

MAERSK

POST 

2 / APRIL 2014

THEME | GROWING WITH INDIA

Ruchika Kuthari, Trishna Mishra and Kinjal Pande are leaders of Maersk India. Not only are they moving up the corporate ladder, they also illustrate a wider trend amongst women in Indian society as a whole: Increasing female leadership.

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THE LADDER TO OPPORTUNITIES | With Liberia's economic growth projections intact, the new Monrovia port provides a strong incentive for the trade growth the country badly needs to develop. While the port has only been operational for three years, its impact can already be seen and felt in a variety of ways.



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LINER CONNECTIVITY | Whether it's partnering with local businesses to go global, or improving the supply chain of foreign multinational companies in China, Maersk's activities in the country have impacted its economy and competitiveness. A new study, 'Maersk Group in China' explains how.



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How Ngoc Nguyen became captain

A DREAM COME TRUE | Last February, Ngoc Nguyen boarded Thomas Maersk as captain for the first time. 34 years earlier he and his family were rescued in the South Chinese Sea by a Maersk Line vessel.



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Values at work

UPSTREAM EXPERIENCE | Maersk Oil's new Chief Operating Officer Gretchen Watkins, points out that a values-led approach will deliver tangible business benefits.

Enthusiastic shareholders

ANNUAL GENERAL MEETING | More than 1,300 enthusiastic shareholders made their way to the Annual General Meeting at Bella Center in Copenhagen to hear the Chairman of the Board of Directors, Michael Pram Rasmussen's report on the Group's performance in 2013.



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Growth lies in the emerging markets

> The global economy is in a period of fragile recovery, and the picture is continually changing. While mature markets struggled through the financial crisis, emerging economies surged. But today emerging markets are suffering a slowdown in growth, falling currencies and an exit of global investors who have pulled billions from emerging market funds.

The current turmoil has led to questions over whether we too should reduce our exposure to emerging markets. Last year, Maersk Group invested over USD 8 billion globally, with the majority in emerging markets – from new container terminals in China, Mexico, Ivory Coast and Turkey, to oil projects in Algeria and Kazakhstan.

This year our investment plans exceed USD 10 billion, and our commitment to emerging markets remains – in fact they will become an ever more important part of our business. So far this year I have visited customers and employees in China as well as three of our African markets – Kenya, Tanzania and Angola – and I plan to visit Latin America later this year; all key areas of growth for Maersk Group.

Irrespective of short-term turmoil, emerging market GDP growth rates are expected to exceed levels in mature markets significantly over time, and importantly, transport services and transport infrastructure are in strong demand to eliminate bottlenecks and support growth.

A key driver is rising household wealth. The emerging mar-



“This year our investment plans exceed USD 10 billion, and emerging markets become an ever more important part of our business”

kets are becoming a source of demand as well as supply for imports transported on our ships and through our ports. In India 40 million new consumers enter the middle class every year, and wealth outside of the main metropolitan areas is increasing – which is why we too are growing our presence across the country.

Not only do our activities in emerging markets play a positive part in economic growth, but our commitment to working with local companies and employees means we contribute to welfare development too, through jobs, training and education. In Liberia, APM Terminals' investment in the Port of Monrovia is playing a key role in putting the country on a path to economic recovery following years of civil war, as the report in this issue shows. Today, 90% of Liberia's economic activity is handled through the port.

While emerging markets present us with extra challenges and risks that we must be ready for, our commitment is for the long term. The exit of short-term financial investors means less competition for major projects, and could signal a new opportunity for us to play an even greater role. *

Nils S. Andersen, Group CEO

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Last February, Ngoc Nguyen boarded Thomas Maersk as captain for the first time. It was the culmination of a 34-year-old dream born in the oddest of ways: in the middle of the South China Sea struggling to survive with 65 other refugees.

HOW NGUYEN BECAME CAPTAIN

A DREAM COME TRUE | Last February, Ngoc Nguyen boarded Thomas Maersk as captain for the first time. 34 years earlier he and his family were rescued in the South Chinese Sea by a Maersk Line vessel.

BY ANDREA PERALTA IMSON AND RICHARD LIGHTBODY

➤ "I want to be a leader that is participative, courageous, open-minded and forward-looking, and I want to be known for being kind, calm, fair and cheerful."

Last February, Ngoc Nguyen boarded Thomas Maersk as captain for the first time.

It was the culmination of a 34-year-old dream born in the oddest of ways: in the middle of the South China Sea struggling to survive with 65 other refugees.

AS IF IT WERE YESTERDAY

In the aftermath of the Vietnam War, around two million refugees fled from Vietnam in small boats that were often overcrowded and unsafe. Nguyen remembers his family's escape in 1981 as if it were yesterday:

"Two days had passed since the patrol boat had chased us away from the shores of Vietnam. With only a compass, a dwindling supply of gas and no food or water, our chances of reaching land safely were looking bleak."

Huddled together in a modest boat were Ngoc, Nguyen's younger brother, two younger sisters and his mother who had organised the escape. They were joined by fellow refugees, many of whom were relatives.



Huddled together in a modest boat were Nguyen's younger brother, two younger sisters and his mother who had organised the escape. They were joined by fellow refugees, many of whom were relatives.

As the adults discussed the futility of their situation, a shadow appeared in the distance. It wasn't until they realised that it was too big to be a patrol boat that they began to be hopeful.

A NEW LIFE IN DENMARK

Indeed, it was not a patrol boat, but a Maersk Line vessel. Stepping onto Arnold Maersk's lowered gangway, the 13-year-old Nguyen caught a glimpse of Captain Jørgen Orla Hansen. It was then that he decided:



For Ngoc Nguyen, long vacations at home are one of the perks of his career. Now with a family of his own, Ngoc enjoys spending time with his sons: 15-year-old Jimmi and ten-year-old Kevin.

"One day I will become a captain on a ship like this so that I can do what the captain on board did." To this day, Nguyen refers to that moment as the "happiest moment of my life."

After spending six months in a former army camp in Hong Kong, the Danish government granted them asylum since it was a Danish vessel that had rescued them.

Arriving in Denmark on a cold September day, the government ensured they had clothes and food and were taught to speak Danish.

"We were so lucky to have the opportunity to stay in Denmark. The people were very kind and helpful. We got an education, we got jobs, then we got married and had children," Ngoc said.

As time passed, Nguyen stayed true to the vision he had of himself as a boy. In 1989, he joined Maersk Line as a cadet.

He left for two years to serve as a lieutenant in the Royal Danish Navy, but returned in 1997 and worked his way up to become chief officer in 2001.

Now 47 and a captain, Nguyen believes that he has had the best of both worlds by being able to draw on the best that each culture has to offer.

On the subject of parents and upbringing, he says, "In Asia, we listen to what our parents say even if it's unreasonable, but in Europe, they have a different way of communicating. If something is wrong, they say it right away. They are very independent."

Having lived such an unusual and rich life, Nguyen offers this advice:

"Never give up. We have to fight for the things we want, and, in the end, maybe we will have a little bit of luck. In my case, my luck began on the day I met Arnold Maersk and went on to begin a new life." ✴

A coincidental reunion

Nguyen has never forgotten the captain who inspired his dream. He coincidentally ended up sailing on the same boat as Captain Jørgen Orla Hansen, the man who had rescued him and his family all those years ago. It was Ngoc's first voyage and the captain's last. After a brief introduction, Captain Hansen smiled and said that he remembered that day.

NEWS IN BRIEF

Maersk Group underlying profit up by USD 1 billion

The Maersk Group posted a profit of USD 3.8 billion in 2013, with an underlying profit of USD 4 billion, an increase of USD 1 billion on the previous year. The result was driven by improved profitability at Maersk Line and a best result to date from APM Terminals and Maersk Drilling.

Group CEO Nils S. Andersen says: "We have reason to be pleased with profit development in 2013. Maersk Line strengthened profitability despite challenging shipping markets and both APM Terminals and Maersk Drilling had their best results to date."

Maersk Oil's profit was down on last year as expected, due to a decline in production and lower oil prices, but production stabilised in the second half of the year. The progress in results was broadly spread across the Group, including Services & Other Shipping which saw improved results in its first year.

Nils S. Andersen attributes the good result to a strong focus on operational effectiveness, customer relations and the hard work of employees.

"I would like to thank all our employees across the Group for their dedicated efforts in achieving this good result," he says.

As well as raising its dividend for 2013, the Maersk Group will issue bonus shares to shareholders in response to employee and private investor wishes for a more affordable share price.

"We see many employee names on our shareholder list and we want to make it accessible for more employees worldwide to invest in the Group," says Nils S. Andersen.

The next step in sustainability: Unlocking growth

Having integrated sustainability at corporate level, the Maersk Group is ready with a 2014-2018 strategy to address sustainability challenges in a way that creates growth for society and the Group.

The purpose of the new strategy by Maersk is to address significant sustainability challenges in society, which at the same time constitute bottlenecks to Maersk's growth. Three focus areas have been selected: Climate, Education and Trade.

The first sustainability strategy adopted by the Group in 2010 resulted in more than 33,000 employees trained in anti-corruption, a 17% relative reduction of CO₂ emissions across the Group and 2,600 suppliers committed to the third-party code of conduct.

Head of Group Sustainability, Annette Stube says: "All of these efforts across the Group have helped Maersk mitigate its most important sustainability risks and ensure we have order in our house. This work is our licence to take the next step, focusing on accelerating the positive impacts of our business".

From China to the world

LINER CONNECTIVITY AND LOGISTICS PERFORMANCE | Whether it's partnering with local businesses to go global, or improving the supply chain of foreign multinational companies in China, Maersk's activities in the country have impacted its economy and competitiveness.

BY TAN YI HUI



➤ Every week, up to 60 forty-foot Maersk Line containers (FFE) make their way out of the Qingdao and Nansha ports in China. Their destination: Nigeria, West Africa. The cargo comprises sets of electronic parts manufactured by the Chinese electronics giant Haier. Once in West Africa, the parts are transported to a Nigerian factory, jointly owned by Haier and a UK-based company.

Here the parts are assembled into a final product, and retailed on the local market. This is how someone living in Nigeria might end up with a Haier-made freezer or air conditioner.

MANY PARTNERSHIPS

This is a result of a partnership between Maersk Line and Haier, and it is just one of many partnerships that demonstrate how high maritime transport connectivity and advanced logistics in China have enabled Chinese firms to split up their supply chains and locate activities where they are most competitive.

"With rising wages in China, shipping spare parts to a destination to be assembled enables Haier to lower their labour costs. At the same time, transportation

costs are optimised since more spare parts can be shipped in the same container space, compared to finished products. Lastly, it also provides a strong joint venture partner in Nigeria to help develop the market," says Maersk Line General Manager Andy Chu.

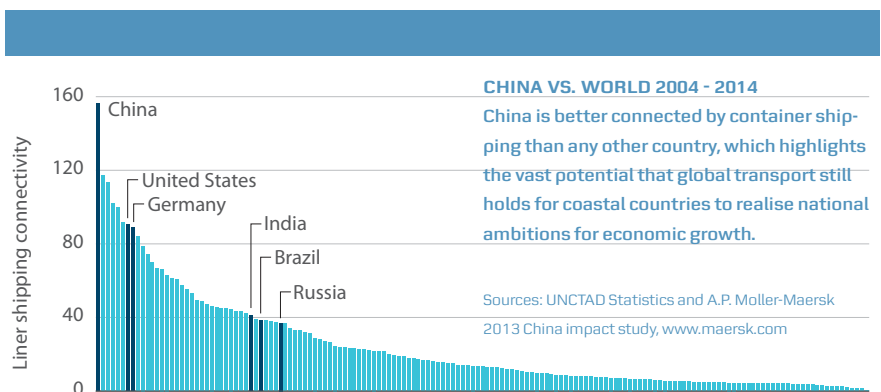
Going forward, Haier has set its sights on growth in the emerging markets such as Latin America and Africa. Maersk Line currently handles over 70% of shipments to these destinations, and is well poised to facilitate Haier's business.

The Haier case captures the thrust of a new study, 'Maersk Group in China', pro-

duced by Group Sustainability in an effort to understand how the Maersk Group can accelerate its contributions to economic development in the countries where the Group operates.

The China Impact Assessment shows that Maersk Line alone contributes to a 0.8% increase in Chinese imports and a 1.1% increase in Chinese exports, by increasing its services and capacity by 10%.

Since 2000, Chinese imports and exports have grown by around 600%, with container volumes going through Chinese ports growing by around 500%. According





The China Impact Assessment shows that Maersk Line alone contributes to a 0.8% increase in Chinese imports and a 1.1% increase in Chinese exports.

to the study, this is fundamentally the result of a focused strategy deployed by the Chinese Government to invest in imports and terminals, and by opening the market for foreign shipping lines.

The study was conducted by means of external consultation with senior economist Thomas Westergaard-Kabelmann.

"We conclude that China has managed to achieve the best maritime transport connectivity in the world, defined as the access to regular and frequent liner services and the level of competition among shipping lines," he says.

This effort has made China more competitive and boosted its imports and exports by up to 30% and 40% respectively since 2004, corresponding to trade worth USD 686 billion.

According to Westergaard-Kabelmann, with the market for maritime container transport well established, the next challenge for China is to lower its logistics costs to remain competitive, especially in the face of other Asian nations with cost advantages.

He adds: "Logistics costs in China are not only higher than many developed countries but also higher than average for

The Chinese potential

- More than a third of all containers exported worldwide are from China.
- Six out of ten of the world's largest container terminals are in China.

