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## **ITF MAERSK NETWORK STATEMENT TO THE AP MOLLER MAERSK ANNUAL GENERAL MEETING 2024**

The International Transport Workers' Federation welcomes the opportunity to speak to AP Moller Maersk (Maersk) executives and shareholders today. We are the voice of 18.5 million transport workers in over 700 transport trade unions across the globe from over 150 different countries. Transport workers are the lifeblood of the global economy, linking critical supply chains, markets and societies, keeping our world moving. Our members' on-the-ground experience and expertise make the ITF one of the world's leading transport authorities.

Maersk, a leading maritime conglomerate, is succeeding in becoming an integrated end-to-end transportation provider, focusing on expanding business into shoreside logistics. This expansion comes with many opportunities, but also significant risks. Inland transport and logistics often involve extensive and complex contracting chains, which the experience of ITF members and various research identifies can lead to downward pressure on workers' pay, conditions, health and safety and a lack of transparency. This can result in severe labour and human rights violations and legal liability for lead companies. At the same time, the more complex the contracting chains are, the more difficult it is for lead companies to fully understand or have an overview of the risks they are responsible for addressing.

There is an overlap between the sectors Maersk is expanding into and ITF's membership in road, rail, and warehousing. Our already well-established relationship in maritime sectors – ports, ships, and tugs – has proven to be mutually beneficial and cooperative. The ITF wishes to further develop this relationship and invites Maersk to participate in open conversation with our affiliated trade unions so that they are consulted in the process of expansion. We are confident that our affiliates' first-hand knowledge of conditions in Maersk's shore-based operations can help mitigate any significant risks and become a leader in human rights due diligence (HRDD) and supply chain accountability, at a time when the related legal frameworks are being strengthened globally.

According to both the Ethical Trading Initiative and the Committee on Workers' Capital, employer engagement with trade unions has significant positive potential for companies and their shareholders. Meaningful dialogue builds trust among the workforce, ensures workplaces are safe, enables reliable audits of labour code non-compliance, improves staff retention, leads to better business decisions, promotes equality, supports access to learning and skills, saves money, and increases productivity. For Maersk to ensure its operations in these new sectors make good business sense, Maersk must ensure trade unions have a seat at the table.

It is a fact, and we are addressing investors here today who agree: consumers and shareholders are demanding ethical consumption. As we have highlighted at previous AGMs, performance on respect for labour rights has not always been consistent across Maersk's activities. For this reason, we are disappointed that the Board is not supporting the well thought through shareholder proposal by Akademiker Pension and LD Fonde. Adopting the mature and thorough approach to reporting on the company's approach to human rights due diligence which these shareholders propose, including sustainable supply chains, will enable the company to demonstrate clearly that it is meeting the EU's Minimum Social Safeguards for Sustainable Finance.

Through Maersk's transition and expansion, it's crucial that jobs are protected and new opportunities for decent work are created for the future workforce. As Svitzer is demerged from Maersk, uncertainty looms over the future of the tug subsidiary workforce. ITF has heard reports of casualisation and victimization of trade union activists. We look forward to raising these issues further at the emergency shareholder meeting next month regarding the demerger.

Additionally, our affiliated trade unions have raised concerns at ports where Maersk holds significant stake through APM Terminals. Maersk has committed to uphold third party labour supply policies, however, we have had reports from around the world that Maersk is not living up to its professed standards on social dialogue and equality measures. In Bremerhaven seaport - a joint venture between APMT and Eurogate – our affiliate is in dispute to ensure the automation process abides by the existing collective bargaining agreement. Maersk must take responsibility and adhere to applicable collective agreements and respect existing social partnerships. APMT holds 75% shares in Gateway Terminals India, where workers are consistently being outsourced when they should be directly employed. In three Colombo harbour terminals, the lack of proper facilities for women, undermines Maersk's commitment to equality and promoting women in the maritime industry.

In a time of great uncertainty and global unrest, the ITF stands with its members in hopes for a world of peace and prosperity from the Middle East to Eastern Europe, East Africa to Southeast Asia. Until then, as social partners we must come together to protect those most vulnerable. The junta in Myanmar (Burma) needs foreign exchange to buy weapons, ammunition and fuel. The main source of foreign exchange is exports – garments in particular, but also gems, wood and other commodities. Disrupting this source of foreign exchange would make it much harder for the regime to sustain itself. Maersk must not throw a lifeline to the regime through its operations. A regime that not only persecutes union activists, but that demands its workers abroad, including seafarers, remit 25% of their foreign currency income through the country's banking system at an exchange rate that is 40% below market rate.

Finally, we welcome Maersk's decision to enter the Gemini Cooperation with Hapag-Lloyd, as there is an opportunity for both companies to work jointly in raising standards in the maritime industry. The dialogue between Maersk and ITF during the Montreal dockers dispute was positive, resulting in a collaborative strategy to return lashing to shoreside workers. We congratulate Maersk for its decision to protect its seafarers and let lashing and unlash remain dockers' work. We hope that Maersk can encourage Hapag-Lloyd to do the same: if Maersk can find a solution, so should Hapag-Lloyd. We urge Maersk to redouble and press again for a level playing field with its new liner partners Hapag-Lloyd who ought to share the same principles for safety of their crew but have so far disappointingly failed to uphold.

Although we find it regretful that shareholders are not meeting in-person, we nonetheless appreciate the opportunity to share our statement at the AGM. The collaboration between the ITF and Maersk has the potential to set a precedent for labour relations in the industry. Tick box exercises deeming workers as the most valuable asset in a company are not enough. Meaningful action by the employer, including empowerment of the workforce through positive dialogue with trade unions will, without doubt, also contribute to the success of the company.

Thank you.