


MAERSK

POST 

#2 | MAY - JULY | 2016

IN TOUGH TIMES

HOW TO ENGAGE PEOPLE

TALENT DEVELOPMENT

At a time when the Maersk Group has reduced its workforce to raise its competitiveness, investing in talent development and employee engagement is more important than ever. Customer Service Manager in APM Terminals Adriana V. Aguilar believes that in tough times “we must keep working with passion.”

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Published by: A.P. Moller - Maersk, Copenhagen
Chief Editor: Birgitte Henriksen
Editor: Flemming J. Mikkelsen
Email: fjm007@maersk.com
Phone: +45 3363 1900
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Photo: Antoinette Tempé

THEME

Support and push new employees

CAREER PLANNING | The Maersk Group prioritises investing in talent development more than ever. To Mohamed Kane, CEO of Damco's West Africa region it means: "What's important to me is ensuring that new candidates coming into our business get opportunities to grow. This means that we encourage them and help them make clear plans for their development."

In tough times - How to engage people 16-31



Photo: Peter Elmholt

The North Sea recreated in a chilly garage

HANDS-ON TRAINING

Maersk Oil has worked with Maersk Training to build a simulator that mimics the real offshore working environment as closely as possible. 460 people will train here, in conditions that are safe and secure, reinforcing their classroom learning with hands-on experience.

Svitzer's corporate spirit is on the rise

INTERNAL COMMUNICATION

Svitzer has its hands on a success. Using social media internally, the company has formed a global community and a new sense of team spirit. CEO Robert Uggla is now looking at the next steps, including taking the approach to external stakeholders.

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Photo: Svitzer

From two days to two minutes



Photo: Anni Nordahl

THE NEED FOR SPEED

With Damco's new digital supply chain management platform, companies have instant access to reliable information and tools that can save them millions of dollars across their global value chain. "With our new digital supply chain management platform, we can make a much more effective plan for a given inventory and execute it in about two minutes," says Jens Sode, Global Head of Lifestyle Vertical.

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The response was satisfactory

"A MIXED PLEASURE"

While the Group's financial performance was not satisfactory, its response to the tough markets was, the Chairman of the Board of Directors, Michael Pram Rasmussen said to more than 1,150 shareholders at this year's Annual General Meeting, which was held in Copenhagen.

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Photo: Rene Strandbygaard



It is Mexico's moment

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CHILDREN OF NAFTA | Mexico is one of the world's most open economies. Exports have grown five-fold and the country is one of the world's top 15 manufacturing economies, not to mention a top-5 automotive producer with major global brands present. In 2015, Maersk Line's business in Mexico rose by 20% reaching a total of 250,000 containers (FFE).

The foundation of everything



Nils S. Andersen,
Group CEO

➤ **Safety is not something optional at the Maersk Group.** It is the foundation of everything we do.

The lives of our employees are the most important thing. Making our businesses more competitive does not mean there can be any short cuts, which we reminded all our employees of at the recent annual Global Safety Day.

It's a matter of values and tradition. Constant Care is one of the five Group Core Values, which underpin the way we do business, unite our global workforce and guide the behaviour of employees and leaders throughout the organisation. How can I trust someone who is acting in an unsafe way – endangering their own life or those of others – to take good business decisions?

“Constant Care is one of the five Group Core Values, which underpin the way we do business, unite our global workforce and guide the behaviour of employees and leaders throughout the organisation”

Safety is also sound business. It is the first point on the agenda at our Executive Board meetings. When we meet customers, employee representatives and governments around the world, they all ask about our safety statistics and if

they are not in order, it endangers our licence to operate.

Our ambition remains a target of zero incidents, and I deeply regret that in April we had two fatalities in APM Terminals, in Mexico and Spain. Our thoughts are with their families, friends and colleagues.

The fate of these colleagues is deeply unsettling to me and I want to assure the families of all our employees that we will continue to focus on our ultimate target. It is a reminder that we can never let down our guard.

“Responsibility, so if you see a risk, it is your responsibility to address it. The authority to stop any unsafe action or operation”

Our global business, across 130 countries and 150 nationalities, can be complicated but safety boils down to simple things. Responsibility, so if you see a risk, it is your responsibility to address it. The authority to stop any unsafe action or operation. And the obligation to look out for each other.

Six of our eight major business units improved personal safety performance in 2015. The frequency of lost time incidents has however ticked up – from 1.16 per million man-hours worked in 2014, to 1.32 in 2016 to date – and it reinforces that we must constantly maintain vigilance.

There should be no change in mentality whether we work at sea or on land, in a terminal or in an office.

Accidents can happen anywhere.

Offshore, we understand the risks and have the mindset and processes in place. That's what we need to have everywhere. ➤

