

An S&P Global Second Party Opinion (SPO) includes S&P Global Ratings' opinion on whether the documentation of a sustainable finance instrument, framework, or program, or a financing transaction aligns with certain third-party published sustainable finance principles. Certain SPOs may also provide our opinion on how the issuer's most material sustainability factors are addressed by the financing. An SPO provides a point-in-time opinion, reflecting the information provided to us at the time the SPO was created and published, and is not surveilled. We assume no obligation to update or supplement the SPO to reflect any facts or circumstances that may come to our attention in the future. An SPO is not a credit rating, and does not consider credit quality or factor into our credit ratings. See [Analytical Approach: Second Party Opinions](#).

## Second Party Opinion

# Maersk's Green Financing Framework

Feb. 23, 2024

**Location:** Denmark

**Sector:** Transportation

### Primary contact

**Catherine Baddeley**  
London  
+44 20-7176-0459  
catherine.baddeley  
@spglobal.com

## Alignment With Principles

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2023

See [Alignment Assessment](#) for more detail.

## EU taxonomy

Fully aligned

Partially aligned

Not aligned

**Medium green**

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our [Shades of Green Analytical Approach](#) >

## Strengths

**The ships financed under Maersk's Green Financing Framework constitute an important step toward decarbonizing the shipping sector.** In 2023, Maersk launched the first container vessel able to run on methanol fuel. Currently 23 such vessels are on order.

**Maersk's robust methanol sustainability policy should help it limit upstream environmental risks related to procurement.** For example, by only accepting bio-methanol made from waste, residues, and by-products--not that made from first-generation crops--Maersk limits the risk of land use change. For e-methanol, produced using hydrogen, it only accepts green hydrogen.

**The majority of financing under the framework will be EU taxonomy aligned.** Maersk has coordinated its internal processes and policies to ensure certain projects financed meet the requirements of the EU Taxonomy.

## Weaknesses

No weakness to report.

## Areas to watch

**Dual-fuel vessels may run on fossil fuels if the supply of green methanol is insufficient, and while costs remain high.** In the short term, there will therefore be associated emissions. Maersk is addressing this challenge by collaborating with green fuel suppliers to help scale up production.

**Maersk has been expanding its air freight services in recent years, but these activities are not eligible for financing under the framework.** Maersk is addressing its substantial air transport emissions by increasing its use of sustainable aviation fuel (SAF), however industry-wide challenges related to procuring SAF at scale remain.

**Eligible projects may include equity-like investments in pure players.** This includes minority stakes, which could limit the issuer's ability to control investees' activities and ensure they remain pure play. However, Maersk will have board representation at each company, enabling some level of oversight.

## Eligible Green Projects Assessment Summary

Eligible projects under the issuer's green finance framework are assessed based on their environmental benefits and risks, using Shades of Green methodology.

### Clean transportation Dark to Medium green

Investments related to methanol-enabled dual-fuel container vessels or dual-fuel methanol retrofits

Investments related to efficiency improvement of existing container vessels as well as the installation of shore power equipment

Procurement of green methanol

Investments in zero-emission road transportation and warehouse equipment

Investments related to the construction, modernization, operation, and maintenance of terminal infrastructure and equipment

### Energy efficiency Dark to Medium green

Investments related to the installation, maintenance, and repair of energy-efficiency technologies in existing logistic centers and terminals

### Green buildings Light green

Investment in the construction or acquisition of new logistic centers that meet external standards

### Climate change adaptation Dark green

Investments related to the construction and modernization of terminal infrastructure to adapt it to climate change physical risks

See [Analysis Of Eligible Projects](#) for more detail.

## EU Taxonomy Summary

Substantial contribution		Technical screening criteria						Minimum safeguards	Overall alignment
		Do no significant harm (DNSH)							
		Climate mitigation	Climate adaptation	Sustainable water	Circular economy	Pollution prevention	Biodiversity protection		
<b>3.10 Manufacture of hydrogen (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✗	✗	N/A	✗	✗		✗
<b>4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✗	✗	N/A	✗	✗		✗
<b>6.6 Freight transport services by road (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✓	N/A	✓	✓	N/A		✓
<b>6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✓	✓	✓	✓	✓		✓
<b>6.12 Retrofitting of sea and coastal freight and passenger water transport (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✓	✓	✓	✓	✓		✓
<b>6.16 Infrastructure enabling low carbon water transport (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✓	✓	✓	✓	✓	✓	✓
<b>Electrical material handling equipment for warehouses (Clean transportation category)</b>									
—	Not applicable	—	—	—	—	—	—		—
<b>6.16 Infrastructure for water transport (Climate change adaptation category)</b>									
✓	Climate adaptation	✓	N/A	✓	✓	✓	✓		✓
<b>7.1 Construction of new buildings (Green building category)</b>									
✗	Climate mitigation	N/A	✓	✗	✗	✗	✗		✗
<b>7.3 Installation, maintenance, and repair of energy efficient equipment (Energy efficiency category)</b>									
✓	Climate mitigation	N/A	✓	N/A	N/A	✓	N/A		✓
<b>7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (Energy efficiency category)</b>									
✓	Climate mitigation	N/A	✓	N/A	N/A	N/A	N/A		✓
<b>7.5 Installation maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (Energy efficiency category)</b>									

## Second Party Opinion: Maersk's Green Financing Framework

✓	Climate mitigation	N/A	✓	N/A	N/A	N/A	N/A	✓
<b>7.6 Installation, maintenance and repair of renewable energy technologies (Energy efficiency category)</b>								
✓	Climate mitigation	N/A	✓	N/A	N/A	N/A	N/A	✓
<b>7.7 Acquisition and ownership of buildings (Green buildings category)</b>								
✗	Climate mitigation	N/A	✓	N/A	N/A	N/A	N/A	✗

See [EU Taxonomy Alignment](#) for more detail.

Aligned = ✓

Not aligned = ✗

Not covered by the technical screening criteria = —

## Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

### Company Description

AP Moller - Maersk A/S is a Denmark-based transport and logistics company operating in 130 countries that has 62 terminals across 35 countries and more than 100,000 employees globally. Maersk is the second-largest container shipping company globally. The company is publicly listed on Nasdaq Copenhagen and A.P. Moller Holding A/S, its largest shareholder, owns 41.5% of the share capital and has 51.5% of votes (as of Dec. 31, 2023).

The company had total revenue of \$51.1 billion and EBITDA of \$9.6 billion on Dec. 31, 2023, and operates through four segments: Ocean (65% of revenue) includes global container shipping activities, including strategic transshipment hubs; Logistics and Services (26%) includes freight forwarding, supply chain management, inland haulage, and other logistics services; Terminals (6%) provides port and inland infrastructure; and finally, Towage and Maritime (3%) includes towage services, and related marine activities, among others.

### Material Sustainability Factors

#### Climate transition risks

Transportation is the fastest-growing source of emissions worldwide, and accounts for about a quarter of global greenhouse gas (GHG) emissions, according to the International Energy Agency (IEA), behind the power sector. According to the IEA, although emissions from international shipping accounted for only about 2% of global energy-related CO<sub>2</sub> emissions in 2022, its share is expected to increase as shipping volumes grow, and as other sectors decarbonize more easily. As international and country-level climate targets become more ambitious, this could increase compliance costs for shipping companies, especially given that companies that fail to meet regulations risk losing their license to operate. To comply with regulations, companies will have to invest in new engine technologies and use more-expensive alternative fuels, such as ammonia, e-methanol, bio-methanol, liquified natural gas, or green hydrogen.

#### Pollution

Pollution in the shipping sector can take multiple forms: airborne emissions (such as nitrogen oxides and soot), accidental spills, ground pollution at facilities such as gas stations, and excessive noise. These have severe effect, especially for people living near major sea or road transportation routes. For instance, the Organization for Economic Co-operation and Development (OECD)

reports that air pollution, including that from transportation, is responsible for more than 3.5 million deaths globally every year and causes health problems for many more people. Air and water pollution caused by marine transportation creates regulatory and reputational risks, and regulation has been tightening in recent years. For example, in 2020, the International Maritime Organization (IMO) lowered the maximum allowable sulfur content for ship fuel oil to 0.5% from 3.5%. Pollution is also a concern during decommissioning. Scrapping ships poses environmental risks including the release of hazardous substances that are no longer permitted. The industry has made some progress toward reducing pollution through regulation; engine improvements; safety procedures; and, in some cases, changes to equipment.

