

CARBON REDUCTION PLAN

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Supplier Name: A.P. Moller-Maersk (Maersk)



ALL THE WAY TO ZERO

Commitment to achieving net zero

A. P. Moller - Maersk (Maersk) is committed to achieving net-zero carbon emissions across our business and 100% green solutions to customers, by 2040.

As a key player in global logistics supply chains, which are responsible for 11% of all global greenhouse gas (GHG) emissions, Maersk is committed to leading the decarbonisation of logistics and taking responsibility for being a part of the solution.

In 2023, Maersk had a total GHG footprint of 79.5 million tonnes, a decrease of 4.1% compared to 2022. The decrease was mainly driven by reduced purchases of capital goods (scope 3), and reduced fuel consumption (scope 1 and 3). Moreover, to align with our SBTi validated targets, the 2022 baseline has been recalculated, which led to a 6% increase of previously stated emissions. As part of the work to set Science Based Targets initiative (SBTi)-aligned targets, we have significantly improved the methodology for calculating scope 3 emissions, increasing the share of emissions that is calculated based on activity data from 50% to 82%. Our new targets therefore reflect a clearer understanding of our performance with a shift from spend based estimates to activity-based estimates. This methodology eliminates the effect of operational and administrative charges which do not actually lead to emissions, and inflationary effects that cause uncertainty in spend-based estimates.

Emissions footprint

Aligning our roadmap to the SBTi pathway

In early 2022, Maersk announced an accelerated net zero 2040 target, including key milestones needed by 2030 from a 2020 baseline, and committed to aligning our targets with the SBTi 1.5 degree pathway to 2030 and the 2040 net zero standard. Following the publication of the long-awaited SBTi sectoral framework for maritime shipping in late 2022, we have done extensive work to prepare and submit 2030 and 2040 targets during 2023. These have successfully been validated by the SBTi as the first in the shipping industry, allowing us to deliver on our public commitment to externally verified emissions reduction targets.

The SBTi-validated targets are not directly connected to our previous business segment sub-targets. They have a different baseline year (2022), reflecting that 2022 is a more representative baseline compared to the previous two years of pandemic, and enabling us to take recent acquisitions into account in the baseline. A significant change is that they are absolute emissions reductions targets rather than relative intensity targets, and for the first time we are setting specific targets for scope 1, 2 and 3 emissions across Maersk, with required sub-targets for certain operations and GHG sources - in particular related to ocean activities as we follow

the maritime sector framework. This means that the sub-targets for maritime operations cover well-to-wake emissions, whereas our previous ocean KPI on EEOI is a relative target covering only tank-to-wake emissions. While our overall roadmap to decarbonise remains the same, our new targets will require additional effort in certain business areas.

Baseline emissions

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

The figures below are from year: **2022**

Emissions	tCO2e x1000
<p>Scope 1 emissions – from financially controlled own operations Where 92% of the emissions come from our ocean operations related to fuel use</p>	34,453
<p>Scope 2 emissions – from generation of purchased electricity (location-based) Where 56% of the emissions come from our terminals</p>	444
<p>Scope 3 emissions – created in the value chain as result of Maersk’s business activities Including emissions from cargo transported under vessel-sharing agreements and sourcing of marine fuels to third-party customers. The 5 categories required in PPN06/20 guidance are:</p> <ul style="list-style-type: none"> - Upstream transportation and distribution - Waste generated in operations - Business travel - Employee commuting - Downstream transportation and distribution 	<ul style="list-style-type: none"> - 26,575 - 8 - 156 - 20 - Not applicable as Maersk do not sell products
<p>Total Scope 1,2 &3 Emissions (defined for this plan)</p>	61,656

- **In addition**, Maersk measures all other categories of Scope 3 emissions. Our reduction plans proactively target to reduce the following, as they make significant contributions to the overall footprint:

Scope 3	
- Capital goods,	- 1,502
- Use of sold product (incl. sale of marine fuels and reefer containers to third parties),	- 8,799
- Purchased good and services,	- 3,248
- Fuel and energy-related activities,	- 5,949
- Upstream leased assets,	- 122
- End-of-life treatment of sold products,	- 313
- Downstream leased assets,	- 531
- Investments.	- 756
Total additional Scope 3 Emissions (tCO2e x 1000)	21,220

