

# Green Financing Framework

15 November 2021

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# 1. Introduction

## 1.1 A.P. Moller - Maersk

A.P. Moller - Maersk ("Maersk") tracks its history back to 1904 when the shipping company Dampskibsselskabet Svendborg (The Steamship Company Svendborg) was established in the Danish town of Svendborg.

Today, Maersk is well underway transforming into an integrated container logistics company comprising four business segments, and its integrated platform brings together three strong businesses within Ocean, Logistics & Services and Terminals, which provide customers with a global portfolio of end-to-end logistics products and services, from ocean and air transport to container port services, towage, inland transportation, warehousing and distribution – including cold storage, customs services and lead logistics products such as supply chain management services and e-commerce fulfilment.

The company's Ocean fleet is the largest in the world, with more than 700 ships carrying more than 12 million forty-foot-equivalent units per year, to over 300 ports around the world.

With a dedicated team of over 80,000 employees, operating in 130 countries, Maersk enables global trade for a growing world, taking complexity out of global value chains.

Since the company embarked on the transformation from a diversified conglomerate to a focused and integrated global logistics company in 2016, Maersk has executed its strategy consistently and with discipline.

The bedrock of Maersk strategy is a superior delivery network end-to-end, which delivers on fundamental needs for getting goods to the right place, at the right time, at the right price, with minimum environmental impact.

Going forward, the company will continue to focus on growing its landside logistics, expanding its product portfolio to all relevant markets and increasing cross-selling and upselling to its customers to deliver profitable, organic growth.

In addition, Maersk expects to continue to acquire capabilities and growth platforms, particularly within warehousing and distribution, air freight as well as customs services to further strengthen its integrated product offerings.

Maersk is a publicly listed company on Nasdaq Copenhagen, with A.P. Moller Holding A/S as its largest shareholder, owning 42.09% of the share capital and 51.70% of votes as per 30th September 2021.

## 1.2 Sustainability and ESG Strategy

Maersk's sustainability and ESG (Environment, Social, Governance) strategy and priorities are founded on a firm commitment to taking active responsibility for the society and environment it operates in. The company's approach is to take responsibility in line its core company values and commitments, and to assume a leadership position on global issues where the company has the necessary competencies and leverage to make a real difference. This is done through business activities and in line with the overall business strategy, while taking careful consideration of stakeholders' expectations.

Maersk sees continued strong momentum on the sustainability and ESG agenda in society as the expectations and ambition levels of its customers, investors, regulators and civil society

continue to rise. This impacts not only Maersk, but importantly also its customers, who are converting the expectations, risks and opportunities for sustainable products in the consumer market into requirements for Maersk to deliver end-to-end decarbonised and responsible supply chain solutions. More than 100 of Maersk's top 200 customers have ambitious science-based or zero-carbon targets for their business including logistics.

As a consequence, sustainability is not only a value-based responsibility for Maersk but also a commercial and strategic imperative for the company as part of its proposition to customers, capital providers, employees and regulators, and foundational to Maersk's broader societal licence to operate.

## Enabling sustainable trade: Sustainability priorities for the Global Integrator



Sustainability priorities for Maersk’s global integrator business strategy were updated in 2020 and defined as: Enabling sustainable trade by decarbonising logistics, sustainability in Maersk’s end-to-end offerings and responsible business practices. Taking leadership on decarbonisation of logistics is the single-most important strategic sustainability priority for Maersk, as decarbonisation of the fleet is the area beyond comparison with the greatest potential for impact. Furthermore, Maersk aims to increase focus on sustainability in end-to-end offerings in response to the increased responsibility and opportunity to manage supply chain risks for customers as part of its global integrator business strategy. Responsible business practices continue to form the company’s strong foundation including solid governance structures, accountability and transparency on policies, commitments and performance across sustainability issues

To further drive progress on Maersk’s sustainability priorities, and to ensure that focus is put on the right issues in a way that fits the emerging ESG-driven landscape, a holistic and ambitious ESG strategy has been updated and will be launched as part of the Annual Report 2021 in February 2022. The ESG strategy covers material key topics across the ‘E’, ‘S’ and ‘G’ and is based on Maersk’s clear understanding of customer ESG needs and with a prioritized focus on where Maersk can truly have an impact.