### Physical climate risks

Acute weather events, such as storms, can complicate operations and immobilize vessels and other marine transportation assets. They may also limit the accessibility of the infrastructure essential to the industry, including ports, and increase the risk of accidents. Ports will also be affected by higher temperatures, rising sea levels, and increased precipitation. Over time, both acute and chronic risks--changing temperatures and increased frequency of storms--may shorten the useful life of vessels and infrastructure and could suspend transportation or disrupt supply chains. This could have widespread implications for stakeholders across a region or within (and even beyond) the service area of the damaged infrastructure.

### Biodiversity and resource use

Biofuels are used in transport as a means of tackling climate change by diversifying energy sources away from conventional shipping fuels, and to secure energy supplies. Biofuel purchasers, through their responsible sourcing policies, must ensure that suppliers have implemented the necessary safeguards to mitigate direct and indirect land use change. For example, by applying exclusions to first-generation feed stocks. However, the production of biofuel feedstocks can have significant and immediate effects, including habitat loss and fragmentation, and the use of agrochemicals. The net impact varies considerably and may be either negative or positive, depending on the feedstock used, the previous land use, and the management practices applied.

Shipping vessels can pose a threat to marine biodiversity through accidental spills and the periodic discharge of oil, wastewater containing invasive species, or other toxic substances; or through noise pollution and ship strikes. Ballast water, in particular, has been recognized by the IMO as one of the greatest threats to the ecological wellbeing of the planet, due to its high potential for causing damage to marine biodiversity.

### Workplace health and safety

The health and safety of shipping sector workers is critical. The industry experiences incidents and accidents during the construction and shipbreaking stages, as well as during ship operation. Workplace incidents can result in injuries and fatalities--these can affect companies' operations, legal exposure, and reputation. Workers are frequently subject to long hours, difficult schedules, and sometimes precarious working conditions that directly affect their wellbeing. In addition, the sector has faced forced labor--issues related to the recruitment of lower-skilled labor.

## Issuer And Context Analysis

**Maersk's framework includes eligible projects that address the company's most material sustainability factors.** Investments in clean transportation, energy efficiency, and green buildings are important steps toward mitigating climate transition risk, the company's most material risk factor. Furthermore, the procurement of green methanol to support cleaner transportation also reduces pollution. That said, the framework introduces risks to biodiversity, as well as physical climate risks and health and safety (H&S) risks, which will arise during the construction, operation, and decommissioning phases of project implementation. We note that the climate change adaptation project category aims to address physical climate risks; for example, by modifying current quay infrastructure to address the impact of rising sea levels.

**Maersk's robust sustainability strategy encompasses its ambitious aim to reach net zero within its business operations by 2040.** More specifically, the company has a target to deliver 100% "green solutions" based on green fuels and/or renewable electricity to its customers by 2040. It identified its interim GHG reduction targets in line with the Science Based Targets

## Second Party Opinion: Maersk's Green Financing Framework

Initiative's 1.5°C pathway. Targets include reducing total absolute scope 1 emissions by 35%, and absolute scope 3 emissions by 22% by 2030, against a 2022 baseline. By 2030, Maersk aims to reduce scope 2 emissions by purchasing 100% of electricity from renewable sources. Furthermore, by the same year, the company has a goal of transporting 25% of cargo using green fuels (3% in 2023). To achieve this, the company has entered into several new strategic partnerships to secure green fuels. Maersk's priority green shipping fuels are biodiesel (from waste and residue feedstock), green methanol (bio-methanol and e-methanol), and green ammonia (e-ammonia). It also assesses the environmental impact of the different fuels in accordance with the ISO 14040-series (standards for life cycle assessment), which we view as a strong practice. On the other hand, Maersk has been expanding its air freight services as part of its strategy to be a leading player in air freight, even though air transportation generates substantial emissions. To manage these emissions, Maersk aims to increase its use of SAF and has entered a SAF contract with Air France KLM. However, the group's ability to access sufficient SAF is currently uncertain because of fierce competition on procurement from other players in the airline and air freight industries.

**Maersk's geographic presence and the fixed nature of its assets makes physical climate risk a key risk.** The company operates globally, including in countries that have high exposure to physical climate risks. In 2021, Maersk conducted a study to assess the physical climate exposure of 107 key land-based assets; this identified five terminals with a higher risk of disruption. A follow-up assessment, conducted onsite at the terminal in Rotterdam in 2022, demonstrated its exposure to storm surge and windstorm, for example. Risk mitigation solutions were identified to address these issues. As a part its physical-risk assessments, the company uses SSP1-2.6 and RCP2.6 to SSP5-8.5 and RCP8.5 climate change scenarios that are aligned with the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report.

**Maersk's use of biofuels poses risks to biodiversity in the supply chain; however these are well managed.** Under the company's comprehensive biofuel policy, only waste, residues, and by-products can be used for feedstocks. The policy explicitly excludes biofuels made from first-generation crops, woody biomass, and palm oil.

**Fuel leakage and noise pollution from vessels can have a negative impact on marine life.** In 2022, to mitigate its negative impact on marine biodiversity, Maersk started installing ballast water treatment systems in its vessels. These aim to reduce the risk that invasive species will be able to move between ecosystems. By year-end 2023, the systems had been installed in 93% of its fleet and by September 2024 they will have been installed in the entire fleet, in line with international conventions. Furthermore, Maersk has implemented its own global spill prevention requirements. The company recorded zero hydrocarbon spills above 10 m<sup>3</sup> in 2023 (0 in 2022). To identify the best way to mitigate underwater noise created by its vessels, Maersk has launched a study of underwater radiated noise.

**Health and safety risk is a key sustainability issue for Maersk's operations and is relevant to the framework because it will fund construction activities.** Maersk recorded four fatalities in 2023 (nine in 2022), two of which were third-party contractors. Half the fatalities occurred in the Logistics and Services segment. To address safety issues, the company has implemented new safety and security initiatives, including safety behavior training. Furthermore, the company is reviewing how it addresses the safety of contractors, given their high exposure to safety risks.

# Alignment Assessment

This section provides an analysis of the framework's alignment to Green Bond and Green Loan principles.

## Alignment With Principles

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✗

- ✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2023

### ✓ Use of proceeds

All the framework's green project categories are shaded in green, and the issuer commits to allocate the net proceeds issued under the framework exclusively to eligible green projects. Please refer to Analysis of Eligible Projects section for more information on our analysis of the environmental benefits of the expected use of proceeds.

Maersk is committed to allocating an amount equivalent of the net proceeds from the green financing instruments to finance or refinance eligible green projects related to clean transportation, energy efficiency, green buildings, and climate change adaptation. Some proceeds may be allocated to investments in shares or convertible loans of pure-play companies that derive at least 90% of their revenue or balance-sheet assets from green activities. The equity-like investments will be performed through Maersk Growth, which provides funding for and facilitates collaborations with startups and scaleups working in the transport and logistics space. Maersk receives a seat on the board of investee companies as part of these arrangements, thus ensuring that it has some oversight over company activities and can influence them to remain pure play.

### ✓ Process for project evaluation and selection

The framework outlines the process of selecting and approving eligible projects and assets. The selection process is managed by a dedicated green finance committee (GFC), which will meet twice a year, or more frequently, as required. Material environmental, social, and governance (ESG) aspects are integrated into operational decision making and projects must comply with Maersk's internal governance. Furthermore, ESG risks are part of the company's overall risk management framework and the potential environmental and social risks associated with the eligible projects are mitigated through risk management policies. We view as positive that Maersk clearly outlines a relevant exclusion list.

### ✓ Management of proceeds

Maersk has established a green finance register to track funds, with the GFC designated to monitor the proceeds. Furthermore, in the case that projects and assets are divested, or are no longer in line with the framework's eligibility criteria, Maersk will use its best efforts to replace them with other eligible projects as soon as possible. Unallocated proceeds will be managed in accordance with internal cash management policies.