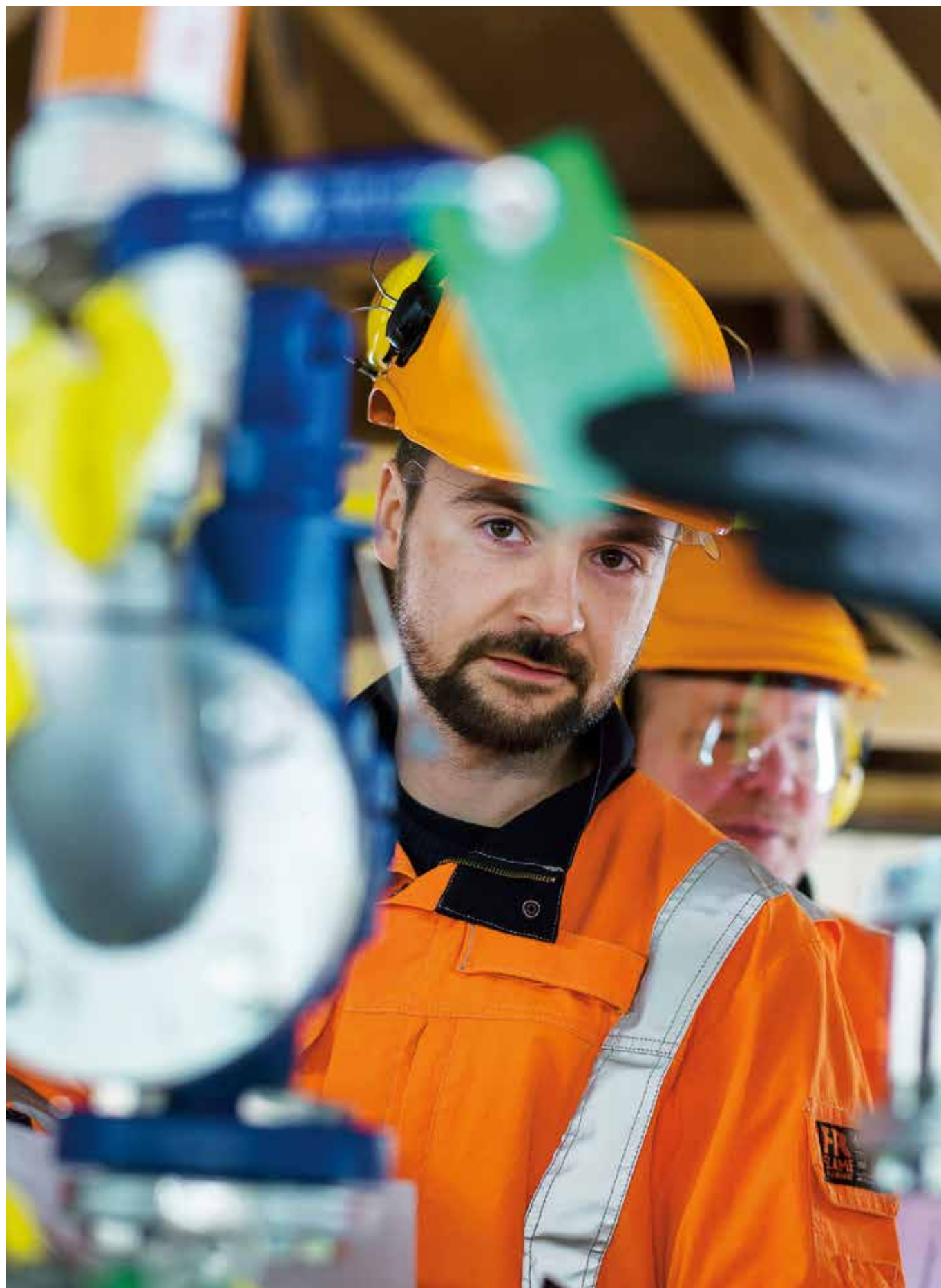


Photo: Peter Linholt

Nicolai Pedersen, Production Assistant has been on many training courses, but this is the first one that is set in the real world.

The North Sea recreated in a chilly garage

HANDS-ON TRAINING | Maersk Oil has worked with Maersk Training to build a simulator that mimics the real working environment offshore as closely as possible. 460 people will be training here in conditions that are safe and secure, reinforcing classroom learning with hands-on experience.

BY SAM CAGE

➤ In a chilly garage in the Danish countryside, used parts from various oil platforms have been brought together to build a simulator that is as close to real life as possible. In a corner, there is a large box of broken parts. A little part of the North Sea has been recreated.

Claus Kofod Jørgensen, Maersk Oil's Offshore Installation Manager for the Dan F in the Danish North Sea, and his team have collaborated with Maersk Training in building a copy of a production separator unit – and associated valves, pumps and instrumentation – in the security of an outbuilding.

The facility at Maersk Training in Svendborg, Denmark allows offshore workers to plan and carry out jobs in as close a replica of real-life as possible, learning with their hands to reinforce the lessons from the classroom in a completely safe environment. All maintenance and production staff, including some engineers, in Maersk Oil's Danish Business Unit will pass through three days of training here, along with those onshore employees who work directly with them.

The idea came to mind as Maersk Oil considered ways of reinforcing safety and when Jørgensen saw the work Maersk Training was doing with drilling simulators.

"We're used to being out in the fresh air and using our hands," says Jørgensen, looking on as a team of four and an instructor plan jobs and apply for a work permit, then hold a toolbox talk and finally carry out the work – exactly the same procedure they would follow on a platform. "It's great to have it in-house. Maersk Training is very flexible and they have a lot of ideas."



Offshore workers are the first barrier for safety, says Claus Kofod Jørgensen, Offshore Installation Manager for Dan F

Before working with the simulator, those on the course put on full protective clothing. And the box of broken parts in the corner waits as examples of what can go wrong – and to be used as props in how to avoid it.

"It is about process safety, and a lot of this has to do with understanding and applying procedures," says Per Larsen, the instructor from Maersk Training. "That can be quite boring, but being able to give hands-on experience definitely boosts motivation, and shows that they actually understand the procedures and it really helps people to retain the information."

A separate control room adds to the offshore feel. Heated and more comfortable than the more austere surroundings of the rest of the garage, it is just like the accommodation on the platforms.

"I've been on lots of courses where we made plans on paper, but never before one where it was set in the real world," says Nicolai Pedersen, Production Assistant onshore the Halfdan Asset. "Sometimes it can be a bit heavy to use and learn the operational safety procedures – this way, theory and practice go hand in hand and it's a great combination."

First safety barrier

As the most experienced person on the course, Søren Würtz Elberg, Production Assistant on Halfdan, has plenty of advice to pass on to the others. Nevertheless, there is still plenty more for him to learn.

Elberg was part of the group that had the idea for the simulator, along with Jørgensen.

"Of course I can pass on a lot because I have a lot of stories from my time out there. I can also learn from them – they see things in another way and ask me questions that I've never thought of," he says. "Now we can see it in the real world, it's fantastic."

There are eight on a course with the simulator at a time. For Claus Kofod Jørgensen, this is the tip of the iceberg. There is space to expand and other machinery can be introduced, such as a subsea structure, known as a Christmas tree, that monitors and controls production.

"The people who write the procedures can train here, and look into whether those procedures work in real life," Jørgensen says.

"Bringing our people out here gets them to really share their experience and knowledge," he says. "The people training here, they are our first barrier for safety." ■

From two days to

ENABLE TRADE | **Supply chains never rest.** Instead, they have to be tweaked or changed completely in response to changing consumer demand or disruptions. With Damco's new digital supply chain management platform, companies have instant access to reliable information and tools that can save them millions of dollars across the global value chain.

BY JOHN CHURCHILL

➤ A small mountain of 40,000 boxes has taken over an entire corner of a large warehouse just outside **Ho Chi Minh City, Vietnam**. Inside are over 400,000 pairs of the latest shoes destined for the shores of Europe and the United States to be sold across a number of stores.

"Forecasting demand for inventory is important but difficult,

we can make a much more effective inventory plan and execute it in about two minutes."

Wedding digitalisation with data

The specific capability Jens Sode is referring to is "dynamic flow control" and it is one of many tools included in Damco's new digital supply chain management platform, which is to be officially launched to customers this summer.

Instead of relying on humans to interact, discuss and communicate back 'n' forth, dynamic flow control works by processing incoming purchase orders and automatically adjusting the flow of a customer's supply chain to meet shifting demand patterns in order to keep inventory costs as low as possible.

The tool and the digital platform itself, which have been created in collaboration with Microsoft, rely on software and algorithms (a process or set of rules to be followed in computer calculations) supported by high quality data.

"Today, we have 95-100% of the important data related to our customers – purchase orders, historic demand patterns, standard operating procedures, transport schedules, etc. We just haven't used it effectively because we haven't had the technology to do so. Now we do," says Henning Goldman, Global Head of IT for Damco.

No opening hours

For the customer, the experience of Damco's new platform will be via a Damco app on their phone, tablet computer or website or on their PC via their own dashboard. A first version of the app is to be rolled out this

summer, and, like any smart phone app today, it will be updated regularly to improve its functionality and respond to customer needs.

One immediate impact of the app is that customers will no longer have to deal with the logistic business' "opening hours". Need to change a shipment, create a report or download documents? It can all be done anytime via the app.