China's Asia-Pacific competitors and South American countries".

SOURCING IN CHINA

One way of explaining China's high logistics costs is to look at its highly fragmented logistics market and low market penetration of third-party logistics, according to the Study. This is Damco's domain.

Later this year in Yantian, China, Damco will be handling British homeware from furniture to lifestyle products as the bulk of its inventory. These high-quality household items, sourced in China or Asia, will not be shipped straight away to their market destination in the UK. Instead, up to 85% can be consolidated in a Damco cross-dock facility. The other 15% is trucked direct to

the port and shipped to the UK market. This cross-dock arrangement enables the maximisation of container space, and stocks can be stored for seasonal demand, protecting against over-supply in the market.

ONE OF THREE CORE AREAS

According to William Lee, Head of Supply Chain Development, North Asia, this is just one of three core focus areas that Damco has explored with a British global homeware retailer, a partnership that was secured late last year after an 18-month tender process. Together with other identified initiatives, a potential annual cost saving of USD 16.6 million is projected.

Damco Head of Strategic Sales in North Asia, James Savagar, adds: "In today's economic environment, the pressure on cost and reluctance to change are high, but through extensive supply-chain development workshops both in Hong Kong and in the UK, we convinced the client to partner with us." *

Read more in the Maersk Group's China Impact Assessment and Sustainability Report 2013.

VALUES AT WORK

UPSTREAM EXPERIENCE | “We are all part of an industry that doesn’t shy away from challenge and I see Maersk Oil playing an important role in this arena as we move forward,” says Gretchen Watkins, new Chief Operating Officer.

BY DANIEL CANTY

➤ Gretchen Watkins, Maersk Oil’s new Chief Operating Officer, points out that a values-led approach will deliver tangible business benefits.

And she knows what she’s talking about. With more than 20 years international upstream experience, Gretchen Watkins has worked in a variety of leadership roles in North America, Europe and Asia, managing large production portfolios across offshore and onshore assets.

Maersk Post met the new COO a few days after her first asset visit to Qatar:

“First impressions have been extremely positive. Right from the start in my first meetings with colleagues the company values have come through in so many ways: how we interact with each other, how we lead, how we make decisions,” she enthuses.

This, she adds, wasn’t much of a surprise given what she knew of the company prior to joining.

“Maersk Oil has a reputation for being very values driven, performing work with integrity and honesty. To outsiders it is definitely the case that we are viewed as highly skilled technically, and overall “punching above our fighting weight” in terms of being a medium-sized company with major operations.”

In a hugely competitive industry, such a set of attributes can often be the golden ticket to the most attractive projects.

“Reputation can’t be built overnight and therefore being known for living our values makes us a good and desirable partner, one that will have a seat at the table because of the integrity and skills we bring – that’s so true in somewhere like Qatar where I have just been and spent time with the team. You don’t have to delve very deep to see that the strong impression I’ve been given already can translate into real tangible business benefits too,” she says.

ASSET WATCH

With production currently in six countries, spanning the North Sea, through the deserts of Algeria and the steppes of Kazakhstan, the operating portfolio is, as Watkins puts it, complex but very exciting. Operational excellence across the business will be a hallmark theme going forward and is an area that Watkins says is under renewed focus from management.

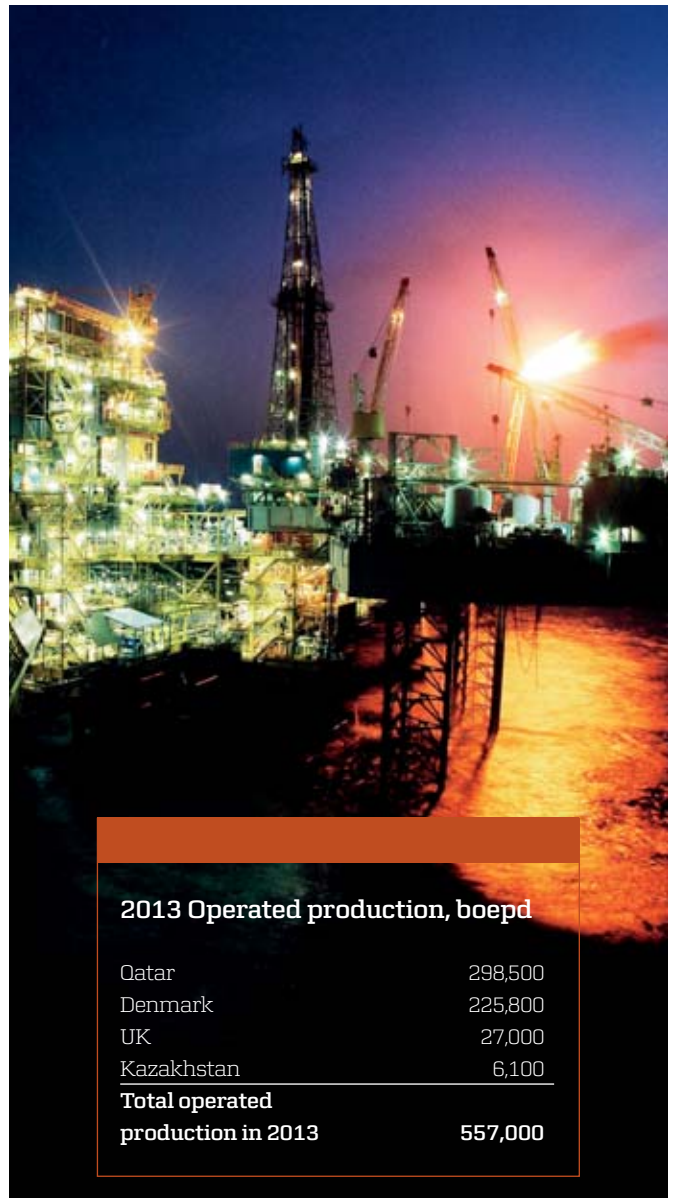


PHOTO: MAERSK OIL

Significant oil experience

- (2012-2013) Gretchen Watkins comes to Maersk Oil after working in management roles at Marathon Oil Corporation, Houston. Most recently Gretchen was USA Vice President, North American Production Operations.
- (2008-2012) Prior to this role Watkins was USA Vice President, International Production Operations for four years.
- (2000-2008) Gretchen worked in management positions at BP, including Director General in Ho Chi Minh City, Vietnam (2007-2008) and President of BP Netherlands Energy in The Hague, the Netherlands (2002-2004).



PHOTO: ?

"We have some outstanding legacy businesses in Denmark and Qatar; the technology we have applied successfully in these basins has not gone unnoticed by the industry. We continue to demonstrate our agility operating both mature and newer assets, but still have some areas of focus over the next few years to improve upon," she says.

In terms of focus, Watkins explains that a balance has to be struck between managing existing assets at the same time as ushering in a new era of production. "Right now we have a significant project portfolio, where our ability to take a discovery from assessment right through to the operating phase, safely, on time and on budget, while adding value, will be absolutely critical between now and the end of the decade."

A MORE DIFFICULT TIME

Much has been reported in the financial press on the oil industry facing a tough few years, with some key projects cancelled.

"The industry faces a more and more difficult time accessing profitable resources as time goes on. Whether it's accessing previously non-commercial barrels through new technology, or resource-rich countries setting up more restrictive production sharing agreements, we are seeing new and more complex challenges," she concedes.

"If you operate a safe and reliable set of assets, the rest of your business plan should fall into place quite easily," says Watkins. That philosophy of putting safety first may have been born out of her

Chief Operating Officer, Gretchen Watkins: "Maersk Oil has a reputation for being very values driven, performing work with integrity and honesty. To outsiders it is definitely the case that we are viewed as highly skilled technically, and overall "punching above our fighting weight" in terms of being a medium-sized company with major operations."

two decades of experience outside Maersk Oil, but it's one which has found resonance with her new colleagues, she says.

"I've been quite struck by the safety journey Maersk Oil is on and how the whole organisation has embraced Incident Free as part of who it is and how it works. It feels like an embedded mindset and not just a slogan."

As COO, Watkins says encouraging her team to identify gaps and prioritise plans to close them will feel like a lot of work, but the goal is to put a repeatable process in place that allows for ongoing monitoring and the assessment of operating risks. "And we absolutely need to run our businesses with a drive to create value. Understanding the whole value chain and where we have the chance to influence returns is part of a business leader's responsibility," she concludes. ■

INDIA'S GROWTH MOVES INLAND



THEME | GROWING WITH INDIA

Despite the recent slowdown, India has emerged as one of the world's most important new engines of growth. And as the economy seeks to find a way back to a higher gear, the Maersk Group is repositioning itself to seize the opportunities that emerge in the wake of the changes.



PHOTO: THORBJØRN HANSEN

LAND OF OPPORTUNITY | Looking for new growth in India? It may be time to look beyond the huge metropolitan areas of Mumbai, Delhi and Chennai to lesser-known cities such as Nashik, Nagpur and Chandigarh in the hinterland, predicted to be major contributors to India's next growth phase.

BY ANDERS ROSENDAHL

> Every year in February, Mayank Tandon, his wife and their daughter move to their packing facility. It is their home for a couple of months when the grapes of Nashik, India's fruit bowl, are in peak season, and thousands of containers filled with grapes for overseas markets are trucked 200 km to the port in Mumbai.

"Grapes don't wait for anyone. If they need to be harvested today, you'd better harvest today. Tomorrow they will sell for half the price," Tandon says. He is the senior vice president at Freshtrop Fruits Limited, a leading supplier of grapes and pomegranates to supermarkets primarily in Europe.

He handles procurement, contact with growers and marketing. His wife runs the packing house, looking after production and quality. Both are full-time, full-week jobs in peak season but the on-facility living arrangements give them time to relax with a cup of tea in the morning and to play with their daughter in the afternoon.

This year, they expect to export 550-600 containers (FFE) of grapes. Last year's number was 400.

BEYOND MEGA-CITIES

Nashik illustrates a bigger trend in India. While mega-cities drove the economy and made up three quarters of the consumer market just ten years ago, relatively smaller cities with five or one million inhabitants, known as 'tier 2' and 'tier 3', have since seen consumption and production levels rise sharply.

As India seeks to bounce back to the annual growth rates of close to 8% that the country enjoyed for a decade until recently, expectations are increasingly linked to the vast hinterland. The Group's businesses are building positions here, and even the inconsistent Indian infrastructure cannot hold back the tide.

"A few years ago we decided to place sales representatives in tier 2 and tier 3 cities. That would give us a better chance of controlling the business and tapping into the growth," says Sanjay Tiwari, head of sales at Maersk Line India.

The idea was to approach businesses at the origin and to differentiate. With a person in the hinterland meeting with customers, experts in agriculture at the office in Mumbai, reefer expertise and a good sea product to Europe, Tiwari had his hands on a real value proposition for the customers.

'Triangulation' also helped to reduce costs. Instead of

CONTINUED ON THE FOLLOWING PAGES





PHOTO: TERENCE CALEB



Freshtrop Fruits Limited, an Indian exporter of grapes, has shipped with Maersk Line for the past 20 years. In the 2014 season, Senior Vice President Mayank Tandon expects to export 550-600 containers of grapes. Watch an interview with Mayank Tandon.



having importers send empty containers back to the port, Maersk Line began sending them to nearby exporters, cutting costs substantially. In the western part of India, savings amount to USD 75-150 per container, or 10-15% of the freight rate. In lesser developed eastern India, triangulating one box can save the shipper or consignee as much as USD 600.

"At the very least we would increase customer stickiness, and hopefully we would also influence price because the customer valued the services," Tiwari says. "Making the hinterland a stronghold, we are well-positioned for future growth and we can contribute to the economy of the country."

Today, Maersk Line's market share in most hinterland locations is at 25-30%, up from 10-11% in 2011.

FOLLOWING THE GROWTH

As growth moves inland, logistics facilities follow and locations to pick up and drop off containers and manage paperwork are increasing in numbers. The market for this type of infrastructure, including roads and rail, is expected to triple to USD 15 billion in 2025.

Last year APM Terminals Inland Services handled close to one million TEU in its off-dock and container repair facilities, in addition to training farmers and exporters in the use of the sophisticated reefer equipment.

"The shipping lines used to receive a lot of complaints about cargo going bad in

transit," says Subhasis Ghosh, managing director at APM Terminal Inland Services in India. "We learnt that people were using the reefers as a refrigerator, but if you do not pre-cool produce before stuffing the reefer, it is likely to go bad. The training we rolled out in coordination with Maersk Line has minimised the number of claims."

A VERY IMPORTANT PARTNER

Grape exports from Nashik are expected to reach 8,000 containers (FFE) this year, and Maersk Line is targeting 40% of the trade. Careful planning with customers in the months leading up to peak season ensures availability of equipment, space on vessels and the various trade lanes as well as close communication in case of issues.

Freshtrop Fruits has increased its volumes at an annual rate of 20-25% in recent years, and Mayank Tandon aims to keep growing at the same pace. Quick delivery on road and then by sea to the port, remains crucial to success. The new highway to Mumbai, cutting turn time of trailers and containers, has helped in this regard, and Freshtrop opened a new market in Russia three years ago when Maersk Line put in a direct service slicing nine days off the transit time.

In fact, Freshtrop has been associated with Maersk Line since the company was established in 1992, and this is likely to continue. As Mayank Tandon puts it:

"Maersk Line continues to be a very important partner at this stage as well." ❄

Pushing the name up on the agenda

Stepping up its commitment to India and Southeast Asia, the Group has appointed Julian Bevis as its representative in the area.

