

Business & Human Rights Resource Centre
London, UK

Ukraine & Russia Human Rights Due Diligence Survey

Dear BHRRC

07 June 2022

Thank you for the invitation to respond to your survey asking into our human rights due diligence related to our company's operations and/or investments in Russia and/or Ukraine.

A.P. Moller - Maersk
Esplanaden 50
1263 Copenhagen K
Denmark

A.P. Moller - Maersk condemns the invasion of Ukraine. Our immediate priority has been to ensure the security and well-being of our people, which has been followed by careful consideration to our role in this conflict. As such, Maersk has decided to divest from Russia. We remain committed to conducting business responsibly, with respect to human rights, and are following the situation closely. We will continuously review our response in light of relevant changes and identification of risks.

www.maersk.com

Please refer to our website for ongoing updates on our position in Ukraine and Russia at <https://www.maersk.com/news/articles/2022/02/24/russia-ukraine-situation-update>.

Regards,

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Business & Human Rights Resource Centre Survey Questions

For companies operating or investing in Ukraine

Nature of involvement

1. How long has your company or subsidiary been operating or investing in Ukraine? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

A.P. Moller-Maersk ("Maersk") has been operating in Ukraine since 1993. At the time of the invasion, we had two ocean services in Ukraine to the port of Pivdennyi and an office in Odessa with 60 employees. We have 491 Ukrainian seafarers (at the time of the invasion, 246 seafarers at sea and 245 home on leave in Ukraine).

Assessing risks

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?

a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

Our internal Crisis Management Team has been leading our response to the invasion of Ukraine, in close dialogue with the Regional Team and employees based in Ukraine. Our primary focus has been on ensuring the security and well-being of our employees in Ukraine. Early on in the invasion we created a dedicated task force to support our Ukrainian colleagues and their families, including providing the following services:

- Establishing a Toolkit which contains guidance for employees on various support options
- Setting up a hotline and encouraging employees to use the Employee Assistance Programme for mental health support for themselves and their families
- Supporting employees and their families in evacuating Ukraine, setting up aid hubs in Romania and Poland and providing interim accommodation
- Providing financial assistance to our colleagues
- Providing guidance and relocation assistance, offering employees and their families to relocate to a country of choice

As of 6 May all employees in Ukraine who have wanted to be evacuated have been, in line with the Martial Law restrictions, together with their families.

Maersk is supporting humanitarian aid relief mainly via our large-scale in-kind logistics assistance through our membership of the [UN Logistics Emergency Team \(LET\)](#). As a member of LET, Maersk is working with and through UN partners and other global humanitarian organisations to establish a stable flow of relief supplies into Ukraine, with a team of 40 specialists devoted to the relief logistics efforts. Our humanitarian efforts have also extended to:

- Together with employees, donating more than USD 144,000 to the Red Cross
- Providing in-kind donations (e.g. transport, containers, storage) to support relief and humanitarian efforts in Ukraine

Further, our employees have been volunteering in various capacities, including supporting the Maersk Aid Hubs in Poland and Romania.

The invasion has caused significant barriers to operate safely and as such commercial operations have been significantly affected. We are conducting exports from Ukraine when it is possible and safe to do so and exploring options to increase Ukraine exports (mainly foodstuffs) in light of the growing global food shortages crisis.

Mitigating risks and tracking effectiveness

3. What measures is your company or subsidiary taking to ensure that your business relationships, products, services, operations, or other actions do not contribute to Russian military activities or occupation in Ukraine (including Crimea and occupied parts of Donetsk and Luhansk Oblasts)?

Maersk and its entities do not have business relationships with the Russian military and are not contributing in any way to the military invasion and occupation in Ukraine. We comply with all applicable sanctions. In addition, Maersk is supporting humanitarian partners providing logistics support for the delivery of essential humanitarian aid in Ukraine.

4. Is your company or subsidiary planning to scale-down or suspend your operations in Ukraine? If so, what are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate the negative impacts of this decision on affected communities and your workers?

In the current situation Maersk's commercial operations are limited in Ukraine and we prioritise the safety of our employees. For our employees that have been evacuated, we have assisted in relocating them and their families to a destination of choice and finding positions internally for these employees. We are contributing to the humanitarian aid relief efforts in Ukraine via our logistics support services. We continue to follow the situation

closely and when it is possible to operate safely and responsibly, we will increase our commercial activities in Ukraine.

5. What steps is your company or subsidiary taking to ensure that your risk prevention and/or mitigation measures do not negatively impact Ukrainian civilians?

Please see above answers to questions 2 and 3.

Exercising leverage

6. Is your company or subsidiary taking any other actions to promote respect for humanitarian law, human rights, democracy, and peace in Ukraine?

Please see above answers to questions 2 and 3. Maersk has a long-standing commitment to support UN Logistics Emergency Team.