All customers will have certain standard features and functions that enable them to control and manipulate the view of their supply chain on their app dashboard. However, since all supply chains are different, exactly how the dashboard is configured and optimised is up to the individual customer. Damco's supply chain engineers and experts can help set it up.

"If a customer uploads his existing purchase orders and forecasted orders it will show the customer how we plan to ship a particular inventory out along with any potential challenges they will face. Perhaps a big wave of demand is coming they need to prepare for," says Jens Sode.

Alerts and notifications

Alerts and notifications will be an important function of the app for customers. Take the following example: A customer has a shipment of high-quality plain white T-shirts to send to Europe. It is important, they are selling well, but it is not urgent or time sensitive. The same customer also has highly time-sensitive T-shirts bound for France; these shirts will be printed with the names and colours of the remaining four nations competing

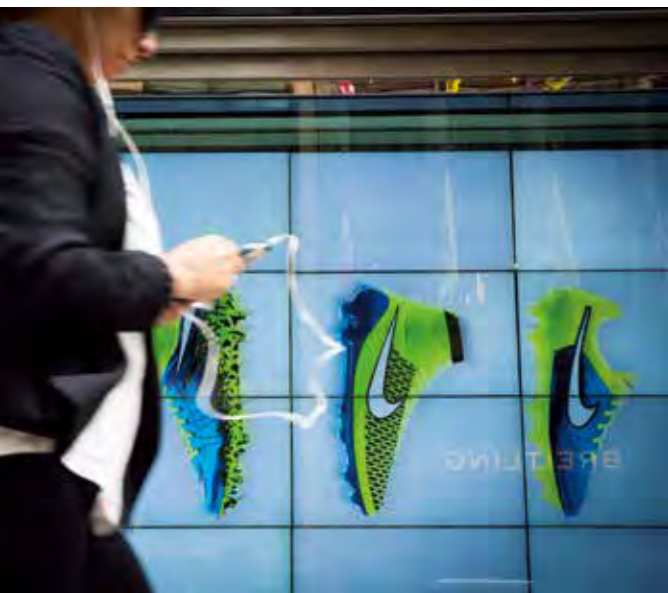



Photo: Scanpix

Damco's new digital technology enables customers to predict supply chain disruptions and **better forecast demand.**

and because it's calculated manually it is also slow," says Jens Sode, Global Head of Lifestyle Vertical in Damco, whose supply chain customers include some of the world's largest retail and fashion brands.

"Two days is what it would take for a customer to create an inventory distribution plan that Damco can execute. For a global supply chain, an average increase of two days inventory holding can amount to a cost of up to USD 10 million. With our new digital supply chain management platform,

two minutes

A man with glasses, wearing a dark blazer over a light-colored shirt and blue jeans, is sitting on a set of wide concrete steps. He is holding a tablet computer in his hands and looking towards the camera. The steps are made of dark, weathered concrete and recede into the background.

"Today, we have 95-100% of the important data related to our customers. We just haven't used it effectively because we haven't had the technology to do so. Now we do," says Henning Goldman, Global Head of IT for Damco.

Photo: Rene Strandbygaard

in the 2016 European Championships in football. Once the final four teams are known, the shirts will be designed and airfreighted immediately to select locations. If they do not arrive on time they are at risk of selling below price point or not at all.

With the app in hand, the logistics manager can choose how to deal with issue handling for all kinds of cargo. Want the app to handle delays to the plain white T-shirts? It can do that, forwarding alternatives that can be approved

with the tap of a finger. It can also deliver regular notifications as to the progress of the Euro Championship T-shirts. If there is a delay, the app notifies a pre-defined person explaining the incident and providing alternatives for them to choose from. If this person does not respond, it moves up the chain of command. In the event that there is no response to its notifications the app acts on behalf of the customer and chooses the best option to meet the time requirements of the cargo.

Adapts to future needs

"When we launch the platform and the app, customers will be able to see many of the platform's capabilities, however it won't be finished or perfect," says Henning Goldman. "We don't know what lies ahead, so the app has to be adaptable. We need to be able to improve and build on it, both in terms of its standard functionality and in collaboration with customers in relation to the customised portions. It's infinitely scalable so we can build on it and improve it as customer needs change."

An example of this aspect of the platform occurred within the last year of development with Damco's partner, Microsoft, who is also one of Damco's important supply chain management customers and will therefore be using the app and many of its features.

"They asked us to create something that could improve the forecasting of potential disruptions to important shipments. That led to what we're calling the 'disruptor tool', which basically combs enormous volumes of data in our systems and on social media. It hunts for indications of trouble like storms or strikes or anything that might cause a delay and compares them with an upcoming purchase order. We sat with them and made it in the space of 3 weeks," says Goldman. "Isn't that just cool?" 📱



With Maersk Line's ambition to connect vessels and containers with technology, a greater need to manage information security risks has followed. Information Security Manager Mark Harris is on the case.

Photo: Peter Einholt

Taking the data highway to open sea

CONNECTED AND SECURE | **Maersk Drilling** has built a secure data highway to its offshore drilling rigs, making them easier to monitor from land. Several of the Group's business units, with Maersk Tanker and Maersk Line at the forefront, can benefit from the experiences as they look for direct and secure access to key IT systems on their vessels – potentially saving millions of dollars.

**BY NICOLAI ØSTERGAARD
AND ANDERS ROSENDAHL**

▶ System maintenance on a production facility is more or less an everyday occurrence.

But if the production facility is an offshore drilling rig in the middle of the ocean, the everyday occurrence turns somewhat more complicated and not least: Much more expensive.

The so-called COIN project, which has taken inspiration from the defence industry's approach to security, has established a remote connection to Maersk Drilling's offshore equipment. This enables

supporters to solve problems and maintain systems from land.

"This is a great leap forward," says **Asger Klindt**, Head of Offshore IT, at Maersk Drilling IT.

"Fewer technicians have to travel offshore to solve problems and maintain Industrial Control Systems. Our vendors can work much more efficiently with the equipment on our rigs, and we only pay for the specific hours they spend on servicing or maintaining the equipment – in short, we no longer pay for travel time and wasted time offshore."

Maersk Drilling owns and operates 22 highly sophisticated

drilling rigs that work for oil companies in Europa, Asia, Africa and the Americas. The company used to spend tens of millions of dollars every year on travel costs when support teams are sent by helicopter to a particular drilling rig.

These costs are about to be greatly reduced.

Connected vessels

In addition to easier access, COIN also improves information security, something that other business units within the Group, with Maersk Line and Maersk Tankers keen to pounce, can benefit from.

With Maersk Line's ambition

to connect vessels and containers with technology, a greater need to manage information security risks has followed, extending out to managing third parties responsible for maintaining and supporting the vessel environment.

Work is currently in progress to gain a greater understanding of, and within, the vessel environment and the risks that are associated with operating a global maritime ecosystem, and Maersk Line's Information Security Manager

Mark Harris is keen to learn from Maersk Drilling's experiences.