"My job is to build a network among government officials, regulators and industry stakeholders. The objective is to ensure widespread knowledge of what the Group stands for and how it is relevant to India's growth story – something that cannot be taken for granted in such a vast country," Bevis says.

On the ground in New Delhi since October, Julian Bevis has the job of supporting the businesses and their strategies, without eroding the principle that they are run independently. A shipping veteran and previously a Mumbai resident for more than a decade, he knows the challenge and opportunities:

"It is a huge country with so many other things going on, so you have to keep pushing the name up on the agenda so there is a favourable climate of opinion towards us. It can be complex, but that translates into opportunity as well," he says.

THE MAERSK GROUP IN INDIA

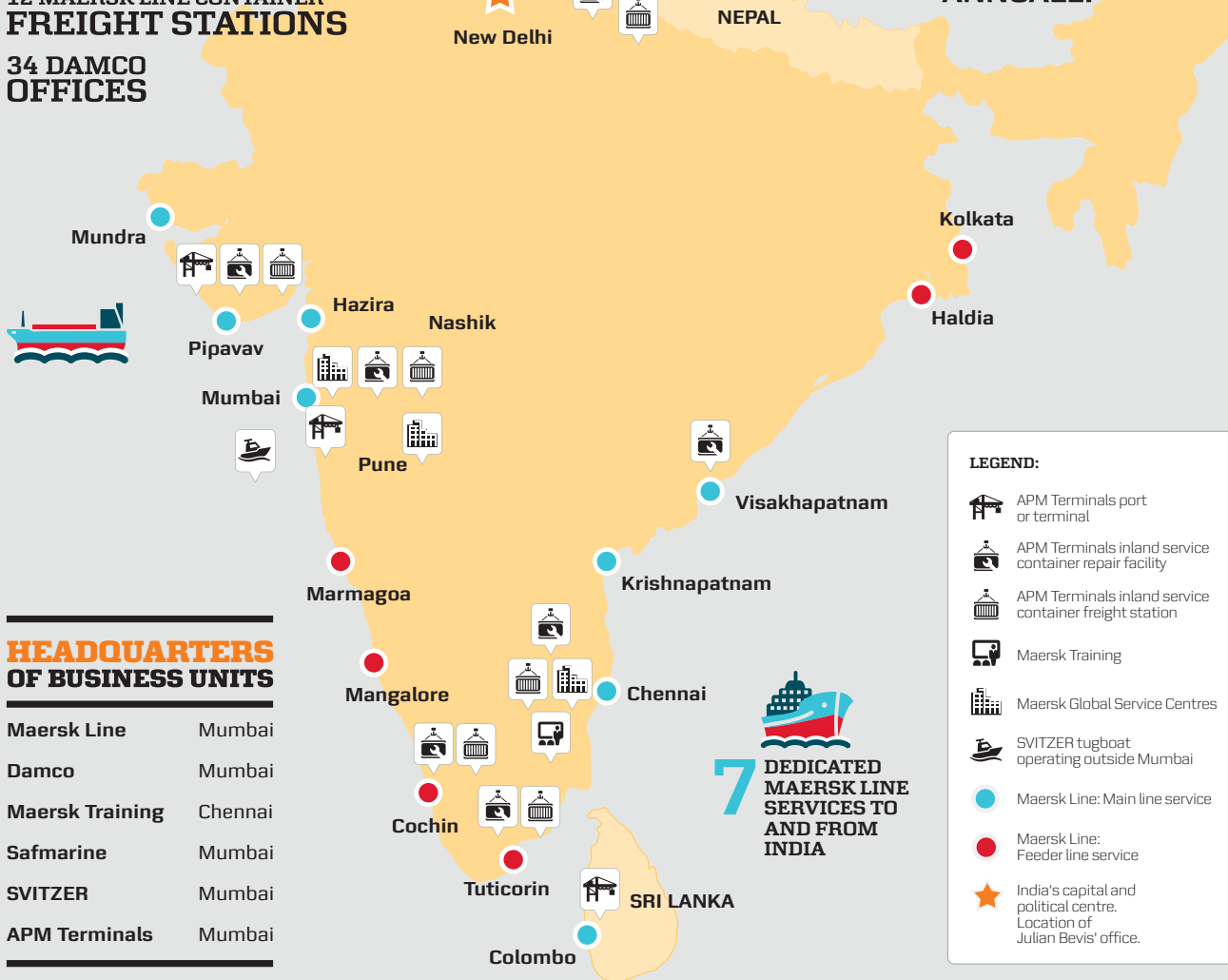
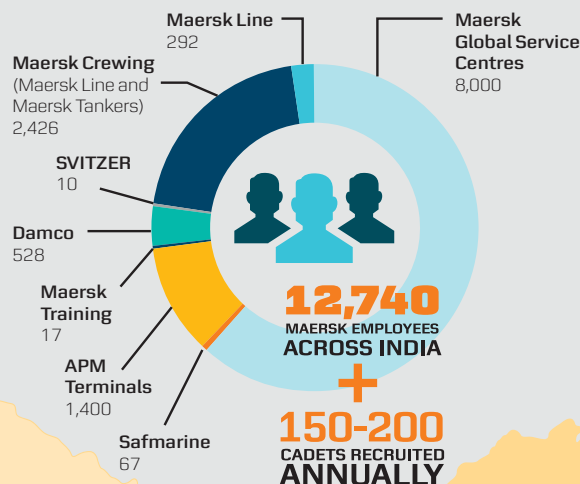
Illustration by Erickson Enriquez

25 MAERSK LINE OFFICES

44 MAERSK LINE INLAND ACCEPTANCE POINTS

12 MAERSK LINE CONTAINER FREIGHT STATIONS

34 DAMCO OFFICES



HEADQUARTERS OF BUSINESS UNITS

Maersk Line	Mumbai
Damco	Mumbai
Maersk Training	Chennai
Safmarine	Mumbai
SVITZER	Mumbai
APM Terminals	Mumbai

Some facts about India

40 million
new consumers
per year in
India's middle class

2nd
largest
in the world in
terms of farm output

2nd
largest
automobile
industry
in the world

USD 14 billion
luxury goods
market



Infrastructure to drive renewed **GROWTH**

IN GOOD SHAPE | Rapid urbanisation, one million people entering the workforce every month and 40 million people joining the middle class annually. For India's economy to keep up with its vast and swiftly changing demography, last year's growth rate of 4.5% needs to pick up. Infrastructure is predicted to be a key driver.

BY ANDERS ROSENDAHL

➤ Gurgaon is the picture of modern India. The financial centre in the National Capital Region of Delhi has seen beige residential skyscrapers shoot up by the hundreds in the past few years, and its glass and steel business domiciles house 250 Fortune 500 companies.

"India has the ability to grow at 9% a year on a sustainable basis. It will take a few years and some serious reform to reach that level, but in many ways India is in good shape," says Adit Jain, an economic analyst and chairman at IMA India, a business information company based in Gurgaon even before its heyday.

While confident in India's long-term potential, Jain sees little hope of a short-term revival in economic momentum because of a flat investment rate and low credit growth. Before these important indicators improve he sees a recovery as "unlikely".

To Jain, economic growth to the tune of 8-9% is a sheer necessity to support India's growing workforce, booming middle class and increasingly urban population. And

despite the challenges, he believes it is feasible, predicting that massive multi-billion dollar infrastructure projects throughout the country will fuel the growth.

"I have studied economic development in Asia for the past 20 years, and I have seen physical changes take place when a country's savings rate went beyond 30%. The changes were better roads, mass transit railway systems, water and sewage systems, ports, airports and telecom. This will happen in India as well," he says.

The savings rate in India has been some percentage points above 30 for the past few years.

ROOM TO DIFFERENTIATE

Incidentally, India's widely known infrastructure issues are one factor, besides political reform, which pundits identify as a growth dampener, resulting in logistics costs at 12-13% of GDP compared to 7-8% in mature countries. For the Group's businesses, however, the challenges also translate into opportunity.

"India is a huge country with a vast hinterland. Several states are two or three times as big and populous as major European countries," says Franck Dedenis, managing director at Maersk Line India, the market leader with annual volumes of 800,000 containers (FFE). "That means different stages of development and it brings some complexity. It also gives us room to differentiate and provide value to our customers."

Maersk Line India generates 60% of the volumes it exports, enabling it to better control the business. Its confidence in the Indian market is reflected in recent investments including enhanced service to Europe, larger vessels on the trades and calls to a larger number of ports.

BUFFERS CREATE RELIABILITY

To Lars Sørensen, regional manager at Damco, South Asia, careful planning is the key to manage India's complexity – not least in the lesser developed Eastern regions, which are seeing high growth, and



An outside-in perspective of India

Having spent one year in India as managing director at Maersk Line, Franck Dedenis points out four unique, must-know characteristics for doing business in India:

- 1) **Scale:** "India is huge, and it takes time to get used to. If you want to open a market, you need thousands of containers. Travelling easily involves three hours of flight and four hours by car. You need planning and structure. Otherwise you will get lost in it."
- 2) **Youth:** "More than 50% of the population is below the age of 25, and the energy, momentum and enthusiasm is overwhelming. The challenge is to capture it and direct all the energy and ideas towards a goal. You need to create an environment that can unleash the potential."
- 3) **Order in chaos:** "You have to look above what you see, to understand how India works. Traffic can look like a complete chaos, but if you step back and look at the big picture, it works. It may not work as efficiently as you might hope, but it works, and that goes for a lot of things."
- 4) **Entrepreneurship:** "You see people taking initiatives all the time, and people find ways to make things work despite any challenges. That gives me a lot of faith in this country. Understand that, find out what it means to you in the business and then put in structures to make the most of it."



Managing director at Maersk Line India, Franck Dedenis: "India is a huge country with a vast hinterland. Several states are two or three times as big and populous as major European countries. That means different stages of development and it brings some complexity. It also gives us room to differentiate and provide value to our customers."

India's widely known infrastructure issues are one factor which pundits identify as a growth dampener, resulting in logistics costs at 12-13% of GDP compared to 7-8% in mature countries.

PHOTO: THORBJØRN HANSEN

where Damco is increasing its business. "We build buffers into the transportation time and make that visible to the customer. Roads can be bad, and you have the rains. Adding a few days to the schedule works, because what really matters to customers is knowing when they can have the containers. That allows them to plan their production," he says.

Both Sørensen and Dedenis see a lot of potential in India, and while they are aware of the challenges, they clearly see India as "a great place to be", as Dedenis puts it. Even during last year's slowdown, exports grew by 5-6%.

MUCH HAS HAPPENED

In his Gurgaon office, economic analyst Adit Jain calls for a balanced approach to the infrastructure debate. New infrastructure is needed, but much has already happened, supporting annual growth rates of close to 8% in the first decade of the new millennium.

"It is very easy to sit here and look at the numbers and say that investments or something else should have been higher, but the fact remains that things have improved immensely," he says. *

WORLD'S BEST? LET'S DO BETTER

SUPPORTING GROWTH | Already the world's most efficient port, Gateway Terminals India is not easing up, keen to improve further and share its ideas as well. The use of infra-red technology was one of several features from the terminal recently added to APM Terminals' catalogue of global best practices.

BY ANDERS ROSENDAHL

➤ It's another busy morning at Gateway Terminals India (GTI). The cranes' trolleys are running between two recently berthed vessels and the wharf, loading and unloading containers. Trucks move containers to and from the yard. Within six hours of the vessels' arrival, customers can pick up their containers.

"We have been able to set new standards for safety, efficiency and reliability," says CCO Amit Malik at APM Terminals Mumbai.

In 2012, the terminal was identified as the world's most efficient by the Journal of Commerce in the category that services vessels up to 8,000 TEU. Since then, 9,000 TEU vessels have begun calling, and even larger vessels, faster turnaround and faster and safer transit for the 300 trucks that pick up or drop off containers at any given time is on the cards.

"They are very efficient and very innovative," says Elad Levi, who recently spent 18 weeks in Mumbai as a diagnostics manager, scrutinising the operations of GTI for APM Terminals' Global Transformation Programme.

PROBLEM SOLVED

One global challenge that GTI cracked is the alignment of trucks beneath the cranes.

"The trucks did not stop exactly under the crane and that lost us time with each move," says COO Rajieve Krishnan at APM Terminals Mumbai. "We were looking at some very expensive solutions, but then we came up with an idea to put infra-red sensors on the cranes to guide the truck drivers. That solved it and only cost a couple of hundred dollars."

The initiative is just one of a continuous stream of productivity improvements since GTI was established in 2004 as a



PHOTO: ANDERS ROSENDAHL

"We have been able to set new standards for safety, efficiency and reliability," says CCO Amit Malik at APM Terminals Mumbai. Watch an interview with him.

public-private partnership between APM Terminals and government-owned Container Corporation of India.

"We operate the terminal efficiently and transparently, and our partner provides expertise on the rail side. It is a perfect public-private partnership," Krishnan says.

The terminal's ten cranes and 712 metres of quay move two million TEU annually, which translates into one-fifth of India's container trade, making it the busiest in India.

DUAL TRUCK CYCLE

Apart from adding the infra-red idea and

other GTI initiatives to APM Terminals' catalogue of global best practices, GTI is keen to improve even further. Recently, 'dual truck cycle' was implemented.

"It means a truck bringing a container from the yard to the quay also brings a discharged container back to the yard in the same cycle," says Rajieve Krishnan. "It is a challenging operation to implement safely, but we managed thanks to a team effort throughout the terminal, and we want to continue like that." 🌟



"We operate the terminal efficiently and transparently, and our partner provides expertise on the rail side. It is a perfect public-private partnership"

COO RAJIEVE KRISHNAN AT APM TERMINALS MUMBAI.



