

CHINA'S NEW APPROACH

03

10

THEME | Changing with China

As growth slows down, new developments present plenty of opportunities. According to Silvia Ding, Maersk Line in China, Chinese companies are shifting their roles on the international market. "Where Maersk fits into the picture is by leveraging its expertise and wide global network," she says, here seen in a match with customers.

06

Millions of new customers

08

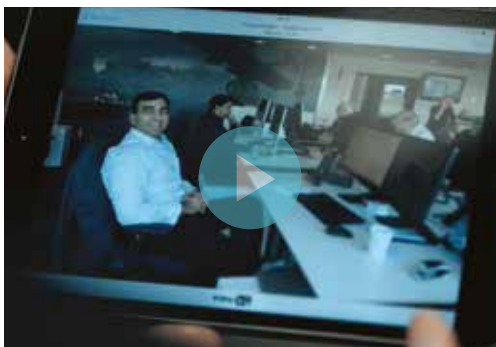
An oil symphony in three

24

Data will save lives

Maersk Line: Can the cloud lift global trade?

21



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China opportunities are changing



Nils S. Andersen

Nils S. Andersen, Group CEO

> What is happening in China has a massive influence on the world in which the Maersk Group operates. China has long been the world's largest exporter of containerised products and will continue to be so for the foreseeable future.

But as China progresses on its change from an investment and export led economy to a wealthier consumption- and service-oriented society, growth in both exports and GDP will slow down, which means that we must intensify our cooperation with Chinese importers to ensure our share of the growing import market.

"As China progresses on its change from an investment and export led economy to a wealthier consumption- and service-oriented society, growth in both exports and GDP will slow down, which means that we must intensify our cooperation with Chinese importers to ensure our share of the growing import market"

Also on the export side, the increasing sophistication of Chinese manufacturers – as they move from being sub-suppliers to foreign importers to becoming global players with their own brands – opens opportunities for us to strengthen our cooperation, offering them the benefits of our global network.

In recent years, we have continuously worked to strengthen our relations directly with large and small Chinese customers preparing for this future, which is now materialising. During my visit to China earlier this year, I met with customers who conveyed their belief that our long history as a global company with an unmatched network is complementary to their needs as they explore global opportunities.

In this issue of Maersk Post, you can read about the shift to a more consumption driven economy and hear major Chinese companies elaborate on their business with Maersk, and their future requirements.

To boost trade and support companies going global, the Chinese government has announced major plans to invest in transportation infrastructure, such as ports and railroads, in the countries it sees as its most important trading partners. This investment can occur through Chinese companies or indirectly via infrastructure funds or the newly founded China Development Bank. This initiative, known as the new Maritime Silk Road, also opens opportunities for new partnerships between the Maersk Group and Chinese companies, which we hope to successfully pursue.

So even if Chinese growth is expected to slow down, we are convinced that the new developments will hold plenty of opportunities for the Maersk Group based on our trusted name in China. 🌐

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THE SECOND LIFE OF CONTAINERS

USED CONTAINER BIZ

Strong, stackable and mobile, the potential uses for out-of-service shipping containers are nearly unlimited – and, also, not well known. Maersk Line Container Sales, a new start-up company within Maersk Line, is betting on customers’ imagination, and big growth. “It’s a fascinating market because people are still exploring the variety of uses for shipping containers,” says Rune Sorensen, Managing Director of Maersk Line Container Sales.

26



PHOTO: RENE STRANDBYGAARD

Discussing the Values

36



PHOTO: PETER TORSTENSEN

PUTTING THE TOOLKIT INTO PLAY

Through dilemmas, video cases and problem-solving tasks, a new Group Core Values Toolkit aims to get both senior and junior employees thinking – and talking – about what the Values mean to them in their everyday work. “The toolkit gave us a chance to have the discussions we don’t normally get to have on a regular day in the office,” says Isadora dos Anjos, Process Manager in the Business Process Owner team.

30



Lessons from a security breach

STAYING SECURE

Two recent virus encroachments on employees’ laptops in Asia and Africa highlight the importance of following the rules when it comes to information security. “It takes just one person not following the rules to place the entire company at risk,” says Bent Larsen, Maersk Group Chief Information Security Officer.

PHOTO: PETER ELMHOLT

21

Can the cloud lift global trade?

DOKUMENTATION IS A COSTLY BARRIER FOR TRADE

For every container shipped overseas, a maze of processes and paperwork threatens its journey with lost or inaccurate information that is a costly drag on trade. An industrial PhD working in Maersk Line says there is a far simpler way—and he is building it. “What we’re aiming for is to remove as much of the administrative costs as possible with the Shipping Information Pipeline,” says Thomas Emil Jensen.



PHOTO: MATHIAS DOCKER PETERSEN

CONTENTS

- 03 China opportunities are changing
- 06 Millions of potential new customers
- 08 An oil symphony in three
- 10-15 Theme: Changing with China:
 - “Made in China” takes on a new meaning
 - On the same page
 - As clear as glass
 - Made in China, assembled in Belarus
- 16 Return ticket to Nigeria
- 18 Masters of disaster
- 21 Can the cloud lift global trade?
- 24 Data will save lives
- 26 The second life of containers
- 28 The adventures of a Qatari abroad
- 30 Lessons from a recent security breach
- 32 Angola beyond the oil
- 34 Crisis confronted
- 36 Discussing the Values
- 38 Noteworthy results on a daily basis
- 41 From driver to manager
- 42 Financial Report
- 44 New standards for the industry

Millions of potential new customers

A GLOBAL SOCIAL BUSINESS PLATFORM | The ships may get all the attention but port terminals are hives of commercial activity on the landside also. With a new global Commercial Dialogue Platform, APM Terminals plans to turn all that buzz into new business.

APM Terminal's new Maasvlakte II terminal is the world's most innovative and technologically advanced container terminal.

PHOTO: THORBJORN HANSEN

BY JOHN CHURCHILL

➤ In order to increase the value of the business circulating in its terminal facilities, APM Terminals is building the industry's first global social business platform.

"Most of our current commercial relationships are with the shipping lines. But there are trucking and rail companies, customs brokers and freight forwarders that we believe make up some of the millions of users

of our facilities," says John Trenchard, Head of Commercial Planning and Value Based Selling at APM Terminals.

"We know we have a big impact on their supply chains, we just don't know the details. If we understand who they are, what they need and what our impact is in their supply chain we can use that information to create tremendous value for them and us."

According to APM Terminals, when the system is up

and running, its new platform will do just that.

DESIGNED FOR THE END USERS

To build a user-centric platform, the first step is acquiring information about these end users – a lot of it.

Through interviews and collaboration with dozens of future users from different parts of the world, members of APM Terminal's Global Operations, IT and Commercial departments are building a platform that reflects the diverse needs of its end users, from customs brokers to booking clerks for shipping lines to truck dispatchers.

"We need to understand their daily work down to the details of the daily tasks. Who is Rick the truck dispatcher? What does he require to do a good job, who does he contact the most during the day and how, does he use a smartphone? What makes Rick happy and what frustrates him about his interaction with

the terminal?" says Brian Hibbert, Head of Operations Technology at APM Terminals.

Once they understand the people and the requirements and challenges of their jobs, APM Terminals can tailor the services and information available on the new platform to each type of user group. Truck dispatchers, for example, want to know about container availability, gate access, traffic and if any cargo is going the same direction, among many other things depending on whether the terminal is in Onne, Nigeria or New York or Itajai, Brazil.

Wendy Robertson, GM Operations in APM Terminals in Mobile, Alabama is convinced this is the way to go: "Our Commercial Dialogue Platform will differentiate APM Terminals and give it an edge to better serve the customers – more quickly, accurately and with greater visibility."

AN EVOLVING PLATFORM

"The platform will be very flexible and

"Nothing quite like this has been tried before in our industry. We're building something that will connect all these different actors in our terminals, making their jobs easier and better. To do that we have to ensure we understand who they are, their emotions and frustrations. At the end of the day, if we connect our end users to each other and our business in a personal and meaningful way great opportunities for creating shared value will emerge"



BRIAN HIBBERT, HEAD OF OPERATIONS TECHNOLOGY AT APM TERMINALS

intuitive. We want people to enjoy using it, to do business and also interact with each other and us in a social business kind of way," says Nicholas O'Neill, Head of APM Terminal's Digital Operations.

To ensure the design and functionality of the platform gives users an optimum experience, the platform will be tested every two weeks with the help of our end users, taking into account the evaluation and feedback received from end users in prior to each new iteration.

"The problem with a lot of e-com-

merce platforms in the 'business-to-business' segment is they are built by 'us' and end up making it easier for 'us' to do business, but not the customer. This platform is being built by our target customers because we want a user experience that is second to none," says O'Neill. The first commercial pilots of the platform will be launched for small groups of customers in October and December 2015 in three locations: Onne, Nigeria; Aqaba, Jordan and Mobile, Alabama in the United States. ■

News in brief

"The workshop was an eye opener"

Over 500 employees and contractors complete the Incident-Free Refresher and Safety Commitment workshops in the first six weeks.

"I was surprised by the workshop in a positive way," says Dorthe Hansen, an Expeditor in the Purchasing Department who attended an Incident-Free Refresher and Safety Commitment workshop in the spring.

"They took it a step up. It was more than a repeat of the Incident-Free session we did in 2011. One of the best things from the workshop was getting a better understanding of the offshore units. For the Purchasing Department, it's important that we bring in exactly what was ordered, but if we don't hear from the offshore units, then we can't make the appropriate changes to get things exactly right," she says.

According to Safety Training Coordinator Kenneth Dielemans, the workshop that Dorthe Hansen attended had an approximately 50-50 split between offshore and onshore attendees, which was consistent with the other workshops completed to date and is an important part of generating good discussion.

"We see people 'joining the dots' between their roles and the impact they have on safety, whether designing a pipeline, purchasing a valve, or conducting Toolbox talks," says Dielemans.

How to scan a QR code



An oil symphony in three

RESILIENT PORTFOLIO | Maersk Oil has three projects in the North Sea that can provide resilience in volatile markets, all requiring hefty investments but offering valuable long-term rewards. Johan Sverdrup is one of Norway's largest discoveries, Culzean could supply 5% of the UK's gas needs, and the Tyra Southeast expansion shows the value that can still be found in mature fields.

BY SAM CAGE

> The Johan Sverdrup field lies in the area of the first ever exploration licence awarded in Norway, yet it evaded discovery until 2010.

It needed a wider view of the area, and it was only when explorers from Lundin Petroleum – one of Maersk Oil's partners in the field – zoomed out to look at the bigger picture that the discovery and its extent became clear.

"It was a wild idea," says Mark Seger, Maersk Oil's project manager for Johan Sverdrup. "They asked 'why can't this whole area contain oil?'"

The field is now one of three major Maersk Oil projects due to come on stream in the North Sea in the next five years, which can give its portfolio added resilience against oil price volatility. While Johan Sverdrup provides low-cost barrels, Culzean adds gas production with a different price dynamic and Tyra Southeast shows the value to be gained by exploiting already existing assets.

LONG-TERM VIEW

Johan Sverdrup remained undiscovered for so long because it is situated almost 40 kilometres from the "kitchen" where the oil was formed, and from which it is separated by the solid granite of the Utsira High. The oil had either to take the long journey around the ridge, or found a shortcut through it – both routes are extraordinarily challenging journeys for oil to migrate.

Today, Johan Sverdrup is one of Norway's largest-ever discoveries, with first oil planned for late 2019 and recoverable resources estimated at between 1.7 and 3.0 billion barrels of oil equivalent (boe).

"Its big advantage is that there is lots of oil and a world class reservoir located in a mature part of the North Sea, with no major technical challenges. The big challenge is the sheer size of the project and how to deliver it safely, within budget and on time," Seger says.

Maersk Oil and its partners – Statoil the operator, Lundin, Petoro and Det norske oljeselskap – have submitted a development and operation plan for the first part of Johan Sverdrup's development. Statoil has estimated that profitable extraction from Johan Sverdrup requires an oil price of around \$40 per barrel.

Effective cost control and tight project execution discipline are important elements of dealing with a lower oil price environment. Focusing on development projects like Johan Sverdrup, which have a solid investment case, can add more resilience to the portfolio in the mid- to long-term, says Chief Operating Officer Gretchen Watkins.

"The opportunities are still there in a mature basin like the North Sea," Watkins says. "But you have to take a long-term view. These kinds of projects need a big upfront investment, but if you do the proper planning upfront then you can reap the rewards."

BALANCING THE PORTFOLIO

Some 240 kilometres offshore Aberdeen, the Culzean field will add something different to the Maersk Oil portfolio – a high pressure, high temperature field predominantly producing natural gas. It is estimated that Culzean will produce about 5% of the UK's domestic gas needs at its plateau and it is awaiting a final investment decision later this year.