"Although valuable, the key to enabling a system like COIN within Maersk Line is standardisation of our vessel environment and we have a number of initiatives that will bring us closer to that goal," Harris says, adding on the topic of potential cost reduction:

"Obviously that would be an added bonus, but our first priority is to better manage our third party connectivity."

"Working on it"

At Maersk Tankers, Vessel IT Manager **Henning M. Madsen** is also looking to improve the online access of third-party vendors to IT-systems on the company's product tankers without compromising security.

"This is a highly important issue to address and I am sure the different business units in the Maersk Group can learn a lot from each

other on this topic," he says. "The way we are doing this today is not optimal, and just like Maersk Drilling we are constantly considering how to improve our standardised procedure to give third-party vendors remote access to our IT systems in a secure way when an upgrade or support is needed. We don't have that procedure properly in place today, but we are working on it," says Henning M. Madsen.

Inspired by defence

COIN was developed in 2009 when Asger Klindt's team was looking at ways to create efficient and secure connectivity to offshore industrial systems, addressing the challenge of more intelligent and interconnected machinery, generally referred to as the Industrial Internet of Things.

Maersk Drilling needed a way to

follow offshore operations as well as of transferring data from offshore to onshore – which is easier said than done when taking security considerations into account.

"Securing our offshore industrial systems against virus, hackers and other malicious attacks is obviously of the utmost importance for our operation. You need to take all these considerations into account when you design a system enabling external parties to gain on-line access to a great number of pivotal systems aboard a drilling rig," says Klindt.

Luckily one of his employees had a background in the defence industry where, of course, security is a paramount consideration.

"Utilising similar methods to those employed by the defence industry has enabled us to make COIN a very secure solution," Klindt says. 📧

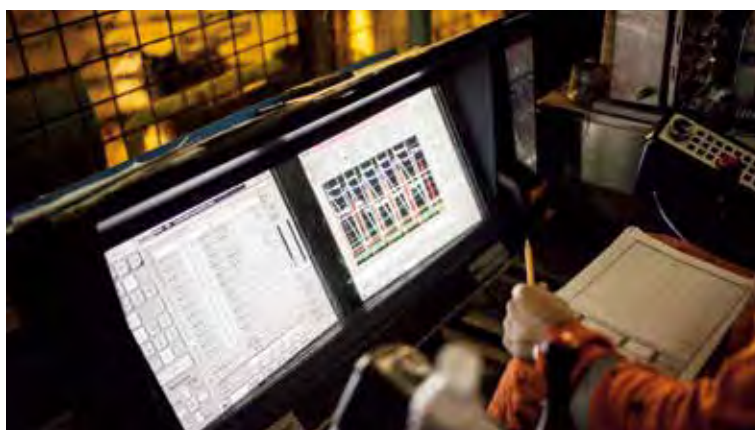


Photo: Maersk Drilling

The COIN project has established a remote connection to Maersk Drilling's offshore equipment. This enables IT supporters to maintain systems from land.

COIN – WHAT IS IT?

What is the breakthrough?

The abbreviation stands for Connectivity to the Offshore Industrial Network. COIN is a solution that, among other things, enables an onshore specialist to access Industrial Control Systems offshore in a very secure manner. It is highly sophisticated and highly secure. Nevertheless, it has a simple and easily understandable user interface that makes it easy – i.e. for a sub-contractor – to gain access.

What is the gain from COIN?

While COIN was implemented in 2014, connecting 7 vendors to the drilling rigs, Maersk Drilling has calculated the net gain from COIN to be USD 1.8M in 2015. Maersk Drilling invested USD 550,000 in the development and rollout of Coin, which means the company has had a significant return on investments in COIN from day one. Furthermore, sensor data can be securely transferred from offshore to onshore in real time for analysis, a fact that is becoming a very hot topic across business units.

Where is the implementation process at right now?

The COIN solution has been fully developed and implemented. What takes time is its roll out to all units in the Maersk Drilling fleet across many different systems. Roll out will be complete sometime in 2017.

Hubs and spokes



INVESTING IN FUTURE CAPACITY | When it opens in 2019, the new terminal in Tangier, Morocco will take on more than just cargo. It will be responsible for upholding the region's importance as a distribution centre for global trade.

BY JOHN CHURCHILL

➤ **Location, location, location.**

Situated just 60 km apart on opposite sides of the Strait of Gibraltar at the meeting point of two seas and two continents, the **ports of Tangier** and Algeciras serve as a major distribution point for billions of dollars in trade.

To ensure this vital hub can continue its role in global supply chains for the next several decades, APM Terminals is investing EUR 758 million in a new terminal in Tangier, which will be called APM Terminals MedPort Tangier.

"Over 200 container ships pass through the Strait of Gibraltar every day, linking trade moving between Asia, Europe and Africa. It's a major transshipment hub," says Theo Dersigni, Business Development Manager for the MedPort Tangier project.

"Shipping lines need Algeciras and Tangier in this region to ensure goods make it to their final destinations, often small or niche ports where larger vessels cannot go. The investment in this new terminal will ensure we have the capac-

"Over 200 container ships pass through the Strait of Gibraltar every day, linking trade moving between Asia, Europe, USA and Africa. It's a major transshipment hub"

Theo Dersigni,
Business Development Manager for the MedPort Tangier project.

ity and equipment to handle the largest ships and trade growth expectations in the region for the next several decades," says Dersigni.

Pivot point for trade

The strategic location of these ports makes them ideal as distribution points for cargo moving between East and West and to and from Africa. Today, APM Terminals Algeciras and APM Terminals Tangier operate as an integrated Western Mediterranean transshipment hub.

"APM Terminals has been in Morocco

since the creation of our first company **APM Terminals** Tangier in March 2005 in partnership with AKWA Group and the start of port operations in July 2007," says Kim Fejfer, CEO of APM Terminals.

"This new terminal investment shows our strong commitment to investing in trade and improving supply chains in the West Mediterranean market. Morocco and its port arm, Tangier Med Special Agency, have been very supportive of APM Terminal's vision for the West Med. APM Terminals MedPort Tangier will bring important innovation and future capacity into the West Med market on one of the world's most strategic seaways – the Strait of Gibraltar," Fejfer adds.

Maersk Line is a key customer of APM Terminals Algeciras and Tangier and heavily reliant on this particular hub for the functioning of its global network. It will be an important customer of the new terminal as well.

"The new terminal investment ensures this strategic transshipment location continues to enable us to utilise the scale of our vessels and our network more



Situated just 60 km apart on opposite sides of the Strait of Gibraltar at the meeting point of two seas and two continents, the ports of Tangier (picture) and Algeciras serve as a major distribution point for billions of dollars in trade.

Photo: APM Terminals

News in brief

Opportunities in decommissioning

The Maersk Group is looking into opportunities in decommissioning mature oil and gas installations that are getting close to the end of production. The opportunity for growth in an adjacent business taps expertise across the Group.

For some time now, the Maersk Group has investigated the **business potential and growth opportunities of decommissioning** based on the combined skills and knowledge of Maersk Oil, Maersk Drilling, Maersk Supply Service and Svitzer/Ardent.

The close down of Maersk Oil's Janice installation in the UK North Sea is an opportunity to further investigate the possibilities associated with decommissioning.