Current emissions

The figures below are from year: **2023**

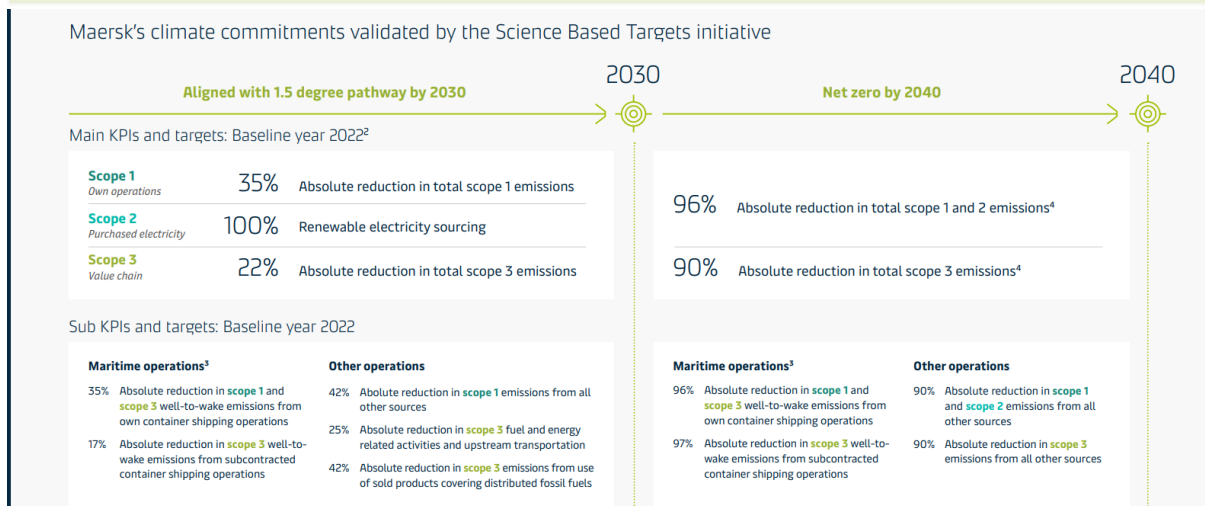
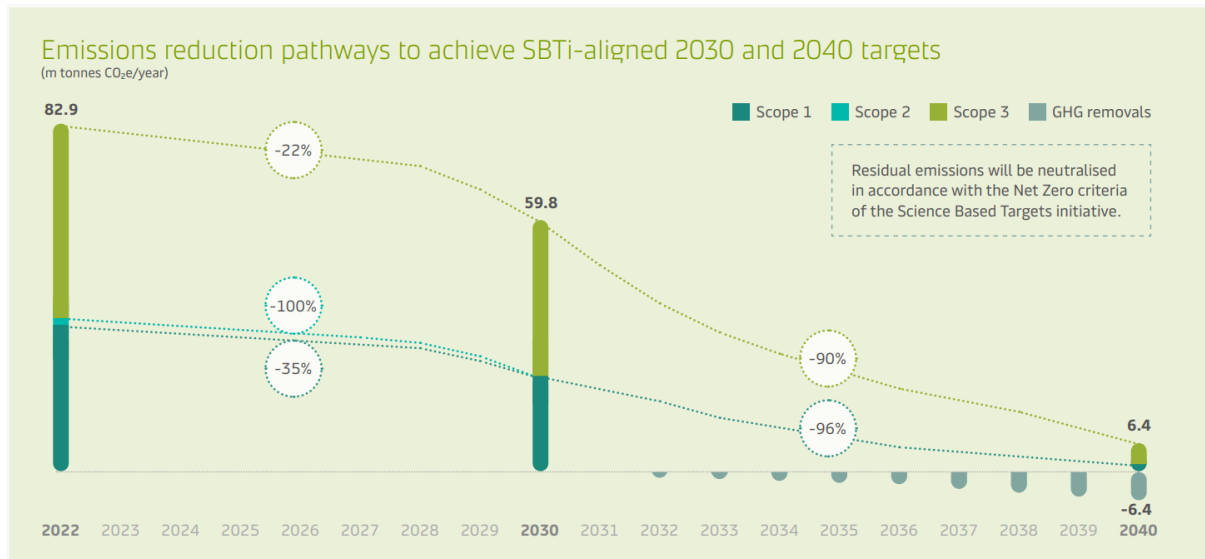
Emissions	tCO2e x1000
Scope 1 emissions – from financially controlled own operations Where 92% of the emissions come from our ocean operations related to fuel use	34,138
Scope 2 emissions – from generation of purchased electricity (location-based) Where 56% of the emissions come from our terminals	386
Scope 3 emissions – created in the value chain as result of Maersk’s business activities Including emissions from cargo transported under vessel-sharing agreements and sourcing of marine fuels to third-party customers. The 5 categories required in PPN06/20 guidance are:	
- Upstream transportation and distribution	- 20,465
- Waste generated in operations	- 4
- Business travel	- 141
- Employee commuting	- 25