For companies operating or investing in Russia

Nature of involvement

1. How long has your company or subsidiary been operating or investing in Russia? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

A.P. Moller-Maersk ("Maersk") has been operating in Russia since 1992

Maersk had offices in St. Petersburg, Novorossiysk and Moscow. At the time of the invasion, we had 503 employees located in Russia, mainly working out of the office in St Petersburg and Novorossiysk, and 63 Russian seafarers.

Maersk's subsidiary, APM Terminals, has a 30.75% stake in Global Ports group (GPI). GPI has both terminals and inland logistics in Russia. The five terminals are: First Container Terminal (St. Petersburg), Moby Dik (St. Petersburg), Petrolsport (St. Petersburg), Ust-Luga and Vostochny. Inland Logistics is serviced via the Yanino Logistics Park. Furthermore, we own a cold store warehouse in Saint Petersburg and an inland terminal in Novorossiysk. In addition, the brand Svitzer has a single operation in Russia where we provided towage services to the Sakhalin-II oil and liquefied natural gas project.

On 11 March 2022 we announced that we would exit all of our operation in Russia and taken steps to divest our shares in GPI and our assets.

Assessing risks

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?

a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

We are careful to comply with applicable international sanctions imposed on Russia. Maersk closely follows the ever-evolving situation and provides public updates via our [Customer advisories](#) and through media. With the situation quickly unfolding, we made the decision to cease operations in and divest from Russia and Belarus.

In taking this decision, we understand that this has impacts on our employees in Russia (and Belarus). We have strived to minimize these impacts and retain open communication with them. For more information, please see question 3 below.

Mitigating risks and tracking effectiveness

3. As the situation in Ukraine unfolds, is your company or subsidiary planning to cease operations in or divest from Russia? If so:

a. What have been the key considerations informing this decision and did you consult with your workers and/or other affected stakeholders as part of your decision-making process? b. What are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate any negative impacts of your exit on affected communities and your workers, including addressing any loss of income?

On 28 February we communicated that we would be suspending all new bookings within ocean, air and intercontinental rail to and from Russia and Belarus, with the exception of foodstuffs, medical and humanitarian supplies (bar dual-use items). At the same time, we decided to globally stop buying Russian oil for our ships. On 3 March we tightened these restrictions further and stopped all new bookings to and from Russia and Belarus.

On 11 March we announced our decision to exit our ownership of all assets in Russia, which includes our 30.75% stake in Global Ports group (GPI). Considering the severity of the harm from Russia's invasion of Ukraine, and the nature of our operations (providing essential logistics and infrastructure), we decided that it was no longer possible to conduct business responsibly in Russia. When the decided steps are completed, Maersk (including Svitzer) will no longer own facilities in Russia nor operate in Russia.

As of 2 May, Maersk had its last cargo operation and is no longer calling at any Russian or Belarusian ports. We have approximately 20,000 empty containers still in Russia and will continue to seek opportunities to recover these assets.

Domestic operations are gradually being winded down and/or divested. The winddown does not allow for any new business in neither Russia nor Belarus.

Our withdrawal activities are guided by how we can do this responsibly, and the safety and stability of our people remains at the forefront. We recognise that for our local team this is an unexpected situation and our number one priority has been to protect the financial stability of our employees in Russia and safeguard their jobs to the greatest extent possible. As many of our employees are not in a position where they can necessarily move their life to another country, and the economic situation has deteriorated in Russia following the invasion and related sanctions, we are supporting our employees as best as possible.

Activities include:

- Providing a formal commitment and financial security for our employees for six months
- Encouraging employees to use the Employee Assistance Programme for mental health support for themselves and their families
- Providing individuals with high-risk profiles with specialized support from our security team

Throughout the winddown process we have been providing regular information to our employees. Early on in the situation we also supported freedom of expression through individual conversations with leaders and collective Town Halls.

4. If your company or subsidiary chooses to continue operating in Russia, what human rights due diligence has been undertaken and how are you planning to mitigate harm in Ukraine?

See above answer on decision to leave Russia.

5. What kind of due diligence measures does your company use to ensure that it does not have any business relationships with sanctioned Russian individuals and entities? Beyond sanctions compliance, how does your company ensure that it does not have any business relationships with individuals or entities with a track record of rights violating conduct?

We are closely monitoring the development of international sanctions and implementing measures to ensure compliance with the same. We are winding down operations in Russia and Belarus and have a strong commitment to ethical standards.

Exercising leverage

6. How does your company intend to use your leverage to protect the rights of your workers and communities affected by your operations in Russia, including freedoms of association and expression?

We respect human rights, including freedom of association and expression, which are covered in our Employee Code of Conduct. We support employees' ability to raise issues with management, and in our divestment decision, we have strived to maintain open communication with affected employees.

7. Is your company providing any support to Russian activists who are taking action against the war and in support of democracy and peace in Ukraine?

We are not providing such support.