The challenge in Culzean is the temperatures of up to 175°C and high pressure that is equivalent to being 9 kilometres underwater. This makes the project more capital intensive with total investment expected to land at more than £3 billion, of which Maersk Oil's share is about half. This project will benefit from the UK government's ultra-high pressure, high temperature (uHPHT) tax allowance.

"The project requires equipment that can handle the extreme conditions," says project manager Martin Urquhart. "We're using the principle of keeping it simple and using proven technology to ensure we maintain the highest safety standards, while keeping costs low."

PROFITABLE PRODUCTION

Involving the construction of a new unmanned platform, the Tyra Southeast expansion is a different type of project which takes advantage of assets that are already in place by tapping a new part of an existing field. This is a cost efficient way of adding barrels to Maersk Oil's portfolio.

A new unmanned platform has been installed and is run remotely from an existing platform, with technicians visiting on a regular basis. The development shows how Maersk Oil can extract value from the Danish North Sea by combining its knowledge and experience with long-term planning and the right technical capabilities.

"These are the kind of developments that help us add profitable production and maximise the value of our existing infrastructure for the benefit of Maersk Oil and Denmark," Watkins says.

"It all started in the North Sea, and it still remains an integral part of our future."

Johan Sverdrup

- The Johan Sverdrup oil field is situated about 140 kilometres west of Stavanger and first production is expected in late 2019. Partners are Statoil (40.0267%), the operator, Lundin Norway (22.12%), Petoro (17.84%), Det norske oljeselskap (11.8933%) and Maersk Oil (8.12%).
- The full field has a forecast plateau production of 550,000 to 650,000 boepd, which will contribute about 25% of Norwegian oil production in 2025. Maersk Oil's share is expected to be about 50,000 boepd.
- The first phase consists of four bridge-linked platforms and three subsea water injection templates, and has a production capacity of 315,000-380,000 boepd with total expected recoverable reserves of 1.4-2.3 billion barrels.
- Capital expenditure is estimated at NOK 170-220 billion (2015 value) for the full field development.

Culzean

- Culzean is an ultra-high pressure, high temperature (uHPHT) field. Maersk Oil UK (49.99%) is the operator and JX Nippon (34.01%) and Britoil (BP) (16%) are partners.
- Its forecast plateau production is 400-500 million standard cubic feet per day, giving Maersk Oil equity production of 30,000-45,000 boepd.
- It benefits from an extended uHPHT allowance, which exempts a portion of a company's profits from the supplementary charge, or top-up tax paid by the North Sea industry

The Tyra Southeast expansion

- The new unmanned, Tyra Southeast-B, platform installed this year is a satellite of the existing Tyra Southeast platform. It is operated remotely from the manned Tyra platforms, and visited by technicians on a regular basis.
- Maersk Oil and its partners are investing DKK 4.5 billion in the project, which is expected to add reserves of 50 million boe with peak production in 2017 of 20,000 boepd.
- The Tyra field is operated by Maersk Oil on behalf of the Danish Underground Consortium (DUC). DUC is a partnership between A.P. Møller – Mærsk A/S (31.2%), Shell (36.8%), Nordsøfonden (20%) and Chevron (12.0%).



The challenge in Culzean is the temperatures of up to 175°C and high pressure that is equivalent to being 9 kilometres underwater.



Project manager Martin Urquhart: "Keeping it simple is key to handling Culzean's extreme conditions."

Maersk Oil COO Gretchen Watkins: "If you plan well, there are rewards to be found in the mature basins like the North Sea."

THEME | CHANGING WITH CHINA

China is adapting a “new normal” with slower growth. But this does not necessarily mean fewer opportunities. They are just changing and the new developments will hold plenty of opportunities for the Maersk Group due to the Group’s trusted name in China.

PHOTO: REUTERS/STRINGER/SCANPIX

A construction site in the Chinese city of Wuhan.

“Made in China” takes on a new meaning

PARTNERSHIP AND NETWORK | With the change in China’s economy and trade, Chinese companies are aligning themselves with global business partners, such as Maersk, who can provide services beyond normal logistics, so as to develop their brands on the global stage.

BY YI HUI TAN

➤ Within the next decade, the term “made in China” may have a new meaning. That is because China is adapting to a “new normal” with slower growth in global trade. The country, known as the world’s manufacturer, is progressing towards a new phase driven by domestic consumption, as indicated by the Beijing government.

Today, the Maersk Group is helping Chinese companies to go global and Chinese importers to capitalise on the growing domestic demand. According to Silvia Ding, Managing Director of Maersk Line’s South China Cluster, China is experiencing a fundamental restructuring of its economy. This means that Chinese companies are shifting their roles on the international market.

“China has aspired to going global in many ways,” Ding says. “It does not only want to be the world’s manufacturer. Besides producing branded goods for many of the big international retailers, it also wants to be known for its national brands. So in recent years, more Chinese companies are selling their goods on their own labels, setting up manufacturing units abroad and selling directly to the market.”

MORE THAN JUST PROVIDING TRANSPORT

Where Maersk fits into the picture is by leveraging its expertise and wide global network and acting as a consultant to customers. According to Frederick Chan, Head of the Import Sales Team in North China,



PHOTO: LUO YIBIN

According to Silvia Ding, Managing Director of Maersk Line’s South China Cluster, China is experiencing a fundamental restructuring of its economy.

Maersk in China since 1924

Maersk has served China's foreign trade since the first Maersk vessel, Sally Mærsk, called at Shanghai in 1924. Since then, it has accommodated and supported the new demands of a changing society and trade patterns, most recently by helping Chinese companies going global and Chinese importers who are eyeing new opportunities as the domestic demand for food increases.

Maersk's business activities in China include an extensive portfolio of wholly-owned and joint ventures within transport, logistics and port operations. Maersk's investments in China comprise more than ten container terminals and more than 82 vessels and other ships, with a total value exceeding USD 3.5 billion. China is one of Maersk's biggest markets.

> Maersk can partner with clients and assist them in streamlining their supply chain or manufacturing overseas, or on a broader scale, even help them to align their global strategies to ensure that both companies grow together in the long run. "We are in this with the objective of forming a long-term business partnership over the coming years," Chan says.

EXPANDING POTENTIAL

Experts agree that the potential for partnership is expanding more than ever. According to interviews with Chinese customers, more companies are looking for cooperation and stable business partners to help develop their business on the global markets.

As Zheng Ye, President of the Shanghai Shipping Exchange says: "A big company like Maersk with such a high level of competence should not only provide a transport service to customers. It should also provide a consultancy service for the development of its customers. With its wide connections, Maersk understands market demand."

For example, Maersk Line and Damco collaborate to handle the entire example, together Maersk Line and Damco handle the whole issue on behalf of the Geely Group's International Cooperation Department, the group being a giant Chinese car producer going global. Maersk Line and Damco are in direct contact with Geely's customers and in 2014 Maersk Line and Damco visited Geely's factory in Belarus to get an understanding of the car producer's international business. According to Maersk Line, that makes the cooperation much better.

Professor Shou Jianmin from the Shanghai Maritime University adds: "China needs a share of the global high-end market. We need to consider diversifying and gaining a global presence, instead of just blindly upgrading our industries only because we are now importing more high-end consumer-driven products."



PHOTO: LIU YIBIN

The Sinochem Group is a state-owned Chinese conglomerate with investments in energy, agriculture, chemicals, real estate, and finance. The company's main target is to become the world leader in agro-chemicals by 2020.



PHOTO: LIU YIBIN

Qiao Wei, Deputy General Manager at the ISO Tank division of the Sinochem Group's Logistic Department and Maersk Line sales manager Allen Tu discuss partnership.

On the same page

PARTNERING WITH CHINESE COMPANIES I

Maersk Line and Chinese conglomerate Sinochem Group share a consultative partnership, with mutual learning in line with their global strategies.

BY YI HUI TAN

> When Maersk Line sales manager Allen Tu deals with his key client Sinochem Group, he sees them as more than just customers. In fact, Tu, who handles key client management for the Eastern China cluster, has even been invited to Sinochem's mid-year conference to share knowledge on Maersk Line's sales system that Sinochem's management hopes to adapt for their global sales.

The Sinochem Group is a state-owned Chinese conglomerate with investments in energy, agriculture, chemicals, real estate, and finance. The company's main target is to be the world leader in agro-chemicals by 2020.

Maersk Line's five-year partnership with Sinochem mainly involves the export of chemical products, of

which Sinochem is the number one manufacturer in China. Maersk Line now handles 40% of Sinochem's exports, totalling 2,000 FFEs (fifty-foot equivalent) in 2014.

According to Qiao Wei, Deputy General Manager at the ISO Tank division of the Sinochem Group's Logistic Department: "Our businesses cover Europe, South America, North America, the Middle East and we're also looking towards Africa."

Qiao, adds: "Because Sinochem does not have its own fleet, what we require is a long term logistics partner that has the same strategic goals as us. Cooperating with Maersk has improved the efficiency of our operation."

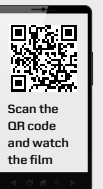
Allen Tu explains: "We are not selling a product to them. We are acting as consultants – providing solutions to meet their future growth and help them expand globally, with us as their partner. In short, we are not just doing business here, we are also sharing knowledge."

This synergy extends to the sharing of management concepts and tools regarding logistics handling, along with joint calls to Sinochem's customers and vendors in Egypt, Korea and Brazil.

Qiao Wei sums it up: "I believe there will be more sectors where Maersk Line and Sinochem can collabo-

Facts on the Sinochem Group

- ✓ The Sinochem Group is state-owned with more than 300 subsidiaries within and outside China, totalling 50,000 employees.
- ✓ Its target is to be the number one agrochemicals manufacturer in the world by 2020.
- ✓ Maersk Line handles 40% of Sinochem Group's export business, totaling 2,000 FFE in 2014.



Scan the QR code and watch the film

rate, especially as we expand our business reach. Since both groups are Fortune 500 companies, it's a win-win situation. This is what we would like to see. We believe it to be a partnership between two very competent companies." ■



PHOTO: LU YIBIN

The Fuyao Group is the second-largest glass manufacturer in the world, with a 20% share of the global market, produces glass mainly for automobile brands such as General Motors, Ford, Hyundai, Toyota and Honda.

Facts on the Fuyao Group

- ✓ Fuyao is the world's second-largest auto glass manufacturer, with about 27% of the global market share.
- ✓ It holds about a 78% share of the Chinese market, which it dominates, and is a supplier for 12 top global auto brands.
- ✓ Maersk Line ships 56% of Fuyao's overseas export, which amounts to 8,000 FFE annually.

As clear as glass

PARTNERING WITH CHINESE COMPANIES | Being the second-largest glass manufacturer in the world requires an efficient and transparent supply chain for its global logistics. The Fuyao Group has partnered with Maersk Line with a view to fulfilling this need.

BY YI HUI TAN

➤ When you gaze through the glass window of your car when driving, chances are the Fuyao Group in China manufactured that glass. The second-largest glass manufacturer in the world, with a 20% share of the global market, produces glass mainly for automobile brands such as General Motors, Ford, Hyundai, Toyota and Honda. The Fuyao Group's main target is to double their production within the next five years.

Being such an extensive manufacturer of automobile glass means that the Fuyao Group has a tremendous amount of logistics to handle, including 15 production facilities across China, one in Russia and another being built in the US. Maersk Line ships 56% of Fuyao's exports, amounting to 8,000 FFE per year.

"We need an efficient and reliable logistics vendor, especially when dealing with our global customers and in relation to our global logistics network of warehouses," says Ye Shu, Director of the Fuyao Group's Procurement Department. "We value quality of service over cost."

"Besides its global shipping network, Maersk also has an advantage in post-shipping service, which we value highly. In Europe, for example, our products require inland transportation via rail or truck besides just being shipped to the continent. By taking care of this, Maersk has become a global strategic partner."

More importantly, the Fuyao Group, with its almost three decades of history, used to work with over 100



PHOTO: LU YIBIN

Ye Shu, director of the Fuyao Group's Procurement Department: "We value quality of service over cost."

shipping and logistics suppliers, making transparency and efficiency a problem.

According to Sammi Li, a Maersk Line junior sales manager, Maersk Line has helped to streamline and centralise the Fuyao Group's logistics and enabled them to have a clearer view of their procurement procedures.

"We provide them with a value proposition to help them understand how much they can save on cost if they streamline their logistics. Meanwhile, if they have any specific requirement at the destination, we come up with tailor-made solutions to accommodate them."

"Based on this partnership of trust and competency, Maersk Line is recognised as the most reliable of the Fuyao Group's carriers." 📦

Made in China, assembled in Belarus

PARTNERING WITH CHINESE COMPANIES | Chinese car manufacturer, Geely, and Maersk Line are working together to develop a Chinese automobile name, by shipping car parts for assembly overseas.

