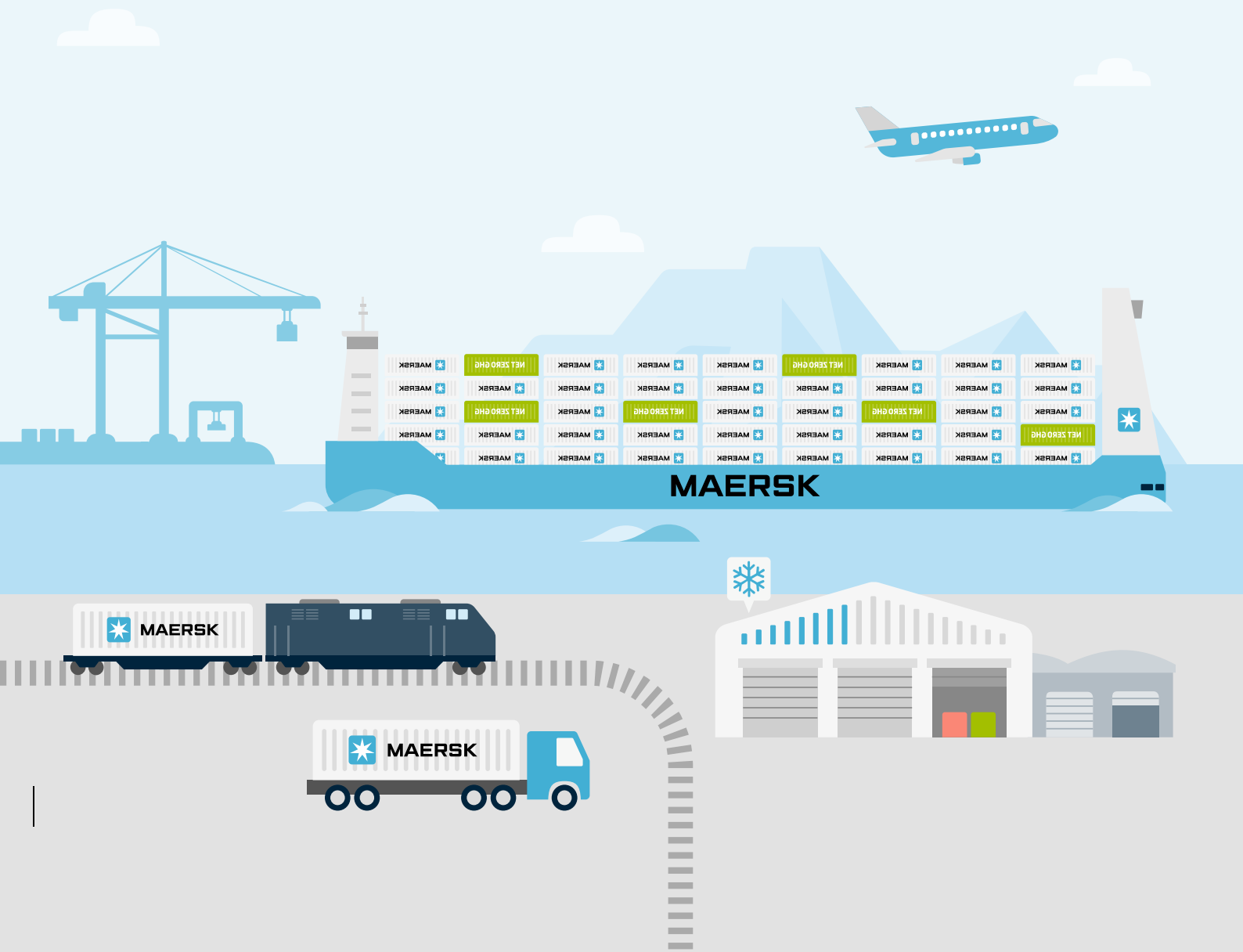


# Maersk Position Papers' Definitions



---

## Abbreviations

<b>BBA</b>	Basel Ban Amendments
<b>BC</b>	Basel Convention
<b>CII</b>	Carbon Intensity Indicator
<b>COP</b>	Conference of Parties
<b>DCS</b>	Data Collection System
<b>EEDI</b>	Energy Efficiency Design Index
<b>EEXI</b>	Energy Efficiency Existing Ship Index
<b>EU</b>	European Union
<b>EU MRV</b>	European Union's Monitor, Reporting and Verification
<b>EU SSR</b>	European Union's Ship Recycling Regulation
<b>EU ETS</b>	European Union's Emissions Trading System
<b>GHG</b>	Green House Gasses
<b>H&amp;S</b>	Health and Safety
<b>HKC</b>	Hong-Kong Convention
<b>ILO</b>	International Labour Organization
<b>IMO</b>	International Maritime Organization
<b>LCA</b>	Life Cycle Assessment
<b>MBM</b>	Market Based Measure
<b>MHU</b>	Mobile Health Unit
<b>MJ</b>	Megajoule
<b>PPE</b>	Personal Protective Equipment
<b>RFNBO</b>	Renewable Fuels of Non-Biological Origin

<b>RSRS</b>	Responsible Ship Recycling Standard
<b>UN</b>	United Nations
<b>USD</b>	United States Dollars
<b>WSR</b>	Waste Shipment Regulation

## Chemical formula

<b>CO<sub>2</sub></b>	<b>Carbon Dioxide:</b> Carbon dioxide is one of the most common of greenhouse gases contributing to global warming.
<b>CO<sub>2</sub>-e</b>	<b>Carbon Dioxide Equivalent:</b> Other GHGs are often calculated into CO <sub>2</sub> equivalents and denoted with CO <sub>2</sub> -e.