### ✓ Reporting

The issuer commits to disclosing the allocation and impact of proceeds annually, within its sustainability or annual report, or as a stand-alone document on its website, until the green financing instruments mature. The allocation reporting will include the list of eligible green projects financed and refinanced and the total amount allocated to each eligible project category. Maersk will also report on the actual environmental impact of the eligible projects. Where relevant information is available, it intends to disclose on specific key performance indicators at a project or aggregate level, as laid out in the framework. Furthermore, it commits to providing a methodological note on the underlying assumptions used to calculate the key impact indicators, where relevant. We see as positive that Maersk commits to receiving limited assurance on the allocation of the net proceeds on an annual basis and until full allocation.

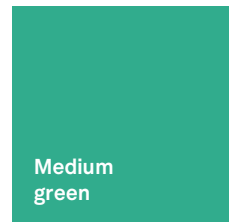
# Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the Shades of Green methodology.

Over the three years following the publication of the framework, Maersk expects to allocate the majority of proceeds to the clean transportation category, most of which will go toward financing dual-fuel vessels. The issuer expects the majority of proceeds will go toward refinancing projects.

## Overall Shades of Green assessment

Based on the project category shades of green detailed below, and consideration of the environmental ambitions reflected in Maersk's Green Financing Framework, we assess the framework as Medium Green.



**Medium green**

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our [Shades of Green Analytical Approach](#) >

## Green project categories

### Clean transportation

#### Assessment

 **Dark to Medium green**

#### Description

- Investments related to methanol-enabled dual-fuel container vessels or dual-fuel methanol retrofits
- Investments related to efficiency improvement of existing container vessels as well as the installation of shore power equipment
- Eligible expenditures related to the production or purchase of green methanol, including offtake agreements with green methanol producers
- Investments in zero-emission road transportation and warehouse equipment
- Investments related to the construction, modernization, operation, and maintenance of terminals infrastructure and equipment

## Analytical considerations

- Investments in methanol-enabled vessels represent an important step toward a low-carbon and climate resilient (LCCR) future because they enable Maersk's shipping operations to transition to lower-carbon fuels and therefore avoid locking-in long-term emissions. Maersk was the first company to launch a methanol-fuel enabled container vessel, in 2023, and it has placed orders for 23 more. Green methanol, which includes both bio-methanol and e-methanol, is an emerging fuel technology that could contribute to decarbonizing the transport sector, as recognized by the International Renewable Energy Agency (IRENA) and IPCC. Although procuring the fuel itself may be considered dark green, mainly due to Maersk's solid procurement policy, switching to green methanol could present challenges. For example, until sourcing the fuel in the required volumes is reliable, dual-fuel ships are highly likely to continue to use conventional fuel in the short term. As a result, projects related to investments in dual vessels, including retrofits, are shaded Medium green. On the other hand, use of electric vehicles and electrification of terminals infrastructure and equipment are well aligned with net-zero scenarios that encourage electrification in the transport sector. This makes them more closely aligned with an LCCR, and they are shaded Dark green.
- Risks related to land use change are well managed through the strong safeguards in Maersk's methanol sustainability policy. Specifically, Maersk will only accept wastes, residues, and by-products as feedstock, and it requires that any forestry wastes or residues originate from an FSC-certified forest or equivalent. Despite this, it is still difficult for biofuel procurers to be certain that no land use change risks, particular indirect, remain in supply chains. Positively, e-methanol must be produced from green hydrogen, reducing its value chain emissions. Maersk's policy clearly states that all bio-methanol or e-methanol procured must meet the minimum GHG reductions outlined in the EU Renewable Energy Directive (65% and 70%, respectively). It will ensure that this is confirmed through third-party certification, which we view as a key strength of the policy.



## Second Party Opinion: Maersk's Green Financing Framework

- Maersk is making progress toward identifying suppliers from which to source green methanol. Its goal is to have 25% of ocean cargo transported by green fuels by 2030 (3% in 2022). To support this objective, Maersk and its parent company, AP Moller Holding, are making a seed investment in a company that will operate assets intended to produce green methanol at scale. It has also entered into several additional supplier agreements. However, based on the current market, we do not expect green methanol to be available at scale within the next three years. Furthermore, given that the ships are dual-fuel-enabled, any significant disruption to the supply of green methanol in the future will cause Maersk's ships to run on conventional fuel.
- Burning of bio-methanol causes a temporary increase in CO2 emissions in the atmosphere, until the CO2 is reabsorbed through regrowth. We anticipate that Maersk's use of bio-fuel from waste, residue, and byproducts (particularly those from short-rotation agriculture) will limit the extent of this effect. Producing e-methanol is electricity-intensive. Research reviewed by IRENA suggests that e-methanol production using renewable energy has the potential to come close to being carbon-neutral on a life cycle basis, depending on which biogenic CO2 source is used. However, as e-methanol has only just started to be produced at industrial scale, actual reductions in emissions are still uncertain.
- Other environmental risks associated with green methanol are somewhat lower than those associated with conventional shipping fuel. Methanol is a clean-burning fuel that contains no sulfur and emits less NOx and particulate matter than heavy fuel oil and diesel. As such, running on methanol reduces local air pollution. Furthermore, using methanol rather than conventional fuel reduces the impact of fuel spills because it dissolves easily, biodegrades, and does not bioaccumulate.
- Electric vehicles are key to Maersk's efforts to decarbonize its land transportation activities and are consistent with a LCCR future. Furthermore, the electrification of material handling equipment helps reduce emissions from warehouse activities that would otherwise depend on fossil fuels. To be eligible for financing under the framework, the equipment must produce zero emissions during use. Maersk's target is to source 100% of electricity from renewables by 2030, which will help further reduce the emissions associated with powering the equipment.
- Maersk's investments related to terminals infrastructure and equipment will also help the company electrify its terminal operations and reduce associated emissions, particularly due to the company's renewable energy targets. These activities include infrastructure dedicated to the operation of vessels with zero direct-carbon emissions, infrastructure dedicated to the provision of shore-side electrical power to vessels at berth, infrastructure dedicated to the performance of the port's own operations, and infrastructure dedicated to transshipping freight between shipping and rail modes.

### Energy efficiency

#### Assessment

 **Dark to Medium green**

#### Description

Investments related to the installation, maintenance, and repair of energy-efficiency technologies in existing logistic centers and terminals, including:

- Efficient products and appliances (LED roll-out; HVAC systems renovation and improvement);
- Charging stations for electric vehicles;
- Instruments and devices for monitoring the energy performance of buildings; or
- Renewable-energy technologies on site.

#### Analytical considerations

- Lowering building energy use through efficiency investments is key to achieving an LCCR future. Maersk will finance energy-efficient technologies that meet the technical screening criteria (TSC) outlined in the EU Taxonomy under "Installation, maintenance, and repair of energy-efficiency equipment" and "Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling energy performance for buildings." Installing devices to make buildings more efficient, in addition to those that help measure energy consumption, is environmentally beneficial because they help control and reduce overall energy consumption and the carbon footprint of the real estate sector.
- The EU TSC for the above-mentioned energy-efficient activities clearly outline which investments are eligible for financing. Of these, Maersk has identified the specific measures it aims to finance. These include HVAC systems renovation and improvement, energy-efficient light sources (that is, LED lighting), and smart meters. These specific measures should have an impact in terms of measuring and managing the energy efficiency of logistic centers. That said, some measures, such as

## Second Party Opinion: Maersk's Green Financing Framework

installing LED lighting, may be considered to have a lower benefit. They would likely be shaded Light Green, if assessed on stand-alone basis.

- Renewable energy sources are crucial to a low-carbon transition, and on-site generation will help Maersk reduce emissions related to logistic centers and terminal operations. Furthermore, financing the installation and maintenance of electric vehicle charging infrastructure as part of the clean transportation category will support increased use of electric vehicles. These are expected to play an important role in the LCCR future.