"With the reduced activity level in the oil industry, there is a growing need to shut down assets. We are well positioned when looking into this area, as we have the necessary strength and expertise in the Group and high safety and environmental standards," says Group CEO Nils S. Andersen.

When an oil field is no longer economically viable, it must be decommissioned. The process often lasts 10 years; with the first half spent planning how the work is to be carried out.

With its Group Core Values and commitment to mitigating the impact on climate change and environmental damage, the Maersk Group is well positioned to carry out the decommissioning process in a responsible way," says Jesper Steen, Business Development Lead at Maersk Drilling, who is heading the project.

"As with everything else the Maersk Group does, we will ensure that all tasks within the value chain are completed by competent and well-trained personnel, regardless of whether the work is being done inhouse or being subcontracted, and from the early planning phases all the way through to the onshore handling," he says.



Kim Fejfer, CEO of APM Terminals:
"This new terminal investment shows our strong commitment to investing in trade and improving supply chains in the West Mediterranean market."

Photo: Rene Strandbygaard

efficiently," says Niels Borgen, Maersk Line's Head of Network Strategy.

Innovation and jobs

APM Terminals MedPort Tangier will have up to 2,000 metres of quay length, enough space to serve four 18,000 TEU container ships simultaneously and is expected to leverage some of the technology that has been developed in the APM Terminals Maasvlakte II terminal in Rotterdam.

The new terminal in Tangier will also create jobs, primarily during the construction of the yard and buildings along with the installation of the container handling equipment and necessary technology. However, it will also lead to new jobs in connection with equipment operation and in office jobs in the new commercial and operational organisation that will be created once the port is ready for operation in 2019. 🌐

How to scan a QR code



Svitzer's

corporate spirit is on the rise

INTERNAL COMMUNICATION | Svitzer has its hands on a success. Using social media internally, the company has formed a global community and a new sense of team spirit.

BY ANDERS ROSENDAHL

► It has always been difficult to communicate with the entire organisation at **Svitzer**, the Group's towage and marine services company with 4,000 employees. Decentralised by nature, the company has struggled to create a shared identity for years, making it difficult for management to build a strong corporate culture.

During the past year, the use of social media has changed this dramatically. **Yammer** was chosen as the platform and although social media successes within companies are few and far between, it took off.

"Yammer is our shared virtual workspace. It links our 120 operations in 40 countries, bridging land and sea, continents and time zones in the process. The purpose is to engage all Svitzer employees by keeping us all informed of our business priorities, combined with creating a culture of sharing and collaboration in which local expertise and stories are shared," says Head of Corporate Communications & Branding, Mika Bildsøe Lassen.

"The starting point is for the employees to be able to interact across the organisation. Historically, all

communication has been from the top and downwards, and very little across the different regions, operations and functions," she says.

Out of the silos

CEO at Svitzer, Robert Uggla is an avid user of Yammer.

"Many of our local operations have operated in silos without much visibility to the rest of the organisation. It was almost impossible for a crew in Milford Haven, UK, to have any understanding of what was going on in Ras Laffan, Qatar, even though both crews are part of the same global supply chain of LNG shipments," Uggla says.

"Now our colleagues in one port share pictures, stories and ideas with colleagues throughout the organisation. For example, we have seen great examples of how crews across multiple operations have conversations on how to improve pilot transfers. Suddenly, through the use of social media, it becomes very clear that we have access to a global organisation that holds a wealth of knowledge," he adds.

Also, the hierarchy to access information has been removed. While things have to be managed, not least from a safety perspective, generating ideas and understanding how to do things differently has never been easier. Uggla sees social media as "a very powerful tool" for that purpose.

"Finally, there is an option for local or specific, collaboration in smaller groups. Commercial and technical groups have been formed across regions, making the organisation a lot more efficient and less formal," Uggla says.

Content is business related

Seeing how embedded social media is at Svitzer today, it is hard to imagine that none of it existed last year. Nevertheless, more than 1,000 Yammer accounts have been created, representing even more employees because tugboat crews, of up to nine, share a company e-mail address, which is the entry ticket. April had a daily average of 30 posts, 20 uploaded images, videos or documents and 330 file views.

"The Key factor to the success is without doubt, how the senior management team has embraced this



Photo: Svitzer

Although social media successes for companies are few and far between, it took off at Svitzer. The most viewed content is business related; how Svitzer is performing as a company, information on new wins or safety related discussions. But you also find a diversity of content ranging from pictures of polar bears, seals or kangaroos on tugboats.

"If you're not on Yammer for a couple of days, there's plenty of interaction that you'll miss," says Svitzer CEO, Robert Uggle. Over the last year he has used Yammer as a key communication tool to connect with the Svitzer organisation.



Photo: Svitzer

communication channel. Robert Uggle is a very visible leader on Yammer, and his engagement together with high activity from most of our Regional Managing Directors has definitely been a key factor to the very fast success," says Bildsøe Lassen, adding that the most viewed content is business related; how Svitzer is performing as a company, information on new wins or safety related discussions.

A democratic nature

Looking at social media with a critical eye, Bildsøe Lassen points to public criticism of individuals as a risk.

"We do not want colleagues to be criticised in front of more than 1,000 colleagues. Personal feedback on areas for improvement is better in smaller forums, often in physical meetings. Yammer is more suitable as a platform for celebrations, discussing solutions to problems and sharing stories about who we are and what we want to achieve," she says.

This has not been a problem during the first year, and a self-regulation mechanism, which lies in the democratic nature of the media, may be a big reason for this Robert Uggle points out.

"When someone posts something, whether you like it or comment on it is up to you. Just because the CEO posts something, doesn't mean it'll get many likes. I have had plenty of postings with very few likes. In fact, the most liked postings are often about new contract wins. In general, there's a very positive atmosphere on Yammer," Uggle says.

He has his favourite topics, which he likes to comment on:

"There are a lot of achievements in our organisation you never hear about when you are based in Copenhagen. There are also many good ideas across the organisation on how to improve personal safety.

These kinds of postings deserve the recognition of senior management, given the importance of safety to our company and Group."

For Uggle's personal social media endeavours, he is now looking to engage with external stakeholders, such as pilots, harbour masters, agents and customers in the same manner. The first step towards a solution: a personal Twitter account:

"I just opened the account, and we are trying to figure out, if there is an external interest in Svitzer, and if so what platform to use. It's still early days, so let's see where it takes us," he says. ✨

**Robert Uggle's
Twitter handle is
[@robertuggla](#)**

Svitzer's social media learnings

1. Understand the purpose.

Svitzer has a decentralised organisation with a lack of visibility across operations. Social media is one way to bridge the silos in such an organisation

2. Be clear about the effort required to make it a success.

The organisation, not least the CEO and senior management, needs to be fully committed to investing time in it

3. Be aware that it is an ongoing effort.

Robert Uggle spends about 5-15 minutes on Yammer every day. "If you're not willing to allocate the time, you shouldn't do it," he says. Social media hinges on frequent interaction

4. Be open to differences.

Employees at Svitzer do not want to discuss the same things or in the same way. If internal social media is to work, you should not try to control it, as long as the tone is decent

THEME

HOW TO ENGAGE PEOPLE

At a time when the Maersk Group has to reduce the workforce across its businesses to raise its competitiveness, it prioritises investment in employees and talent development more than ever. The Maersk Post unfolds examples of how the Group is confronting the challenge to engage people, along with the employees' perspectives.