RETAINING THE

SENIOR LEADERSHIP | Young woman leaders of Maersk India are not only moving up the corporate ladder, they also illustrate a wider trend amongst women in Indian society as a whole.

BY PRIYA SINHA AND ANDERS ROSENDAHL

> "One of the biggest leadership challenges I have faced is motivating extremely capable female employees to aspire to the next level. They have a lot of personal responsibilities, so it is natural to get comfortable in a position and easy to lose the spark," says Kinjal Pande, head of key account management for Damco in West India.

Pande adds personal experience to the fact that only 5% of working women in India, according to The World Economic Forum Gender Gap, have made it to senior leadership positions compared to the global average of 20%.

For her it is important to create an encouraging environment where her ambitious and capable female team members have the opportunity to prosper.

"My role as a leader is to keep their ambitions alive with the right set of growth opportunities."

RECOVERING USD 180 MILLION

For Trishna Mishra, head of operations cost recovery, leadership is more diverse. Her responsibilities include the recovery aspect of terminals cost and inland cost, roughly USD 185 million a year,

and 80% of operations are handled by external vendors.

"I can only deliver to the customers if I get the right level of service delivery from the vendors. So we need to manage their performance and even partner with them in order to maintain market share and deliver on profitability," she says.

Since she took the position in 2011, the margin of this part of the business has risen from 7% to 17%, corresponding to USD 12 million.

THE EMERGING STARS

Ruchika Kuthari is channel head of Emerging Stars at Maersk Line India. Her team focuses on Indian conglomerates such as the Tata Group, the Mahindra Group and the Aditya Birla Group.

Each group has multiple business units with completely different supply chains, decentralised procurement and widespread distribution models. At the same time, Maersk Line has different sales managers managing the account from different locations.

"We want to consolidate and simplify, deliver cost efficiencies through group procurement and trigger change to the supply chain management mindset of these customers," she says.

According to Adit Jain, an economic analyst and chairman at

"I can only deliver to the customers if I get the right level of service delivery from the vendors. So we need to manage their performance and even partner with them in order to maintain market share and deliver on profitability"

TRISHNA MISHRA, HEAD OF OPERATIONS COST RECOVERY



Ruchika Kuthari, Trishna Mishra and Kinjal Pande are leaders of Maersk India. They elaborate on a trend amongst women in Indian society: increasing female leadership. Watch an interview with the three women.

SPARK

IMA India, a business information company, the situation in India is developing in favour of female leadership.

"Women are not only joining the workforce but also senior management," Adit Jain says.

He points to changing value systems, rising aspirations and higher consumption, which sees many urban families needing a dual income, driving the development.

Within the past year, Maersk Line India has seen maternity leave increase from three to six months, as well as flexitime and working from home options.

Head of HR, Kavita Singh, explains: "Women constitute additional talent, one that is capable of forcing a different view. Hence we want to provide our talented female employees with time to take care of their personal priorities and return to work with conviction," she says, leaving no doubt about priority.

"While giving consideration for personal priorities, women are still expected to deliver the same quality of work as the rest of the organisation. And what's encouraging is that women here do not want to be given any special treatment. They want to be assessed on their merit." *

PHOTO: RITAM BANERJEE

Indian offices to support business worldwide

INDIA WILL CONTINUE TO GROW | Kim Fejfer, CEO at APM Terminal and M15 country sponsor for India, emphasizes that the Maersk Group must grow in order to realise India's huge potential.

BY ANDERS ROSENDAHL

"In terms of our activities in the country and the extent to which Indian offices will support other parts of the business around the world, India will definitely continue to grow," says Kim Fejfer, CEO at APM Terminals and member of the Group's Executive Board.

India is an M15 country, a select growth markets that receives special focus from the Group including CEO sponsorships, business development workshops and HR initiatives to strengthen recruitment. Fejfer is the sponsor for India.

"We clearly want to grow here, but only where it can be done in a manner which is sustainable, in line with our values and sufficiently profitable. This means that we have to broaden and intensify our engagement with all levels of society in India to try and influence the commercial environment in which we work," he says, adding:

"It is encouraging to see how much the Group has achieved in this market, and how extensive and successful our activities and our team there have become. As a consequence, India is already a very important part of the Group's worldwide network of activities."

SOLID FOUNDATION

As India's population of 1.2 billion grows, as its people's aspirations and spending power increases, and as the infrastructure and depth of economic development necessary to support these aspirations widens and becomes more effective, Fejfer notes that the Group must grow too in order to realise the country's potential.

"Our present base of activities in India, combined with our experience of other growth markets, provides us with a really solid foundation for future growth. And the people we employ there are the bedrock upon which all of this is based," Fejfer says.

Great strides have been made at Damco, APM Terminals, the Global Service Centres and many other businesses, and while it will require hard work, Fejfer is confident that more can be done.

"We have to constantly be on the lookout for new opportunities and must be quick to support interesting new ideas for development," he says. *



Kim Fejfer: "We have to constantly be on the lookout for new opportunities and must be quick to support interesting new ideas for development."

MR MAERSK IS FROM INDIA

MAERSK IN INDIA | Arjun Maharaj did not know Maersk when he joined the company. Today, he is the picture of the company, raring to take on the role of Sri Lanka country manager. During his ten years with the Group he has not only witnessed the company grow, but its name and customers too.

BY ANDERS ROSENDAHL

> Arjun Maharaj could easily have ended up doing something else these past ten years. However, on his way to Delhi to join the Tata Group, widely recognised as the most valued brand in India, he heard about Maersk, broke off his journey in Mumbai and went for an interview.

Fast forward past a shipping education, stints in Beijing and Hong Kong, the position of Maersk Line's regional sales manager for South India and a USD 200 million business, and he is now moving to Sri Lanka to take on the role of country manager.

"I wanted to work with people across nationalities and I wanted to travel. That was the initial motivation. And once I was exposed to Maersk and got to know the system and what the company stands for, there was no turning back," Maharaj recalls.

ATTRACTING A LOT OF PEOPLE

The average employee across the entire Group is 37-years old, male, Indian and employed with Maersk Line with five years of seniority. Arjun Maharaj is a close fit. Smiling at the 'Mr Maersk' label, he is unsurprised by the larger Indian footprint, having witnessed first-hand the development since joining a largely unknown company.

"Recently, during recruitment, I asked students why they wanted to join Maersk. I expected a response like "it's the world's largest shipping company", but the first thing they mentioned were the values that the company stands for. The name we have made attracts a lot of people," he says.



PHOTO: THORBJORN HANSEN

"The kind of name we have made and what we stand for attracts a lot of people," says Arjun Maharaj at Maersk Line. Today, Indian is the most common nationality among the Group's employees. Watch an interview with him.

In addition to the values, he relishes the responsibility that he has been able to take on.

"The southern region is almost 30% of India cluster volumes, a sizable business by any standard, and I think it speaks volumes to the level of trust that the company is willing to pass down that it has young people running the show. Maersk stands out in that regard," Maharaj says.

Understanding the customers' business and identifying value for them is what makes him tick. That is how he has grown his career:

"We put a lot of effort into understanding our customers' business. Then we see where we can reduce some of their supply chain pain points. By doing so, we get business and customer tie-in and they pay us a little more," Maharaj says. ✦

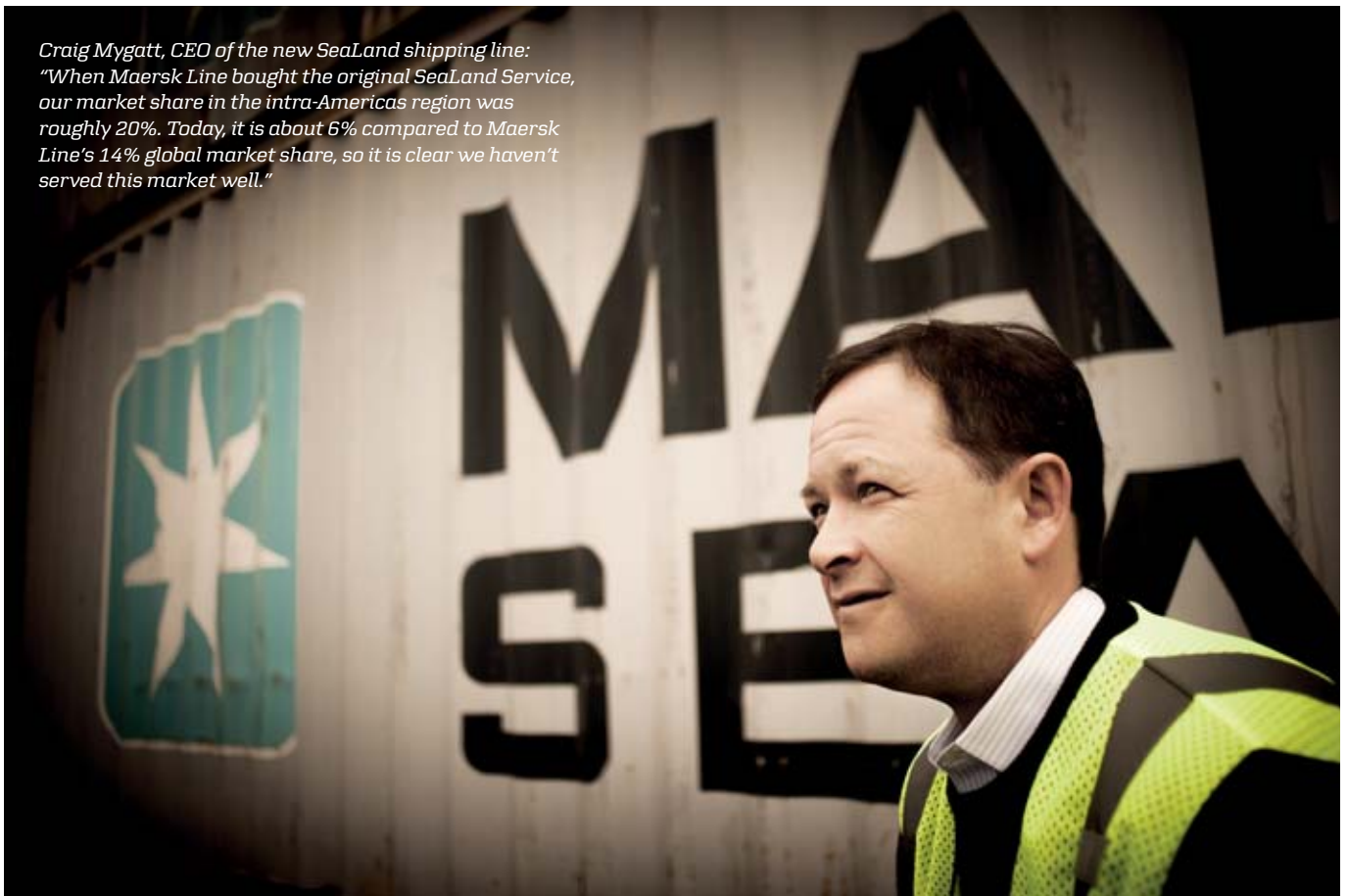
The most common Maersk employee:

- ✓ Is male
- ✓ Is Indian
- ✓ Is 37 years old
- ✓ Works for Maersk Line
- ✓ Has spent up to five years with the company

Arjun Maharaj:

- ✓ Is male
- ✓ Is Indian
- ✓ Is 31 years old
- ✓ Works for Maersk Line
- ✓ Has been with the company for ten years

*Craig Mygatt, CEO of the new SeaLand shipping line:
"When Maersk Line bought the original SeaLand Service, our market share in the intra-Americas region was roughly 20%. Today, it is about 6% compared to Maersk Line's 14% global market share, so it is clear we haven't served this market well."*



SeaLand reborn with great expectations

MARKET SHARE | Both MCC and Seago Lines have proved the effectiveness of the regional shipping line business model. Being closer to the market with greater operational flexibility, they are able to serve certain valuable customer segments better than Maersk Line. Now the model comes to the Americas, with a famous name and high expectations.

BY JOHN CHURCHILL

> As far as shipping is concerned, the Maersk brand has something to prove in the Americas. Maersk Line, the world's largest container shipping company by market share and volume, owns a steadily shrinking slice of business in North America.

With the announcement in January of the creation of SeaLand, a new independent intra-Americas shipping line to focus on this business, the ambition is to earn back the respect of the market.

"When Maersk Line bought the original SeaLand Service, our market share in the intra-Americas region was roughly 20%," says Craig Mygatt, CEO of the new SeaLand shipping line which will begin services on 1 January 2015.

"Today, it is about 6% compared to Maersk Line's 14% global market share, so it is clear we haven't served this market well.

With the launch of the new SeaLand, I'm confident we can change that."

A DIFFERENT KIND OF SERVICE

Customers in the intra-Americas market, which includes trade between North and South America, Central America and the Caribbean, are much smaller than typical Maersk Line customers. More than half of them ship fewer than 500 containers per year, while the Maersk Line operating platform is generally geared towards much larger volumes.

CONTINUED ON THE FOLLOWING PAGE



Mapping the market: *The SeaLand business will consist of several direct services connecting North American ports with Central and South American ports, as well as feeder services – loading the cargo onto a smaller vessel – to all ports for global carriers moving cargo in and out of the region.*



"These are not small customers in this region," says Mygatt. "Many of them are quite large in Central and Latin America, and they require a more nimble carrier with more operational flexibility."