### Green buildings

#### Assessment

 Light green

#### Description

Investment in the construction or acquisition of new logistic centers

Logistic centers built up to and including Dec. 31, 2020:

- EPC label  $\geq$  'A'; or
- Belonging to the top 15% of the national or regional building stock, based on primary energy demand (PED)

Logistic centers built after Dec. 31, 2020:

- PED is at least 10% lower than the threshold for nearly zero-energy building (NZEB) requirements in the national context; and
- If larger than 1000 m<sup>2</sup>, air tightness and thermal integrity has been tested and the life cycle global warming potential (GWP) has been calculated.

Or:

Logistics centers that have, or are expected to receive, recognized green certifications such as:

- BREEAM (Excellent or higher); or
- LEED (Gold or higher).

For BREEAM- and LEED-certified buildings, Maersk has additional guidelines in place to assess the life cycle GWP, as well as the physical climate risk and vulnerability of the building.

#### Analytical considerations

- To achieve an LCCR future, it is vital to improve the energy performance of new construction and reduce the emissions associated with the building materials used. When acquiring existing buildings, strong energy performance is important to enable the transition to a low-carbon economy. For all buildings, we view mitigating exposure to physical climate risks as crucial to improving climate resilience. Regardless of location, Maersk will either finance buildings that meet the TSC outlined in the EU Taxonomy for "Acquisition and ownership of buildings," or "Construction of new buildings" or will require a recognized green building certification, such as BREEAM Excellent or LEED Gold.
- The EU Taxonomy clearly outlines TSC for "Acquisition and ownership of buildings," or "Construction of new buildings." However, these lack thresholds for embodied emissions, which are particularly material for new construction. Furthermore, although BREEAM and LEED certifications cover a broad set of issues that are important for sustainable development, they currently differ considerably in their requirements for energy efficiency, embodied emissions of construction materials, related transportation emissions, and considerations of resilience. In addition, the framework does not explicitly state that buildings financed in the EU need to meet the EU Taxonomy criteria. As such, we see a risk that buildings in the EU may be financed through the framework and will only meet the BREEAM and LEED requirements, not the full requirements set out in the EU Taxonomy.
- Maersk has guidelines in place to measure life cycle GWP for new logistic centers, which will help it identify emission hot spots, such as embodied emissions. However, the company is still working to set formal thresholds to manage these, beyond its wider targets for scope 3 emissions. Furthermore, Maersk has not yet set specific guidance on how to reduce embodied emissions.

## Second Party Opinion: Maersk's Green Financing Framework

- Mitigating exposure to physical climate risk is crucial to improving the climate resilience of buildings. All buildings will be required to undergo a climate vulnerability assessment before financing. Maersk has a solid process in place to assess potential physical climate risks by applying scenario analysis (SSP1-2.6 and SSP5-8.5). This helps the company understand how buildings might respond to a range of plausible future scenarios. Adaptation measures are then identified and prioritized, including through use of a cost-benefit analysis.
- We see as positive that Maersk explicitly excludes logistic centers that use fossil fuel for onsite heating.

### Climate change adaptation

#### Assessment

 **Dark green**

#### Description

Investments related to the construction and modernization of terminal infrastructure to adapt it to climate change physical risks













Adaptation solutions will be implemented following a robust climate risk and vulnerability assessment including:

- Adaptation of existing quay infrastructure to rising sea levels;
- Drainage systems designed to minimize flooding risk; and
- Adaptation of terminals infrastructure to typhoon intensity.

#### Analytical considerations

- We assess climate change adaptation investments as Dark green given that they are key to the long-life infrastructure needed for the Paris-aligned 2050 vision. Climate scientists have been clear that some level of climate change will take place, even in the most-optimistic scenarios, making it crucial to plan for and mitigate the potential risks in order to reduce the financial and environmental impact of such events. Given the fixed nature and location of terminal infrastructure, it is highly exposed to physical climate risks such as rising sea levels, flooding, and increasing typhoons. Maersk's adaptation planning aims to strengthen resilience to such risks.
- Adaptation solutions are identified through a systematic process that harnesses scenario analysis. First, a climate vulnerability assessment is conducted on assets, to identify potential adaptation measures. These are then prioritized based on their feasibility, a cost-benefit analysis, and a climate scenario analysis to model how each adaptation measure performs under a range of scenarios. We view positively that Maersk will track the performance of adaptation measures over time and will review and update its adaptation strategies, where needed. At this stage, Maersk has already performed a global screening of all assets and is identifying measures for high-risk assets.
- Construction of adaptation measures can result in significant embodied emissions. Maersk measures embodied emissions as part of its scope 3 emissions and aims to reduce them, in line with its target to reduce scope 3 emissions by 90% by 2040 (compared to a 2020 baseline). That said, implementing adaptation solutions can reduce the need to rebuild damaged assets, which itself would have required resources and generated emissions.
- Construction projects to support adaptation can also have local environmental and biodiversity impacts that must be managed. Maersk identifies these risks through environmental and social impact assessments, which are applied to all new projects.

S&P Global Ratings' Shades of Green

Assessments					
 <b>Dark green</b>	 <b>Medium green</b>	 <b>Light green</b>	 <b>Yellow</b>	 <b>Orange</b>	 <b>Red</b>
Description					
Activities that correspond to the long-term vision of an LCCR future.	Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.	Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.	Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.	Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.	Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.
Example projects					
 Solar power plants	 Energy efficient buildings	 Hybrid road vehicles	 Health care services	 Conventional steel production	 New oil exploration

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

# EU Taxonomy Alignment

In our EU Taxonomy Assessment, we opine on whether an eligible project to be financed aligns with the EU Taxonomy in cases when the economic activity is covered by Technical Screening Criteria (TSC), which is incorporated into European law via delegated acts. (see "[Analytical Approach: Second Party Opinions: Use Of Proceeds](#)," published July 27, 2023).

<b>EU taxonomy</b>	Fully aligned	Partially aligned	Not aligned
--------------------	---------------	-------------------	-------------

In our opinion, the framework, published on Feb. 23, 2024, is partially aligned with the EU taxonomy.

- All eligible economic activities that Maersk has identified as in line with the EU Taxonomy are aligned with the substantial contribution criteria (SCC) for climate change mitigation or adaptation.
- Maersk explicitly notes in its framework which financing activities are not expected to align with each of the requirements of the EU Taxonomy. All activities that meet the SCC criteria also meet the DNSH criteria, except for activities related to the procurement of green methanol. This is because Maersk will not be assessing suppliers against the DNSH requirements for these activities at this stage. Furthermore, green buildings and electrical warehouse equipment financed under the framework may be financed in line with other green eligibility criteria, which Maersk aims to align with market practice.
- Maersk's procedures are aligned with the EU Taxonomy requirements for minimum safeguards.
- Overall, most proceeds of financing issued under the framework will be allocated to activities that we consider already meet the requirements of the EU Taxonomy.

## EU Taxonomy Summary

		Technical screening criteria						Minimum safeguards	Overall alignment
Substantial contribution	Do no significant harm (DNSH)								
	Climate mitigation	Climate adaptation	Sustainable water	Circular economy	Pollution prevention	Biodiversity protection			
<b>3.10 Manufacture of hydrogen (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✗	✗	N/A	✗	✗	✗	
<b>4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✗	✗	N/A	✗	✗	✗	
<b>6.6 Freight transport services by road (Clean transportation category)</b>							✓		
✓	Climate mitigation	N/A	✓	N/A	✓	✓	N/A	✓	
<b>6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities (Clean transportation category)</b>									
✓	Climate mitigation	N/A	✓	✓	✓	✓	✓	✓	
<b>6.12 Retrofitting of sea and coastal freight and passenger water transport (Clean transportation category)</b>									