BY YI HUI TAN

➤ In a production plant in Belarus, car parts arrive fresh from China and are assembled before being shipped out to the domestic market. If Geely Automobile Holdings Limited realises its aspirations, its name will one day command the same brand recognition as the Toyotas and Fords of the world. The Fortune 500 company has its sights on putting its own stamp on the global car market.

Geely Automobile Holdings Limited, a giant Chinese car producer going global, is developing new technology together with Volvo in Sweden. The company wants to sell its products worldwide and instead of just exporting completed cars, it wants to increase its export of car parts to centrally placed assembly plants all over the world. This means a shift in logistics from using RO-RO vessels to using container vessels.

As Feng Boxun, senior logistics specialist at Geely says: "Now 60% of our export business is via container vessels, and we have production facilities all over the world, from Russia to Uruguay and Sri Lanka. Our Belarus factory is Geely's most important overseas assembly plant."

Shipping car parts out to domestic markets for assembly is part of the company's plan to expand its global reach and minimise costs in the process. Maersk Line handled 40% of Geely's 21,000 FFE of exports last year.



PHOTO: LU YIBIN

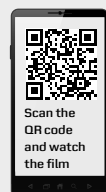
Feng Boxun, senior logistics specialist at Geely: "60% of our export business is via container vessels, and we have production facilities all over the world, from Russia to Uruguay and Sri Lanka."

Cathy Yang, a sales representative at Maersk Line, says: "We not only handle the sea transportation for Geely, together with Damco, we handle Geely's entire logistics supply chain. Our partnership extends to their overseas facilities such as that in Belarus. With this overarching partnership, we are able to respond well to emergency cases, such as when the client has an emergency request to carry volumes that exceed the originally agreed amount. To ensure the cargo is delivered on time requires control of the entire supply chain and shipping to two different ports, then transporting it inland. We are able to achieve this because of our partnership."

Feng Boxun sums up the synergy as follows: "Maersk is a world-leading company in container shipping and logistics, and with their experience, this ties in with our global expansion strategy of making the Geely name known worldwide." 📦

Facts on the Geely Holding Group

- ✓ Geely is China's biggest car manufacturer. It also owns the Volvo brand, which it bought in the hope of breaking into the American and European markets.
- ✓ It exports to 43 countries with production plants all over the world.
- ✓ Maersk Line handled about 40% of Geely's total container exports in 2014.



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Return ticket to Nigeria

GROWING BUSINESS | Anthony Oladeji is a symbol of Maersk Training's geographical expanding reach. He moved from Nigeria to Denmark eight years ago to work as a trainer, and is now commuting back to help build up a new training centre in Port Harcourt, Nigeria.

BY SAM CAGE

Life and career are now coming round full circle for Anthony Oladeji. He came to Svendborg to work as a trainer for Maersk Training in 2007, and is now commuting back to Nigeria each month to work on building up a new centre there as part of the business's rapid expansion.

"I could imagine going back to Nigeria permanently, but it's too stressful for the family," Oladeji says, referring to his wife, Egbinola, and their three children.

Oladeji worked for Transocean and Shell in Nigeria, initially offshore and then using those skills and his aptitude for teaching to become a trainer, before joining Maersk Training and moving to Denmark.

"It's really exciting to be going back and working on the new centre – just to be part of it, and developing everything in a Maersk Training framework."

BEST EXPERTISE

Since its founding in 1978, Maersk Training has grown from mainly providing training for companies within

the Maersk Group to serving more than 50 large companies in the maritime, wind and energy industries, as well as private individuals.

It has concluded two major deals this year, with Transocean and BP, and it has doubled both its revenue and number of training centres in the last three years. Over the last five years, it has invested heavily in building advanced simulator environments to provide improved operational performance for customers by improving the skills and competence of their offshore employees, and delivering more than textbook theory.

Key to the expansion is the offshore industry's increased focus on the overall quality of training and crew competence, while also targeting it for specific tasks – jobs for which Maersk Training is well suited.

"Having customers from a long line of international offshore companies enables us to apply the best practice we learn from each – both between the employees participating, and picking up and deploying the expertise of the best players in the field," says Maersk Training CEO Claus Bihl.



Anthony Oladeji came to Svendborg to work as a trainer for Maersk Training, and is now commuting back to Nigeria each month to work on building up a new centre there, as part of the business's rapid expansion: "It's really exciting to be going back and working on the new centre."

News in brief

The largest ships sail the East-West Trade

The vessel-sharing agreement 2M covers the Asia-Europe trade, representing almost one fourth of Maersk Line's business. It makes good business sense therefore, to deploy the most efficient vessels on the routes with the most cargo: Asia to Europe services AE10 and AE5.

Munkebo Maersk, the latest of the Triple-E fleet, was the first of the 193 vessels deployed in new alliance. The vessel departed Dalian in the northern part of China and arrived in Busan Korea last 13 January.

"The Triple-Es are the most innovative and efficient vessels we have in our fleet today," says Head of Newbuilding Michael Heimann.

As an optimised vessel, a Triple-E can carry 18,000 TEUs while saving 20% of fuel and reducing CO₂ emissions by another 20%.

Peter Leschly, Trade Manager, Far East – North Europe, explains that the 15 Triple-E vessels now currently deployed in the service underwent a gradual phase in.

"We deliberately chose not to target full utilisation; it was a steady phase in of the vessels then we will slowly increase the target intake."

Maritime network receives anti-bribery award

In March, the Maritime Anti-Corruption Network (MACN), which was initiated by Maersk, won an award for its work in stamping out corruption in the shipping industry.

The Maritime Anti-Corruption Network (MACN) received "The 2015 Innovation in Anti-Bribery Compliance Award" for its work in tackling corruption in the maritime industry.

Maersk was responsible for initiating the network in 2011 – the first of its kind within the maritime industry - in a bid to foster a collaborative approach towards stamping out corruption.

Since its inception four years ago, the network has grown to include over 50 global companies and has made important progress in its fight against corruption.

Cecilia Muller Torbrand, Group Legal counsel at Maersk Group, and Chair of MACN, says the industry-wide approach is paying off.

"A single company cannot set an agenda or push governments and official entities. Much more can be accomplished via collective action," says Muller Torbrand. "MACN has made progress on initiatives that Maersk would not have been able to carry out alone, because together we have a strong platform from which to approach governments and other stakeholders."

More than 30,000 people pass through Maersk Training's centres each year, a rapid increase from roughly 10,000 in 2010. With the Houston and Dubai centres still to come fully on stream, the number should increase significantly in 2016, Bihl says.

"We could only be attractive to large global customers by being present in more hubs around the world. So the geographical expansion is crucial to the long-term growth strategy," adds Bihl.

Oladeji is living that expansion personally. During his stints in Nigeria, he is part of the management committee that is working to align training activities at the Port Harcourt centre, as part of the deal with Transocean. When in Svendborg, he continues to lead his own classes, teaching both the basics and more advanced practices of drilling. ■

Maersk Training in brief

- Founded in 1978, Maersk Training is an independent business unit with worldwide training facilities that are open to all companies.
- It aims to assist customers in improving safety and operational performance and has a number of specialised training areas: Oil & Gas, Maritime, Wind, Survival, Safety & Security, People Skills, and Crane Operation.
- Maersk Training has more than 200 different courses, based on the conviction that training should be as close to real life as possible. It carries out training equivalent to more than 100,000 man-days per year.

Maersk Training's 2015 contracts

- Maersk Training has signed two major global contracts this year, with Transocean and BP, as it continues its expansion.
- It will be responsible for the administration of all and delivery of certain training for Transocean's offshore crew for a period of at least five years.
- Maersk Training will handle a significant part of BP's offshore rig crew training, to take place at a new state-of-the-art centre in Houston. The centre is planned to be operational by end-2015 and will add realistic training to textbook theory.
- It will have centres in eight of the global maritime and offshore production hubs in the world – Denmark, Norway, the United Kingdom, India, the United Arab Emirates, Nigeria, Brazil and the United States.

Masters of disaster

ELITE SALVAGE EXPERTS | If a vessel runs aground, catches fire or is in severe trouble of any kind, Svitzer's teams of elite salvage experts are the ones that get called in to turn the situation around.

The Hoegh Osaka is a 180-metre long, 51,000 tonne 'RO/RO' vessel. When the vessel lost its stability and subsequently ran aground in the Solent Straight near the English Channel, it was carrying 1,400 cars and heavy industrial machines from Southampton port in England to Bremerhaven, Germany.

PHOTO: SVITZER

"It is 'just a job' and like many jobs it can be hard at times, yet good fun too. When we get the call we just do it, but I also know it's something not too many people can do the way we can, and I am proud of that"

BRAM SPERLING, SENIOR SALVAGE MASTER, SVITZER.

A car and another plane would bring five more people to the scene, among them Svitzer's other Senior Salvage Master, Jan Polderman.

THE BURDEN OF LEADERSHIP

The Hoegh Osaka is a 180-metre long, 51,000 tonne 'RO/RO' vessel. When the vessel lost its stability and subsequently ran aground in the Solent Straight near the English Channel it was carrying 1,400 cars and heavy industrial machines from Southampton port in England to Bremerhaven, Germany.

"We use climbers on every job to get on board and inspect the entire vessel length for damage. In this case, they also checked the cargo security on all of the decks," says Jan Polderman. "The Hoegh Osaka was practically lying on its side in the water, so we knew the stairs and hallways would be very challenging. We had to use the ship's blueprints to make a plan of attack using ropes and ladders and as few stairs as possible."

The climbers found that while the cargo was still secure there was some leakage. Divers confirmed the small leak and it was quickly fixed after which the decision to refloat the vessel was taken. Polderman was put in charge of the tugs holding the Osaka steady around the clock while Sperling led the team preparing to refloat



BY JOHN CHURCHILL

It was just past midnight on Saturday, January 3rd when Bram Sperling's phone rang. The call was short: A large vessel carrying hundreds of cars bound for the German market had run aground in UK waters. The ship was in danger of tipping over. Sleep would have to wait.

"Time is critical in a salvage job and there's an awful lot that needs to be organised," says Sperling. "The team, onshore and offshore logistics, equipment, the salvage plan, press, local government and supply partners - they all need to happen as fast as possible so we can take actions quickly and safely to the satisfaction of the customer."

Bram Sperling is a 20-year salvage industry veteran

and one of just two Senior Salvage Masters in Svitzer. This is his job.

A TEAM OF SPECIALISTS

Within two hours of the call, Sperling was on a chartered jet from Antwerp Airport in Belgium for a short flight to Southampton, England. In the car to the airport, he made calls and began preparing for the job.

Eight more team members joined him on the plane: a naval architect, a team of divers, and a handful of other specialists including an independent observer representing the interests of the vessel owners and the insurance company. Each has a vital role to play in such operations.

Svitzer and Crowley merge salvage operations

Crowley Maritime Corp. and Svitzer will be merging their salvage divisions – Titan Salvage and Svitzer Salvage – to create a new company named Ardent. The company will be owned equally by Crowley and Svitzer, and will commence operations on 1 May 2015.

Titan Salvage is a leading wreck removal company known for, among others, the salvage of the Costa Concordia, i.e. the cruise ship that struck a rock off the western coast of Italy in January 2012. The salvage operation was completed in July 2014.

"Ardent will become an industry leader in wreck removal and emergency response," said Peter Pietka, CEO of Ardent and former CEO of Svitzer Salvage. "Furthermore, while remaining integral to our new company, emergency response and wreck removal will be part of a wider ecosystem of services. We have come together to build a more modern and effective service for the maritime sector."

➤ the ship. It was not an easy operation: Hurricane-force winds were heading their way creating a variety of risks to the operation.

“The wind posed one risk, but so did the arrival of low tide if we waited out the storm,” says Sperling. “In general, the longer a ship sits on a bank, the greater the

danger of it settling in further or cracking its hull and flooding, or sinking.” According to Sperling, not everyone agreed with his decision to proceed despite the weather, but it was his decision to make.

WAKING A GIANT

Winds of up to 80 knots pounded the vessel for more than one day, but Polderman’s crew held her steady and the decision to act turned out to be a good one. The tide helped lift the vessel off the bank and the tugs towed it to a safer position in deeper water to begin the process of returning the Osaka to an upright position.

“Once we knew she was floating with no leaks we could focus on getting her upright,” says Sperling. “Normally, we would use the vessel’s electricity system to operate the ballast lines but the vessel was dead, so we had to get into the engine room and access the operating system, set up generators and pumps and basically jury-rig the whole thing.”

They continued with this until the 50 degree list was reduced to about 5 degrees, and it was deemed safe to tow the Hoegh Osaka back into the port of Southampton. After 20 days on the sand bank, the Osaka was back in the port of Southampton and Sperling, Polderman and many others on the Svitzer salvage crew were either on their way to other salvage jobs or would be in the coming days.