<b>CH<sub>4</sub></b>	<b>Methane:</b> Methane is a greenhouse gas and has a significantly higher impact on the climate than CO <sub>2</sub> . Methane is the main component of natural gas and biogas and can be converted to liquid form and used as fuel (LNG or bio-LNG).
<b>CH<sub>3</sub>OH</b>	<b>Methanol:</b> Methanol can be used to make a green fuel by combining sustainably sourced hydrogen and CO <sub>2</sub> captured from renewable sources.  Maersk has invested in new vessels that can operate on carbon-neutral methanol fuel.
<b>NH<sub>3</sub></b>	<b>Ammonia:</b> Ammonia is chemical compound and potential future fuel due it being a hydrogen carrier. Today, ammonia is known from agriculture as a fertilizer and from refrigeration as a refrigerant. Ammonia is highly toxic but carbon free.
<b>N<sub>2</sub>O</b>	<b>Nitrous Oxide:</b> Nitrous Oxide is a greenhouse gas and has a significantly higher impact on the climate than CO <sub>2</sub> .

## Terms, definitions, etc.

<b>Alternative fuel</b>	Alternative fuels, also referred to as either non-conventional or advanced fuels, are fuels made of any material or substance that is not conventional.
<b>Carbon Intensity Indicator</b>	Measure introduced in shipping expressed as grams of CO <sub>2</sub> emitted per deadweight-nautical mile (g/(dwt*nm)). It is an expression of the vessel efficiency in CO <sub>2</sub> terms.  Maersk believes that the CII measure proposed by the IMO does not provide optimal incentives for improved efficiency of vessels, as the calculations are based on the deadweight of the vessel rather than the actual cargo the vessel carries.