Second Party Opinion: Maersk's Green Financing Framework

✓	Climate mitigation	N/A	✓	✓	✓	✓	✓	✓
<b>6.16 Infrastructure enabling low carbon water transport (Clean transportation category)</b>								
✓	Climate mitigation	N/A	✓	✓	✓	✓	✓	✓
<b>Electrical material handling equipment for warehouses (Clean transportation category)</b>								
—	Not applicable	—	—	—	—	—	—	—
<b>6.16 Infrastructure for water transport (Climate change adaptation category)</b>								
✓	Climate adaptation	✓	N/A	✓	✓	✓	✓	✓
<b>7.1 Construction of new buildings (Green building category)</b>								
✗	Climate mitigation	N/A	✓	✗	✗	✗	✗	✗
<b>7.3 Installation, maintenance, and repair of energy efficient equipment (Energy efficiency category)</b>								
✓	Climate mitigation	N/A	✓	N/A	N/A	✓	N/A	✓
<b>7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (Energy efficiency category)</b>								
✓	Climate mitigation	N/A	✓	N/A	N/A	N/A	N/A	✓
<b>7.5 Installation maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (Energy efficiency category)</b>								
✓	Climate mitigation	N/A	✓	N/A	N/A	N/A	N/A	✓
<b>7.6 Installation, maintenance and repair of renewable energy technologies (Energy efficiency category)</b>								
✓	Climate mitigation	N/A	✓	N/A	N/A	N/A	N/A	✓
<b>7.7 Acquisition and ownership of buildings (Green buildings category)</b>								
✗	Climate mitigation	N/A	✓	N/A	N/A	N/A	N/A	✗

## Detailed analysis

Minimum safeguards		
Analytical focus	Opinion	Rationale
<p>Our assessment is focused on how the issuer meets the four core topics of the minimum safeguards following the Platform on Sustainable Finance's recommendations:</p> <ul style="list-style-type: none"> <li>• Human rights, including workers' rights;</li> <li>• Bribery/corruption;</li> <li>• Taxation; and</li> <li>• Fair competition.</li> </ul>	<p>Aligned</p> <p>Not aligned</p>	<p><b>We consider the issuer is aligned with the EU taxonomy requirements for minimum safeguards.</b></p> <p>Maersk conducts human rights due diligence, including workers' rights. This is embedded in the company's ESG risk management and its procurement processes, as well as in its merger and acquisitions activities.</p> <p>Within its Modern Slavery Statement and Sustainability Report, the issuer details its processes that follow and reference the six steps outlined in the OECD Guidelines for Multinational Enterprises (MNE) and UN Guiding Principles on Business and Human Rights. In addition to its public Human Rights Policy Statement, commitments are implemented through its Code of Conduct and Supplier Code of Conduct, as well as other internal policies and procedures such as the Global Standards on Third-Party Labor. In practice, Maersk assesses suppliers in high-risk categories by conducting due diligence activities such as audits, self-assessments, and documentation reviews. This is key to mitigate human rights risks, given that the issuer operates in conflict-affected areas and has a role as a green fuel off-taker. In the case of severe violations of the code, Maersk will terminate supplier contracts.</p> <p>In 2021, an entity-wide human rights assessment was conducted alongside external experts to identify Maersk's salient human rights risks and any gaps in their management. The salient human rights identified were working conditions in the supply chain; health and safety in the supply chain; violence and harassment at work; access to remedy; plus the impact of climate change, such as the just transition. The human rights governance structure is part of the wider ESG strategy and is overseen by the board of directors. Each function at Maersk has responsibility for managing human rights risks and receives support from specific governance forums. Finally, Maersk has a whistleblower system in place through which employees, suppliers, or anyone external to the company can report concerns or allegations on human rights issues. Maersk has engaged with all such cases reported to the OECD National Contact Point and the Business and Human Rights Resource Centre (BHRRC).</p> <p>Maersk's internal governance framework also covers business ethics rules, including corruption. Implementation is conducted through a dedicated compliance team and through business compliance ambassadors, who are responsible for monitoring and managing compliance risks. Reporting on business ethics topics feeds through to both the Executive Leadership Team and the Audit Committee on Business Ethics. Furthermore, anticorruption and bribery topics are covered under Maersk's Code of Conduct. Employees receive annual training on this to promote their awareness of these topics. High-risk locations receive in-person training and, in 2022, Maersk rolled out e-learning to third parties. Maersk monitors the application of business ethics rules through internal compliance controls, spot checks, and transaction testing. Moreover, the company is now working to digitalize its compliance reporting and internal compliance controls.</p> <p>Maersk has put in place tax risk management, strategies, and processes, as outlined in the OECD MNE Guidelines; these are publicly disclosed. The company's tax strategy is to follow its Tax Principles, which are approved by the Board of Directors. Maersk makes these public, as part of its annual tax</p>

reporting. The Tax Principles outline the board's role in oversight, the wider tax governance structure, how Maersk complies with relevant tax laws and regulations, and its relationships with tax authorities.

Compliance with competition laws is covered under Maersk's Code of Conduct, which promotes awareness. Furthermore, senior management receives training on competition issues.

Finally, Maersk has confirmed that none of its senior management team, including members of senior management at its subsidiaries, have been convicted on any of the four minimum safeguard topics.

<b>Economic activity:</b>	<b>3.10 Manufacture of hydrogen</b>	
---------------------------	-------------------------------------	--

Analytical focus	Opinion	Rationale
Our assessment is focused on how the activity meets the <b>substantial contribution</b> technical screening criteria.	<div style="background-color: #d3d3d3; padding: 2px; text-align: center;">Aligned</div> <div style="background-color: #d3d3d3; padding: 2px; text-align: center;">Not aligned</div>	<p><b>We consider the issuer's activity of manufacture of hydrogen as aligned with the TSC for substantial contribution to the EU' s climate mitigation objective.</b></p> <p>This activity relates to procurement of e-methanol as fuel, which requires manufacture of hydrogen as part of its supply chain. Maersk itself will not be carrying out any hydrogen manufacturing.</p> <p>To ensure suppliers are in line with the TSC for this activity, Maersk applies its robust methanol sustainability policy, which requires that fuels must be third-party certified, through either the RSB EU or ISCC EU certification scheme. These certify that fuels are in line with the EU Renewable Energy Directive (2018/2001), which implicitly covers the requirements under the TSC. The issuer confirms this includes a life cycle GHG emissions calculation, as stated in Article 28(5) of Directive (EU) 2018/200. In particular, Maersk requires the fuels to have 70% lower life cycle emissions than the fossil fuel comparator outlined in the TSC, given that e-methanol is a hydrogen-based synthetic fuel.</p> <p>Maersk does not explicitly address the TSC related to CO2 capture from the manufacturing process in its methanol sustainability policy because it is still exploring this type of project. However, it notes that if such projects were financed, the supplier would need to comply with Directive (EU) 2009/31/EC.</p>
Our assessment is focused on how the activity meets the <b>does not significantly harm</b> other EU objectives' technical screening criteria.	<div style="background-color: #d3d3d3; padding: 2px; text-align: center;">Aligned</div> <div style="background-color: #d3d3d3; padding: 2px; text-align: center;">Not aligned</div>	<p><b>Maersk will not assess its green methanol suppliers in line with the DNSH criteria for manufacture of hydrogen.</b> Hence, we consider this issuer's activity of manufacture of hydrogen as not aligned with the DNSH TSC for all the remaining and applicable EU objectives.</p>

<b>Economic activity:</b>	<b>4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids</b>	
---------------------------	---	--

Analytical focus	Opinion	Rationale
------------------	---------	-----------



Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

Aligned  
Not aligned

**We consider the issuer's activity of manufacture of biogas and biofuels for use in transport and of bioliquids as aligned with the TSC for substantial contribution to the EU's climate mitigation objective.**

This activity relates to procurement of bio-methanol. Maersk itself will not be carrying out any manufacturing of biogas and biofuels.

To ensure suppliers are in line with the TSC for this activity Maersk applies its robust methanol sustainability policy which requires that fuels must be third-party certified, through either the RSB EU or ISCC EU certification scheme. These certify that fuels are in line with the EU Renewable Energy Directive (2018/2001), which implicitly covers the requirements under the TSC. In addition, this certification includes a life cycle emissions calculation that confirms that emissions savings are at least 65% in relation to the relative fossil fuel comparator. Furthermore, the methanol sustainability policy explicitly outlines the requirements for agricultural biomass used for the manufacture of biogas or biofuels, and that no food and feed crops can be used for the manufacture of such fuels.

Maersk does not explicitly address the TSC related to CO2 capture from the manufacturing process in its methanol sustainability policy because it is still exploring this type of project. However, it notes that if such projects were financed, the supplier would need to comply with Directive (EU) 2009/31/EC.