Investing in



Tabinda Khurshid



Ole Grindvold



James O'Flynn



Adriana V. Aguilar



Felipe Couto



Photo: Maersk Tankers

talent

in challenging times



Line Perlman

Lucien Alziari

The Maersk Group aims to grow through the downturn, by focusing on investment opportunities and innovation, and people are one of the most important assets in that drive. Group Head of HR Lucien Alziari explains how the function is working to retain, and invest in talent, with a view to ensuring the Group has the people resources needed to support its growth and success. Meanwhile, employees across the Group share what keeps them motivated in tough markets – from inspiring colleagues and strong customer relationships to an investment in innovation and clear communication about the organisation's strategic vision.





**BY TERRY BAYNES AND
CHRISTINE DRUD VON HAFFNER**

➤ Having existed for over a century, the Maersk Group is no stranger to change.

"We have a responsibility to adapt to the markets in which we compete. Organisational agility is part of what makes Maersk a sustainable company – management has always been thoughtful about the size and nature of the organisation."

The words come from the Group Head of HR Lucien Alziari who took the helm of the HR function in 2012. These days, the HR challenge is not to hire 1,100 drilling employees at record speed as it was in 2012, although the Group continues to hire to serve its needs.

Between the end of 2014 and the end of 2015, with workforce reductions offset by new hires, the Group's number of full-time employees fell less than one percent from 89,207 to 88,355. However, this figure does not reflect the organisational transformation and ongoing automation and digitalisation that will enable Maersk Line to further reduce the global organisation by at least 4,000 positions by the end of 2017.

In addition, the significant fall in oil prices has required the Group to cut costs, which has led to workforce reductions being carried out in the first months of 2016 in Maersk Oil and Maersk Drilling that are not captured in this figure.

"We must of course be thoughtful about the number of employees. But at Maersk, you should always be treated well as an employee," says Alziari, who is well



Photo: Peter Einbalt

"It was good to see our engagement score increase in 2015, during what was quite a challenging year," says Group Head of HR Lucien Alziari.

IN MY OPINION

Times like these challenge us to reinvent ourselves

"At Group and local level, there is a competitiveness within a downturn that creates a need to be more outward looking, to emphasise the capability and robustness of our organisation externally."

"Times like these challenge us to reinvent ourselves. Even in the toughest scenarios, the company keeps on believing in its talents, providing them with training and promoting the culture of resilience, meritocracy and innovation."

Such are some of the quotes from Maersk employees. Maersk Post asked them to reflect on what inspires and engages them in times when market conditions are tough. For all their answers, please continue reading:

Felipe Couto,

Warehouse Coordinator
at APM Terminals:

"At Itajaí, we faced major floods in 2008 and 2012, whereby dozens of colleagues were dismissed, and millions of dollars were lost in terms of our infrastructure and operations. Now we have this economic downturn. Times like these challenge us to reinvent ourselves. Even in the toughest scenarios, the company keeps on believing in its talents, providing them with training and promoting the culture of resilience, meritocracy and innovation. We have a precious union between peers and the respect of our leaders. We lift each other and we care for one another. I've been here for the last 10 years and I feel proud of the way we fight and our way of winning."



18  weeks

paid maternity
leave

20% 

reduced hours
at full pay

1  week

paid paternity
leave

aware that these organisational changes could meet pockets of resistance and affect employee engagement:

"It was good to see our engagement score increase in 2015, during what was quite a challenging year. We use the Employee Engagement Survey as a barometer to figure out whether people are moving with us. Trust is built over time."

Investing in people

The Group has strengthened its efforts to retain and invest in its employees and make Maersk an attractive place to work, Alziari says.

"Just as we feel good about our operational performance, we feel good about the talent resources we've built up," he says.

To boost the retention of women after childbirth or adoption, the Group implemented a new global maternity leave policy in April, giving employees a minimum of 18 weeks of maternity leave on full pay, subject to local workforce regulations.

Furthermore, despite tough market conditions and

salary freezes in some business units, every business unit paid out bonuses for 2015.

"Our incentive programmes work to reinforce our strong performance culture. It's crucial to still recognise performance despite salary freezes in some industries," Alziari says, adding that compared to European and American companies, a relatively higher percentage of total compensation is fixed rather than variable, a fact that reflects Maersk culture.

"In more difficult times, employees will see that there is less risk in their total compensation. Besides, we don't ever want compensation to drive thoughtless or short-term actions that could undermine our safety focus," he says.

Preparing for growth and innovation

The Group aims to grow through the downturn by

"In more difficult times, employees will see that there is less risk in their total compensation. Besides, we don't ever want compensation to drive thoughtless or short-term actions that could undermine our safety focus"

Lucien Alziari, Group Head of HR



Photo: APM Terminals

Adriana V. Aguilar, Mexico Customer Service Manager, APM Terminals:

"For me there are two things essentially: To keep working with passion - as these are times when we need to become more profitable and remain close to our customers, and to maintain a strong connection with my teams and the company's values."



Photo: Felix Sautfert

→ focusing on market investment opportunities and innovation. People are one of the most important assets in that drive.

"When the Group looks at future growth opportunities, we also see these through a talent lens: Do we have the people resources to support our growth?" says Alziari.

In addition to hiring, the Group makes an effort to hold on to high-performers. For example, when Maersk Line underwent staff cuts in 2015, the Group intervened to redeploy around 30 employees to other parts of the organisation, for example in APM Terminals. With organisational changes can also come career advancement opportunities, Alziari notes, citing several examples of staff members being promoted.

And when the Group does have to let go of staff, it does so in a supportive way in keeping with our Values, he adds.

"What we do know from feedback in exit talks is that when we say goodbye, we do so in a supportive manner and provide a good safety net. Hopefully, we'll be able to see some of those employees re-enter when the markets turn," says Alziari. "And while change can be difficult, it's not only negative," he adds:

"In the oil-related businesses, for example, there's also a recognition that focusing on our cost structures was a healthy exercise to go through. We've established good habits so that we can benefit fully from a turn in the markets." ❄

Photo: Rene Strandbygaard



→

...IN MY OPINION

Photo: Maersk Drilling



Ole Grindvold, Floorhand on Maersk Integrator, Maersk Drilling:

"I think we are more focused in the way we work to keep up the performance on the rig. We almost always exceed our targets, and it is motivating to know that we are doing better than expected. That might increase our chance to get the rig a new contract. There is not much more we can do to control the situation we are in. We have also taken up the challenge to become the best performing rig in the fleet. This is something that also motivates us to constantly look at what we can improve, do better, safer and faster. The fact that it works, helps us to keep pushing on."