To fully deliver on sustainability and ESG as a strategic imperative, responsibilities for target setting and execution have been embedded in the business and are owned by business leaders. Governance and organisational structures have been established to support delivery, including a dedicated decarbonisation function with more than 40 FTEs. Governance of ESG in Maersk is anchored with the Board of Directors and the Executive Leadership Team. Under their oversight, Maersk’s ESG governance and integration approach secures executive ownership and involvement in setting ESG priorities and driving implementation, while also embedding ESG in core processes related to strategy, performance, planning and risk management.



Maersk ESG Topics

An update on the ESG strategy was presented at the Capital Markets Day in May 2021 and the presentation can be found here: <https://investor.maersk.com/static-files/f2cfdc86-768c-48cb-ad04-09a7eb09c4f4>.

Maersk holds itself accountable on its sustainability and ESG commitments by measuring progress against key performance indicators that are disclosed annually in Maersk’s annual and sustainability reports. Annual sustainability reports can be

found here: <https://www.maersk.com/about/sustainability/reports>.

Maersk updates its assessment of material sustainability/ESG issues annually, drawing on research and dialogue with stakeholders to identify and prioritise emerging topics. Materiality is assessed by applying criteria and filters of risk, responsibility and opportunity assessment. The results of the most recent materiality assessment are shown below.

## Material sustainability issues 2020

Based on research, stakeholder dialogue and management prioritisation, we determine how sustainability issues are material to Maersk by applying criteria and filters of risk, responsibility and strategic opportunity assessment. The most material issues are outlined below and reported on in relevant sections of this report.



Sustainable and inclusive trade



Safety



Responsible ship recycling



Responsible procurement



Climate change /Decarbonising logistics



Diversity & inclusion



Air emissions



Responsible tax



Employee relations



Ocean health



Disaster response



End-to-end responsibility in supply chains



Human rights



Anti-corruption

More information about the materiality assessment process can be found on page 10 in Maersk’s Sustainability Report 2020.

The holistic approach Maersk has adopted ensures that it can contribute to the United Nations Sustainable Development Goals (UN SDGs) on many fronts. Maersk’s business touches, directly or indirectly, on all 17 goals. However, for five of the goals the company has the ability to contribute through its business and strategic sustainability priorities to transformations at scale. The company’s Annual Sustainability Reports map the relevant UN SDGs to the reporting of targets and performance for each material issue. Find more information about how Maersk contributes to the UN SDGs on page 42-43 in Maersk’s Sustainability Report 2020.



**Strong potential for positive impact at scale**

Through our business, where we can have the greatest positive impact on a systemic level.



**Potential direct / indirect positive impact**

Where our business has or may potentially have a direct or indirect positive impact through our activities and business practices.



**Responsibility to mitigate potential negative impact**

Through our commitment to the UN Global Compact, where our business has a responsibility to mitigate potential negative impacts on people, society and/or the environment.

**Decarbonising Logistics**

Decarbonizing logistics is without question the area where Maersk can make the greatest contribution to sustainable development.

Combating greenhouse gas (GHG) emissions is a major challenge for the global shipping industry as shipping is projected to be one of the fastest growing sources of CO<sub>2</sub> emissions, accounting for 17% of total annual CO<sub>2</sub> emissions by 2050 compared to approximately 3% today<sup>1</sup>. Maersk will continue to leverage on its position as the industry leader to champion solutions for more sustainable operations as it has been doing over the past decades.