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned  
Not aligned

**Maersk will not assess its green methanol suppliers in line with the DNSH criteria for manufacture of hydrogen.** Hence, we consider this issuer's activity of manufacture of biogas and biofuels for use in transport and of bioliquids as not aligned with the DNSH TSC for all the remaining and applicable EU objectives.

**Economic activity: 6.6 Freight transport services by road**

**Analytical focus**

**Opinion**

**Rationale**

Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

Aligned  
Not aligned

**We consider the issuer's activity of freight transport services by road as aligned with the TSC for substantial contribution to the EU's climate mitigation objective.**

The issuer confirms the investments include N1, N2, or N3 vehicles. These will have no internal combustion engines, running off either hydrogen or electricity. Therefore, given the vehicles have zero tailpipe emissions and will not be dedicated to the transport of fossil fuels, they comply with the TSC for this activity.

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned  
Not aligned

**We consider this issuer's activity of freight transport services by road as currently aligned with the DNSH TSC for all the remaining and applicable EU objectives.**

According to the TSC, this activity must not harm climate adaptation, circular economy, and pollution prevention efforts. The other EU Objectives DNSH are not applicable for this eligible economic activity.

To meet the climate adaptation DNSH requirements for this activity, Maersk worked with the Cambridge Centre for Risk Studies in 2022 to perform a climate risk assessment. This assessment determined the primary physical risk exposures for Maersk's trucks, including storms and changes in wave heights. Despite this, Maersk does not believe that the chronic physical climate risks outlined in Appendix A will affect the performance of its trucks' lifetime, beyond what may be addressed by current technology.

More generally, Maersk confirmed that it will screen all projects financed under the framework in line with the DNSH requirements for Climate Change Adaptation (Annex A). Maersk screens for physical risks using the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to categorize, manage, and report on climate-related risks. In terms of climate change scenario analysis, the company uses the IPCC's "Shared Socioeconomic Pathways" (SSP1 - 2.6 and SSP5- 8.5) and "Representative Concentration Pathway" (RCP 2.6 and RCP 8.5) to assess assets' exposure. Following a climate change assessment, adaptation solutions are identified.

To meet the DNSH requirements for a circular economy, vehicles must meet certain thresholds for reusability, recyclability, and recoverability. Trucks manufactured within the EU meet the requirements through regulation. Furthermore, through collaboration throughout the procurement process, Maersk is able to identify vehicles to finance outside the EU that also meet these requirements. As such, Maersk confirms that all requirements will be fulfilled upon financing the assets with green proceeds.

In our view, Maersk meets the DNSH criteria for pollution prevention for vehicles purchased that are manufactured both in and outside the EU. Maersk has supplier screening policies in place through which they will ensure the alignment with EU Taxonomy requirements. This includes that vehicle tires will be within the highest populated class for external rolling noise requirements, and within the highest two populated classes, as set out in Regulation (EU) 2020/740.

**Economic activity:** 6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities

**Analytical focus**

**Opinion**

**Rationale**

Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

Aligned  
Not aligned

**We consider the issuer's activity of sea and coastal freight water transport, vessels for port operations and auxiliary activities as aligned with the TSC for substantial contribution to the EU' s climate mitigation objective.**

The EU Taxonomy outlines various TSC for this activity related to the vessels' emissions and/or energy efficiency. To be in line with the TSC for both new vessels and retrofitting existing vessels that use fossil fuels to ones that are methanol enabled, vessels must meet one or more of the criteria outlined. Maersk will finance vessels that meet either criteria 1e or 1f, which relate to Energy Efficiency Design Index (EEDI) values and Energy Efficiency Existing Ship Index (EEXI) values. Specifically, vessels already ordered by Maersk have an EEDI 20% below IMO requirements and the

ability to plug in at berth and therefore meet criteria 1e. In addition, vehicles financed will not be dedicated to the transport of fossil fuels, hence meet the TSC for this activity.

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned

Not aligned

**We consider this issuer's activity of sea and coastal freight water transport, vessels for port operations and auxiliary activities as aligned with the DNSH TSC for all the remaining and applicable EU objectives.**

According to the TSC, this activity must not harm climate adaptation, water, circular economy, pollution prevention, and biodiversity conservation efforts.

To meet the climate adaptation DNSH requirements for this activity, as for activity 6.6, Maersk worked with the Cambridge Centre for Risk Studies in 2022 to perform a climate risk assessment. Maersk does not believe that the chronic physical climate risks outlined in Appendix A will affect the performance of its vessels' lifetime, beyond what may be addressed by current technology.

Furthermore, water DNSH requirements for this activity may be addressed through its environmental and social impact assessments (ESIA). As part of this, every project is screened for environmental risks, and projects falling under this activity are expected to include a water impact assessment. Even so, Maersk generally believes that the risks to water quality and water stress from the vessels that will be financed under this activity are limited due to the nature of deep-sea shipping. Furthermore, it expects identified risks to be addressed through operational decisions.

The circular economy and pollution prevention criteria relate to management of the vessels at their end of life, in addition to vessel discharges, SOx and NOx emissions, and the toxicity of antifouling paint and biocides used. These are met through compliance with the IMO MARPOL convention and various EU regulations, for which Maersk has confirmed its compliance. Furthermore, Maersk applies its Responsible Ship Recycling Requirements, which go beyond the UN Basel and Hong Kong conventions, to all shipyards globally. Some yards are not on the European list of recycling facilities, as required by the circular economy DNSH. However, Maersk is lobbying for these yards to be added to the list. Moreover, given that the financing of these vessels is at an early stage, none have yet gone through the recycling process.

The DNSH criteria for biodiversity relate to minimizing the risk of transporting invasive species and managing the impact of noise and vibrations on marine life. These are addressed through compliance with both the IMO Ballast Water Management Convention and EU Ballast Water regulations. Furthermore, all vessels consider the IMO Biofouling guidelines to prevent introduction of nonindigenous species. To manage underwater noise, vessels use the guidance provided in the IMO Guidelines for the Reduction in Underwater Noise. Finally, activities financed will not hamper the achievement of good environmental status, as set out in Directive 2008/56/EC.

Economic activity:		6.12 Retrofitting of sea and coastal freight and passenger water transport	
Analytical focus	Opinion	Rationale	
Our assessment is focused on how the activity meets the <b>substantial contribution</b> technical screening criteria.	Aligned	<p><b>We consider the issuer's activity of retrofitting of sea and coastal freight and passenger water transport as aligned with the TSC for substantial contribution to the EU' s climate mitigation objective.</b></p> <p>Maersk will finance retrofitting activities, including the installation of shore power equipment on vessels. This will enable the vessels to meet the TSC to attain an EEXI value of at least 10% below the EEXI requirements applicable on Jan. 1, 2023. In addition, vehicles financed will not be dedicated to the transport of fossil fuels, and so will meet the TSC for this activity.</p>	
	Not aligned		
Our assessment is focused on how the activity meets the <b>does not significantly harm</b> other EU objectives' technical screening criteria.	Aligned	<p><b>We consider this issuer's activity of retrofitting of sea and coastal freight and passenger water transport as aligned with the DNSH TSC for all the remaining and applicable EU objectives.</b></p> <p>According to the TSC, this activity must not harm climate adaptation, water, circular economy, pollution prevention, and biodiversity conservation efforts.</p> <p>The DNSH requirements for this activity are similar to those outlined for activity 6.10. Maersk applies the same standards for this activity and thus the requirements are met. Furthermore, Maersk believes that it complies with Appendix C: Generic Criteria for DNSH to Pollution Prevention and Control Regarding Use and Presence of Chemicals. In particular, it complies with the requirement that the activity does not lead to the manufacture or placing on the market of substances referred to in the appendix.</p>	
	Not aligned		

Economic activity:		6.16 Infrastructure enabling low carbon water transport (climate change mitigation)	
Analytical focus	Opinion	Rationale	
Our assessment is focused on how the activity meets the <b>substantial contribution</b> technical screening criteria.	Aligned	<p><b>We consider the issuer's activity of infrastructure enabling low carbon water transport as aligned with the TSC for substantial contribution to the EU' s climate mitigation objective.</b></p> <p>Maersk will finance equipment for shore power at berth, green fuel bunker stations, and zero-emission cranes, prime movers, and port vehicles, as well as dedicated infrastructure, and transshipping freight between shipping and rail. All of these activities outlined meet the TSC for this activity, considering none will be dedicated to the transport or storage of fossil fuels.</p>	
	Not aligned		
Our assessment is focused on how the activity meets the <b>does not significantly harm</b> other EU objectives' technical screening criteria.	Aligned	<p><b>We consider this issuer's activity of infrastructure enabling low carbon water transport is aligned with all DNSH TSC and applicable EU objectives.</b></p> <p>According to the TSC, this activity must not harm climate adaptation, water, circular economy, pollution prevention, and biodiversity conservation efforts.</p>	
	Not aligned		

For reference to our opinion on how Maersk applies the DNSH criteria for climate adaptation for the underlying assets, where the EU Taxonomy does require the full application of Appendix A: Generic Criteria for DNSH To Climate Change Adaptation, please refer to the DNSH rationale described in activity 6.6.