“As a vessel owner, a salvage operation is something we never wish to experience,” says Hogne Nesse, Head of Marine Insurance & Claims, Hoegh Autoliners. “In response to the grounding of the Hoegh Osaka we would like to recognize Svitzer salvage for its quick and professional service and for a successful outcome to an unfortunate incident.” 📧

The Hoegh Osaka was practically lying on its side in the water, so the stairs and hallways were very challenging. Svitzer had to use the ship’s blueprints to make a plan of attack using ropes and ladders and as few stairs as possible.

The Fixer

The job of making things run smoothly during the Hoegh Osaka salvage fell to Mark Van Der Star. He is a Commercial Contact Manager, i.e. what is informally known as Shore Coordinator. However, given the range of tasks he handles, he could also be called ‘The Fixer’.

“Whatever the Salvage Master tells me is needed, that’s what I do, either by delegating or doing it myself,” says Van Der Star.

Securing a dive team, sourcing equipment, preparing the Salvage Master for a press conference, issuing and signing contracts, ordering taxis and food and ensuring a constant supply of good coffee are just some of Van Der Star’s tasks.

The team had to leave the first hotel they checked into due to poor conditions and insufficient space so Van Der Star began walking through town. Ready to book in at another, he realised it was full of journalists covering the Osaka grounding. Formal press meetings are part of the job, but he did not need the risk of informal meetings as well.

When a helicopter equipped with a winch was needed to carry 3 tonnes of generators and pumping equipment to the Osaka he called all over Northern Europe before finding one – 1,000 kilometres to the north in Bergen, Norway.

“In these operations, there is no room for delays, but they are inevitable. It’s my job to find a way around them and keep the machine running.”



The job of making things run smoothly during the Hoegh Osaka salvage fell to Mark Van Der Star, Commercial Contact Manager.

To reach customers in Europe, containers of avocados and flowers – two of Kenya’s most valuable exports – had to go through a jungle of nearly 30 people and organisations, consisting of private companies and public authorities on both continents.



PHOTO: MATHIAS DØCKER PETERSEN

Can the cloud lift global trade?

DOCUMENTATION IS A COSTLY BARRIER FOR TRADE | For every container shipped overseas, a maze of processes and paperwork threatens its journey with lost or inaccurate information that is a costly drag on trade. An industrial PhD working in Maersk Line says there is a far simpler way – and he is building it.

BY JOHN CHURCHILL

Clogged ports and congested roads are its visible signs, but one of the costliest barriers to global trade is the documentation that follows – and threatens to stop – every container of goods traded across borders.

“The cost of physically moving a container is less than half the cost of handling the information related to its transport,” says Maersk Line’s Thomas Emil Jensen, an industrial PhD specialising in IT infrastructure.

“The physical infrastructure of trade is actually pretty efficient; it is the information infrastructure that is a mess,” says Jensen. “A digital infrastructure built on the internet – a ‘cloud’ where all of this information could be shared and accessed – would make it a lot simpler and the benefit to trade will be significant. We call the one we’re working on a ‘Shipping Information Pipeline’.”

Jensen began researching the paperwork and processes gumming up cross-border trade more than two years ago as part of project between Maersk and TradeMark East Africa, a not-for-profit organisation focused on enhancing prosperity in the region through

Enabling trade

In 2014, Maersk introduced a new sustainability strategy aimed at addressing sustainability challenges in a way that creates value for society and Maersk.

Three priority areas were identified – enabling trade, energy efficiency and investing in education. The partnership with TradeMark East Africa is one of three “enabling trade” projects where Maersk is partnering with public sector organisations to advance a specific agenda, in this case removing administrative barriers to trade.

trade. Jensen’s research focused on two of Kenya’s most important exports, avocados and flowers.

What he found shocked him: To reach customers in Europe, the containers of avocados and flowers had to go through a jungle of nearly 30 people and organisations, consisting of private companies and public authorities on both continents, and more than 200 different interactions and communications between them all.





Equally surprising, was the fact that at no point did any supply chain partner or authorities have all the information about the shipment (location, owner, contents etc.) and the information they did have was often wrong or incomplete, the result of information being rekeyed multiple times in the process.

“Various studies have estimated that, in general, the average border related administrative costs of trade are 21% of the total cost, compared to 8% for transportation. What we’re aiming for is to remove as much of that 21% as possible with the Shipping Information Pipeline, in order to slash the cost of international trade in the region,” says Jensen.

ACCURATE AND TIMELY INFORMATION

“The way things are now, the sharing and transfer of information about a container involves a lot of repetitive steps. It’s complex and bureaucratic and makes mistakes very likely,” says Elisabeth Kimani.

She is the general manager of Massai Flowers, a 40

hectare farm just outside Nairobi, Kenya, that employs 800 people and sends 45-50 million roses overseas each year, primarily to Europe. The specific details of Jensen’s research are new to her, but the impact of the current mess on her business is clear.

She says one container of Massai roses worth nearly \$100,000 was shipped to Holland, but ended up in Sweden. She does not know how, or why, but is confident that a Shipping Information Pipeline would help prevent such mix-ups.

“If everyone in the supply chain could be sure that the information in the Pipeline was from the source, i.e. not copied or rekeyed information, and we could see the progress of the information and documentation through the Pipeline -that would be valuable. We would have a reliable and transparent supply chain,” she says.

A SHARED INTEREST IN EFFICIENCY

For authorities, for whom insufficient or inaccurate information related to a container is a security risk (because they do not know what the contents are) and a challenge for revenue collection, the Pipeline concept is equally appealing.

“Authorities want to facilitate trade without losing focus on security, compliance with rules and revenue collection, while the private sector wants to move and clear their goods quickly and at the lowest costs. A Pipeline could support both public and private sector interests,” says Kenneth Bagamunda, Director of Customs, East African Customs Union.

He points to the boom in intra-East African trade since the region began similar efforts to make trade easier by integrating the five nations’ customs systems.



Maersk Line’s Thomas Emil Jensen: “Various studies have estimated that, in general, the average border related administrative costs of trade are 21% of the total cost.”



Alban Odhiambo, TradeMark: “Technically, the Pipeline is not hard to build. There is no hardware required or massive data centres, just some basic coding.”



Kenneth Bagamunda, East African Customs Union: “Authorities want to facilitate trade without losing compliance.”



Elisabeth Kimani, Massai Flowers: “The way things are now, the sharing and transfer of information about a container involves a lot of repetitive steps.”

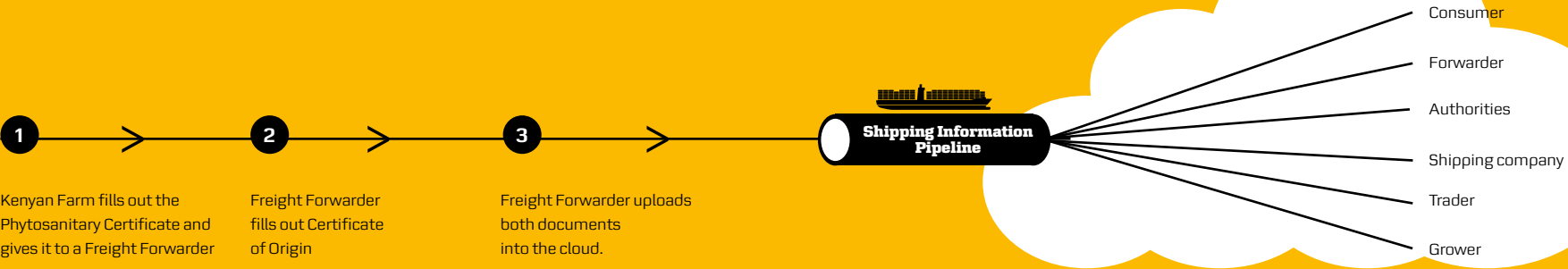
PHOTO: MATHIAS DOCKER PETERSEN

What is a Shipping Information Pipeline?

A Shipping Information Pipeline or Trade Logistics Information Pipeline is like an Internet for shipping. It provides a digital infrastructure (think DropBox or Google Drive and Facebook or Twitter) in which supply chain partners and authorities can share (upload) and access (view) original information required for a trade, creating supply chain transparency and a flow of information that facilitates the flow of goods.

THE NEW CONCEPT

With the Shipping Information Pipeline, it would look like this:



Put it all in the Pipeline

For perishable or agricultural imports like flowers or avocados to enter Europe, European authorities require a Certificate of Origin (to obtain reduced duties) and a Phytosanitary Certificate. They are two of the most critical documents in container trade: If one of the originals is lost or inaccurate, the container’s release to the customer can be delayed by days or weeks.

Below is the way these documents travel today. At left is how it would look with the Pipeline.

TODAY

From Kenya to Europe:



Data will save lives

SPOTLIGHT ON SAFETY | On April 28, colleagues onshore and offshore gathered to support the first ever Group-wide Global Safety Day. At Maersk Drilling, the Project Zero team is exploring how data and other methods can be used to advance safety performance and prevent accidents before they occur.

BY TERRY BAYNES > “Improving how Maersk Drilling gathers and uses data will save lives,” says Mike Andres, the head of Project Zero.

“We collect a tremendous amount of data across the fleet, but the majority is reactive and only tells a fragment of the story. One of our biggest challenges is our current inability to understand the reasons behind our safety performance trending – both good and bad,” he adds.

In the past, Andres has assembled bikes for Toys ‘R Us, worked on the late-night cleaning crew at Burger King, loaded trucks in a lumberyard and even sold industrial chemicals door-to-door to work his way through university. After 15 years of global experience within the Maersk Group, now as the head of Project Zero, his goal is clear: to make preventable accidents in the drilling industry a thing of the past.

Project Zero is focused on plumbing the data to find new correlations, trends and signals that will help identify potential safety issues before an incident occurs.



PHOTO: PETER ELMHOLT

Mike Andres, the head of Project Zero: “We collect a tremendous amount of data across the fleet, but the majority is reactive and only tells a fragment of the story.”

The team has, for example, found that a spike in general housekeeping issues offshore, such as a lack of tidiness or organisation, tends to precede an increase in safety incidents. The project is also examining the amount of time offshore managers spend conducting safety audits

and coaching their teams to determine how management visibility and engagement on the rig affects safety performance.

Maersk Drilling launched Project Zero over a year ago as part of its 2018 strategy to deliver a USD 1 billion profit while simultaneously reducing its number of lost-time incidents to zero.

HUMAN FACTORS

Since 2000, the industry has hit a barrier when it comes to reaching zero incidents – something Andres calls the “sound barrier,” largely encompassing human factors.

“Humans are complicated, but we can take proactive measures to design drilling units, training, procedures and communication flows that work with the way the human brain naturally processes information to make decisions,” he says.

When people are fatigued, for example, their ability to understand complicated information decreases. A top priority for the team is therefore to simplify procedures offshore. Project Zero is working with the Ocean Energy Safety Institute and



PHOTO: JONNY ENGELSVOLL

When people are fatigued, for example, their ability to understand complicated information decreases. A top priority for Maersk Drilling's Project Zero team is therefore to simplify procedures offshore.

NASA to determine the best way to present highly technical procedures in easy-to-understand checklists.

In April, Lars Bagger Hviid, a psychologist and Human Factor Specialist with Project Zero, spent a week on the Maersk Valiant in the US Gulf of Mexico. He says he is always struck by how complex the offshore environment is, with multiple operations going on at once that potentially involve hundreds of people.


“There’s a huge focus on making sure things are working efficiently and safely. Simplifying procedures so they’re written as clear checklists instead of lengthy paragraphs is at least one of a number of ways we can make a difference to ensure an even safer operation,” he says.

LOOKING OUTSIDE

Project Zero has reached out to external partners, including Vodafone, the Danish and US military and Atlas Air in order to find out what safety practices they can learn from each other.

The team is also examining other more radical ideas, for example research from the University of Aarhus into a portable device for monitoring individuals’ brainwave activity. Such a device could be placed in the hard hats worn by drilling workers in order to assess their level of fatigue or concentration.

While such advancements hold promise for the future, Andres remains focused on improving current practices.

“Maersk Drilling understands this is a long term journey that requires determination. In order to ensure we create sustainable change we’re going to spend enough time to make sure our house is in order first,” he says. 

Project Zero in Brief

- ✓ Project Zero was initiated in February 2014 at the request of Maersk Drilling CEO Claus Hemmingsen.
- ✓ Reaching zero incidents is part of Maersk Drilling’s strategy of delivering a profit of USD 1 billion in 2018, while conducting incident-free operations.
- ✓ The project’s key focus areas include:
 - Communication and collaboration, including all rig crew, third party and customer teams
 - Reviewing and modifying training approaches to fully empower offshore teams
- Simplifying current processes and procedures to encourage compliance
- Clarifying safety roles and responsibilities
- Data-driven decision making: Identifying new metrics and correlations
- Innovation: Developing game-changing tools, products and methodologies
- ✓ Project Zero will continue through 2018 with the ambition to change the standard way of thinking and working in Maersk Drilling – so that a stand-alone project is no longer required.

