, which is resold for pork feed.

Economic performance

Profit was positively affected by the settlement of an Algerian tax dispute of USD 899m combined with improved volumes, rates and unit costs for Maersk Line. Profit was negatively affected by a decline in Maersk Oil's share of production and impairment losses of USD 405m of which USD 268m related to Maersk Tankers. Divestment gains were USD 636m (USD 890m) with the divestment of two FPSOs, Maersk LNG and Maersk Equipment Service as the largest transactions. Revenue decreased slightly to USD 59.0bn (USD 60.2bn).

Sustainability accounting principles

Reporting frameworks and commitments

This is the A.P. Moller - Maersk Group's fourth sustainability report and was prepared in accordance with the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines (application level C+). The GRI Content Index is available at www.maersk.com/sustainability. The report has been independently assured.

With this report we fulfil our obligation to provide annual communication on progress to the UN Global Compact (UNGC). As members of the UNGC LEAD programme, the report also accounts for our efforts to implement the UNGC Blueprint for Corporate Sustainability Leadership. An index page covering the LEAD criteria can be found at www.maersk.com/sustainability. More information about the LEAD programme can be found at www.unglobalcompactorg.com.

AA1000 Accountability Principles

Defining and communicating materiality helps us focus our efforts on areas that deliver the greatest value to our business and most important stakeholders. We use the AA1000 principles to help embed sustainability in our activities in line with stakeholder expectations. We believe our current level of adherence to the principles is as follows:

Inclusivity: making progress

Stakeholder concerns are a key input to our sustainability strategies and policies. Some business units have developed a more systematic process for stakeholder engagement while the Group Sustainability function is developing guidance and tools and monitoring progress. As part of a materiality exercise made in 2012, we evaluated our stakeholder map. Our primary stakeholders and key stakeholder engagements at Group level in 2012 are described on pages 23–24.

Materiality: making progress

In 2012, we worked systematically to gain an enhanced understanding of our material sustainability issues taking into consideration impacts on our business as well as our stakeholders. A best-practice tool was developed to support the materiality analysis process which has been used at Group level. Furthermore, a workshop for our businesses was conducted providing guidance on how to prepare materiality assesments, including stakeholder input. Read more about the Group process and outcome on pages 21–22.

Responsiveness: making good progress

Environment and safety are already well established. From 2009–2011 Group programmes were developed for anti-corruption programmes, responsible procurement and labour principles including policies, codes of conduct and training. Implementation is being monitored by Group Sustainability (read more on page 26).

Controls

The consolidated reporting tool used by our businesses to report performance data is validated via IT audit, and manuals and online training are in place. A set of general accounting principles for sustainability has been established, which defines the reporting rules, processes and responsibilities. A controlling guideline has been distributed to help secure business units' own assurance of submitted data, before sign off by the respective CEO and CFO. Furthermore, all business units are obliged to provide explanation sheets on significant developments in data. The data reported under financial scope are furthermore included in the framework used to assure risks and controls for financial reporting (risk and control compliance).

Scope

Financial scope is applied for all sustainability data, except safety and spills data, which are operationally scoped.

Operational scope is applied when a business unit or one of its subsidiaries has the governing authority and responsibility for 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 which are partly owned by the business unit but operated by another company (i.e. a non-operated joint venture). Mobile assets are included, when operated by the business unit. For vessels, the International Safety Management Code Document of Compliance for a ship must be held by the business unit to include the data.

Financial scope is defined as follows:

- Owned assets, which the Group uses; the Group is liable for consumption, emissions, and other environmental elements
- Owned assets, which are leased out; the Group is not liable for consumption, emissions, and other environmental elements – the lessee is.
- Leased in assets, which the Group uses; the Group is liable for consumption, emissions, and other environmental elements – the lessor is not.

For technical management of an asset on behalf of third parties, consumption and emissions belong to the asset owner/lessee. If material, the business unit may include the emissions as explanations in the text.

Regarding 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 the current Group wide climate change policy, we report only on scope 1 and 2 GHG emissions. A business unit can choose to comment on scope 3 GHG emissions (indirect emissions from third parties), however, these data are not part of the assured data set.

Comparability

The sustainability accounting principles for 2012 have not substantially changed since 2011. In the reporting period, activity under the brand Esvagt has been moved from Svitzer to Maersk Supply Services. Furthermore, Maersk Line has updated its reporting methodology to capture waste data from leased-in ships. The same applies for Maersk Oil on electricity in Algeria and Maersk Container Industry on VOC emissions. For comparability, 2010 and 2011 figures have been re-stated accordingly.

In addition, some minor adjustments have been made to prior year data.

There are two changes to data indicators compared to last year: discontinuation of collection of steel consumption, due to insignificance, as the Odense Steel Shipyard was closed last year, and enlarging spills with category 2 spills beginning in 2012.