Thanks to efficiency improvements diligently implemented over previous years, Maersk has reduced its relative CO<sub>2</sub> emissions by 46.3% between 2008 and 2020.<sup>2</sup> The main factors leading to the efficiency improvement are deployment of larger, more modern vessels, slower speeds and energy efficiency retrofits of the fleet.

In addition to continuously driving efficiency measures, Maersk has identified four potential fuel pathways to enable full decarbonisation of the fleet: biodiesel, alcohols, ammonia, and lignin-enhanced alcohols, and is collaborating with fuel suppliers to support the scaling of production and the roll out of necessary infrastructure at ports to encourage their uptake. Several investments have been announced supporting the development of carbon neutral fuels including WasteFuel (green bio-methanol)<sup>3</sup>, Prometheus Fuels (electro-fuel)<sup>4</sup> and Vertoro<sup>5</sup> (lignin-fuel). In 2019, the company created Maersk ECO Delivery, as one of the few

<sup>1</sup> <https://www.spglobal.com/esg/insights/your-climate-change-goals-may-have-a-maritime-shipping-problem>

<sup>2</sup> The indicator underlying our relative CO<sub>2</sub> reduction target is EEOI (Energy Efficiency Operational Indicator), calculated as g CO<sub>2</sub>/(Ton x Nm).

<sup>3</sup> [Maersk invests in WasteFuel to develop green bio-methanol production in the Americas and Asia | Maersk](#)

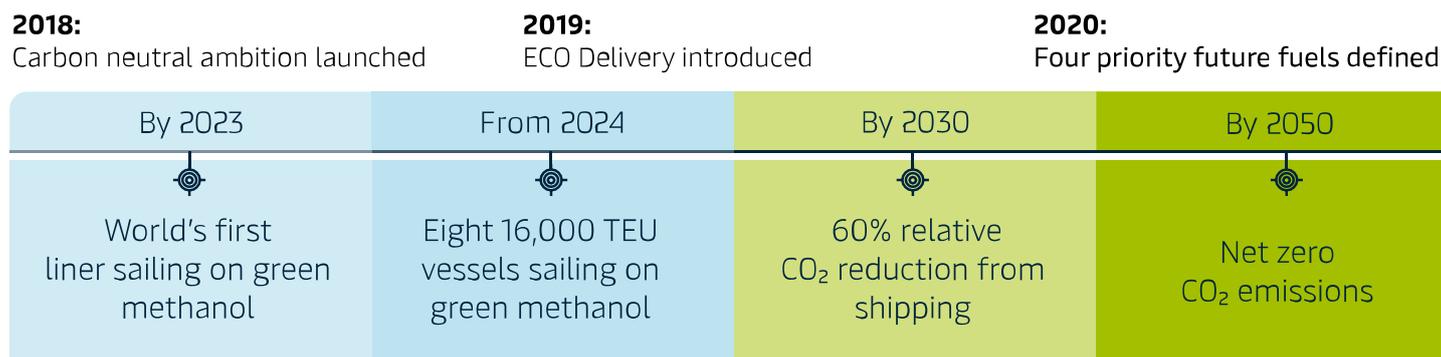
<sup>4</sup> [Maersk invests in electrofuels startup company | Maersk](#)

<sup>5</sup> [Maersk invests in Vertoro to develop green lignin marine fuels | Maersk](#)

existing options to offer carbon-neutral transportation services to its clients. Under this service package, Maersk relies on externally certified biodiesel produced from waste feedstocks to power vessels in its network.

In 2019, the company created Maersk ECO Delivery, as one of the few existing options to offer carbon-neutral transportation services to its clients. Under this service package, Maersk relies on externally certified biodiesel produced from waste feedstocks to power vessels in its network.