Photo: Maersk Line



Building talent pipelines

► “We’re continuing to invest in talent because it’s important to our business. While we’ll be judicious about where to invest, it’s something CEOs are spending more of their time on, not less,” says Ricardo Sookdeo, Head of Group Talent Management and HQ HR.

When asked whether the talent initiatives are reserved for the select few, Sookdeo responds that the target group mainly consists of high-performers and those in critical roles so that the programmes are tailored. However, efforts are not only focused on the top-levels, he says.

“Over the past two years, the talent review process has gone deeper into the organisation, rolling down to job level 5 in some places. It’s also gone wider, extending to regions around the

world in an effort to build local talent pipelines,” says Sookdeo.

In February, for example, twenty standout managers from across the Group graduated from MPower, a new China-focused leadership programme that grew out of the 2014 Group Regional Talent Review meeting in Singapore. Similar regional talent reviews are also being conducted in Latin America, India, the Middle East and Africa – markets in which the Group still lacks senior local leaders, says Sookdeo.

Rosa Cai, the Head of HR for Maersk Container Industry in Dongguan and an MPower participant, welcomed the focus on leveraging local talent, saying:

“In China, we used to think that in the Maersk Group, people have a ceiling to hit. That if you wanted to be a leader, you could at most reach the general manager level. But now, with this programme, we understand that we can move even further, and that the Group will even invest in us to develop capabilities which are not strong enough.”

The strategy

The Group’s aim in talent development is to help accelerate **high performers to go further faster**, given their ambitions, capabilities, performance and potential.

- The talent review process drives talent decisions, taking into account factors such as an individual’s performance ratings, development needs and mobility, as well as the needs of the business.
- The framework allows for better movement of talent in the organisation and helps create succession plans for key roles in the business.

Methods to help high performers advance include giving people on-the-job stretch assignments, coaching and mentoring, as well as investing in a range of development programmes.

Ricardo Sookdeo, Head of Group Talent Management and HQ HR: “We’re continuing to invest in talent because it’s important to our business.”

Roeland IJssel de Schepper, Captain Maersk Karachi, Maersk Line:

“Communication and information flow are important. The company has actually become much better at this. We may be far away from markets and clients, but I want to know about what is going on with the company as early and directly as possible. We care, and we want to know. Everyone can help, we can all improve.”



Photo: DAMCO

Jean-Baptiste Elslander,

Chief Commercial Officer Damco, Benelux region and Switzerland:

“I think it’s important we get the same messages from all levels of management about our mission and vision. That ensures we’re all pulling in the same direction and we understand why. My colleagues motivate me; there are a lot of clever people working hard to make this company great. Our customers also keep me engaged. They see us as a respected partner. They tell us we’re doing the right things, investing in innovation and trying to really improve our industry in a way the competition isn’t.”

A new platform for continuous learning

➤ The next time you log onto the learning management system, you may not recognise it. Instead of a static catalogue of courses, you will find a dynamic welcome page with a slider of relevant materials and thumbnail links to useful tools. That's because the Group launched the new system, called myLearning, to replace the old one on May 12.

But the changes are not just cosmetic. In addition to a more modern interface and an improved user experience, myLearning has new built-in capabilities that will be put to use over time and that enable employees to take their learning and development to the next level.

"myLearning will make it convenient and simple for our employees to continue to develop professionally and stay up-to-date with training and compliance. New offline functionality will allow our remote workforce to complete training and compliance certifications in locations like oil rigs, while our flexible workforce can access the system through the Cornerstone app on their smartphones," says **Mads Ingholt**, Head of Group Leadership Development.

The new system also includes a social



With mobile, offline and collaborative learning capabilities, the new Learning Management System, myLearning, aims to drive continuous learning and knowledge-sharing within the Maersk Group.

collaboration tool, myLearning Connect, initially only available in some business units, allowing employees to share links to courses, information and videos, and collaborate on projects and learning activities in open and private groups. For example, a course coordinator can use the social platform to send information to participants, and the dialogue among participants can continue after the course ends.

Learning best from each other

The potential for collaboration in learning is critical, says Kevin Kehoe, Head of

Corporate Learning in Maersk Oil.

"The new system comes at a time of dramatic change in the industry as well as in the learning community. There's a recognition that we learn best from each other. That's at the heart of what we're trying to do: to promote continuous peer-to-peer learning and to enable individuals to drive their own development," he says.

That focus is especially important for a business such as Maersk Oil, Kehoe adds, given employees' deep specialisation of knowledge and the need to bring different disciplines together to create better solutions that drive competitiveness. 🌟

...IN MY OPINION

James O'Flynn, Project Manager with Maersk Oil UK in Aberdeen:

"There are certain consequences of the downturn that have heightened my motivation. The overarching theme is the confidence I have in our organisation and my fellow colleagues seeing us through this cycle and the knowledge that Maersk Oil can have a sustainable future and realise growth ambitions provided we quickly adapt to new ways of working.

Inherent to the new ways of working are the opportunities to take ownership and deliver tangible change. Together with the current visibility and transparency that exists around change, this means, curiously enough, that the present situation can be even more professionally rewarding than working in a higher oil price environment. Lastly, there is a competitiveness within a downturn that creates a need to be more outward looking, and to emphasise the capability and robustness of our organisation externally, be it at Group or local level.



Photo: Maersk Oil

An example of this is the opportunity to lead our Integrated Technical Services strategy – this is key to our everyday business, our growth potential and provides the external assurance that we have a coherent and robust strategy for our technical services with the ability to be scalable. Central to this has been the opportunity to be outward looking, to educate

ourselves about the local impacts of the oil price on the supply chain and to identify which vendors are bringing real cost and technology innovation to the market. Having a relationship-based approach to these vendors helps us remain the most efficient oil company at this point in time."

IF YOU SEE SOMETHING... **SAY SOMETHING.**

WHISTLEBLOW

The Maersk Group is committed to conduct business in an upright manner. When someone violates a Group Policy or law, he or she places the Group, and possibly other colleagues, at risk.

If you see a violation, and you feel you cannot effectively deal with it through your manager - contact the whistleblower hotline.

Your report can be anonymous and is recorded and managed by an external vendor. The system is available 24/7 and in 75 languages.

Type “**whistleblow**” on your browser or go directly to www.maersk.ethicspoint.com

You can report on:

- Fraud
- Corruption
- Competition
- Insider Trading
- Trade sanctions
- Money laundering
- Discrimination, sexual harassment and retaliation
- Health, safety and environmental violations
- Breach of IT security and data privacy
- Key human rights risks

However, this doesn't cover:

- Ordinary employment related complaints (e.g. wages, holidays)
- Practical complaints (e.g. heating in office)
- Job applications

Issues relating to these matters should be reported to your direct manager or HR department

Attention!

Emergency situations such as immediate threats to lives or property are not applicable because reports generated through the whistleblower system may not receive an immediate response. If you require emergency assistance, please contact your public emergency services.

If you are an employee in the Maersk Group, and in urgent need of medical or security assistance, please dial +44 208732 8351



MAERSK



WHAT WOULD YOU DO?