"Can we delay a vessel for a few more containers assuming we have the right amount of slack in the schedule? Can we find an alternative if they miss a sailing because they can't wait a week for another option? Maybe they need help with documentation. It's these things we want to deliver on," says Mygatt.

A dedicated shipping line shows stability too. "The Maersk brand is well known and respected, but we're also seen as lacking commitment here," says Jorge Monzalvo, customer relationship manager for Maersk Line in Mexico, who travelled the region to interview customers about what they wanted from a new shipping line. "Whether good or bad, many of our competitors have offered the same services since the 1990s, so they are seen as stable."

PROOF IS IN THE PRODUCT

"The experience with MCC and Seago Lines has shown us the advantage of having an organisation focused on intra-regional trades," says Vincent Clerc, chief trade and marketing officer for Maersk Line.



Plenty of room to grow

The intra-America trade is one of the world's faster growing markets and is outpacing mature market trades.

BY JOHN CHURCHILL

Craig Mygatt, CEO of the new SeaLand, expects container volume growth of more than 6% this year in the intra-America region, up from 4.3% last year. The total trade volume is estimated at 3.2 million forty-foot containers per year. With only a 6% share of that pie, or approximately 200,000 containers, Maersk Line has plenty of room to grow.

One factor contributing to the region's current and expected growth is the trend among some businesses to move production to Central and South America (and also the USA) to be closer to the US consumer market.

With wages in China rising at an annual rate of 15% or more for several years, other considerations such as distance are becoming increasingly important. For instance, Mexico has become a regional base for electronics, apparel and car manufacturers due to its proximity to the US and Latin American markets, even though labour costs are up to 40% higher than in China.

The Panama Canal expansion is another development SeaLand expects will bring opportunities for the company to pick up Asian cargo headed to the US on Maersk Line, MSC, CMA and other large carriers. These carriers currently prefer the Suez Canal for US-bound cargo, even though the route is 5% longer, because of lower transit fees per container and the much larger vessels it can handle.

The canal's expansion, expected by the end of 2015, will enable vessels as large as 12,000 TEUs to transit. If the economics are attractive enough to large carriers such as Maersk Line, CMA CGM and MSC, these carriers would unload in Panamanian ports like Balboa or Colon for carriers like SeaLand to "tranship" the cargo the rest of the way to ports like Savannah and Charleston in the United States. ✦



A new lease on life for the SeaLand brand.

"Maersk Line's focus is increasingly on long-haul where our standardisation drive is enabling a lot of the progress on value creation," says Clerc. "The short-haul trades have a different dynamic. Customers expect a different level of service, follow-up and focus. Extracting value out of these markets requires a lot of day-to-day work, and this differentiated approach has worked well for us."

But just as MCC and Seago had to prove to customers they were in fact offering something different, so too will SeaLand. For Mygatt, the big test will come after 1 January 2015 when the company officially starts on its own and customers begin receiving SeaLand bills of lading.

"When we make the full changeover to SeaLand, will the customers see the difference? That's my focus, to prove to them that this isn't a new paint job, that this new shipping line has been designed specifically to serve their needs," he says. *

The origin of the name, SeaLand

Sea-Land Service, Inc. was a pioneering container shipping company founded by American entrepreneur Malcolm McLean in 1960. McLean was the American trucking entrepreneur who discovered the big savings to be made from packing goods in uniform containers that could easily be moved by truck or ship ("containerisation").

Sea-Land Service, Inc. existed under various changes of ownership before being split up to form two shipping lines and a terminal operator. The international container shipping business and the Sea-Land name was acquired by Maersk in December 1999. In 2000, Maersk Line changed its name to "Maersk Sealand." It changed it back to Maersk Line in 2006 after the purchase of P&O Nedlloyd.

NEWS IN BRIEF

Project FIT succeeds and carries on

Trimming the balance sheets and making investments possible on top of commitments already made, Project FIT was a success. This year's focus is to Stay FIT.

"Project FIT has been a success. Our trimming of the balance sheets gave management and employees more time to focus efforts on core activities," says Group CFO and Project FIT Sponsor, Trond Westlie. "In addition to the investment commitments already made, the project made investments in an XLE drilling rig and MR product tankers possible."

The full-year result was able to free up investment capacity worth USD 4 billion in the business units, with the Group and Dansk Supermarked adding USD 600 million to the tally.

This indicates a result just shy of the targets: USD 4.1 billion for the former and USD 700 million for the latter.

The USD 4.6 billion achievement includes a variety of sales, such as office buildings, warehouses, vessels and trucks and new processes, along with Maersk Line's steps to reduce the number of unpaid, overdue bills and the reduction of leases by returning chartered vessels.

Going into 2014, the Executive Board has decided to extend Project FIT in order to carry the mindset forward. This includes ensuring that ongoing portfolio management is implemented, highlighted and executed within the organisation.

"Basically, we will continue what we have been successful at in 2013. The first reviews gave us all some important lessons, which will be applied when we now revisit," says Trond Westlie.

Small booklet – big welcome

A Chinese language edition of the 'Group Policies' booklet has been welcomed by Maersk's Chinese employees as being easy to read and convenient to carry around.

An online survey among the Group's Chinese employees has revealed that a majority of the employees find the 'Group Policies' booklet to be beneficial to them. They agreed or strongly agreed that the booklet is easy to read and convenient to carry around, and valued the fact that it is written in Chinese, allowing them to quickly learn and share it with each other.

According to the respondents, the booklet produced in Chinese has helped to extend a better sense of cohesiveness within the company, and is seen as a good reference tool for local colleagues to conduct business and engage with customers.

"It is not always easy to begin with customer service, but I came to understand that following the company policies that satisfy our customers is absolutely the right direction for us," says Sylvia Li Jiu Yang, a 24-year-old Coordinator in the Chengdu Global Service Centre Documentation Team.



Three Damco staff, team leader Edwin Magat, Romeo Gula and Miller Espinoza, were deployed at the central warehouse in Tacloban in the Philippines. The men stayed in on-site tents to be near where the work is.

Off with our corporate hats

CORPORATE SOCIAL RESPONSIBILITY | When Typhoon Yolanda devastated the Philippines last year, Maersk personnel worked hand-in-hand with competitors to provide logistics expertise and aid.

BY TAN YI HUI

➤ It is 8 am in Benin, West Africa. Another busy day in the office lies ahead for Karl Gnonlonfin, customer service and CSR manager of APM terminals. He is a world away from Tacloban City, a once rustic sea-side town in the Philippines, but the memories of his time there over three months ago are still vivid.

On 31 December 2013, Gnonlonfin landed in Manila en-route to Tacloban, ground zero of Typhoon Yolanda, one of the largest ever recorded in history. Yolanda had hit the Philippines over a month earlier, and laid waste to the Samar and Leyte region. Buildings crumbled, shorelines were ravaged and millions of homes flattened by the fury of Mother Nature.

Gnonlonfin was in Tacloban as a member of the Logistics Emergency Team (LET), a partnership created to support the Logistics Cluster of the World Food Programme and the wider humanitarian community. Four companies – TNT, Agility, UPS and Maersk – make up the LET, which when called upon in large-scale disasters lend assets to necessary relief operations.

HEALTH AND SAFETY EXPERT

Gnonlonfin's job was to function as a health and safety expert – an area in which he has trained in APMT – for the central warehouse in Tacloban, managed by the local government and WFP. It was here that the packing and storage of relief items to be

trucked out to other affected regions has been taking place since the disaster struck.

This was Gnonlonfin's first mobilisation since his training, and his role was to enforce health and safety procedures within these operations.

"I had to train local NGOs and government staff, especially supervisors, so that when the LETs are gone they can still manage the warehouse operations safely," he says.

On-site were LET representatives from the other member companies, including three Maersk Group colleagues from Damco. While LET companies have supplied assets such as forklifts and containers for the operations, manpower such as themselves were on the ground to provide logistics

expertise and warehouse supervision for local volunteers and officials.

AN UPHILL BATTLE

Gnonlonfin found the situation an uphill battle. Trucks and forklifts were in operation while people walked around nearby, and proper use of safety equipment such as masks, helmets, gloves or reflective vests was not enforced. This was coupled with insufficient fire protection measures.

"Many of the volunteers were homeless and desperate to get food or money in return for their work. They did not care so much about their health and safety," explains Gnonlonfin.

Full-day training workshops were conducted to get everyone up to speed. Other LET members also attended, and the training closed with an exam that participants had to pass to be certified.

Living conditions were spartan. Gnonlonfin shared a tent with the three Damco personnel.

"We cooked our own food and shared two bathrooms with over 100 people. We woke up very early each morning to queue for the bathroom and bathed in very cold water," he recalls.



PHOTO: LUIS LIWANAG

CSR manager of APM terminals, Karl Gnonlonfin, was in Tacloban as a member of the Logistics Emergency Team (LET): "I had to train local NGOs and government staff, especially supervisors, so that when the LETs are gone they can still manage the warehouse operations safely."

What wasn't lacking however, was spirit aplenty. Under the LET collective, members of the four companies worked hand in hand, and every morning members gathered in a cramped tent for their

briefing, conducted by a lead coordinator from UPS. At the warehouse, TNT, Agility and Maersk personnel took turns supervising workers and checking inventory.

"Throughout the training workshops, I wore shirts with the LET logo and the brand logos of all the other companies under the LET. This is to send the message that the LET was conducting this as one collective effort," says Gnonlonfin.

LEARNING FROM THE SURVIVORS

Now, safely back in West Africa, Gnonlonfin reflects on his time in the Philippines wearing the LET hat rather than a corporate one:

"It is amazing to see different companies coming together as one for a greater good, even though we are competitors in business," he says.

He relates the most meaningful lesson learnt from his experience:

"What really touched me was the fact that despite all the pain and loss incurred by the local people, they still kept their smiles and always had a positive attitude. Those guys are survivors, and we should all learn from them," Gnonlonfin says. ✨



PHOTO: SCAMP1X

Aftermath in November last year in the highly devastated city of Tacloban in the Philippines.

CONTINUED ON THE FOLLOWING PAGE



> EVERYDAY HEROES

It's almost half a year since Typhoon Yolanda, but among the destruction and grief the local staff share stories of hope and courage from volunteers and victims.

PHOTOS: LUIS LIWANAG



ANNALIZA AGANAN CAJEME
ENGINEER, MAERSK LINE CREW

Annaliza lived in Tacloban. Her house was destroyed by tidal waves and she lost five relatives, but her direct family is safe. In the aftermath of the destruction, she travelled five hours on foot and by bus with her brother to a neighbouring city to find food and medicine supplies for her family and other victims in Tacloban.



ARCHILLES LINDE
ELECTRICAL ENGINEER, MAERSK LINE

Archie volunteered to search for missing personnel and their families when the typhoon struck and communication lines were shut down. He drove around affected regions covering an area of 600 kilometres, looking up the addresses of possible victims. He located four families on his search list.



ADONIS RICAFORT
ABLE-BODIED SEAMAN, MAERSK LINE

Adonis's home was flooded and partly damaged but his family are fine. Despite aftershocks from an earlier earthquake, he volunteered to ride out with his brother on motorcycle after the typhoon struck to locate missing persons. They accounted for three families.

Maersk's contribution to the LET



5

LET PERSONNEL

deployed, comprising three Damco warehousing staff, a health and safety expert from APMT, and an on-site coordinator.



1800
HOURS

Number of man-hours of volunteer service



2975
METRIC TONS

Amount of truck and sea container transport (reefer and dry) of relief items shipped, such as emergency shelter kits from Mumbai and Karachi.



50

DRY CONTAINERS

Number of dry containers donated for storage of relief items



1

REEFER CONTAINER

Reefer container for storage of Unicef medicine

What is the LET?

The Logistics Emergency Teams is a partnership between private companies and the World Food Programme (WFP), led by the UN Logistics Cluster. Maersk currently has about 30 fully-trained specialists around the world who, when requested by the Logistics Cluster, will join our LET partners, Agility, TNT and UPS, with the mandate to use the common logistics expertise and equipment to respond to major incidents.

In the case of Typhoon Yolanda, it is estimated that some 16 million Filipinos were affected, and at least four million were made homeless, with no food or shelter. The rush to provide the relevant supplies to the people that need them the most, with a disaster-damaged infrastructure, is often the biggest challenge. The LET was activated to lend such support to the WFP and the wider humanitarian community.

TO LEARN MORE, PLEASE LOG ON TO
[MAERSK.COM/SUSTAINABILITY/
DISASTERRESPONSEPROGRAMME](http://MAERSK.COM/SUSTAINABILITY/DISASTERRESPONSEPROGRAMME)



'Multi-skilled equipment operator' in APM Terminals Monrovia port, Jacqueline Paye: "Many of my friends don't have a job. I have a good job with benefits at a company that has a big name in Liberia. It makes me very proud."

PHOTO: THOMAS SONNE

GREEN SHOOTS IN LIBERIA

THE LADDER TO OPPORTUNITIES | With Liberia's economic growth projections intact, the new Monrovia port provides a strong incentive for the trade growth the country badly needs to develop. While the port has only been operational for three years, its impact can already be seen and felt in a variety of ways.

BY JOHN CHURCHILL

➤ Jacqueline Paye is one of just a handful of the 200 people employed in APM Terminals Monrovia port authorised to operate every machine in the yard. She is a 'multi-skilled equipment operator.' And the only female one.

You can see what her job means to her when she talks about her nine-year-old son, Joshua.