## Our decarbonization journey



In February 2021, Maersk announced an acceleration of its efforts to decarbonise marine operations, fast-tracked by advances in technology and increasing customer demand for sustainable supply chains, with the launch of the world's first dual-fuel container vessel, designed for methanol (Methanol Container Vessel(s)) in 2023 – seven years ahead of the initial 2030-ambition.<sup>6</sup>

A further step was taken in August 2021, when Maersk announced the introduction of a ground-breaking series of eight large Methanol Container Vessels capable of being operated on carbon neutral<sup>7</sup> e-methanol or bio-methanol (Green Methanol)<sup>8</sup>. The Methanol Container Vessels will be built by Hyundai Heavy Industries and have a nominal capacity of approx. 16,000 containers TEU (Twenty Foot Equivalent) each and Maersk aims for Green Methanol to be available in sufficient volumes for each vessel and from the start of each vessel's operations, or as soon as possible thereafter.

In August 2021, Maersk announced<sup>9</sup> that it had identified REintegrate, a subsidiary of the Danish renewable energy firm European Energy, as its partner for the production of nearly 10,000 tonnes of carbon-neutral e-methanol needed to power the first Methanol Container Vessel to be launched in 2023.

<sup>6</sup> [World's first carbon-neutral liner vessel by 2023 | Maersk](#)

<sup>7</sup> On a lifecycle basis Well-To-Wake (WTW) carbon-neutrality is achieved when there is not net addition of GHGs associated with the fuel over its lifecycle, i.e. including e.g. production, processing, and transport. WTW carbon-neutrality can only be achieved when fuel the supply chain, electricity, transport, etc. is fully decarbonized. Today the WTW GHG reductions for green fuels is 80-90% compared to fossil fuels. We use the term carbon-neutral with reference to the use phase of the fuel (Tank-To-Wake/Wheel, TTW), i.e. the use of the fuel in the vessel/vehicle is not associated with a net addition of GHG to the atmosphere because the carbon used to produce the fuel was absorbed from the atmosphere.

<sup>8</sup> [A.P. Moller - Maersk accelerates fleet decarbonisation with 8 large ocean-going vessels to operate on carbon-neutral methanol | Maersk](#)

<sup>9</sup> [Maersk secures green e-methanol for the world's first container vessel operating on carbon-neutral fuel | Maersk](#)

Maersk customers can then use the GHG savings generated to neutralise the emissions from the container vessels transporting their cargoes. The uptake by customers has so far gone beyond Maersk's expectations, encouraging the company to further deepen the value proposition for sustainable logistics.

### **Decarbonisation Partnerships Based on Science**

Maersk continues to actively work with several partners on promising fuel manufacturing projects.

In June 2020, Maersk was part of the founding members of the Maersk Mc-Kinney Moller Center for Zero Carbon Shipping, a multi-disciplinary research and development center tasked with advancing the development of new energy systems and fuel technologies for shipping. The center will also work on the design of financial mechanisms, regulatory frameworks, and decarbonisation pathways to enable the transformation of global shipping.

In addition to this, Maersk is a signatory to the Business Ambition for 1.5°C and is engaging with the Science-Based Target Initiative on establishing a methodology for shipping, after which it will communicate on a Paris-Aligned emission reduction target.

### **Decarbonisation of the end-to-end logistics value chain**

In addition to container vessel decarbonisation, Maersk also explores solutions for tackling GHG emissions in business activities along the entire logistics value chain. This is particularly important because emissions from its logistics supply chain are expected to increase as Maersk scales its activities. The main sources for emissions are activities from landside transportation (heavy-duty trucking, rail and barge), warehouses, depots, cold stores as well as air transportation and terminals business. The company is currently laying out plans to increase its footprint of "green assets and activities" with focus on innovative carbon-neutral technologies (e.g., electric trucks in combination with renewable energy, alternative low-carbon fuels, low-carbon heating and refrigerant solutions) and energy efficiency optimisation in new assets and by retrofitting of existing sites. As Maersk often does not own the assets, high supplier engagement and strong partnership across the entire value chain will be crucial to achieve the company's ambitions which are in line with timelines in its Ocean business, some even faster.