The second life of containers

USED CONTAINER BIZ | Strong, stackable and mobile, the potential uses for out-of-service shipping containers are nearly unlimited – and, also, not well known. Maersk Line Container Sales, a new start-up company within Maersk Line, is betting on customers' imagination, and big growth.

Rune Sorensen, Managing Director of Maersk Line Container Sales: "What we are selling is at best a plain vanilla container. It is still as strong as it ever was and with basic care it will last for decades."

PHOTO: RENE STRANDBYGAARD

BY JOHN CHURCHILL

> Brad Berman bought his first used shipping container in June 2014. It was dented and scratched, the paint was falling off and there were bits of rust scattered over the surface but its looks meant nothing to him. The Cape Town native and real estate developer was looking at the start of his new business.

Today, Berman is the co-founder of Berman-Kalil Housing Concepts, a Cape Town-based company utilising old shipping containers to build a variety of structures but primarily inexpensive high-quality sustainable housing. In South Africa, a nation with high unemployment and an abundance of informal settlement-type housing, Berman hopes to make a difference, and a profit.

"The potential number of uses for containers is so big in a place like South Africa. There are so many settlements in my country that could be replaced by these container homes. But the combination of quality, durability and price make containers ideal for housing but also clinics, schools, stores, almost any structure," he says.

A MARKET THAT DOESN'T KNOW ITSELF

Berman is one of many new customers for Maersk Line Container Sales, a new business within Maersk Line established in August 2014 to better target the market for used shipping containers.

Previously, third parties sold Maersk Line's used containers on the shipping line's behalf, managing the customer relationships and taking a large chunk of the profit in exchange. Now that Maersk Line has direct control of the business, the opportunities and challenges are lining up.

"It's a fascinating market because people are all still exploring the variety of uses for shipping containers," says Rune Sorensen, Managing Director of Maersk Line Container Sales. "You could say the market doesn't know itself, so one of our tasks is to help potential customers imagine how they can use our containers."

The business starts from a strong position: Maersk Line has roughly 2.5 million containers in circulation globally and the world's largest vessel network to distribute them where they are needed. As of January 2015, approximately 80,000 containers were available for sale through Maersk Line Container Sales. All of them have fulfilled 15-18 years of service—Maersk Line's cut-off for carrying cargo—or are too damaged to be worth repairing and put back into service.

"Maersk's presence almost all over Africa means that as we expand the business we don't have to worry about supply. It is important, that we can get containers no matter where we are next," says Berman.

GROWTH MARKETS

"We are not selling beautiful, shiny containers. Maersk Line's containers are worth much more to the business when they are full of cargo," says Sorensen. The distinctive blue Maersk branding is nowhere to be seen on these containers nor are there any ocean transport services on offer.

"What we are selling is at best a plain vanilla container. It is still as strong as it ever was and with basic

Expanding into containers

Shipping container architecture and housing projects aren't a new concept. Images of a wide variety of sizes and shapes in places around the world can be found all over the Internet.

Brad Berman and his partner, Alicia Kalil, admired the innovative design, mobility and functionality of many of the houses and decided to take a crack at it themselves. With Berman's background in property development and management and Kalil's in marketing and sales, they founded Berman-Kalil Housing Concepts in 2014.

All of Berman-Kalil Housing Concepts' homes are fully insulated and come complete with windows, doors, closet space, a full kitchen, bathroom, plumbing and electrical.

"We make beautiful, high-quality homes, we just use shipping containers to do it," says Berman.



PHOTO: BERMAN-KALIL HOUSING CONCEPTS

care it will last for decades, but it often needs some repair which is why we're focusing mainly on those markets where they can be repaired for lower cost," says Sorensen. These markets are South America, Africa and the Middle East and for the last six months Sorensen has been building a sales team in those areas to grow the business.

In Kenya, Jacob Bolo is leading the effort as Head of Sales for East Africa. Besides a few large traders that are regular customers, most of his time is spent trying to get to know the retail "end users" of shipping containers which can be difficult if they hire freight forwarders to handle their shipping business.

"The opportunity in Kenya and East Africa is strong, as it is in the hinterlands like Uganda and Sudan where there are consistent container shortages," says Bolo. "We haven't been in the market long but already I'd say the market knowledge of Maersk Line Container Sales is gradually increasing, there are more customers asking about us," he says. [▶](#)



Used Maersk containers in brief

? When is a container no longer usable for Maersk Line?

! We stop using the containers when they are 15-18 year-old or when they are too damaged to be worth repairing.

? How many containers per year leave active service in Maersk Line?

! 50,000 - 60,000 each year, and more in the coming years.

? Worn-out containers, where do they usually go?

! Anywhere you can imagine. Some are fixed and returned to transportation service, others are refurbished for other purposes like houses, hospitals, etc. and those that are too damaged are recycled for their steel content.

The adventures of a Qatari abroad

WORKFORCE DIVERSITY | An increasing number of Qataris are working for Maersk Oil, in more senior and technical roles. Saleem Al-Yafei, who has taken a full-time role in Denmark, explains why he made the move and how others can benefit from following the same route.

BY SAM CAGE

➤ Saleem Al-Yafei smiles as he looks out over a rare spot of early spring Copenhagen sunshine, and considers when he might best introduce his family to the city he is starting to call home.

Saleem is the first Qatari to take a full-time role at Maersk Oil's headquarters, and he arrived for the two-year contract as global head of maintenance discipline in November 2014, just as the nights and temperatures were drawing in.

"Adjusting to the new surroundings hasn't been too difficult, but being away from family is not easy. Nevertheless, when you look at the career development and the advantages, you tend to make some compromises," Saleem says, thinking of his wife Jawaher – or "jewels" in English – and four children back in Doha. "The plan is to bring them here in the summertime."

Maersk Oil's employees come from around the world and its Qatari workforce reflects an aim to help build global experience and



Working at global headquarters is giving Saleem Al-Yafei a better understanding of the business.

PHOTO: PETER ELMHOUT

international learning by offering opportunities in different locations, encouraging diversity.

NEW SKILLS

Saleem was already an experienced mechanical engineer when he joined Maersk Oil Qatar (MOQ) in August 2012, having previously worked for ORYX GTL, a joint venture between Qatar Petroleum and Sasol South Africa. His initial role

was in maintenance as senior integrity & reliability engineer, and he quickly progressed to become the deputy director of the integrity and reliability department before seizing the opportunity to move to Maersk Oil headquarters.

Copenhagen was important for Saleem because it is the global headquarters, and his new role encompasses Maersk Oil's business units around the world. This gives a different global perspective than that he would see from Doha, or any other Maersk Oil office.

"I will definitely return to Qatar with a better understanding of how operations and maintenance works across Maersk Oil. I would then utilise this knowledge to position Maersk Oil Qatar for the future. I'm sure that I will be better qualified when I go back."

Qatar's government encourages companies to identify and develop competent Qatari nationals so that they can assume leading positions

in the public and private sector; a programme known as Qatarisation, which has a target of 50% local employees. There is a small local population of less than 300,000, or about 12% of total residents, and a high demand for talent from companies.

It needs the support and commitment of experienced Qatari and expatriate staff at all levels to develop and train nationals. "Employees like Saleem, who have been on assignment outside the country, offer a good example of the opportunities and add more expertise and perspective when they return," says Sheikh Jassim bin Saud al-Thani, Maersk Oil's Head of Qatarization.

MORE TO FOLLOW

The number of Qatari employees has doubled in the last five years as Maersk Oil has implemented a comprehensive Qatarisation plan, and those with a bachelor's degree have increased.

"Maersk Oil aims to develop Qataris into the leaders of tomorrow by offering real jobs with real responsibility," says Sheikh Jassim. About a quarter of Maersk Oil's employees in the country are Qatari nationals, half of whom work in technical fields.

"We are constantly looking for new ways to develop our people and provide opportunities for them to gain new skills to allow them to take on more responsibility, either as managers or specialists," says Sheikh Jassim.

The benefits are already clear for Saleem, who is looking forward to introducing his family to the adventure of new experiences in Denmark.

"I am the first Qatari to come to Copenhagen on a full-time basis, but there are a few who would like to follow. ➤

News in brief

Maersk Oil transforms costs for competitiveness

Maersk Oil aims to reduce operating costs by 20% over two years. As part of its effort to improve profitability and position itself for growth in a lower price environment, it has announced people reductions amounting to around 200 positions in Qatar, the UK and its headquarters in Copenhagen.

Maersk Oil faces both challenges and opportunities in relation to the current lower oil price environment. I.e. it sees considerable scope to grow the business and take advantage of current market conditions, but only if it can show sound and sustainable cost management.

As well as reflecting a sharp decline in the oil price, Maersk Oil's global Cost Transformation programme is designed to ensure the company is fit to grow in line with its long-term strategy beyond 2020.

"While this is an unsettling time, it is also a critical journey for our business. We are committed to making the changes we face, whilst retaining our absolute focus on the safety and welfare of our people," says CEO Jakob Thomasen.

Job overview and career streams in Maersk

Recently, Maersk presented new career streams and a complete overview of jobs in Maersk as part of MyCareer. The goal is to give employees a better overview of the existing opportunities within, and simplify the structure of, the organisation.

"Transparency is key when it comes to good career management," Head of Group Talent & Performance Management and HQ HR, Ricardo Sookdeo says.

"With the career streams in place and the online overview of all jobs in Maersk Jobs, it will be clearer for our employees how they can make conscious career choices. The transparency likewise leads to a more agile and flexible Group," Sookdeo says.

Maersk Oil in Qatar

- Production from the Al Shaheen field started in 1994 and it currently accounts for about 40% of Qatar's oil output.
- The discovery was made in the 1970s and well known to oil majors, but thought to be impossible to develop commercially. The application of drilling, stimulation and completion techniques developed in the tight chalk reservoirs of the Danish North Sea were crucial to unlocking the field's complexity.
- Maersk Oil is supporting Qatar's development plans in terms of both natural and human resources. Qatarization is an integral part of that vision and 24% of the workforce is composed of Qatari nationals, half of whom work in technical fields.

Lessons from a recent security breach



STAYING SECURE | Two recent virus encroachments on employees' laptops in Asia and Africa highlight the importance of following the rules when it comes to information security. In both cases, the viruses infected custom-built workstations that did not conform to company standards.

BY TERRY BAYNES

➤ On a Sunday in March, the team staffing Maersk's Security Monitoring Center in Denmark noticed some suspicious activity on the company's network. Laptops connected to the network remotely were unsuccessfully attempting to communicate with an external server known for being used in virus intrusions. Such communications, known as "callbacks," can be a tell-tale sign of a malware infection.

The discovery set off a two-week investigation, mobilising information security personnel from the Group and different business units to work long days to uncover what had occurred. When the internal security specialists were stumped, they called in an external forensics team to help investigate.

The security experts eventually traced the problem back to two compromised computers. One employee's

laptop in Asia was infected with a malicious script containing elements of the notorious Backdoor-H worm. A similar, more dangerous, version of the virus was also found on an employee's laptop in Africa. Such programmes can silently infiltrate a system, gather information and send it on encrypted to the intruders' command-and-control server.

"It takes just one person not following the rules to place the entire company at risk. Here, we had two laptops separately infected with the same type of virus after people had installed unauthorised software," said Bent Larsen, Maersk Group Chief Information Security Officer.

THE COST: USD 100,000

Maersk's total costs of responding to the incidents piled up quickly, topping at least USD 100,000. That includes



PHOTO: PETER ELMHOUT

Bent Larsen, Maersk Group Chief Information Security Officer: "It takes just one person not following the rules to place the entire company at risk."

internal costs as well as the cost for the outside forensic team. In addition, at least 399 man-hours have been spent, primarily by the Information Security departments, on the two incidents.

In both instances, the employees were using custom-built workstations that did not conform to Maersk's information security standards. In Asia, the user had installed a nonstandard Windows 8 operating system and therefore was missing standard Maersk packages, including virus protection. The user had also downloaded software for private use, including games and movies in violation of corporate policies.

In Africa, the employee was also using a nonstandard system that lacked virus protection software.

STAYING ALERT

Cyber-attacks have become more sophisticated and more targeted as the potential financial gains have risen, as Larsen says:

"We can have all the security systems and firewalls in place, but one of the easiest ways malware actors can get through the door is to trick the user into action."

So-called "phishing" attacks, for example, have become a big business. By impersonating legitimate emails from a trustworthy company or individual, they dupe people into opening attachments or downloading updates that give the attackers access to sensitive information and networks.

The Group as well as the business units have adopted versions of the Information Security Code of Conduct, a set of practices designed to keep cyber-attacks at bay.