Consolidation

For operational control, 100% of the data from the operated assets are included irrespective of percentage ownership.

Financial scope uses the financial consolidation methodology of the Group; data are collected per legal entity per activity, and the figures are consolidated line-by-line. Subsidiaries, in which the Group has full control, are included 100%. Joint ventures are included by proportional consolidation. Associated companies and other companies, in which the Group does not have control, are excluded. Using financial consolidation principles help us to establish the sustainability indicators, which can be compared directly with financial data, thereby providing context for our performance.

Data categories

The Group has defined two categories of data: documented and probable data. The reason for this split is that some data are more difficult to document than others.

Documented data comprise:
Our employees, energy consumption, other air emissions, oil extraction and financial data.

Probable data comprise:
Health and safety, waste, water consumption, spills and anti-corruption training.

Emission conversions

The Group GHG emissions are calculated indirectly via default conversion factors for energy consumption and other GHG gases. The Group has updated the converters for 2012, and has updated some of the 2010 and 2011 figures to maintain comparability. The basis of the update was various official schemes that include standard assumptions for emission, content and flare efficiencies.

The principles for choosing among the schemes are:

- Newest schemes are preferred
- International 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 branch schemes can be included when not in conflict with the above

Primary schemes are:

- IPCC, updated 2011
- DEFRA updated 2012
- IEA, updated 2012

Definitions:

- Number of employees measures average number of full time equivalents (FTEs) excluding discontinued operations. 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.
- Employee engagement scores reflect the percentage of engaged employees, who participated in the annual engagement survey. Engagement is the combination of satisfaction, pride, referral and intent to stay in the organisation.
- The percentages for performance appraisals are based on headcounts, not FTEs. Headcounts are defined as: regular employees not on leave, on paid leave and on unpaid leave. Excluded are contractors and temporary staff.
- Lost time injury frequency measures the number of lost time injuries including fatalities, but excluding fatalities categorised as a criminal act, per million exposure hours.
- TRCF = Total Recordable Case Frequency measures the number of recordable cases per million exposure hours (LTI + MTC + RWC).
- Fuel oil or bunker fuel is in general the class of fuels that is used on a ship or for heating of buildings. Other names: Marine diesel oil (MDO), Marine Gas Oil (MGO), Heavy Fuel Oil (HFO), Intermediate Fuel Oil (IFO-380, IFO 180).
- Diesel (petroleum derived) is the fuel used in diesel engines, such as stationary diesel generators, lifts, trucks, forklifts, container handlers, etc. excluding fuel used in company cars. Other names: Land diesel, Road diesel, Number 2 distillate.
- Gas covers all gas fuels used as fuel in gas engines, gas turbines, gas boilers, gas heaters, etc. This would include all types of gas used as fuel like LNG, LPG, and Fuel gas. Other names: Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), and Fuel gas.
- Electricity is purchased in operational activities for use in e.g. reefer containers in terminals, stores, offices, industrial machines, etc.
- HFC-emissions, PFC-emissions and HCFC-emissions are from manufacturing, installation, operation and disposal of refrigeration and air conditioning equipment. PFCs are used as degreasing agents / solvents and for impregnation of textiles. SF6-emissions are from "insulator" material used in high voltage switchgear. SF6 is used as "insulator" material in high voltage switchgear.
- Particulate matter is calculated on heavy fuel.
- Category 1 and 2 spills are defined as a function of distance to shore and volume of individual spill, e.g. oil spills:

	Oil – Harbour <1 mile (m^3)	Oil – Coastal <12 miles (m^3)	Oil – Open Sea >12 miles (m^3)
Category 1	> 10	> 100	> 1,000
Category 2	> 1	> 10	> 100

- Amount of waste by disposal method, meaning the sum of all waste generated by the business unit. If the destiny of the waste is unknown, landfill is chosen as a worst case scenario.
- Total water withdrawal by source, meaning the sum of all water drawn into the boundaries of the business unit for each of the sources. Total water does not include ballast water and water for re-injection.
- To secure completeness, office standards have been developed based on 2011-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.
- Clean Cargo Working Group methodology: (CO_2 from bunker consumed for transport of TEUs) / (Number of possible TEUs transported 1 kilometre); excluding MCC and partly Seago Line.

We value your feedback

We welcome any questions, comments or suggestions you might have for this report and our performance. Please send your feedback to:

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Forward-looking statements
The report contains forward looking statements on expectations regarding the achievements and performance of A.P. Møller - Mærsk A/S and the A.P. Moller - Maersk Group. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond A.P. Møller - Mærsk A/S and the A.P. Moller - Maersk Group's control, may cause actual results and development to differ materially from expectations contained herein.

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