- Downstream transportation and distribution	- Not applicable as Maersk do not sell products
Total Scope 1,2 &3 Emissions (defined for this plan)	55,159

- Additional Scope 3 measurements:

Scope 3	
- Capital goods,	- 1,065
- Use of sold product (incl. sale of marine fuels and reefer containers to third parties),	- 10,428
- Purchased good and services,	- 5,728
- Fuel and energy-related activities,	- 5,653
- Upstream leased assets,	- 130
- End-of-life treatment of sold products,	- 391
- Downstream leased assets,	- 155
- Investments.	- 753
Total additional Scope 3 Emissions (tCO2e x 1000)	24,303

Emissions Scope: Targets and Breakdown



Carbon Reduction Projects

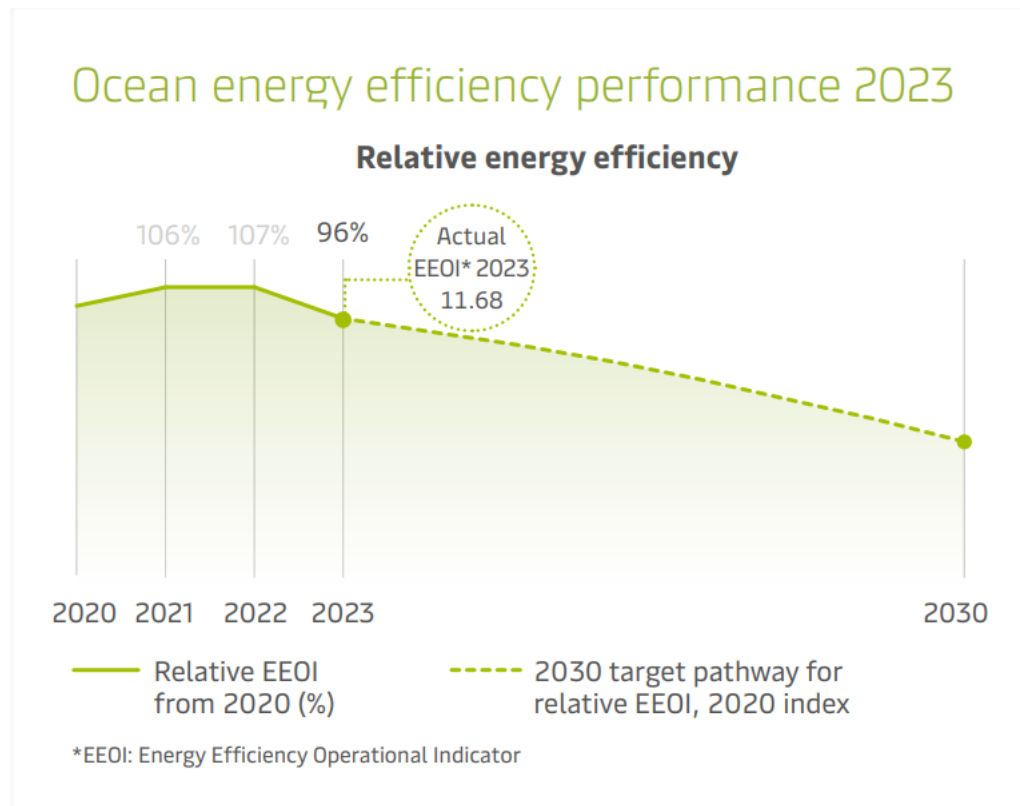
Decarbonising our Ocean business

The two key levers to decarbonising our Ocean business – the largest source of Maersk's GHG emissions – are improving fuel efficiency and transitioning to green fuels.