### **Implementation of Maersk's Decarbonisation Strategy**

In March 2021, Maersk set up a new Decarbonisation function with the responsibility of facilitating collaboration throughout its entire commercial, operational, technological, and corporate organisation.

This new function will further lead the review of Maersk's decarbonisation objectives and provide guidance in areas where the bar will be raised further.

Decarbonisation is imperative for Maersk and is at the core of its business. A further testament to this is the appointment of a decarbonisation steering committee with executive membership.

## 2. A.P. Moller - Maersk

# Green Financing Framework

The present Framework is designed as an umbrella Framework that will allow Maersk to issue a variety of sustainable financing instruments which may include: bonds, loans, project finance and any other types of financial instruments (together referred as "Green Financing Instruments")

Maersk believes that Green Financing Instruments are an effective tool for channeling investments to projects with positive environmental impact and thereby contribute to achievement of the SDGs and the Paris Agreement.

Moreover, these instruments will contribute to further transparency and meet investors' growing interest for greener assets to better allocate their funds and measure their contribution to a more sustainable financial system.

Maersk commits to continually evolving its approach to sustainability, and intends to review periodically this Green Financing Framework to ensure alignment with market

expectations, voluntary standards such as the Green Bond Principles and the Green Loan Principles as well as regulatory developments such as the EU Taxonomy and the anticipated EU Green Bond Standard.

By establishing the present Green Financing Framework, Maersk intends to align its funding strategy with its mission, sustainability strategy and objectives.

Maersk commits to providing information with transparency, accuracy and integrity according to the four core components of the Green Bond Principles 2021<sup>10</sup> (GBP) as administered by ICMA, and the Green Loan Principles 2021<sup>11</sup> (GLP) as administered by the LMA/LSTA:

- i. Use of Proceeds
- ii. Process for Project Evaluation and Selection
- iii. Management of Proceeds
- iv. Reporting

### 2.1 Use of Proceeds

An amount at least equivalent to the net proceeds from the issuance of the Green Financing Instrument under this Framework will be subject to the following Eligibility Criteria, to be applied for the financing and/or refinancing of new and/or existing "Green Eligible Assets".

Green Eligible Assets may include fixed assets, capital and operating expenditures, as well as acquisitions of "Pure Player" companies specialized in any of the below Green Categories.

A pure player company is defined as having at least 90% of its revenue derived from activities falling in any of the below Green Categories.

Going forward, Maersk may extend the categories of Green Eligible Assets. Any change made will be documented in an updated Framework which will be reviewed by a Second Party Opinion provider.

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<sup>10</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf>

<sup>11</sup> <https://www.lsta.org/content/green-loan-principles/>

Eligibility Criteria – Green Categories

ICMA Green Category	Project Description	Contribution to EU Taxonomy Environmental Objective	Contribution to UN SDGs	EU Taxonomy activities
Clean Transportation	Investments and/or expenditures connected to the acquisition of dual-fuel container vessels, designed for methanol (Methanol Container Vessels)	Article 10/-11  Substantial contribution to climate change mitigation/adaptation  1(c) increasing clean or climate-neutral mobility;  1(h) producing clean and efficient fuels from renewable or carbon-neutral sources;	    	6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities
	Investments and/or expenditures connected to retrofitting existing container vessels with a dual-fuel set-up, designed for Green Methanol			6.12. Retrofitting of sea and coastal freight and passenger water transport
	Investments and/or expenditures connected to the procurement of Green Methanol			If related to operation of Methanol Container Vessels: 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities  If related to production of methanol: 4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids
	Investments and/or expenditures connected to carbon-neutral land-based transportation			6.2 Freight rail transport  6.6 Freight transport services by road
Green Buildings	Investments and/or expenditures connected to green logistic-centers	Article 10/-11  Substantial contribution to climate change mitigation/adaptation  1(b) improving energy efficiency except for power generation activities that are referred to in Article 14(2a)	  	7.1. Construction of new buildings  7.2. Renovation of existing buildings  7.3. Installation, maintenance and repair of energy efficiency equipment  7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

				<p>7.6. Installation, maintenance and repair of renewable energy technologies</p> <p>7.7. Acquisition and ownership of buildings</p>
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None of the assets which are eligible under this framework serve the production, storage or transportation of fossil fuels.