Employees are encouraged to consult those standards and, if they have any inkling that something is wrong, to contact their business unit information security department. If they suspect their computer has been infected by a virus, they should immediately stop using the system and contact their IT service desk rather than attempt to clean the infection on their own. ■

Do's and don'ts for keeping information secure:

DO NOT:

- Install unapproved or personal software, as it can introduce virus codes and make it difficult to patch vulnerable software.
- Open or distribute links and attachments from suspicious senders as they can contain viruses.
- Accept USB sticks given as gifts as they can be tampered with and used to steal information.
- Connect personally-owned equipment such as USB keys, smartphones or computers to Maersk equipment or networks.
- Use web-based email services such as Gmail or Hotmail to send any data or attachments belonging to Maersk.
- Browse untrusted websites not related to work.

DO:

- Show caution when using the Internet as many sites exist solely to trick visitors or steal money from them.
- Be suspicious and use common sense for all emails, whether at work or at home, especially when asked to update personal and financial information. Beware of "phishing" attempts.
- Only use Maersk equipment in your daily work.
- To store Maersk data, use the fileshares (e.g. Sharefile) and Cloud solutions provided by the company and not external storage services such as Dropbox and iCloud.
- While travelling make sure any sensitive documents on your laptop are encrypted. Only connect to the Internet via approved Maersk software (VDI) and use reputable wireless networks.

Cyber-threat: The numbers

- ➔ In 2014, there were about 1 million new malware threats created every day.*
- ➔ Malware continues to grow in quality as well as quantity, finding new ways to avoid detection such as encryption.*
- ➔ In a study of 150,000 phishing emails, 23% of recipients opened phishing messages; 11% opened attachments.**

* Source: Symantec's 2015 Internet Security Threat Report

** Source: Verizon 2015 Data Breach Investigations Report

Threats to Maersk: Confidentiality, Integrity, Availability

- ➔ Cyber-espionage can tap into confidential data, undermining the business's competitive advantage.
- ➔ Incursions can interfere with the integrity of company data and the assurance that financial transactions are correct – that the right people are being paid and billed the right amount.
- ➔ Malware can also disrupt the availability of data and bring entire systems down, for example by corrupting a database tracking container movements.

ANGOLA beyond the oil

ECONOMIC DIVERSIFICATION | Oil has helped Angola's economy to boom, but the country is keen to diversify its economy and is therefore moving from importing manufactured goods to importing raw materials and machinery. Maersk Line's service is helping small Angolan manufacturing companies, like hygienic products maker SICIE, receive the raw materials they need to make a successful business.

BY SAM CAGE



PHOTO: THOMAS SONNE

SICIE chief Executive Officer Sameer Jaffer: "There are great opportunities for investors in Angola."

Suave-branded products fan out across the country. The company employs some 1,500 people in its production lines and offices and is planning to expand to new premises to the north of the city.

Its business is built on reliable supply lines. Some 13 years after the end of its civil war, Angola's economy is growing rapidly. However, it also remains highly dependent on oil and gas and still produces little of its own needs – so manufacturing companies like SICIE rely on imports to keep their businesses running.

Turnover has grown some 20 times since 2000, and Chief Executive Officer Sameer Jaffer expects an additional growth of 10% over the next three years.

"There is no downside to what has been happening in the last 12 to 14 years," Jaffer says. "If I were to advise anyone on what it is like to set up a business in this country, I would say that things are getting easier, and it would be a great idea to do so."

> The compound bursts into life when the Maersk Line container arrives. Workers hurry to unload the paper rolls, which are essential to keeping the diapers, toilet rolls and serviettes rolling off the SICIE production lines.

From Viana, a densely populated district of Angola's capital Luanda where the streets buzz with traffic and activity, SICIE's

"The future looks like there's lots of sunshine at the end of the road," he adds.

A REAL CHANGE

The rapid development of Angola since the end of the year has left infrastructure and manufacturing still needing to catch up, says Claudio Marcos Rosa, Managing Director of Maersk Line in Angola. Around the sprawling and traffic-choked capital Luanda, the hulks of new buildings reach upwards and its pot-holed roads are in constant need of overhaul.

Maersk Line arrived in Angola before the end of the war, providing a link on its traditional main trade route to Portugal, which had colonised the country. It quickly expanded in step with the economy to provide connections to Brazil, the United States and China.

"That helped the country to develop its overseas trade, which we believe indirectly created more than 13,000 jobs over these years," says Rosa.

Five years ago there were only two or three supermarkets in the country, he says. Now there are more than a hundred. Six years ago, the terminal was doing six moves an hour, and now it is at least 30.

"There's a real change in the place today," Rosa adds. "So we are moving from importing manufactured kinds of commodities, to raw materials and machinery in order to help the diversification of the economy in Angola."

"Maersk Line's role in this change is not to think, 'We're going to have less imports'. It's not about that. I think that we need to support the customer who's producing here."

LIKE A MULTINATIONAL

SICIE, which is also the distributor for US personal care company Kimberly-Clark in Angola, has big plans. It is



PHOTO: THOMAS SONNE

The SICIE compound is a hub of activity, when the Maersk Line container brings raw materials.

building a new paper mill to the north of Luanda, on land where it will have space to expand, with machines from Italy.

"We see companies like SICIE, that started off trading and moved into manufacturing, that have relied on Maersk for a long time to secure their supply chain," says Dakalo Mboyi, country manager for Safmarine.

"But they've also not relied on short term pricing but rather on securing the business over the long term. That's the kind of partnership that we seek to build up."

Things have come a long way since Sameer Jaffer's father arrived from the neighboring Democratic Republic of Congo in 1995. The production lines hum with activity, sending off products to the company's 30 points of sale around Angola, and workers buzz around the compound to line up the raw materials.

"When I'm in my office and I see the Maersk containers pull up, it gives me a lot of pride to see that Maersk has supported us since the beginning," Jaffer says.

"It makes me feel that I'm a multinational as well, and that makes me feel very comfortable at the end of the day."

Growth opportunities

- Angola is the fifth largest economy in Africa and the third largest in Sub-Saharan Africa. It is the continent's second largest oil producer after Nigeria.
- It is one of the fastest-growing economies globally, with an annual GDP growth averaging 10% since the end of the 27-year civil war in 2002, primarily due to its oil resources.
- During Angola's oil production boom from 2002 to 2008, its gross domestic product grew by 15% per year on average, the fastest pace in Africa. Its GDP growth fell to 2.4% in 2009 due to the global financial crisis and the drop in oil prices.
- Economic growth here has recovered a bit since then, but has not reached previous levels. The GDP per capita increased by an average of 6.5% annually, from USD 3,413 in 2007 to USD 5,668 in 2013.

SOURCE: WORLD BANK

Angola's trade

- Angola's exports amounted to USD 68 billion in 2013, USD 67 billion of which were in the oil sector. Its imports were worth USD 26 billion.
- At 20%, Hydraulic cement accounts for the biggest share of imports, followed by wheat flour, rice, sugar cane and meat.

SOURCE: NATIONAL BANK OF ANGOLA, ANGOLAN MINISTRY OF TRANSPORT



Crisis confronted

CRITICAL LOGISTICS | While there is still more to do in the fight against Ebola in West Africa, the critical logistics provision phase has now passed, and Maersk has wrapped up its USD 1 million donation efforts for the UN's World Food Programme. According to Group Sustainability, the Ebola crisis presented various logistical and operational challenges, since it spanned international borders.

BY YI HUI TAN

"The Ebola response critically needed logistics support. Maersk and other corporate partners supported the humanitarian aid community in shifting gear to keep up with the huge challenge we were facing."

Wolfgang Herbing, Logistics Director from the UN's World Food Programme, comments on the fact that it has been over a year since the West African Ebola outbreak, which claimed thousands of lives and ravaged the economies of the affected countries, broke out.

Virginia Dundas, CSR Manager from Group Sustainability explains that the Ebola crisis presented various logistical and operational challenges, since it spanned international borders.

"We have assisted the World Food Programme within the response period where we could make the biggest difference in relation to our business operations – at the very beginning when building an efficient logistics supply chain and infrastructure was critical to the affected countries, for the import of relief items," says Dundas.

As of the end of March this year, the total number of cases exceeded 25,000 with over 10,000 deaths, according to the World Health Organisation. The crisis has slowed. New daily cases of the deadly disease have dropped to zero in Liberia, and about 30 in Guinea and Sierra Leone, which were the worst-hit countries last year.

In a six-month response period to the outbreak, and as part of a USD 1 million donation drive, Maersk has shipped more than 480 containers of medicine and supplies, totalling over 11,200 tonnes of shipping capacity, to assist countries in fighting the Ebola crisis in West Africa. These supplies have been used by the UN Logistics Clusters under the World Food Programme, and 15 of their partner humanitarian organisations in emergency operations.

While the UN continues its humanitarian efforts in the affected countries, the critical phase of setting up a proper emergency logistics infrastructure has passed. Since the end of March this year, Maersk has agreed with its UN partners to close its response programme.

HIGHEST IMPACT

Currently, efforts by agencies on the ground will be to focus on inland replenishment and reallocation of relief items, rather than emergency shipment of aid from abroad.

Summary of relief efforts contributed by Maersk:

- 81 shipments carrying over 480 containers of food, medicine and vehicles to affected countries
- 72 dry containers and 11 reefers donated for storage purposes and inland transportation
- 11,200 tonnes of shipping capacity donated
- 15 humanitarian organisations supported

Keeping trade lanes open

Besides donating to humanitarian aid, it was vital that trade lanes to Ebola-hit countries remained open so that businesses could continue, and sustained food supplies and products could be provided for the crisis. This is an ongoing process. Efforts by local business units include:

- Maersk Line has maintained its weekly calls to Guinea, Liberia and Sierra Leone, dedicating four vessels in one specific loop to support trade into these countries.
- APM Terminals in Monrovia, Liberia continued operating the port while taking the necessary precautions, under advice of the WHO, to ensure the safety of employees.
- In October 2014, APM Terminals Monrovia built and handed over an Ebola treatment centre to the Liberian government. The camp consists of 50 tents for up to 100 patients, as well as 10 tents to be used as offices for doctors and administrative staff. The tents were made using plastic liners donated by Maersk Line. The camp includes showers, toilets, a disposal site and a visitor centre.

To read more, check out the **Sustainability Report** on: www.maersk.com

To date, none of the Group's employees in the affected countries have contracted the disease, which is testament to the efforts of local business units to protect the safety of their staff.

George Gyamie Adjei, Managing Director of APM Terminals in Liberia, says:

"We have been mindful of the safety and health of our workforce, as we need to keep the port running. The man-



PHOTO: AHMED ALANZO/EP/SCANPIX

World Health Organization (WHO) declared Liberia free of Ebola on 9 May, after no new cases were reported for 42 days or twice the virus' incubation period.



PHOTO: UN'S WORLD FOOD PROGRAMME

Wolfgang Herbing, Logistics Director from the UN's World Food Programme: "The Ebola response critically needed logistics support."



PHOTO: MAERSK LINE

Eva Kops, Managing Director of Maersk Line in Liberia: "I am proud of how disciplined the team has been in dealing with all the precautionary measures and sticking to them throughout this stressful period so that we could all stay safe when going to work."



PHOTO: APM TERMINALS

George Gyamie Adjei, Managing Director of APM Terminals in Liberia: "We have been mindful of the safety and health of our workforce, as we need to keep the port running."

agement of APM Terminals Liberia instituted stringent protocols geared towards protecting staff and other stakeholders from the virus, such as the distribution of sanitation packs, and a 21-day quarantine rule for any staff or contractor remotely connected to a reported case of transmission."

"Even though Liberia has not recorded any new Ebola cases recently, we have maintained the same level of vigilance and precautionary measures; because the virus is still extremely active in two of our neighbouring countries and therefore we need to guard against complacency in order to prevent a potential relapse in the rate of transmission here."

PROUD OF THE TEAM

Over at Maersk Line, besides temperature checks and sanitisation procedures, efforts include the ongoing evaluation of medical facilities in affected areas in order for employees to have access to both inpatient and out-patient treatment if needed.

Eva Kops, Managing Director of Maersk Line in Liberia, sums it up: "I am proud of how disciplined the team has been in dealing with all the precautionary measures and sticking to them throughout this stressful period so that we could all stay safe when going to work. Despite the threat of Ebola, we have a social responsibility to the countries in which we operate. This includes maintaining open trade lanes for both the local economy and the supply of aid and relief cargo."

"We have been in West Africa for many years and will continue to be, so this is our way of committing to the region." 📍



PHOTO: PETER TORSTENSEN

Morten Lund, Head of Maersk Line's Centre Trade and Marketing, Business Process Owner team: "It can be challenging to structure a conversation about our Values."

Discussing the Values

PUTTING THE TOOLKIT INTO PLAY I Through dilemmas, video cases and problem-solving tasks, a new Group Core Values Toolkit aims to get both senior and junior employees thinking – and talking – about what the Values mean to them in their everyday work.