Improving fuel efficiency

In 2023, Maersk continued increasing the energy efficiency of our fleet through more fuel-efficient operations and the continuous roll-out of efficiency technologies on owned and time charter vessels including new and improved propellers, bulbous bows, shore power enablement and tech solutions like the Maersk's energy efficiency platform Star Connect. Combined with the continued use

of second-generation biodiesel in our fleet, we managed to lower our emissions intensity measure, EEOI, from 13.0 in 2022 to a record low of 11.68 in 2023. In 2023, we also implemented better governance and forecasting processes for EEOI and leading indicators to be able to better track and act on progress during 2024.



Transitioning to green fuels

Laura Mærsk, the world's first methanol-enabled 2,100 TEU (Twenty-foot Equivalent Unit container) feeder vessel completed its entire maiden voyage from South Korea to its name-giving ceremony in Copenhagen on green methanol this year, and is now in service on the Baltic Sea, operating on green fuels.

In 2023, we expanded our portfolio of methanol-enabled vessels on order with six additional vessels with a capacity of 9,000 TEU each, to be delivered in 2026 and 2027. In 2024, we will begin taking delivery of the first seven large container vessels, each with a capacity of 16,000 TEU. The first of these, Ane Mærsk, is expected to enter service on Maersk's string connecting Asia and Europe, which includes port calls in Shanghai, Tanjung Pelepas, Colombo and Hamburg.

In addition to ordering new methanol-enabled vessels, Maersk also announced in 2023 our intentions to convert an existing 14,000 TEU vessel from a traditional diesel engine to a dual-fuel methanol engine. A vessel conversion will take place in 2024, with the intention of replicating the retrofit on additional vessels in the coming years.

Decarbonising Logistics & Services

In our landside transportation business, Maersk is investigating both existing and emerging trucking technologies from battery-electric to fuel cells and hydrogen. We currently see battery-electric becoming the dominant energy system. Transitioning our landside transportation however presents challenges beyond technology. Maersk is dependent on our suppliers' willingness to invest in green assets, and on energy providers and energy infrastructure for green power.

In 2023, Maersk launched an ECO Delivery Inland product in select locations within the USA using owned/leased electric vehicles. In 2024, we will continue broadening our ECO Delivery Inland offerings across both geographies and transport modes, building more vendor partnerships. This includes expanding to electric rail, barge solutions, and increasing our heavy electric truck capacity.

In warehouses, we will continue driving energy consumption visibility and corresponding reduction targets through the retrofitting of smart meters and site level energy transition roadmaps. Maersk is also designing a strategy for sourcing renewable electricity in 100+ key locations during 2024.

In 2023, Maersk focused on the needed governance and resources to support Sustainable Aviation Fuel (SAF) sourcing requirements, and on engaging with customers to test viable solutions. In 2024, we will continue building relationships with suppliers and airlines, as well as working closely with our customers to design the right future solutions. We have also started piloting our ECO Delivery Air solution with our first customers.

Decarbonising Terminals and Towage

Maersk's decarbonisation commitment also applies to APM Terminals' network of owned and operated terminals. Levers that will be activated to reduce emissions at terminals include switching to renewable electricity, direct electrification, battery-electric mobile equipment, energy optimisation and green fuels. To ensure a successful implementation of our global strategy, we are building local roadmaps with our terminals. Since 2020, APM Terminals has reduced its absolute scope 1 and 2 emissions by 13%. Additionally, 40% of electricity demand is now procured by renewable resources. Key initiatives driving the emissions reduction include the implementation of dedicated green tariffs in European terminals, Elizabeth (USA) and Callao (Peru), a virtual power purchase agreement covering 40% of electricity in Pipavav (India), switching from diesel to renewable diesel in Los Angeles (USA), installation of on-site solar in Pipavav (India), Aqaba (Jordan) and Barcelona (Spain), and implementation of energy optimisation initiatives at 12 terminals to reduce fuel and electricity use.

In our Svitzer towage business, decarbonisation efforts focus on equipment, behaviour and fuels. Around 16% of its fully owned fleet are now operating on biofuel, and in 2023 the Svitzer fleet achieved over 18% improvement in vessel carbon intensity. Svitzer also has methanol hybrid fuel cell and high-speed methanol engine Transverse vessels in development.

Decarbonising Terminals: 2023 highlights



13% reduction in absolute scope 1 and 2 emissions since 2020



40% electricity procured by renewable resources

Declaration and Sign Off

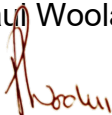
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Title: Paul Woollass

Signature: 

Date: 23rd April 2024