<b>Carbon price</b>	Price put in place to provide financial incentive to reduce carbon emissions by way of adding a cost beyond the fuel price on CO <sub>2</sub> emitted from operations.
<b>Climate friendly</b>	Climate friendly means that actions, operations, and/or procedures taken will not cause any damage to the environment.
<b>Climate (carbon) neutral</b>	The terms climate (carbon) neutral and net zero emissions mean that any greenhouse gas released into the atmosphere is balanced by the removal of an equivalent amount from the atmosphere.
<b>Design standard</b>	<p>A phase-out mechanism on the production of fossil-fuelled vessels, also referred to as a new build standard.</p> <p>Maersk proposes that the IMO implements a design standard from the mid-2030s, setting industry-standards for fuel use on ships built after a certain date.</p>
<b>Feedstocks</b>	Renewable, biological material that can be used either directly as fuel or in the conversion to fuel or energy product.
<b>Fuel standard</b>	<p>Obligation imposed by regulators for a vessel to sail on a renewable fuel or a percentage thereof. A fuel standard encourages the use of green fuels.</p> <p>Maersk believes that a fuel standard should reward vessels that operate using carbon-neutral fuels.</p>
<b>Greenhouse gas</b>	<p>Gasses, both naturally occurring and industrially generated, when released into the atmosphere compounds the greenhouse effect and affects climate change (increase in temperatures). The six greenhouse gases listed by the Kyoto Protocol are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and the so-called F-gases (hydrofluorocarbons and perfluorocarbons) and sulphur hexafluoride (SF<sub>6</sub>).</p> <p>Maersk believes that regulatory frameworks aimed at decarbonizing the industry, such as the IMO GHG Strategy, the FuelEU Maritime and the EU ETS, should account for all relevant greenhouse gases.</p>
<b>Green fuels</b>	To Maersk, the term “green” means fuels or energy that have low or very low greenhouse gas emissions on a lifecycle basis. Different green fuels achieve different lifecycle greenhouse gas savings depending on how they are produced.
<b>Life cycle assessment</b>	<p>A measure for determining the environmental impacts associated with a commercial product, process or service, assessed on a life cycle basis.</p> <p>Maersk urges the IMO to include a full LCA and Well-to-Wake emissions in its regulation.</p>
<b>Market Based Measure</b>	For Maersk, a Market Based Measure, e.g., carbon price, should be at least 450 USD/t fuel (i.e., at least 150 USD per ton CO <sub>2</sub> ) to cover the cost gap between fossil and renewable fuels.
<b>Net-zero emissions</b>	The terms climate neutral and net zero emissions mean that any greenhouse gas released into the atmosphere is balanced by the removal of an equivalent amount from the atmosphere. Same as climate neutral.

---

**Responsible ship recycling**

Ensure that at the end-of-life, a ship is dismantled in a safe manner (with respect to both workers' health and safety and to the environment) and components recycled to the fullest extent possible.

---

**Sustainable practices**

Sustainable practices is to balance economic growth with ESG values.

---

**Tank-to-Wake**

A term used to account for the direct emissions from the combustion of the fuel to produce thrust.

---

**Well-to-Wake**

A term used to illustrate and account for emissions from extraction of the fuel to the end-emissions during use.

---

**1.5C degree pathway**

A measure introduced by the Paris Agreement: 1.5° or well below 2° increase in temperature by 2050. This opens for different levels of commitments for different countries and industries depending on the starting point.

---

## **Policies, Strategies and Declarations**

---

**Basel Ban Amendment**

A global waste dumping prohibition from 1995, which prohibits all exports of hazardous wastes from OECD to non-OECD countries. The amendment became international law in 2019.

---

**Clydebank Declaration for green shipping corridors**

At COP26 in November 2021, signatory states of the Clydebank Declaration declared their support for the establishment of green shipping corridors.

Maersk fully supports the Clydebank Declaration and pushed for its foundation at COP26. Maersk believes green corridors can be a means to push for early deployment of green fuels.

---

**European Green Deal**

To overcome the challenges of climate change and environmental degradation, the European Green Deal sets the path towards becoming the first climate neutral continent by 2050. Pertinent to the transport sector, the European Green Deal sets forth the objective of a 90% reduction in transport-related greenhouse gas emissions by 2050.

As a company, who seeks to find solutions to the global climate challenges, Maersk fully supports the European Green Deal, and has set an internal target of net zero emissions by 2040.

