

# A.P. Møller-Mærsk A/S

## Background

A.P. Møller-Mærsk A/S ("Maersk") is a logistics company and one of the world's largest container shippers, operating in 130 countries and with over 100,000 employees. Its global container shipping activities form part of an end-to-end logistics and services offering, including inland haulage.

It is one of the world's top 100 carbon emitters and was therefore included in the Climate Action 100+ (CA100+) collaborative engagement. We act as the co-lead investor, alongside Akademiker Pension.

## Our engagement

We began engaging with the company on its response to climate change in 2016, particularly focusing on the resilience of its asset portfolio and pushing for disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), with its first TCFD-aligned reporting appearing in its 2018 Sustainability Report.

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From 2019, we focused our engagement on pressing the company to set and disclose science-based greenhouse gas emission reduction targets, initially for Scope 1 and 2 emissions. Given the company's significant role as an industry leader, we also began pressing for greater transparency on its membership of industry organisations with a climate change stance misaligned with the company's strong support of the Paris Agreement. Although the company stated it believed there was general alignment, we asked that it conduct a formal review and publish the findings, including discussion of what actions the company is taking where there are conflicts.

The engagement gathered momentum over 2020 and early 2021 as we held a number of CA100+ meetings with the leads from the central sustainability team, which had been

## Engagement objectives:



### Environmental:

Assessment of industry association



### Environmental:

Science-based target setting

## Sustainable Development Goals:



restructured with strengthened governance and integration across the business. We asked the company to include its inland logistics business in its decarbonisation strategy and targets, which was complex due to the need to monitor supplier compliance with trucking and warehouse assets not owned by the company. We again pressed the company to commit to assessing the climate change policy position and the lobbying activities of its industry organisations, hearing that this was being discussed yet no decision had been reached.

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In addition, at the 2021 annual shareholder meeting, together with our CA100+ co-leads, we commended the company's progress in integrating sustainability into its core business strategy, including its commitment to launch its first climate neutral vessel by 2023. We asked that the company set science-based short- and medium-term carbon reduction targets and implement further improvements in line with the expectations set out in the recently published CA100+ benchmark.

In our engagement, we have also shared best practices on lobbying disclosures to help inform the company's approach; encouraged the disclosure of how capital allocation aligns with its short-term targets and demonstration of how it was managing potential externalities linked to the use of alternative shipping fuels; and requested that the International Energy Agency's 1.5°C scenario be referenced in its TCFD reporting.

### Changes at the company

In 2020, the company restructured its sustainability function and governance, including sustainability responsibilities being embedded into operational functions, and a steering group and advisory group comprised of senior representatives from different business units to aid alignment between executive committee decisions and implementation in the business.

In December 2021, the company committed to conducting a review of its industry organisation memberships and to publish the outcomes in 2022. A dedicated website area went live in early 2022 and is being developed. It states the company's position and/or policies on various climate-related topics and provides a high-level overview of the alignment of key industry associations and actions taken where misalignment was found.

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The company built on this progress, announcing in early 2022 an accelerated net zero target from 2050 to 2040 which now incorporates all direct and indirect emissions across the entire business, including the inland logistics business. The decarbonisation strategy includes medium-term 2030 targets, which it has committed will be aligned with the SBTi 1.5°C pathway. The SBTi methodology for the shipping sector was released in December 2022 and the company is working to align its targets, with validation expected in the second half of 2023.

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### Next steps

**We will continue to engage with the company on the development of lobbying disclosures to align with best practices, for example, meeting Indicator 7 of the CA100+ Net Zero Benchmark. We will also query the company's response to physical climate risks and its role in the just transition, as well as its alignment of capital allocation with climate targets and strategy.**



This case study has been fact-checked by A.P. Moller - Maersk to ensure a fair representation of EOS work carried out and changes made at the company.



**Amy Wilson**  
Engagement  
EOS

Case studies are shown to demonstrate engagement, EOS does not make any investment recommendations and the information is not an offer to buy or sell securities.

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