"Joshua is going to school and I want him to grow up to be a good person," she says. Her eyes soften and a smile appears as she watches him play with friends in front of the house she rents with a friend in Paynesville, a town just outside Monrovia.

Jackie's husband left when Joshua was

born. As a Liberian and a 35-year-old single mother living in a country where jobs and the skills needed for them are rare, her job offers her financial security. It is a ladder of opportunity for her and Joshua.

"When I am sitting in my vehicle in the port, I thank God," she says. "Many of my friends don't have a job. I have a good job with benefits at a company that has a big name in Liberia. It makes me very proud," she says.

OPENING THE DOOR TO TRADE

Unfortunately, jobs in Liberia are scarce, especially those that provide training like Jacqueline's. Nearly 70% of Liberia's 4 million people are under the age of 29, and 50,000

young people enter the labour market each year. Most of the working population is in so-called 'vulnerable employment,' according to data from African Economic Outlook.

Street vendors selling food, drinks, clothes and a variety of other goods line the streets all over Monrovia.

"Everything you see here comes through the port. Without it, the country would grind to a halt. There would be nothing to sell," says Johnson Liway.

An older man, Liway is a reporter for the Liberian News Agency. He also runs a

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Edgail Inc. is a manufacturer and exporter of recycled waste oil, initially to customers in China.

PHOTO: THOMAS SONNE



mobile phone charging station and a small cinema in the Snapper Hill district of Monrovia.

"What we need is more jobs for young people. We need more business, we need manufacturing companies to come in and set up in Liberia to give people a chance to learn and develop their careers," he says.

A SOURCE OF EMPLOYMENT

The terminal itself is a sizeable source of employment in Monrovia, with 200 staff working directly for APM Terminals and another 2,000 local subcontractors doing business in the port. But these jobs are just a small part of the overall impact.

"Of course, we create a certain number of jobs from just operating the port," says Brian Fuggle, managing director of APM Terminals Monrovia. "But our real value comes from building a world-class port with a professional workforce that will make it easier and more attractive for companies to invest and do business here."

"I think you can see some examples of that already. I expect as infrastructure and

"Our real value comes from building a world-class port with a professional workforce that will make it easier and more attractive for companies to invest and do business here"

BRIAN FUGGLE, MANAGING DIRECTOR OF
APM TERMINALS MONROVIA

other improvements come, trade will keep growing and you will see Liberia benefit," says Fuggle.

ENCOURAGING SIGNS

As Sales Manager for Maersk Line in Liberia, 32-year-old Jblue Wolo has a unique vantage point from which to view his country's

changing economy. Maersk Line has been in Liberia since 2001 when the country was still being ravaged by civil war. Since then, Maersk Line has cornered the vast majority of the container shipping market, but competition is heating up.

"Before APM Terminals took over the port, the risks kept our competitors away. Theft, safety, operational inefficiency and a lack of transparency are no longer risks," says Wolo.

"Because of that change, the benefits now outweigh the costs and we have two new competitor shipping lines calling in at Monrovia: MSC and PIL. That's a credit to the port's efficiency and processes," he says. "Competition also means a better product for our customers, even if it makes my job tougher," he says, smiling.

NEW BEGINNINGS

One of those customers is Abigail Urey, Liberian co-owner of Edgail Inc., a scrap metal exporter that is investing in a new business, the manufacture and export of recycled waste oil, initially to customers in China.



Liberian co-owner of Edgail Inc. in Liberia, Abigail Urey: "With the new business we won't get second chances with our customers, so every improvement helps. We will depend on the shipping lines and the port to perform as expected, so we don't break our promises."

Sales manager for Maersk Line in Liberia, Jlué Wolo: "Before APM Terminals took over the port, the risks kept our competitors away. Theft, safety, operational inefficiency and a lack of transparency are no longer risks."



"The port is a huge improvement. There's a schedule, one fee, and we're treated as valued customers," says Urey.

Edgail's new factory is located 60 km inland off the Kakata Highway, one of just a few critical but badly broken roads connecting inland Liberia to the port. The Chinese are rebuilding it. Together with a working port, it will mean faster and more reliable shipments and lower costs, she says.

"With the new business we won't get second chances with our customers, so every improvement helps. We will depend on the shipping lines and the port to perform as expected, so we don't break our promises," says Urey.

In February, APM Terminals put out a tender for another USD 32 million investment in the port. The total investment will reach USD 120 million by the end of the 25-year concession. This latest round will cover complete paving of the terminal footprint, installation of CCTV security and the construction of a new port office away from terminal operations to keep staff and customers away from the machines. Completion is expected in two years.

"In our first two years, we doubled volumes," says Noah Sheriff, Commercial Manager for APM Terminals Monrovia. "Last year we fell back a bit due to a variety of economic factors but we expect a partial

recovery in 2014. The trend over the last three months has been encouraging, and in January we had a 16% boost compared to the same period in 2013, so we're cautiously optimistic." 📈

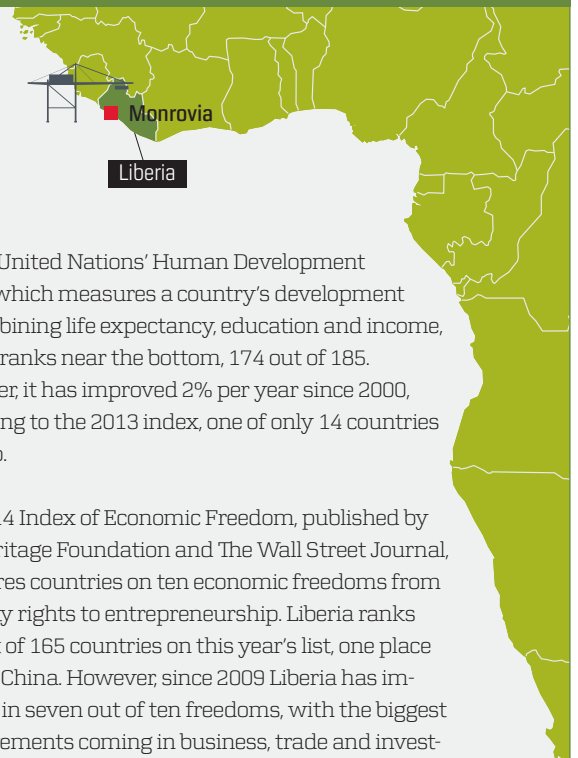


Watch an interview with Brian Fuggle, Managing Director of APM Terminals Monrovia



Slow but steady improvement

- ✓ Liberia is celebrating ten years of political stability with two democratic elections since the end of the war in 2003.
- ✓ Liberians are a proud people and generally optimistic about the future, despite being frustrated by a lack of jobs, an education system in tatters, the high cost of energy, and corruption. Many initiatives are in place to tackle these problems, including school-building projects and teacher training partnerships with, for example, USAID, and a USD 200 million rehabilitation of the Mount Coffee Hydro Electric power plant.
- ✓ Real GDP growth reached 8.9% in 2012, an estimated 7.7% in 2013 and is expected to come in around 5.4% this year, according to African Economic Outlook. Export of natural resources together with foreign direct investment drive the economy.
- ✓ Two prominent composite indexes help illustrate where Liberia is now relative to the rest of the world, but also how far it has come:



- ✓ On the United Nations' Human Development Index, which measures a country's development by combining life expectancy, education and income, Liberia ranks near the bottom, 174 out of 185. However, it has improved 2% per year since 2000, according to the 2013 index, one of only 14 countries to do so.
- ✓ The 2014 Index of Economic Freedom, published by The Heritage Foundation and The Wall Street Journal, measures countries on ten economic freedoms from property rights to entrepreneurship. Liberia ranks 138 out of 165 countries on this year's list, one place behind China. However, since 2009 Liberia has improved in seven out of ten freedoms, with the biggest improvements coming in business, trade and investment freedom and freedom from corruption.



Since joining the Group in October 2013, the Head of Group HR Lucien Alziari has travelled to many markets to meet business leaders and HR colleagues to identify areas where HR can improve its support of the Group's businesses and employees.

PHOTO: RICKY MOLLOY

Top performers are CATALYSTS FOR GROWTH

HUNTING TALENT | Maersk's top performers are the ones to deliver the exciting business growth plans. This is according to the Head of Group HR, Lucien Alziari, when asked five questions following recent changes on performance and rewards.

BY ANDREA IMSON AND CHRISTINE DRUD VON HAFFNER

? TALENT IS A COMMONLY USED WORD IN MAERSK. HOW DO YOU DEFINE TALENT?

! We use the term 'Top Talents' to denote those colleagues who can make a significant impact on the growth of their business. This includes both deep technical experts as well as those who demonstrate the leadership characteristics to take on expanded responsibilities over time. The common denominator across these groups is a track record of strong performance. Our overall goal is to become a talent-enabled company – one that has the talent and capabilities to deliver the exciting growth plans for our businesses.

? HOW DO YOU IDENTIFY TALENT?

! Firstly, we keep an eye out for people's contributions to ensure that the biggest opportunities are available to those who make the biggest difference. Secondly, we want to help all of our people understand 'what do I need to do to make a real contribution to this company? What's expected of me?' We then aim to provide lots of opportunities to those who have the ambition and the technical and leadership skills to make a big difference.

? SOME OF THE EMPLOYEES ARE LABELLED 'TALENTS,' ARE THE REST THEN DEFINED AS 'NON-TALENTS?'

! Clearly, everyone can contribute to the success of the Group. In order to support this, we ensure that all employees have annual objectives, receive feedback from their manager, are appraised and have a personal development plan. So we are investing in the development of all of our employees. With our top talents, that level of investment goes up – but so do our performance expectations!

? YOU RECENTLY INTRODUCED A NUMBER OF CHANGES TO THE PERFORMANCE EVALUATION SYSTEM, WHICH INVOLVED DISCONTINUING A SEPARATE RATING ON HOW EMPLOYEES LIVE OUT THE GROUP CORE VALUES. WHY IS IT THAT EMPLOYEES ARE NO LONGER RATED ON VALUES?


! We are actually reinforcing the notion of values by integrating them into a single performance score – you can't be a top performer in the Group unless you are living the Group Core Values. How you deliver results is just as important as what you deliver; they are all part of the same evaluation.

Yearly appraisal, rewards and succession planning made simpler

Engagement figures from 2013 show that nearly half of all Group employees don't understand the link between their pay and job performance. To simplify the processes and reinforce values, Group HR has introduced the following changes:

- **SIMPLIFIED PERFORMANCE MANAGEMENT:** Whereas employees previously received up to three ratings in the performance management system – one on overall performance, one on whether they lived the values and one on leadership – they now receive one integrated score.
- **GLOBAL INCENTIVE PLAN:** With the move to a single performance score, the Group has introduced the Global Incentive Plan. The structure will replace any pre-existing plans, and the first bonus payouts under the new plan will take effect in April 2015.
- **TALENT REVIEW:** The Group has put in place a new framework for talent management, which assesses leaders on their potential to take on expanded responsibilities and allows the company to systematically track potential successors for senior roles.

? THE ABOVE-MENTIONED CHANGE IS JUST ONE OUT OF A NUMBER OF RECENT CHANGES AND SIMPLIFICATIONS. ARE THESE CHANGES INTERLINKED AND HOW DO THEY BENEFIT THE EMPLOYEES?

! We've recently taken a number of steps to simplify employee evaluation, compensation and succession here at Maersk. Decisions on people are made by line leaders, not by HR leaders. Therefore, our goal is to equip them with simple, intuitive tools that drive decision-making and are grounded in great HR thinking but don't require a large amount of technical instruction to use. You can see this approach reflected in the Talent Review and also in the simplified performance management process and incentive designs. 

Employee views on the changes

Following announcements of changes in performance management, incentive plans and talent reviews, @maersk intranet polls show that the majority of employees welcome the alterations:

- 76% support changes to the way they are evaluated
- 84% are in favour of the new Global Incentive Plan.



SANTIAGO AGUSTIN LARZABAL, OPERATIONS – CLUSTER, MAERSK LINE:

Excellent initiative! In some countries where more than five variables are used in calculating the annual bonus, simplicity is very much needed.



FAHD KHALIL JAFRI, BUSINESS PERFORMANCE ANALYST, MAERSK LINE:

Having this visibility, particularly in roles where employees cannot see a direct connection between their actions and business results, will really help to motivate people.



MD SHARJIL RAHMAN, FINANCIAL CONTROLLER, GROUP ACCOUNTING, MAERSK GROUP:

It doesn't seem that different from our existing bonus policy as it is still linked to our existing pay. Nothing has been added to reward employees with substantially better performance. While discretionary bonus is a common phenomenon in the global arena, we are still following a one-size-fits-all policy.