---

**EU Emissions Trading System**

The EU ETS aims to reduce emissions through a 'cap and trade' approach where the right to emit greenhouse gases within a certain area is limited by the scheme, but where companies can trade their allowances within the given area.

Maersk supports the EU ETS and suggests that the framework puts a price on more greenhouse gases (e.g., methane and nitrous oxide) and considers emissions based on a full life cycle assessment.

---

**EU Monitoring, Reporting and Verification**

Fully transparent annual tracking of CO<sub>2</sub> emissions from maritime transport to / from EU ports and intra-EU based on actual cargo carried.

Maersk believed that the EU MRV sets the global standard for relevant information and transparency needed to progress decarbonisation policies.

---

**EU Ship Recycling Regulation**

The European Ship Recycling Regulation was adopted in 2013 and entered into force on 18 December 2018. The Regulation requires all large sea-going vessels sailing under an EU Member State flag to use an approved ship recycling facility included in the European List. The list is updated regularly but still today largely falls short of necessary recycling capacity.

---

**EU Waste Shipment Regulation**

The EU WSR (from November 2021) is set out to revise EU rules governing shipments of waste to ensure, amongst others, that waste exports from EU to other countries are managed in an environmentally sound manner. This proposal explicitly states in its regulation and accompanying impact assessment that the EU SRR will take precedence over the WSR (and thus the BBA) when it comes to European flagged vessels that become waste outside EU territory.

---

**Fit for 55 Package**

The Fit for 55 Package was presented by the European Commission in July 2021 as part of the EU Green Deal and is a set of proposals aimed at reducing GHG emissions by at least 55% by 2030, compared to 1990 levels.

Maersk welcomes the Fit for 55 Package, including its proposals on the FuelEU Maritime Initiative and the extension of the EU ETS to include shipping.

---

**FuelEU Maritime**

An EU proposal part of the Fit for 55 Package, aimed at increasing the share of renewable and low-carbon fuels in international shipping.

Maersk supports the FuelEU Maritime proposal, and suggest that the framework should intensive RFNBOs, ensure deployment of vessels with the latest technology as well as lay the foundation for a global framework.

---

**Hong-Kong Convention**

The Hong-Kong Convention was adopted in 2009 with the aim that when ships are recycled at the end of their operational lives, they do not pose any unnecessary risk to human health & safety or to the environment. However, the Hong-Kong Convention has not yet entered into force due to a lack of ratification.

---

**IMO EEDI Regulation**

The EEDI was made mandatory for new ships at MEPC62 in July 2011 and is the most important technical measure and aims at promoting the use of more energy efficient equipment and engines on vessels.

---

**IMO GHG Strategy**

The IMO GHG Strategy was formulated in 2018 and envisages a reduction in emissions from international shipping. In particular, GHG emissions should be reduced by 50% by 2050, compared to 2008 levels.

Maersk urges the IMO to adopt a target of net-zero emissions in 2050 at the latest.

---

**List of European ship recycling facilities**

The List is updated on a regular basis, both to include compliant facilities and/or to remove facilities that have ceased to be compliant. To be included on the List, any ship recycling facility, regardless of location, must meet a number of safety and

---

---

environmental standards. However, only non-European list need to be audited by European Commission appointed auditors.

---

### Maersk Responsible Ship Recycling Standard

Maersk's RSRS goes beyond international rules regarding Health, Safety and Environmental issues, as well as requirements on anti-corruption and labour rights based on long recognized international standards and the Maersk code of conduct.

---

### Paris Agreement

A legally binding treaty on climate change signed by 196 nations during COP21 in Paris. The overall goal in the agreement is to ensure global temperature increase of well below 2 degrees Celsius and preferably 1.5 degrees Celsius by 2050 compared to pre-industrialisation levels.

All of Maersk's climate policy outreach is conducted in line with the goals of the Paris Agreement.

---