Maersk addresses the water and biodiversity DNSH requirements for this activity through its environmental and social impact assessments (ESIA), which cover both water and biodiversity risks.

Furthermore, Maersk has measures in place to meet the DNSH for circular economy and pollution prevention for this activity. The circular economy DNSH are likely addressed through Maersk's waste management requirements and HSE specification requirements. On the other hand, through environmental screening policies and contractual agreements during construction, requirements for the pollution prevention DNSH are met.

**Economic activity: 6.16 Infrastructure for water transport (climate change adaptation)**

**Analytical focus**

Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

**Opinion**

Aligned  
Not aligned

**Rationale**

**We consider the issuer's activity of infrastructure for water transport as aligned with the TSC for substantial contribution to the EU's climate adaptation objective.**

Maersk will invest in solutions such as adaptation of existing quay infrastructure to increase resilience to rising sea levels, draining systems to increase capacity to minimize flood risk, and adaptation of terminals to increase resilience to typhoons.

Maersk has a clear process for identifying adaptation solutions, which should help it identify projects broadly in line with the TSC:

1. Climate vulnerability assessment to identify specific exposures;
2. Identify adaptation measures;
3. Prioritize adaptation measures;
4. Cost-benefit analysis;
5. Climate scenario analysis to determine how each adaptation measure performs;
6. Monitoring and evaluation to track performance of measures financed; and
7. Documentation and reporting.

The company uses a range of climate change scenarios (SSP1-2.6 and RCP2.6 to SSP5-8.5 and RCP8.5) that are aligned with the Sixth IPCC Assessment Report from 2021. Furthermore, assessment of maladaptation risk is covered within Maersk's ESIA's. Alignment of adaptation measures financed with wider national adaptation plans is covered in the design phase of projects and within building permit applications.

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned  
Not aligned

**We consider this issuer's activity of infrastructure for water transport as aligned with the DNSH TSC for all the applicable EU objectives.**

According to the TSC, this activity must not harm climate adaptation, water, circular economy, pollution prevention, and biodiversity conservation efforts.

The issuer addresses climate change mitigation objectives by excluding the financing of assets or infrastructure dedicated to the transport or storage of fossil fuels. Furthermore, all adaptation proposals will be signed off by Maersk's decarbonization experts. This will include an assessment of potential projects' scope 1, 2 and 3 emissions and the emissions impact is modeled in various scenarios and included in the relevant business case by applying Maersk's internal carbon cost.

For reference to our opinion on how Maersk applies the DNSH criteria for the remaining objectives, please refer to the DNSH rationale described in activity 6.16 (infrastructure enabling low carbon water transport).

Economic activity:		7.1 Construction of new buildings	
Analytical focus	Opinion	Rationale	
Our assessment is focused on how the activity meets the <b>substantial contribution</b> technical screening criteria.	Aligned Not aligned	<p><b>We consider the issuer's activity of construction of new buildings as not aligned with the TSC for substantial contribution to the EU's climate mitigation objective.</b></p> <p>Maersk does not commit to align its construction of new buildings with the TSC.</p>	
Our assessment is focused on how the activity meets the <b>does not significantly harm</b> other EU objectives' technical screening criteria.	Aligned Not aligned	<p><b>We consider this issuer's activity of construction of new buildings as not aligned with the DNSH TSC for all the remaining and applicable EU objectives.</b></p> <p>According to the TSC, this activity must not harm climate adaptation, water, circular economy, pollution prevention, and biodiversity conservation efforts.</p> <p>Maersk does not explicitly commit to align its construction of new buildings with the DNSH for this activity. However, we believe the requirements for climate adaptation are met through the application of physical risk screening for all projects. For more details, please refer to the DNSH rationale for climate adaptation described in activity 6.6.</p>	

Economic activity:		7.3 Installation, maintenance and repair of energy efficiency equipment	
Analytical focus	Opinion	Rationale	

**Second Party Opinion: Maersk's Green Financing Framework**

Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

Aligned  
Not aligned

**We consider the issuer's activity of installation, maintenance and repair of energy efficiency equipment as aligned with the TSC for substantial contribution to the EU's climate mitigation objective.**

Maersk have informed us that it intends to finance LED lighting and HVAC systems, both of which are in line with the TSC for this activity.

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned  
Not aligned

**We consider this issuer's activity of installation, maintenance and repair of energy efficiency equipment as aligned with the DNSH TSC for all the remaining and applicable EU objectives.**

According to the TSC, this activity must not harm climate adaptation and pollution prevention efforts. The other EU Objectives DNSH are not applicable for this eligible economic activity.

As part of the DNSH requirements for pollution prevention and control, building components and materials should comply with the criteria of Appendix C: Pollution Prevention and Control Regarding User and Presence of Chemicals. The issuer believes these are met through application of existing policies, specifically those related to chemical selection and management.

For reference to our opinion on how Maersk applies the DNSH criteria for climate adaptation for the underlying assets, where the EU Taxonomy does require the full application of Appendix A: Generic Criteria for DNSH To Climate Change Adaptation, please refer to the DNSH rationale described in activity 6.6.

**Economic activity:** **7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)**

**Analytical focus**

**Opinion**

**Rationale**

Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

Aligned  
Not aligned

**We consider the issuer's activity of installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to building) as aligned with the TSC for substantial contribution to the EU's climate mitigation objective.**

Maersk intends to finance EV charging stations, which is in line with the TSC for this activity.

**Second Party Opinion: Maersk's Green Financing Framework**

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned  
Not aligned

**We consider this issuer's activity of installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to building) as aligned the DNSH TSC for all the remaining and applicable EU objectives.**

According to the TSC, this activity must not harm climate adaptation. The other EU Objectives DNSH are not applicable for this eligible economic activity.

For reference to our opinion on how Maersk applies the DNSH criteria for climate adaptation for the underlying assets, where the EU Taxonomy does require the full application of Appendix A: Generic Criteria for DNSH To Climate Change Adaptation, please refer to the DNSH rationale described in activity 6.6.

**Economic activity: 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings**

**Analytical focus**

**Opinion**

**Rationale**

Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

Aligned  
Not aligned

**We consider the issuer's activity of installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings as aligned with the TSC for substantial contribution to the EU' s climate mitigation objective.**

Maersk intends to finance energy consumption management devices, in addition to smart meters for gas, heating, and cooling. Both these types of investments meet the TSC for this activity.

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned  
Not aligned

**We consider this issuer's activity of installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings as aligned with the DNSH TSC for all the remaining and applicable EU objectives.**

According to the TSC, this activity must not harm climate adaptation. The other EU Objectives DNSH are not applicable for this eligible economic activity.

For reference to our opinion on how Maersk applies the DNSH criteria for climate adaptation for the underlying assets, where the EU Taxonomy does require the full application of Appendix A: Generic Criteria for DNSH To Climate Change Adaptation, please refer to the DNSH rationale described in activity 6.6.