BY PETER
TORSTENSEN

"It can be challenging to structure a conversation about our Values, so it is really beneficial to have a rather simple toolkit available that initiates and frames the discussions," says Morten Lund, Head of Maersk Line's Centre Trade and Marketing, Business Process Owner team.

As a part of a Values workshop, Lund, together with the rest of the department, has been asked to jot down how he applies the Values in his everyday work – and, if relevant, consider how he can lean on them even more in the future.

Lund continues: "We have nine nationalities in my team. To leverage this huge diversity, it is necessary that we discuss the Values and what they mean to us – both as individuals and as a team – in order to ensure that our decisions are in alignment with the Values and a good working environment for us all."

While scribbling his thoughts on the Values down on small coloured pieces of paper, General Manager Andi Madsen keeps an ear out for his colleagues' discussion.

Values provide a business advantage

The decision to reiterate the Values emerged in 2013 when the top 150 leaders in Maersk met for the Global Leadership Conference at Harvard Business School. Meeting that demand and enabling leaders to facilitate discussions on the Values has been of great importance to Group CEO, Nils S. Andersen. As he says:

"Our Values are what this company is built on. They help us every day to do business in a way so we beat our competitors and win in the market place."

"The Values also serve to guide us to always conduct our business in a way that secures our future in the long term – ensuring that we are constantly building Our Name," Andersen continues.



PHOTO: PETER TORSTENSEN

Isadora dos Anjos, who works as a Process Manager in the Business Process Owner team, finds it great to learn what her colleagues think about the Values."



General Manager Andi Madsen: "The toolkit facilitates a structured approach to our dialogue on the Values."

"The toolkit facilitates a structured approach to our dialogue on the Values," says Madsen during a break between the workshop sessions. "We picked up on some good issues, and the toolkit worked to guide us through these discussions."

Having noted their initial thoughts, the team members are encouraged to share their ideas, and the room fills with animated discussion.

As the teams present their ideas, the other participants follow the conversations with great interest. Isadora dos Anjos, who works as a Process Manager in the Business Process Owner team, found the workshop inspiring:

"The toolkit gave us a chance to have the discussions we don't normally get to have on a regular busy day in the office. It is great to learn what my colleagues think about the Values," she says.

TOOLKIT AIMS AT FACILITATING DIALOGUE

The new Group Core Values toolkit has been in existence for a couple of months and has already been ordered 500

times by leaders and HR partners who want to revitalise a discussion on the Values in their teams. The toolkit works to facilitate a dialogue on the Values and is mandatory when introducing the Values to new employees, just as modules are integrated into the leadership pipeline training courses called 'Leading Others and Leading Leaders.'

The Values toolkit consists of posters, discussion papers and videos in which employees from all levels of the Maersk Group explain how they apply the Values in their daily work.

In the conference room in Copenhagen, Isadora dos Anjos has placed her final post-it on the Values poster and sums up what she has learnt:

"It has been great with a new tool to initiate these discussions. Now, I look forward to going back to the office and seeing how we can maintain our focus and dialogue on the Values, and possibly lean on them even more in our future decision-making processes." 📌

The Maersk Group's core Values

The Maersk Group has a distinctive set of Group Core Values that drive the way it does business. These five corporate values were ingrained into operations by the Group's founders, the Møller family, and have remained our guiding principles, governing the development of the Maersk Group for over a century. In today's world of rapidly evolving economic and market conditions, the Values are just as relevant as ever, and remain a key to ensuring that the Group grows for the future in a sustainable way.



CONSTANT CARE
Take care of today, actively prepare for tomorrow



HUMBLENESS
Listen, learn, share and give space to others



UPRIGHTNESS
Our word is our bond



OUR EMPLOYEES
The right environment for the right people



OUR NAME
The sum of our Values, passionately striving higher





PHOTO: RENE STRANDBYGAARD

Noteworthy results on a daily basis

ANNUAL GENERAL MEETING I "In a changing world and in our industries, where important earnings parameters cannot be influenced, this increased robustness is valuable," Chairman of the Board of Directors, Michael Pram Rasmussen told shareholders at the Annual General Meeting.

The Chairman of the Board of Directors, Michael Pram Rasmussen reported to approximately 1,150 shareholders who attended this year's Annual General Meeting held at the Bella Center in Copenhagen.

BY FLEMMING J MIKKELSEN

> "The good results for 2014 are to a large extent also due to the skilful, intense and enthusiastic effort of our many employees. It would be inadequate to highlight any individuals or groups. Noteworthy efforts and results occur on a daily basis. So, let me just express my and our general gratitude in this regard."

Though, Chairman of the Board of Directors, Michael Pram Rasmussen would not highlight any individuals at the Annual General Meeting at the Bella Centre in Copenhagen on 30 March, he stressed that Maersk Line's "employees are doing an excellent job".

In 2014, Maersk Line increased its profit by 55% to USD 2.3bn and improved its profitability 9 quarters in a row, while increasing its lead on the competition.

"The result was achieved despite the fact that there is still excess capacity in the market and freight rates are declining. We expect this trend to continue. In 2014, Maersk Line increased the number of containers transported by 6.8% in a market that otherwise



PHOTO: RENE STRANDBYGAARD

Vice Chairman of the Board of Directors, Ane Mærsk Mc-Kinney Uggla, flanked by Executive Vice President Lars-Erik Brenøe.

experienced a growth of 3.8%, thereby winning a share of the market. The unit costs decreased by all of 5.4%, due to increased fuel efficiency among other reasons," Pram Rasmussen said.

A STRONGER GROUP

Maersk Line's profit was a substantial part of the Group's result. Sharply declining oil prices, low global growth rates and a range of geopolitical uncertainties could not prevent the Group from posting a result of USD 5.2 billion last year, its best ever.

Pram Rasmussen emphasised that the Maersk Group's conglomerate structure is a driver of its success.

"The geographic and industrial diversification of the Group helps reduce the volatility of earnings. If we compare the last eight years of volatility in the overall operational earnings of our four main business areas with the fluctuations in earnings that Drilling, APM Terminals, Line and Oil have realised separately, it is clear

Shareholders at the Annual General Meeting:

IN MY OPINION

Svend Jakobsen:

"Excellent meeting. The Chairman gave straight answers. But, I could do without some of the questions because they just repeated the Chairman's speech."



Kirsten Maare and Ole Maare:

"The Chairman was very patient and he has a sense of humour. When asked, he answered the same question over and over again."



Erik Sørensen and Else-Marie Sørensen:

"As usual, a very alternatively orchestrated Annual General Meeting, settled in a serious and orderly manner."



Claus Ryge: "The Chairman was well prepared and his communication is transparent. I have all the information I need and don't will not be seeking further information."

Nanna Emiliue Vedel-Heinen and Frederik Wedel-Heinen:

"Excellent performance. The Chairman translated dense information from the Annual Report into a very understandable language."

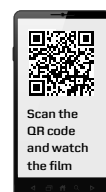




PHOTO: RENE STRANDBYGAARD

The Chairman of the Board of Directors, Michael Pram Rasmussen and his wife, arriving at the Annual General Meeting.

> that our conglomerate structure contributes to a risk reduction of 33%," Pram Rasmussen said. He went on to say that the Maersk Group is even stronger today than it was at the beginning of 2014, thanks to divestments – Danske Bank, Dansk Supermarked Group and smaller companies that have enabled the Group to further its focus on its core businesses.

MORE DIVERSIFIED

In his report, the chairman also stated that the Group is a global company, and a diversified company. However, the Group is working to become even more diversified.

"This includes achieving an increased representation of the under-represented gender, as noted in the company rule book. But let's talk about it in clear terms: the number of women within management must increase. And it will. Since 2012, the percentage of women in senior management has increased from 5% to 10%. This is good progress, but we are continuing this work," said Pram Rasmussen adding:

"We are also working to recruit more people with a non-Western background to senior management. Here the figure was 6% at year-end. So there is room for improvement."

CORRUPTION IS DESTRUCTIVE

While corruption and so-called sweeteners have been a much-discussed topic in the Danish press, the Chairman emphasised that the Group maintains its current policy:

"We do not tolerate corruption. Corruption is destructive.

We have a global anti-corruption policy. We say 'no' to requests for bribes, and the Group has a comprehensive anti-corruption program, whose foundation is based on the education of our employees around the world in anti-corruption issues and in how companies can do business without participating in corruption," said Pram Rasmussen, adding:

"We are against facilitation payments, or sweeteners as they are also known, and we are working towards their total elimination."

But the Chairman also recognised that they are difficult to avoid: "The reality is that at present, it is impossible to implement an immediate zero-facilitation payments programme in many markets, and certainly not alone, without it significantly disrupting business and resulting in major costs. Unfortunately, this will take time, but we're working hard to achieve this goal." 📌

News in brief

193rd ship completes 2M

Putting in place the world's largest vessel-sharing agreement has been a challenge for Maersk Line and its partner, Mediterranean Shipping Company. In April, Maersk Sofia was the final ship to join the network, an important milestone for the new partnership.

"Putting together and launching such a large network in less than six months has been a significant undertaking. Remarkable focus and hard work across all functions in Maersk Line made it possible," says Søren Toft, Chief Operating Officer in Maersk Line.

Maersk Sofia's voyage is a particularly sweet capstone for the 2M deployment given that the implementation of Maersk Line's new East West network began in the weeks leading up to Lunar New Year, a holiday celebrated across Asia that has a major impact on global supply chains.

"The short period before Lunar New Year is always very hectic because the demand is high. It places a lot of strain on the entire Maersk Line organisation," says Klaus Rud Sejling, Head of East West Trades for Maersk Line. "Typically, the rate levels are also relatively high in this period which means there is also a financial incentive to make the coordination between all of Maersk Line's many units work seamlessly."

Esvagt posts record profit in tough market

Esvagt, a Maersk Group company, has posted a record profit of DKK 252m for 2014, and expects to be able to deliver a similar result for 2015 despite the falling oil price.

The Esvagt shipping company, based in Esbjerg and doing business in the North Sea, grew in 2014 where it delivered a record profit of DKK 252m – compared to DKK 250.5m the year before.

"We are very satisfied with the result for 2014. This is a consequence of an ongoing extension of the fleet, high capacity utilisation and committed employees who stay focused on securing an effective and safe operation of the ships," says Esvagt CEO, Søren Nørgaard Thomsen.

Esvagt is a leading provider of offshore safety and support at sea, primarily in and around the North- and Barents Seas.

MY MAERSK

Career opportunities

When Julião Saique joined Maersk Line in 2003, his job was to drive the finance manager through Luanda's chaotic traffic. Just over a decade later, he still has to battle through the streets of Angola's capital, but now he does it to reach his office as accounts receivable manager.



PHOTO: THOMAS SONNE

From driver to manager

BY SAM CAGE

> Julião Saique touches the accelerator pedal and carefully nudges his car into a gap in the heavy Luanda traffic.

"Traffic in Luanda is terrible," says Saique, who was a driver when he joined Maersk Line. "You have to be very patient and also focus on the street. Everyone wants to be early at work, so it's like first come, first served."

His talent and ambition quickly shone through, and just over a decade later he is the accounts receivable manager for Angola. However, he still has to find a way through the notorious traffic every morning and evening.

"The only job available was as a driver. I said ok, I'll go – why not? So I started driving the finance manager, taking him from home to work, and dealing with bank issues and delivering letters."

THE RIGHT ATTITUDE

Angola's economy has boomed in the 13 years since the end of its civil war thanks to its oil revenues. Now, the country needs people like Saique to advance their education, skills and experience to help reinforce its growth and development.

Julião Saique

Age: 37

Nationality: Angolan

Education: Ella du Plessis high school, and degree in accounting from Methodist University of Angola

First job: As a driver for Maersk Angola

Family: Married with three children. Four brothers and three sisters

Languages: English, Portuguese

Interests: Football and spending free time with family

Saique had left Angola during its decades-long civil war to attend high school in neighbouring Namibia. As the situation at home improved, he knew he had to go back. The problem was there were so few opportunities for work.

By seizing this opportunity and showing his skills and motivation, Saique was in a good position to rise through the ranks. He became a finance assistant within

a year of joining Maersk Line and went through university while working. He trained in accounting and payables, visiting Denmark and India as he progressed.

"Julião is talented, keen to learn and has a strong work ethic – and his example shows what people can achieve with the right attitude," says Claudio Marcos Rosa, Maersk Line's country manager for Angola. "We are glad to provide training and advancement opportunities to help the right people make the right progress in their careers, for the benefit of both of themselves and the company."

Since returning to Angola, Saique has married, had three kids – the oldest born just a few months before he joined Maersk and now 12 – and has settled again in his homeland.

"You are the one who has to show the initiative. Then management and everyone else will be willing to help you, as long as you know exactly what you want, where you want to be," Saique says.