For a more detailed use of proceed table, please refer to Appendix 1.

## 2.2 Process for Project Evaluation and Selection

Project evaluation and selection is a key process in ensuring that the Green Eligible Assets financed by the Green Financing Instruments meet the Eligibility Criteria.

Maersk has established a dedicated internal Green Finance Committee (“GFC”) to identify and select the Green Eligible Assets.

The GFC is formed of representatives from the following departments: Treasury & Risk, Finance, Decarbonization and Corporate Sustainability. It is chaired by the Head of Treasury & Risk.

The committee will be responsible for:

- Reviewing, selecting and validating the Green Eligible Assets
- Monitoring the Green Eligible Assets portfolio during the life of the Green Financing Instruments
- Verifying and providing annual reporting on allocation and impact of the net proceeds raised through the Green Financing Instruments
- Monitoring the on-going evolution of the GBPs, particularly in relation to disclosure and reporting, to ensure Maersk is in-line with best market practices

The committee will meet on a semi-annual basis, or more frequently as required, to review proposed allocations and ensure that these are in alignment with the Framework.

The process for the evaluation and selection of Green Eligible Assets will be as follows:

- A list of potential Green Eligible Assets is identified by the relevant business functions and the Decarbonization team, based on internal expertise.
- The list of potential Green Eligible Assets is then submitted to the GFC for validation with the Eligibility Criteria and selection.
- Once an Eligible Green Asset is selected by the GFC, Treasury will keep track, monitor and follow up on each Green Eligible Asset, and will maintain a register (the “Green Finance Register”) to keep track of the Green Eligible Projects.
- Semi-annually, the GFC will review the register of Green Eligible Assets and determine if the projects still align with the Eligibility Criteria or if any reallocation of proceeds is necessary.

### 2.3 Management of Proceeds

An amount at least equivalent to the net proceeds of the Green Financing Instrument issued under the Framework will be managed and overseen by Treasury. All relevant information regarding the issuance of Green Financing Instruments and Green Eligible Assets (re)financed will be monitored and documented via a "Green Finance Register".

Treasury will ensure, that the portfolio of Green Eligible Assets exceeds, or is at least equal to, the amount of Green Financing Instrument proceeds raised under this Framework.

The net proceeds from the issuance of Green Financing Instruments can be used to finance or refinance existing assets and expenditures, in accordance with the eligibility

criteria outline above, with a lookback period of up to 36 months.

Pending full allocation, proceeds will be invested on a temporary basis, in accordance with relevant internal cash management policies, in cash and/ or cash equivalents and/or other liquid marketable instruments.

In case of divestments or if a Green Eligible Asset no longer meets the Eligibility Criteria, the proceeds will be reallocated to other Green Eligible Assets. Maersk will use its best efforts to substitute any projects that the GFC deems to no longer meet the Eligibility Criteria, as soon as practically possible once an appropriate substitution option has been identified.

### 2.4. Reporting

Until the net proceeds are allocated in full to Green Eligible Assets, and later in case of any material change, Maersk will publish annually (i) an Allocation Report and (ii) an Impact Report, the latter subject to the availability of suitable information, data and permitted disclosure in accordance with relevant confidentiality agreements and competition laws.

The reports will be publicly available on Maersk's website ([www.maersk.com](http://www.maersk.com)) and will appear as a standalone document

published on the investor relations website (<https://investor.maersk.com/>), or as part of Maersk's Sustainability or Annual Report.