**Economic activity: 7.6 Installation, maintenance and repair of renewable energy technologies**

**Analytical focus**

**Opinion**

**Rationale**



**Second Party Opinion: Maersk's Green Financing Framework**

Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

Aligned  
Not aligned

**We consider the issuer's activity of installation, maintenance and repair of renewable energy technologies as aligned with the TSC for substantial contribution to the EU's circular economy objective.**

Maersk expects to finance the installation, maintenance and repair of solar photovoltaic systems, solar hot water panels, wind turbines, thermal or electric energy storage units, and heat exchanger/recovery systems. This also includes ancillary technical equipment, in line with the TSC for this activity.

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned  
Not aligned

**We consider this issuer's activity of installation, maintenance and repair of renewable energy technologies as aligned with the DNSH TSC for all the remaining and applicable EU objectives.**

According to the TSC, this activity must not harm climate adaptation. The other EU Objectives DNSH are not applicable for this eligible economic activity.

For reference to our opinion on how Maersk applies the DNSH criteria for climate adaptation for the underlying assets, where the EU Taxonomy does require the full application of Appendix A: Generic Criteria for DNSH To Climate Change Adaptation, please refer to the DNSH rationale described in activity 6.6.

**Economic activity: 7.7 Acquisition and ownership of buildings**

**Analytical focus**

**Opinion**

**Rationale**

Our assessment is focused on how the activity meets the **substantial contribution** technical screening criteria.

Aligned  
Not aligned

**We consider the issuer's activity of acquisition and ownership of buildings as not aligned with the TSC for a substantial contribution to the EU's climate mitigation objective.**

Maersk does not commit to align its activities related to acquisition and ownership of buildings with the TSC.

Our assessment is focused on how the activity meets the **does not significantly harm** other EU objectives' technical screening criteria.

Aligned  
Not aligned

**We consider this issuer's activity of acquisition and ownership of buildings as aligned with the DNSH TSC for all the remaining and applicable EU objectives.**

According to the TSC, this activity must not harm climate adaptation. The other EU Objectives DNSH are not applicable for this eligible economic activity.

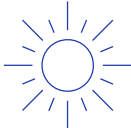
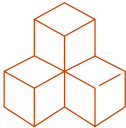



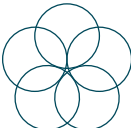
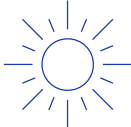


Maersk does not explicitly commit to align its activities related to acquisition and ownership of buildings with the DNSH for this activity. However, we believe these requirements are met through the application of

physical risk screening for all projects. For more details, please refer to the DNSH rationale for climate adaptation described in activity 6.6.

## Mapping To The U.N.'s Sustainable Development Goals

Where the Financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the Financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not impact our alignment opinion.

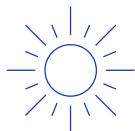
This framework intends to contribute to the following SDGs:

Use of proceeds	SDGs				
Clean Transportation					
	<b>7. Affordable and clean energy</b>	<b>9. Industry, innovation and infrastructure</b>	<b>11. Sustainable cities and communities*</b>	<b>12. Responsible consumption and production</b>	<b>13. Climate action</b>
					
	<b>17. Partnerships for the goals</b>				
Energy Efficiency					
	<b>7. Affordable and clean energy*</b>		<b>13. Climate action</b>		

**11. Sustainable cities and communities**

---

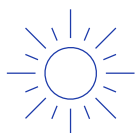
Green Buildings



**7. Affordable and clean energy**   **13. Climate action**

---

Climate Change Adaptation



**7. Affordable and clean energy**   **13. Climate action\***

---

\*The eligible project categories link to these SDGs in the ICMA mapping.

## Related Research

- [Analytical Approach: Second Party Opinions: Use of Proceeds](#), July 27, 2023
- [FAQ: Applying Our Integrated Analytical Approach for Use-of-Proceeds Second Party Opinions](#), July 27, 2023
- [Analytical Approach: Shades of Green Assessments](#), July 27, 2023
- [S&P Global Ratings ESG Materiality Maps](#), July 20, 2022

## Analytical Contacts

### Primary contact

**Catherine Baddeley**  
London  
+44 20-7176-0459  
catherine.baddeley  
@spglobal.com

### Secondary contacts

**Irina Velieva**  
Stockholm  
+749-5783-4071  
irina.velieva  
@spglobal.com

**Catherine Rothacker**  
Oslo  
+47 941 57 987  
catherine.rothacker  
@spglobal.com

**Rafael Heim**  
Paris  
+33 634 39 72 53  
rafael.heim  
@spglobal.com

### Research contributor

**Sreenidhi M K**  
Pune

## Second Party Opinion: Maersk's Green Financing Framework

Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P) receives compensation for the provision of the Second Party Opinions product (Product). S&P may also receive compensation for rating the transactions covered by the Product or for rating the issuer of the transactions covered by the Product. The purchaser of the Product may be the issuer.

The Product is not a credit rating, and does not consider credit quality or factor into our credit ratings. The Product does not consider, state or imply the likelihood of completion of any projects covered by a given financing, or the completion of a proposed financing. The Product encompasses Use of Proceeds Second Party Opinions and Sustainability-Linked Second Party Opinions. An S&P Global Use of Proceeds Second Party Opinion provides an opinion on an issuer's sustainable finance instrument, program, or framework, and considers the financing in the context of the issuer's most material sustainability factors, the issuer's management of additional sustainability factors relevant to the sustainable financing, and provides an opinion regarding alignment with certain third-party published sustainable finance principles ("Principles"). An S&P Global Ratings Sustainability-Linked Second Party Opinion considers features of a financing transaction and/or financing framework and provides an opinion regarding alignment with relevant Principles. For a list of the Principles addressed by the Product, see the Analytical Approach, available at [www.spglobal.com](http://www.spglobal.com). The Product is a statement of opinion and is neither a verification nor a certification. The Product is a point in time evaluation reflecting the information provided to us at the time that the Product was created and published, and is not surveilled. The Product is not a research report and is not intended as such. S&P's credit ratings, opinions, analyses, rating acknowledgment decisions, any views reflected in the Product and the output of the Product are not investment advice, recommendations regarding credit decisions, recommendations to purchase, hold, or sell any securities or to make any investment decisions, an offer to buy or sell or the solicitation of an offer to buy or sell any security, endorsements of the suitability of any security, endorsements of the accuracy of any data or conclusions provided in the Product, or independent verification of any information relied upon in the credit rating process. The Product and any associated presentations do not take into account any user's financial objectives, financial situation, needs or means, and should not be relied upon by users for making any investment decisions. The output of the Product is not a substitute for a user's independent judgment and expertise. The output of the Product is not professional financial, tax or legal advice, and users should obtain independent, professional advice as it is determined necessary by users.

While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P and any third-party providers, as well as their directors, officers, shareholders, employees, or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness, or availability of the Product. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for reliance of use of information in the Product, or for the security or maintenance of any information transmitted via the Internet, or for the accuracy of the information in the Product. The Product is provided on an "AS IS" basis. S&P PARTIES MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDED BUT NOT LIMITED TO, THE ACCURACY, RESULTS, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCT, OR FOR THE SECURITY OF THE WEBSITE FROM WHICH THE PRODUCT IS ACCESSED. S&P Parties have no responsibility to maintain or update the Product or to supply any corrections, updates, or releases in connection therewith. S&P Parties have no liability for the accuracy, timeliness, reliability, performance, continued availability, completeness or delays, omissions, or interruptions in the delivery of the Product.

To the extent permitted by law, in no event shall the S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence, loss of data, cost of substitute materials, cost of capital, or claims of data, or claims of any third party) in connection with any use of the Product even if advised of the possibility of such damages.

S&P maintains a separation between commercial and analytic activities. S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

For PRC only: Any "Second Party Opinions" or "assessment" assigned by S&P Global Ratings: (a) does not constitute a credit rating, rating, sustainable financing framework verification, assessment, certification or evaluation as required under any relevant PRC laws or regulations, and (b) cannot be included in any offering memorandum, circular, prospectus, registration documents or any other document submitted to PRC authorities or to otherwise satisfy any PRC regulatory purposes; and (c) is not intended for use within the PRC for any purpose which is not permitted under relevant PRC laws or regulations. For the purpose of this section, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.