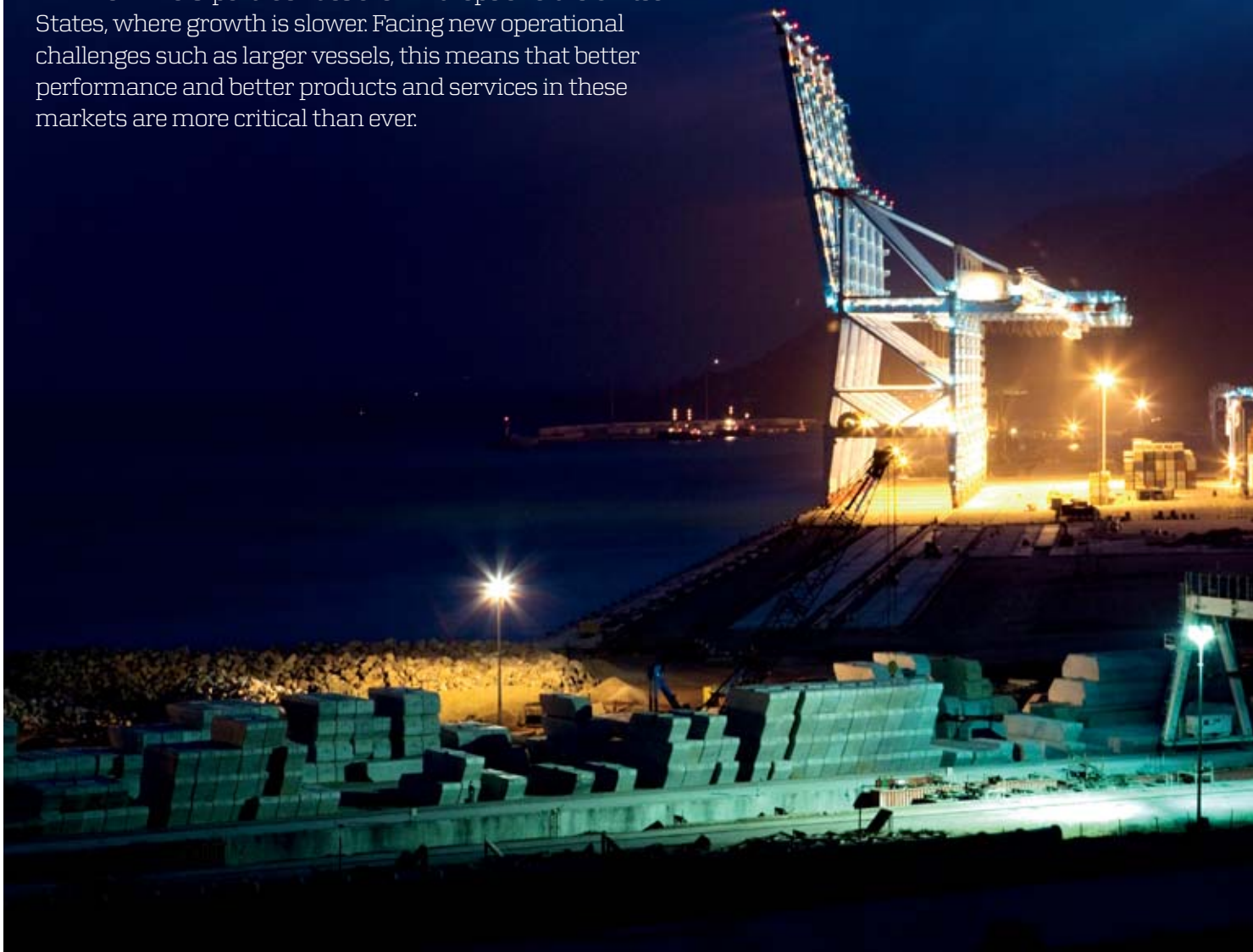


INGELISE SCHMIDT, LEAD GEOPHYSICIST, MAERSK OIL:

I think we should still pay special attention to the values, but I do think it is good that you cannot be a high performer without living all our values.

BETTER, FASTER AND

MATURE MARKETS EXCELLENCE | Despite news making investments in growth market countries, a quarter of APM Terminals' port facilities are in Europe and the United States, where growth is slower. Facing new operational challenges such as larger vessels, this means that better performance and better products and services in these markets are more critical than ever.



BY JOHN CHURCHILL

> Peanut farms stretch on as far as the eye can see in certain parts of the southern United States. Brian Harold noticed the giant farms while driving in his car, but didn't know what the endless rows of green plants were. New to the South and sensing a business opportunity, he started making calls.

"It's a USD 100 million export business in Alabama and a handful of other states," says Harold, head of the APM Terminals container terminal in Mobile, Alabama on the Gulf of Mexico. "And I knew that we weren't seeing any of that cargo in Mobile," he says.

He requested a meeting with the Alabama Peanut Farmers Association and not only found out how large the industry was, but that he had something simple and valuable to offer them.

They were exporting their cargo to Europe, but instead of using his port in Mobile they were trucking the cargo much further to the Atlantic Ocean ports of Charleston, South Carolina and Savannah, Georgia.

"Very simply, I showed them that they could save a pile of money if they trucked their containers to our port in Mobile instead," he says. "And that was that, peanuts."

BUSINESS IS BUSINESS

Gone are the days when container shipping terminals wait for cargo to arrive and focus only on efficiently moving boxes in and out.

This is especially true in Europe and the United States, where



PHOTO: APM TERMINALS

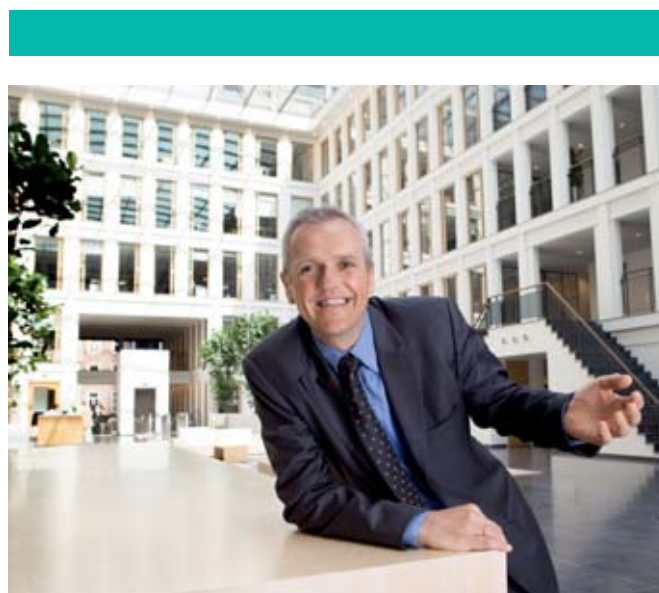


PHOTO: MURIEL PINEAU

“We won’t survive if we don’t have lower costs and provide a better product than our competitors. It’s that simple”

MARTIN GAARD CHRISTIANSEN,
CHIEF COMMERCIAL OFFICER FOR APM TERMINALS.

and provide a better product than our competitors. It’s that simple.”

PERFORMANCE IS CRITICAL

One primary example of this effort is the hub partnership programme with Maersk Line, APM Terminals’ largest customer:

In shipping, just like in the airline industry, certain “hub” locations anchor the global networks of shipping lines. For Maersk Line, the three primary hub ports are Algeciras, Spain; Tangiers, Morocco and Rotterdam, the Netherlands.

In these ports, the terminal’s operational performance is critical to Maersk Line and any delays can wreak havoc across the global vessel network and cost millions to clean up. But as a port operator, APM Terminals has its own bottom line to watch as well, meaning the two companies’ priorities often didn’t align in the port.

FOCUS ON PERFORMANCE AND PRODUCTIVITY

With the hub partnership agreement, that changes. In return for focusing entirely on productivity and performance in Algeciras and Tangiers, Maersk Line pays APM Terminals the operational costs of the two terminals in Algeciras and Tangiers. Operational staff from both companies share office space in the region and management has shared ‘KPIs’ on which their performance is

volume growth is expected to be 3% in 2014 compared to the 6-8% growth seen in parts of Africa, Asia and Latin America. Besides digging up new business, ports in the USA and Europe must be better, faster and cheaper in order to stay ahead of competition.

“These 15 ports are incredibly important,” says Martin Gaard Christiansen, Chief Commercial Officer for APM Terminals. “They anchor the networks of our shipping line customers, and with more than 300,000 containers per week they are still the markets where most of the world’s cargo moves,” he says.

“But the margins are thinner and the business has become more complicated. We are not going to be saved by volume growth,” he says. “We won’t survive if we don’t have lower costs

CONTINUED ON THE FOLLOWING PAGE





judged. A shared bonus system rewards any performance above target.

"With the partnership, APM Terminals knows its revenue and costs are covered and Maersk Line gets the focus we need on operational performance, making sure berths are available and crane productivity is high. It means our network runs much smoother and we save on costs, particularly bunker," says Keith Svendsen, Vice President in Operations Execution, Maersk Line.

As a direct result of the partnership, Maersk Line saved several million dollars in bunker cost in 2013, and has seen productivity improvements in both ports. In Algeciras in particular, gross crane moves per hour jumped to an average of 31 in 2013 from 27 the year before.

The programme is expected to be implemented in Rotterdam and possibly other locations in the future.

BUILDING A STRONGER PORTFOLIO OF PORTS

Whether it's working together with customers for mutual benefit or asking terminals like Brian Harold's to better understand the needs of importers and exporters, Martin Gaard Christiansen says the entire mature market portfolio needs sharper focus.

Specifically, he says what's needed is a manufacturing-like mind-set and standardisation of processes and equipment so that performance can improve and also be measured more accurately.



Leading this effort to optimise and standardise in the coming years will be Jeff De Best, who in March 2014 takes over as Chief Operating Officer of APM Terminals, a position that Christiansen was holding in the interim.

"These kinds of changes don't happen in a year, especially when

The container that turned into a window

CSR | How a Maersk Line container was transformed into a mobile IT classroom designed to provide internet access and IT skills to school children.

BY NINA SKYUM-NIELSEN

> What do you get if you take an empty Maersk Line container, fit with solar panels on the top and 11 computers on the inside and place it in a rural area in Ghana?

The answer to this question is a whole community's hotline to the world outside, or a 'Zubabox' – a mobile IT classroom designed to provide internet access and IT skills to school children in areas where the worldwide web does not reach.

In the rural and fairly isolated cocoa-growing communities of Ghana, electricity is limited and the cost of internet access is highly inflated compared to incomes.

SUPPORTING ESSENTIAL TEACHING

Made out of a Maersk Line container, the Zubabox will be placed in the Asarekwaa community primarily to teach the 390 pupils of the Asarekwaa Al Furqn Islamic School how to use a computer and surf the internet.

With only 11 teachers to cover everything in the curriculum, the solar-driven mini classroom will lend a very welcome hand.

Four partners are involved in the Zubabox project: Maersk Line;



PHOTO: MAERSK LINE

Lionel Soulard from Cargill in West Africa (left) and the managing director of Maersk Ghana Limited Syed Naved Uz Zafar (right) attend the inauguration of the Zubabox at the Asarekwaa Al Furqn Islamic School in Ghana.

Cargill, a global supplier of agricultural products; Computer Aid, the world's largest non-profit supplier of refurbished computers and Firefly, which has delivered the solar panels for the container.

ONLY THE BEGINNING

However, the pupils' use of the computers is only the beginning.



- 1) APM Terminals Tangier (Tanger-MedPort, Morocco)
- 2) APM Terminals Pier 400 (Los Angeles, CA)
- 3) APM Terminals-Cargo Service A/S (Aarhus, Denmark)
- 4) APM Terminals Houston (Houston, TX)
- 5) APM Terminals Mobile (Mobile, AL)
- 6) APM Terminals Port Elizabeth (Port Elizabeth, NJ)
- 7) APM Terminals Algeciras (Algeciras, Spain)
- 8) APM Terminals Tacoma (Tacoma, WA)
- 9) APM Terminals Jacksonville (Jacksonville, FL)
- 10) APM Terminals Gothenburg (Gothenburg, Sweden)
- 11) Stevedoring Services (Charleston, SC)
- 12) South Florida Container Terminal (Miami, FL)
- 13) Suez Canal Container Terminal (Port Said East, Egypt)
- 14) NTB North Sea Terminal Bremerhaven (Bremerhaven, Germany)
- 15) Container Terminal Wilhelmshaven (Wilhelmshaven, Germany)

what we're aiming for is world-class operations," says Christiansen. "It takes time and will require us in some cases to invest in the equipment and the processes needed, or if the profitability just isn't there, consolidate or divest." ✦

to the world

There are already plans to open the box up for the local cocoa farmers to help them access local weather forecasts and thereby allowing them to adjust the planting and harvesting times of their crops.

"We know that this leads to increased agricultural productivity and food security," says Keith Sonnet, Executive Chair for Computer Aid International.

"We are absolutely thrilled that the Zubabox is being placed in the Asarekwaa community and at our school," says Alfred Fuah, an ICT teacher at the Asarekwaa Al Furqn Islamic School. "Information and communications technology (ICT) is an important part of the school's curriculum, which until now has largely been taught as theory. This computer room will allow our students to put theory into practice, and enable our teachers to research new and exciting lessons."

To Maersk Line, the Zubabox project makes great sense. "Africa is one of our key growth markets and we have proudly served the continent for decades, enabling African producers and buyers to link more effectively to regional and global markets," says Syed Naved Uz Zafar, Managing Director of Maersk Line Ghana. "We are proud to be part of the Zubabox project because we think it is a great example of how we can work with our customers, NGOs and local communities to further empower rural communities in Sub-Saharan Africa."

The Zubabox will stay in the Asarekwaa community for at least a decade. ✦

NEWS IN BRIEF

Denmark and UAE formalise clean energy cooperation

Maersk Oil has signed a Memorandum of Understanding that signals the intent for continued carbon capture collaboration with Abu Dhabi Future Energy Company. The agreement follows an international clean energy cooperation deal.

According to Jon Ferrier, Head of Business Development, Strategy and Commercial in Maersk Oil, the agreement specifically sets out an intention to work together to deliver new clean energy projects within Abu Dhabi.

