

A.P. Møller - Mærsk A/S

Modern Slavery Statement

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This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 by Maersk Line A/S, reporting as part of A.P. Møller – Mærsk A/S. It provides an overview of Maersk’s policies and processes relating to the management of the risk of modern slavery, and should be regarded as complementary to the A.P. Møller - Maersk Sustainability Report. For further information on our activities and progress, please see [the Sustainability Report 2016](#).

A.P. Møller - Maersk is an integrated transport & logistics company with multiple brands, and a global leader in container shipping and ports. Including a stand-alone Energy division, A.P. Møller - Maersk employs roughly 88,000 employees across 130 countries.

Policies and Governance

A.P. Moller - Maersk strives to conduct business in a responsible and upright manner, in line with the [A.P. Moller - Maersk Values](#), and is committed to good and fair labour conditions in its own operations and supply chain. We refrain from practices that can give rise to risks of forced or involuntary labour, human trafficking and other practices defined as 'modern slavery', as per our [Global Labour Principles](#) and our [Third Party Code of Conduct](#).

Global Labour Principles	Third Party Code of Conduct
<p>All employees are covered by a single set of Global Labour Principles, designed to protect their rights and safety.</p> <p>The Global Labour Principles framework is implemented across A.P. Moller - Maersk with the aim of furthering constructive and productive labour relations with employees and their representatives, ensuring that labour relations and labour conditions serve the interests of both, the employees and the company.</p> <p>The Head of A.P. Moller - Maersk Human Resources is responsible for monitoring the implementation of, and compliance with, the Global Labour Principles. Progress is reported by the A.P. Moller - Maersk Global Labour Relations Council to the Head of A.P. Moller - Maersk Human Resources.</p>	<p>A.P. Moller - Maersk Third Party Code of Conduct describes what we consider to be appropriate business conduct by suppliers, third-party agents and contractors (hereafter 'suppliers') and it is implemented through the Responsible Procurement Programme (read further below).</p> <p>The Code sets out expectations concerning responsible business behaviour in the areas of health and safety, equal opportunity rights, compensation and working hours, child labour and forced or involuntary labour, freedom of association, anti-corruption and environment.</p> <p>The CEOs of the businesses and Head of Maersk Procurement are responsible for integrating the Responsible Procurement Programme into existing procurement policies and processes in the supplier relationships they respectively own or manage. A.P. Moller - Maersk Sustainability Council is responsible for endorsing the direction and measuring the progress on implementation of the Responsible Procurement Programme.</p>

A.P. Moller - Maersk Whistleblower System

We take seriously any allegations that human rights are not respected in our operations or business relations. Allegations can be reported without fear of retaliation by any person within or outside A.P. Moller - Maersk through our [Whistle-blower system](#), available worldwide in more than 75 languages. It enables reporting of a wide scope of human rights concerns, including human trafficking and forced or involuntary labour, child labour, and actions harming persons, their livelihood or properties, related to our operations, suppliers, contractors, third-party agents, and other business partners with a direct link to A.P. Moller - Maersk.

Due Diligence in our Supply Chain

Managing our supply chain risks is of special importance due to less direct oversight and control of their working conditions and recruiting practices. Since 2010, our [Responsible Procurement Programme](#) aims at integrating sustainability into A.P. Moller - Maersk's purchasing processes, by measuring and ensuring compliance with the social and environmental standards contained in the A.P. Moller - Maersk Third Party Code of Conduct. Further, we strive to ensure that all suppliers with a contractual agreement are as a minimum required to follow our Third Party Code of Conduct, suppliers own equivalent, or international standards.

Supplier risk assessment

A.P. Moller - Maersk interacts with more than 100,000 suppliers every year in more than 100 countries, of which we have a contractual relationship with more than 20,000 companies. Following a human rights and environmental due diligence exercise conducted in 2015, all A.P. Moller - Maersk businesses identified their top 10 high-risk supplier categories. There are 5,000 suppliers in these high-risk categories, enabling a more focused approach to risk

management. We define a **high-risk category** as having high risk of severe social or environmental impact when sourcing, producing or delivering to us either directly or through subcontractors (see box).

High risk category suppliers must be assessed through the Responsible Procurement Programme before entering into contract with us. They are assessed using a combination of third-party audits, self-assessments and documentation reviews, where suppliers' performance is compared against the requirements of our Third Party Code of Conduct. The assessments are reviewed either by our Responsible Procurement team or by an approved third-party auditor. Based on findings, improvement plans are agreed and implemented.

In the mentioned due diligence exercise, the categories of assets under construction and manning and crewing agencies were prioritized for further risk assessment and potential action.

- **Assets under construction** includes suppliers building vessels, tankers, rigs and terminals, where employment conditions of subcontracted workers could present a risk. These suppliers must be audited on-site prior to or shortly after contract signing.
- While indirect hiring and recruitment enables operational flexibility, it could pose a risk due to the less direct oversight of how workers –often recruited across multiple countries by e.g. manning and crewing agencies or local contractors- are hired. When contracting third party **manning and crewing agencies** for our shipping businesses, we follow standardized auditing guidelines. This includes: periodic audits and self-assessment questionnaires through our Responsible Procurement Programme, and additional assessments to ensure their compliance with the Maritime Labour Convention (MLC) standards before entering contracts.

For further information on progress, please see the section on human rights on [our website](#) and the [A.P. Moller – Maersk Sustainability Report 2016](#).

Training

- In 2015, we introduced trainings in labour relations and negotiations, and we are currently establishing communities of practice on labour relations, in an effort to distribute best practices. We train employees on an annual basis on issues related to modern slavery, including e-learning modules on our Global Labour Principles.
- In 2016, we introduced training on labour relations and human rights for our internal health and safety auditors.

This statement was approved by the Board of Maersk Line A/S on Jan 20 2017

Signed

Søren Skou
CEO and Member of the Board of Maersk Line A/S