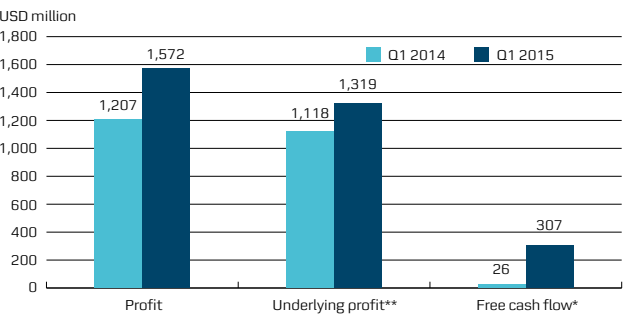
"It's a company where one can make a career and grow. Not all companies can give you this opportunity, especially in our country." 📌

Who should we feature in the next MyMaersk?

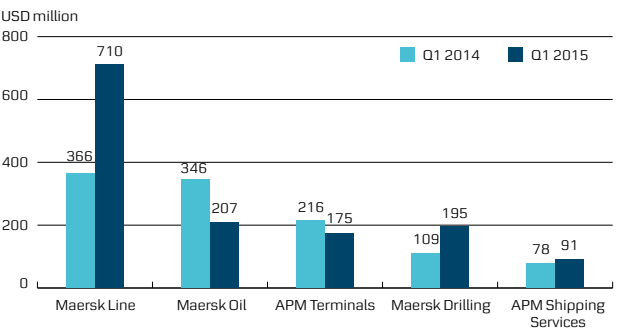
If you have an inspiring colleague who leads an extraordinary life inside or outside of work, nominate them for MyMaersk by sending an email to maerskpost@maersk.com.

The Group reports Q1 profit of USD 1.6 billion

Group Financial Highlights, Q1 2015



Underlying profit by activity, Q1 2015**



* Figures for 2014 relate only to continuing operations

** Continuing businesses excluding net impact from divestments and impairments

Continued strong performance by the Group in Q1 2015 with a return on the invested capital (ROIC) of 13.8% (10.0%), driven in particular by Maersk Line.

GROUP HIGHLIGHTS

The underlying profit increased by 18% to USD 1.3bn (USD 1.1bn) driven by strong performance in Maersk Line supported by Maersk Drilling and APM Shipping Services.

The Group's revenue decreased by USD 1.2bn or 10% predominantly due to lower oil prices, while operating expenses decreased by USD 744m mainly due to lower bunker prices. Tax decreased by USD 773m, primarily as a result of the lower oil prices, as well as, a USD 170m deferred tax income as a consequence of the lowered tax rate on oil activities in the UK.

All businesses in the Group are impacted by the current low oil price and low economic growth, and as a consequence all businesses are undergoing cost saving initiatives in order to adjust to the current environment. The Group has continued to deliver high returns and cash flows in this difficult environment, and with a strong balance sheet, the Group continues to invest in profitable growth.

“Based on the performance in Q1, the Group now expects an underlying result of around USD 4 billion for 2015.”

MAERSK GROUP CEO NILS S ANDERSEN

HIGHLIGHTS



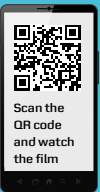
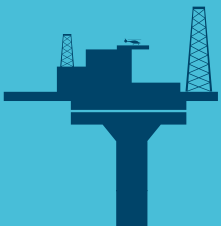
Maersk Line:

The implementation of the new vessel sharing agreement (VSA) with Mediterranean Shipping Company (MSC) on the East-West network was completed by 4 April 2015. The phase-in of the 193 vessels was executed successfully and with only very few disruptions during Q1.

EBIT-margin gap target of +5%-points to peers has been maintained since Q3 2012.

Maersk Oil:

The yearly update of Maersk Oil's reserves and resources as per end of 2014 showed entitlement reserves and resources (2P+2C) of 1,311m barrels of oil equivalent (1,473m boe) including proved and probable (2P) reserves of 510m barrels of oil equivalent (599m boe). In 2014, the 92m boe of entitlement production (86m boe) was offset only by a minor net reserves addition (2P) of 3m boe, as no major development projects were sanctioned during the year. However, reserves additions are very irregular by nature and significant additions from major projects being sanctioned by the authorities are expected in 2015.



PORTFOLIO HIGHLIGHTS

Maersk Line continued the strong financial performance with a profit of USD 714m (USD 454m) and a ROIC of 14.3% (9.0%). The improvement was driven by lower bunker prices and the appreciation of the USD. The 2M network on the East-West trades was implemented successfully.

Maersk Oil made a profit of USD 208m (USD 346m) with an underlying profit of USD 207m (USD 346m). ROIC was 14.8% (21.2%). The result was negatively impacted by a 50% lower average oil price of USD 54 per barrel but positively impacted by increased production and a deferred tax income of USD 170m due to reduction of the UK tax rate.

The entitlement production increased by 19% to 304,000 boepd (256,000 boepd) driven by a share of production from Qatar due to the lower oil price, as well as improved operational performance and production from new projects.

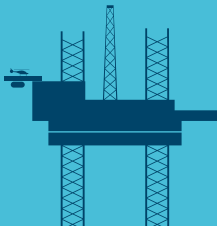
APM Terminals delivered a profit of USD 190m (USD 215m) and a ROIC of 12.9% (14.0%). The underlying profit was USD 175m (USD 216m). The result was negatively impacted by significant decreases in key oil dependent markets. Reported volumes decreased mainly due to divestments in 2014 whereas like-for-like volumes were unchanged.

Maersk Drilling delivered a profit of USD 168m (USD 116m) generating a ROIC of 8.5% (8.1%), positively impacted by fleet growth, but partly offset by two rigs off contract. The underlying profit was USD 195m (USD 109m).

APM Shipping Services made a profit of USD 94m (USD 75m) and a ROIC of 8.1% (5.2%). The underlying profit was USD 91m (USD 78m).

APM Terminals:

The share of profit from joint venture companies positively impacted by Brasil Terminal Portuario SA, Santos, Brazil ramping up.



Maersk Drilling:

Maersk Drilling took delivery of one ultra deepwater drillship and one ultra-harsh environment jack-up rig, both with secured long term contracts

One ultra-harsh environment jack-up rig backed by long term contract is under construction with expected delivery in 2016.

Maersk Line

Revenue	6,254	6,463	-3.2%	27,351
Reported profit	714	454	57%	2,341
Operating cash flow	971	713	36%	4,119
Volume (FFE '000)	2,207	2,243	-1.6%	9,442
Rate (USD/FFE)	2,493	2,628	-5.1%	2,630
Bunker (USD/tonne)	358	581	-38%	562
ROIC (%)	14.3	9.0	+5.3pp	11.6

Maersk Oil

Revenue	1,433	2,448	-41%	8,737
Reported profit	208	346	-40%	-861
Operating cash flow	105	734	-86%	2,594
Prod. (boepd '000)	304	256	19%	251
Brent (USD per barrel)	54	108	-50%	99
ROIC (%)	14.8	21.2	-6.4pp	-15.2

APM Terminals

Revenue	1,136	1,092	4.0%	4,455
Reported profit	190	215	-12%	900
Operating cash flow	271	305	-11%	925
Throughput (TEU m)	9.1	9.4	-2.6%	38.3
ROIC (%)	12.9	14.0	-1.1pp	14.7

Maersk Drilling

Revenue	630	477	32%	2,102
Reported profit	168	116	45%	478
Operating cash flow	280	79	254%	701
ROIC (%)	8.5	8.1	+0.4pp	7.1

APM Shipping Services

Revenue	1,319	1,479	-11%	5,926
Reported profit	94	75	25%	-230
Operating cash flow	160	101	58%	590
ROIC (%)	8.1	5.2	+2.9pp	-4.2

Guidance for 2015

The Group has adjusted the guidance for the underlying profit to be around (from slightly below) USD 4.0bn for 2015 (USD 4.1bn excluding Danske Bank). Gross cash flow used for capital expenditure is unchanged and expected to be around USD 9bn in 2015 (USD 8.7bn), while cash flow from operating activities is expected to develop in line with the result.

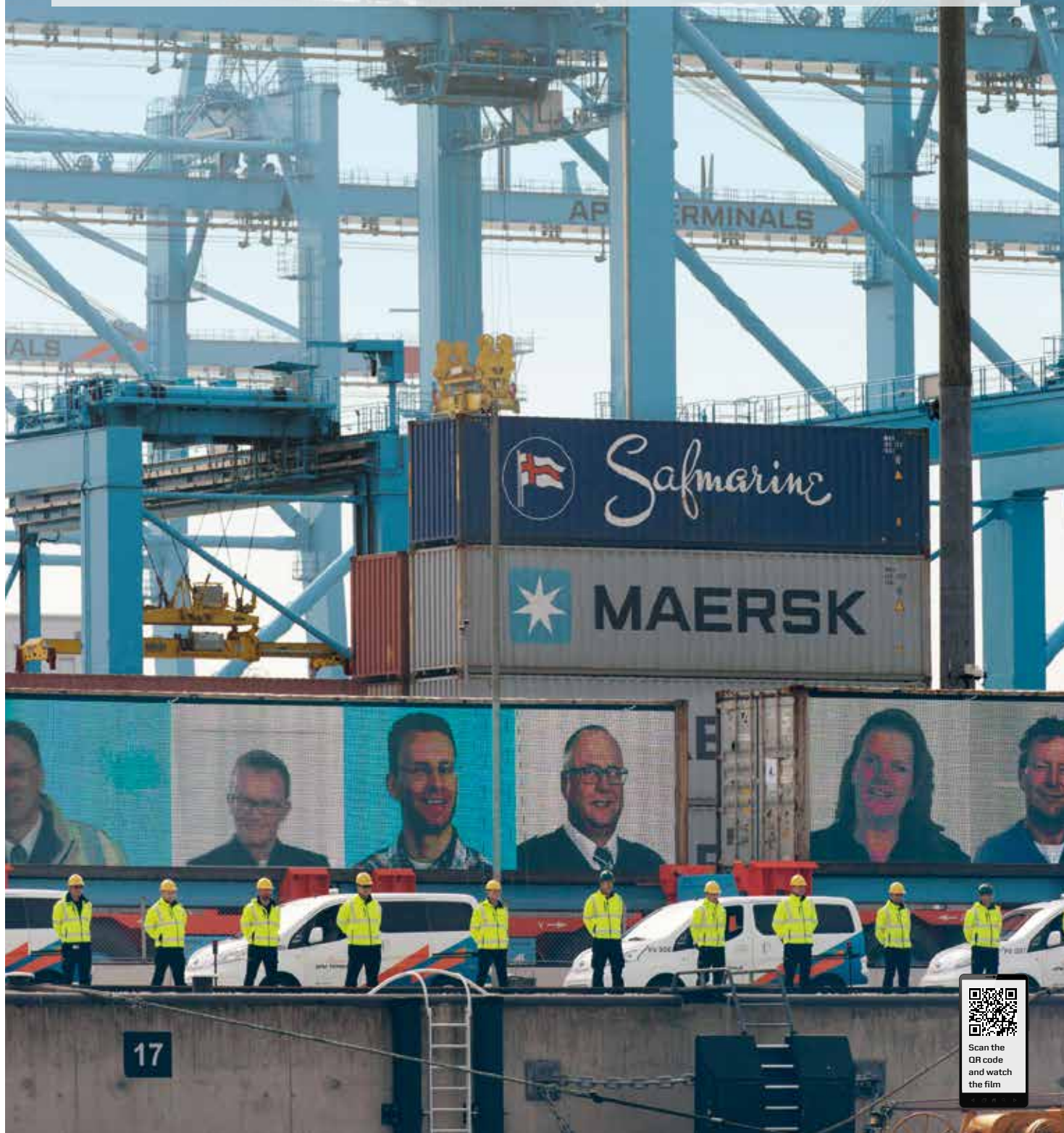
The Group's guidance for 2015 is subject to considerable uncertainty, not least due to developments in the global economy, the container freight rates and the oil price.

For more details regarding the financials for Q1 2015 please see the Investor Relations web site: <http://investor.maersk.com/financials.cfm>
Unless otherwise stated, all figures in brackets refer to the corresponding figures for the same period of the previous year.

New standards for the industry

53

BIG PICTURE | End of April 2015, APM Terminal's new Maasvlakte II terminal in the Port of Rotterdam in the Netherlands held a ceremony to celebrate the opening of the world's most automated container terminal. The deep-water terminal features 1,000 meters of quay, on-dock rail, and eight fully-automated electric-powered ship-to-shore cranes with an annual throughput of 2,7 million TEUs, representing an investment of EUR 500 million. At planned full-build out, the terminal will cover 180 hectares and offer 2,800 meters of deep-sea quay with an annual throughput of 4,5 million TEUs.



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