Wherever possible, Maersk intends to align portfolio reporting with the approach described in the document: "Green Bond – Working towards a Harmonized Framework for Impact Reporting" (April 2020)<sup>12</sup>.

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<sup>12</sup> <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Handbook-Harmonized-Framework-for-Impact-Reporting-220520.pdf>

### Allocation Report

With the aim of providing disclosure on the allocation of net proceeds, the Allocation Report will include:

- Overview of the Green Financing Instruments outstanding
- Total amount of proceeds allocated to Green Eligible assets, per category
- The proportion of the proceeds allocated to financing vs. refinancing
- The balance of unallocated proceeds invested in cash and/or cash equivalents

### Impact Report

The Impact Report will provide information on the associated environmental impact metrics and outcomes of the Green Financing Instruments, subject to the availability of suitable information and data.

Below are examples of impact indicators that may be reported:

ICMA Green Category	Potential Quantitative Performance Indicators
Clean Transportation (maritime)	<ul style="list-style-type: none"> <li>• Number of Methanol Container Vessels financed</li> <li>• Amount of conventional fossil fuel oil avoided due to use of Methanol Container Vessels</li> <li>• GHG emissions avoided due to use of Methanol Container Vessels (transparency on conversion factor conventional fossil fuel oil/GHG) given in ton CO<sub>2</sub>e on a 20- and 100-year Global Warming Potential (GWP) basis and given for both Tank-To-Wake (TTW) and Well-to-Wake (WTW).</li> <li>• Vessels' consumption of Green Methanol vs. conventional fossil fuel oil in tons and fuel oil equivalents.</li> </ul>
Clean Transportation(land)	<ul style="list-style-type: none"> <li>• Number of carbon-neutral land transportation vehicles<sup>13</sup> financed</li> <li>• Amount of fossil fuel avoided</li> <li>• GHG emissions avoided (transparency on conversion factor fossil fuel /GHG) given in ton CO<sub>2</sub>e on a 20- and 100-year GWP basis</li> </ul>
Green buildings	<ul style="list-style-type: none"> <li>• GHG emission avoided (tCO<sub>2</sub>e on a 20- year and 100-year GWP bases)</li> <li>• Floor space of green real estate (m<sup>2</sup>)</li> <li>• Number / Certification Level of Green Building</li> </ul>

<sup>13</sup> Vehicles aligned under criteria 6.6 Freight transport services by road of the EU Taxonomy Climate Delegated Act. These are vehicles that either have zero direct emissions or are considered zero-emission heavy-duty vehicles' under Regulation (EU) 2019/1242.

## 2.5. External Review

### Second Party Opinion

Cicero Green has been appointed to review Maersk's Green Financing Framework and ultimately verify its alignment with the ICMA Green Bond Principles 2021 and the Green Loan Principles 2021 and market practices.

The Second Party Opinion can be found here: <https://investor.maersk.com/green-finance>

### Post-issuance external review:

An external auditor will be appointed to provide an independent review limited assurance of each Allocation Report published with regard to use of the net proceeds having been allocated to Eligible Green Assets in accordance with this Framework.