"We indeed look forward to formalising our relationship with Masdar in the spirit of this new framework agreement and to develop close collaboration, particularly in the field of carbon capture, utilisation and storage," Jon Ferrier says, adding:

"Technological innovation is the core of Maersk Oil, it is in our DNA and it is that pedigree which pushes us to work with new technologies. What's in the spotlight is our TriGen technology. It is with TriGen that Maersk Oil has been sharing ideas with Masdar, investigating the application in the area of CO₂ Enhanced Oil Recovery and how that could help Abu Dhabi achieve its stated clean energy targets."

Safety – the direct deal

APM Terminals' new VP for Safety Kevin Furniss cuts to the chase and places safety ownership where, according to him, it has always belonged: with people.

Taking over the seat of former Safety Activist Martin Poulsen is not a small task, especially as APM Terminals' new VP for Safety, Kevin Furniss, had to face a crisis as soon as he started. Within the first weeks of 2014, four consecutive fatalities occurred in four different locations.

These were Furniss' induction days and he was hit by the news, but he was also confronted with the harsh reality of APM Terminals' operations very fast. This doesn't daunt him. If he was resolute before taking on the job, this only added to his determination to change things, and fast.

"I knew I was taking over a healthy situation in the area of Safety, as Martin Poulsen and his team achieved a lot in the space of a little more than a year. So when I arrived, I really liked what I saw: not only in terms of what was achieved but also because it ties in with my own values," Furniss explains. He met APM Terminals staff in a few locations and this is only the beginning.

"Safety is not about numbers, it's about quality – the quality of the decisions we all take every day", he explains. "So for me, safety will always be about people, on an individual level."



In the drilling simulator, the students try out the theory in practice.



Maersk Oil hopes that the programme will increase the awareness of Maersk Oil in Angola and the students will become ambassadors at Angolan universities.

Attracting Angolan Talent:

Summer training in the cold north

LOCAL TALENT | Angolan students turned their backs on the hot Angolan summer to spend five weeks in a very wintry Denmark, attending technical training with Maersk Oil.

BY CHARLOTTE HOLST HANSEN

> Nineteen pairs of eyes concentrate on a screen showing a drill head moving slowly downwards. A nervous hand pushes a handle slowly forward.

"You can push a bit harder. We should hit a speed of 40," the instructor explains. "It is clearly your first time drilling," he says with a smile, and the rest of the room bursts into laughter.

Maersk Training in Svendborg, a two-hour drive from Copenhagen, had special visitors in February. Nineteen Angolan students travelled from the West African country to the near-freezing Danish winter for an introduction to the oil industry, cross-cultural awareness and to learn about Maersk's values.

The curriculum for the week was devised specifically to impart drilling expertise, and as a finale the students' skills were tested in a drilling simulator.

"The aim of the programme is to increase the awareness of Maersk Oil in Angola," says Victoria Quaglia, CSR Man-

ager for Maersk Oil Angola, who initiated the programme. "We hope to gain nineteen ambassadors at Angolan universities who know what career opportunities the oil industry and Maersk Oil can offer. This is very valuable for us, as oil companies in Angola are struggling to attract local talent."

BIG OPPORTUNITIES

The students spent five weeks in Denmark; four in Svendborg and one in Copenhagen at Maersk Oil's headquarters at Esplanaden. For many of the students, the trip to Denmark was their first time in Northern Europe, and for some it was even their first time outside of Angola. Among the students' memorable first time experiences were seeing snow and having a snowball fight.

One of the participants was Eric Gomes, a 21-year old Angolan student who studies geology and mining at Universidade Técnica de Angola, Utanga. His first

reaction to arriving in Denmark was that "it is a cold and beautiful country," but this is not what surprised him the most about the Summer Technical Training.

"The most surprising thing to me is how much we have learned in such a short period of time. We have not just been in classrooms, but have also applied the new knowledge in practice, as we have today with the drilling simulator," he says.

From the instructors, Maersk Post hears that the energetic group of Angolans has been adding an element of extra spice to everyday life.

"It has truly been a real pleasure having the students here. They are all very lively and enthusiastic," says Anthony Oladeji, an instructor at Maersk Training in Svendborg.

"The classroom has been vibrating with eagerness to learn. They all seem to know that this is a big opportunity and they want to make the most out of it. I really got the impression that there was a vitality



Maersk Oil's Angola office is set to expand from 100 to around 300 people in the coming five years. This is why developing the competences of Angolans and raising Maersk Oil's profile in the country are top priorities for the company.



Eric Gomes, a 21-year-old Angolan student, hopes that he can become a future employee in Maersk Oil.



Nineteen Angolan students spent five weeks in Denmark; for many of the students, the trip to Denmark was their first time in Northern Europe, and for some it was even their first time outside of Angola.

and enthusiasm amongst the group when the questions came in Portuguese, as they scrambled for the words in English! It was certainly a convivial and lively atmosphere."

POTENTIAL FUTURE CANDIDATES

Maersk Oil's Angola office is set to expand from 100 to around 300 people in the coming five years. In the same period, Maersk Oil is striving to reach a target of 70% of its total headcount from Angolan nationals. This is why developing the competencies of Angolans and raising Maersk Oil's profile in the country are top priorities for the company.

"We hope that this programme can help us to attract future employees, and I think we have already given these students a good impression of the company so that they will want to become key employees for our Angolan operations in the future," says Quaglia.

This is something that Eric Gomes is very happy about: "I sure hope that I can become a future employee in Maersk Oil when I have finished my education." 🌟

Shareholders praise the Annual General Meeting

ANNUAL GENERAL MEETING | More than 1,300 shareholders made their way to the Annual General Meeting at the Bella Center in Copenhagen to hear the report of the Chairman of the Board of Directors, Michael Pram Rasmussen, on the Group's performance in 2013.

BY FLEMMING J. MIKKELSEN

> "It is a pleasure to attend the Annual General Meeting. I am especially pleased with the great transparency in the Maersk Group which acts openly and honestly," said Yolanda Hagemann to Maersk Post.

Hagemann is a Maersk Group shareholder, and together with more than 1,300 other shareholders she made her way to the Annual General Meeting at the Bella Center in Copenhagen on 31 March to hear Michael Pram Rasmussen, Chairman of the Board of Directors, give his report on the Group's performance in 2013 and his expectations for 2014.

Hagemann was impressed with the way the Group counters corruption, and she plans to also attend the Annual General Meeting in 2015.

"It was very satisfactory to discover how the Maersk Group fights against corruption and I would like to urge the Maersk

Group top management to teach other global companies how to act in a complicated world. I was born and raised in Mexico and I know what corruption looks like," she said.

CORRUPTION DESTROYS VALUES

Questions for Pram Rasmussen were a fixed item on the agenda at the Annual General Meeting, and this year was no exception. Question topics ranged from tax havens, cash flow and possible divestments of business units to corruption.

"Bribes and corruption are a scourge to everybody because they destroy values all over the world. The Maersk Group has a zero tolerance policy of corruption, and 33,000 employees have been trained in tackling corruption. But the Maersk Group is active in 134 countries, all with different attitudes and legislation. We make a huge effort to ensure that we have the right partners", the Chairman told the audience.

In his report, Pram Rasmussen stated that despite challenging



Member of Group Executive Board, Kim Fejfer CEO APM Terminals, listen out for the Chairman's report on the Group's performance in 2013 and his expectations for 2014.



Vice Chairman of the Board of Directors, Ane Mærsk Mc-Kinney Uggle, and Group CEO Nils S. Andersen enjoy the atmosphere at the Annual General Meeting.

The Chairman of the Board of Directors, Michael Pram Rasmussen: "We are pleased that we have increased the extent of our business activities and delivered an underlying result that is 35% higher than the year before. Compared to last year, we are also in a stronger position financially."

New faces on the Board

The Annual General Meeting saw five new faces elected to the Board of Directors:

- ✓ **Robert Mærsk Uggle**, CEO at SVITZER and grandson of Mærsk Mc-Kinney Møller
- ✓ **Niels B. Christiansen**, CEO at Danfoss, a global product and service provider in cooling food, air conditioning and heating buildings
- ✓ **Dorothee Blessing**, who recently left the investment bank Goldman Sachs after 20 years of service
- ✓ New employee representatives are **Renata Frolova** of Group Procurement and **Palle Vestergaard Rasmussen** of Maersk Supply Service.

conditions in 2013, particularly in shipping, the development and results of the Group's core businesses were good and satisfactory.

"We are pleased that we have increased the extent of our business activities and delivered an underlying result that is 35% higher than the year before. Compared to last year, we are also in a stronger position financially," Pram Rasmussen said.

The Group reported a profit of USD 3.8 billion in 2013, and Pram Rasmussen noted the strong results from several business units, not least from Maersk Line which continued its progress in 2013, delivering a result that was improved by USD 1 billion compared to last year.

During the year, Maersk Line also drew attention with the launch of the Triple-E vessels.

"With our skilled engineers, new technology and ingenuity we have created economics of scale for our customers around the world and provided more environmentally friendly transportation between continents," Pram Rasmussen said.

THE GROUP'S STRATEGY

The Chairman also touched on the advantages of being a group. Initially, the contribution from shipping activities made the start-up of the oil activities possible. Then, cash flow from the oil activities funded the expansion of the liner business.

"Most recently we saw the advantages of being a group when we obtained our credit rating, which is better than what the business units would have been able to obtain on their own."

To ensure continued value creation from the Group, the Chairman also underlined the necessity to adapt. He pointed to the importance of capital allocation and the sale of smaller assets and activities in 2013, which funded investments in the core businesses, proving once again the strength of the Group.

And the shareholders like this strategy. One shareholder praised the Maersk Group's recent sale of Dansk Supermarked.

"This initiative brings greater clarity to the Group's overall strategy," said Claus Wiinblad from ATP. 🌟

SHAREHOLDERS AT THE ANNUAL GENERAL MEETING:

That's my opinion

ASTA AND ERIK POULSEN:

"The Chairman gives straight answers and we didn't miss anything. The Maersk Group is the most professionally run company in this country. The meeting was a little bit long-winded but no complaints."



BODIL HANSEN AND ERIK OLSEN:

"Good atmosphere at the meeting and we like that there is enough time to ask questions, and that the Chairman portrays his feelings and the strengths of the company."



MERETE PEDERSEN:

"The Chairman is insightful and good at explaining what is happening in the company. I could do without some of the questions from the shareholders. It think it is OK to do the annual report in English."



HANNE NØRBALLE:

"A thorough and informative meeting. I believe we received excellent answers on critical questions. I'm glad to keep up with what's going on in the Maersk Group. The meeting was too long-winded."



YOLANDA HAGEMANN:

"As we expected, an Annual General Meeting with a professional set-up. The Chairman was well prepared and his communication was transparent and full of confidence."



PHOTOS: PETER ELMHOLT

The barrier-breaker

MYMAERSK | Tasked with helping expatriates settle in China, Rosa Cai is one of the first people they meet upon arrival. Over the years she has earned the trust of Maersk Container Industry leaders, not just on the intricacies of Chinese culture but on more complex matters that affect the day-to-day handling of the container factory in Dongguan.



BY ANDREA PERALTA IMSON

"It starts with the little things," says Rosa Cai, who joined Maersk Container Industry's Administrative Team in 2005, and now heads Administration and HR. Taking care of details such as visas, apartments and work permits, Cai has over the years, become the go-to person for expats who work there.

She is motivated by a sense of affinity:

"I imagine how hard it must be to be in their shoes, coming to a strange new place with new customs, and this makes me want to make the transition easier."

ENTER MORTEN HOSTRUP

An expat early on in her care was Morten Hostrup, who arrived in 2008 and is now Head of Administrative Functions:

"Throughout the years she has given me guidance numerous times on how to bridge between my 'Danish' perceptions and general Chinese perceptions. When I have had to mediate between employees or explain company issues, Rosa has often

helped me explain things more indirectly than I would in my home country."

Commenting on Hostrup's more direct communication style, Cai recalls: "I suggested to Morten that listening to the employees more and expressing empathy are important when talking things out with the people here. What might be effective in one country is not always effective in China."

HARMONIOUS RELATIONSHIPS

Today the Dongguan factory is brimming with harmonious relationships, not just between Cai and Hostrup, but between upper management and the production workers.

More than ever, Cai is ready to share her frank and straightforward recommendations with her foreign colleagues, while Hostrup is a familiar face at the canteen who often sits down and chats with the factory workers over lunch.

At Maersk Container Industry Dongguan's annual dinner, Hostrup addressed over a thousand employees in halting but clear Mandarin, a language that he has

Rosa Cai in brief

Age:	34
Nationality:	Chinese
Education:	Dual degrees in Mechanical Engineering and English
First job:	Engineer for a Hong Kong electronic toy company
Interests:	Badminton, table tennis, reading, watching films

been studying for the past few years. Behind the brave attempt was Cai, who had advised him to speak to the employees in their local language. "It doesn't matter if your Chinese isn't perfect," she reassured him. "They will appreciate it if you try."

Judging by the enthusiastic applause at the end of Hostrup's speech, it was sound advice. *

Who should we feature in the next MyMaersk?

If you believe you have an interesting colleague who lives our values, is a stellar performer and has helped your team achieve great results, nominate them for MyMaersk by sending an email to andrea.p.imson@maersk.com.

Maersk Line's first call in Mumbai

Marie Maersk, a steamship of 7,500 tons, was the first Maersk ship to call at Mumbai in October 1921. Maersk Line did not call regularly until 1946, when Chastine Mærsk called at Visakhapatnam as part of the experimental Suez Line – or Around-the-World Line. The first agent's agreement in India was made in 1954, and since 1990 Maersk Line has had its own offices in Mumbai.

Looking back



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