The reports can be found here: <https://investor.maersk.com/green-finance>

## 3. Appendix

### Appendix 1 – Detailed Eligibility Criteria – Green Categories

ICMA Green Category	Project Description
Clean Transportation	<p><b>Investments and / or expenditures connected to the acquisition of dual-fuel container vessels, designed for methanol (Methanol Container Vessels)</b></p> <ul style="list-style-type: none"> <li>All Methanol Container Vessels will be able to run on carbon-neutral fuel as well as conventional fossil low sulphur fuel. The first series of Methanol Container Vessels are built for methanol, and future carbon-neutral fuels may include ethanol, lignin fuels and ammonia.</li> <li>Maersk intends to only use Green Methanol, defined as bio-methanol and e-methanol with very high GHG emission reduction compared to regular fuels (at least 86% well-to-wake GHG reduction is achievable for Green Methanol).</li> <li>The dual-fuel setup is optimized for methanol as methanol tank sizes allow for a full roundtrip on one methanol bunkering; tanks for conventional fossil fuels are smaller, requiring more frequent bunkering in cases where qualified methanol is unavailable.</li> <li>Maersk aims for Green Methanol to be available in sufficient volumes for each vessel and from the start of each vessel's operations, or as soon as possible thereafter.</li> </ul>
	<p><b>Investments and / or expenditures connected to retrofitting existing container vessels with a dual-fuel set-up, optimized for carbon-neutral methanol</b></p> <ul style="list-style-type: none"> <li>All plans and intentions stated above apply to retrofitted vessels</li> </ul>
	<p><b>Investments and / or expenditures connected to the procurement of carbon neutral methanol</b></p> <ul style="list-style-type: none"> <li>All Green Methanol procured for the Methanol Container Vessels and retrofitted vessels.</li> <li>E-methanol will be based on green hydrogen and carbon from biomass or e.g. pulp &amp; paper production with point-source carbon capture (BEC).</li> <li>Bio-methanol will be based on sustainable organic waste and waste biomass from forestry and agriculture.</li> <li>To ensure the sustainability of biomass feedstocks, sustainability assessment criteria and methodology have been developed in cooperation with an external consultancy company combined with work done by an NGO with strong expertise in this field.</li> <li>Maersk is aware that the purchase of waste biomass by fuel suppliers may carry the risk of causing substitution effects. Maersk includes these risk considerations when engaging with suppliers.</li> <li>Maersk will strive to ensure that biomass feedstocks are not transported over long distances</li> <li>E-methanol and bio-methanol cause at least 86-89% GHG emissions reductions on a well-to-wake basis compared to conventional fossil fuels.</li> </ul>
	<p><b>Investments and / or expenditures connected to carbon-neutral land-based transportation</b></p>

- Carbon-neutral land-based light/medium/heavy-duty vehicles that emit less than 1g CO<sub>2</sub>e/kWh (or 1g CO<sub>2</sub>e /km for certain N2 vehicles) and related infrastructure, including
  - Pure battery-electric light/medium/heavy-duty trucks
  - Related infrastructure, such as electric charging stations and enforcements of electricity infrastructure with the purpose of enabling the electrification of transportation as well as renewable electricity installations
  - Light/medium/heavy-duty trucks which run on green hydrogen
  - Related infrastructure, such as hydrogen fueling stations, and procurement of green hydrogen
- All assets that fall under the green framework will run on green hydrogen produced via 1) electrolysis using renewables, or 2) from biomass gasification in compliance with local regulations and APMM standards on feedstock.

#### Investments and / or expenditures connected to green logistic-centers

- Logistic-centers include, but are not limited to, warehouses, depots and cold-storage facilities in locations across the globe. All assets with cold-storages use CO<sub>2</sub> as a refrigerant, regardless of geographic location.
- None of the facilities use fossil-based heating systems
- All logistic-centers will have a minimum certification level of BREEAM "Excellent" or LEED "Platinum"
- At least 50% of the electricity demand of each building, regardless of where in the world it is located, will be covered with renewable electricity from on- or offsite production. The purchase of carbon-offsets is not permitted to meet this requirement.
- Whenever technically feasible, Maersk commits to always select electric equipment over alternatives that run on fossil fuels (e.g. fork lifts, cranes)
- In cases where electrical equipment is technically not feasible, Maersk will not use proceeds from instruments issued under this framework to finance fossil-powered equipment, both movable and immovable, which may be part of logistics-centers or other types of buildings which qualify under this framework. If for whatever reason the fossil equipment cannot be valued separately from the building itself, such buildings will not be financed with green proceeds at all.
- All assets financed under this framework will feature one or more of the following characteristics:
  - On-site renewable energy production
  - Charging stations for electric cars, delivery vans or trucks

## **Disclaimer**

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