Photo: Peter Elmholt

HEALTHY COMPETITION | A new interactive online quiz and an infographic allow employees to test how well they know the five Group Policies, which along with the Values, form the backbone of the Group and guide employees in how they should conduct themselves.

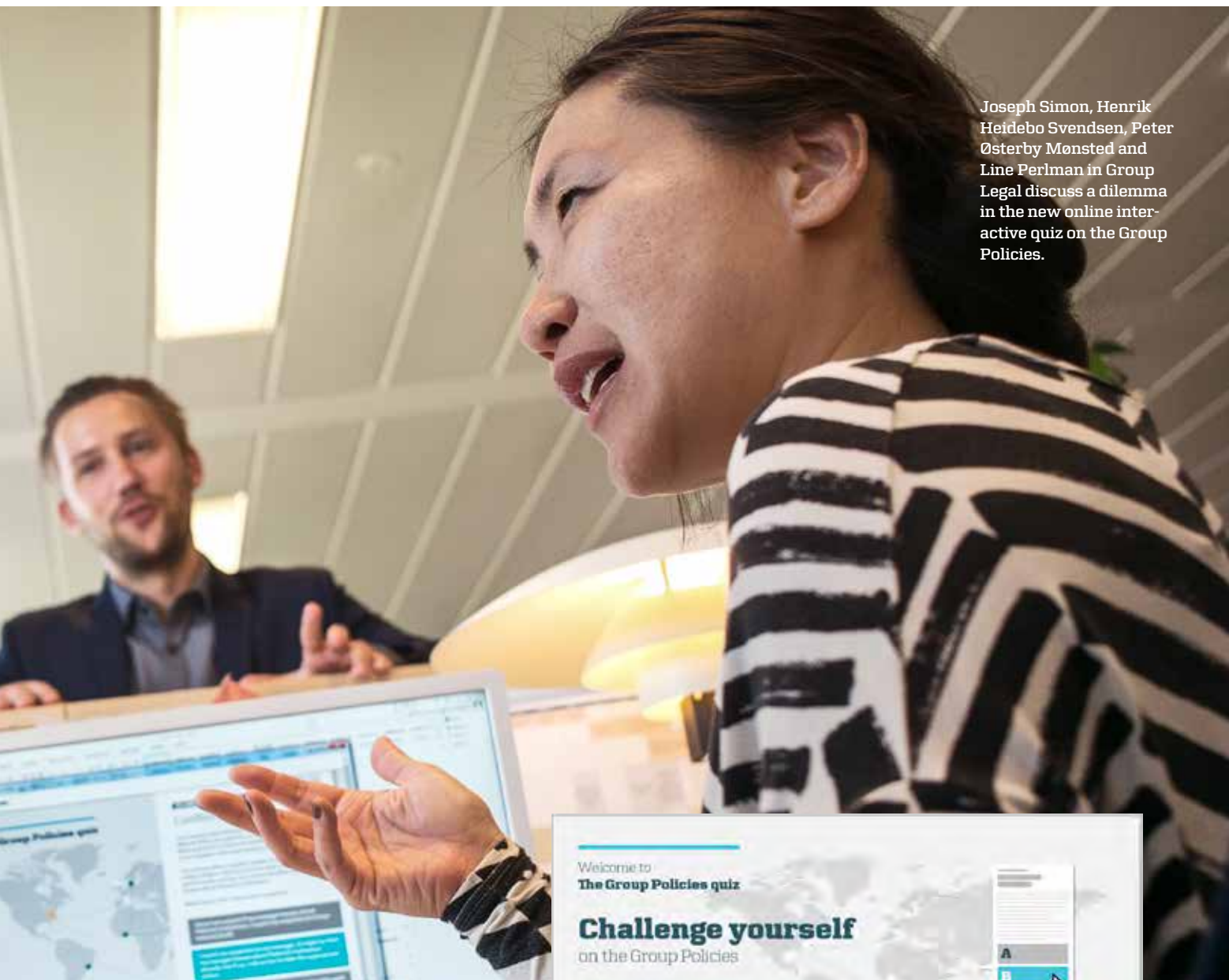
BY TERRY BAYNES

👉 Your pulse races as you notice the clock running in the corner of your computer screen. Not only do you have to answer a series of multiple-choice dilemmas under time pressure, you are also competing with colleagues across the Group as part of a new interactive quiz on the Group Policies.

Tabinda Khurshid, Commercial Business Process Owner at Maersk Tankers in Copenhagen, got a sneak preview the quiz as part of an employee focus group. Halfway through, she ran into a hypothetical dilemma: an important customer has ordered a large expedited shipment to stock shops globally before Christmas, but

a customs official is demanding payment of 100 USD to clear the shipment in time – a so-called “facilitation payment,” or gift demanded by a low-level official to perform routine duties.

For Khurshid, the dilemma was not just a theoretical one. She immediately recalled an experience she had about nine years ago, when she was a trainee working for Maersk Line at a port in Karachi, Pakistan. A customs official demanded a facilitation payment to clear a customer’s private shipment of two Ferrari engines for his boat. The customer was an important client who routinely shipped containers for his business.



Joseph Simon, Henrik Heidebo Svendsen, Peter Østerby Mønsted and Line Perlman in Group Legal discuss a dilemma in the new online interactive quiz on the Group Policies.

Access the interactive quiz and infographic on the Group Policies section of the COMMIT site. Type "Commit" into Internet Explorer to reach the COMMIT site, where you'll find a prominent link to the Group Policies section with the new online tools.



Due to Maersk Line's refusal to pay the facilitation payment, the private shipment was delayed for over half a year, recalls Khurshid, to the dismay of the client, who just wanted to take his boat out on the water before the summer was over.

"That was such a dilemma. I wanted to look the other way," Khurshid recalls, adding that her experience underlines the value of the new online learning tools.

Along with an interactive infographic, the quiz gives employees a chance to explore actual stories from around the Group and test their hand at applying the five mandatory Group Policies to real-life situations.

While the new online learning tools are not mandatory, employees are required to familiarise themselves with the Group Policies, which govern how they are to engage with customers, colleagues, →

What's in the quiz?

When users log onto the new Group Policies quiz, they will choose an avatar – from a man or woman in a business suit to others with a hardhat or tools in hand. After selecting a work location, they'll encounter the first multiple-choice dilemma, with a clock running in the corner of the screen. They can score full points for correct answers, half points for partially correct answers, as well as a time bonus for speed.

"We wanted to use the fun, engaging elements of a game, while at the same time allowing employees to experience how the Group Policies play out in realistic scenarios. Difficult decisions often have to be made under pressure," says Line Perlman, Head of Governance, Data Privacy and Legal Risk Management in Group Legal.

The quiz is the latest example of "gamification" – the application of a game design to a non-game context to engage and motivate employees and drive healthy competition among teams.

At the end, users can submit their scores, and see how their business unit stacks up to the competition.

Shehan Goonewardene, Senior Business Controller, who tested the quiz as part of an employee focus group, expects the new game to make his job easier as Damco's anchor for Commit, the Group's governance framework.

"I usually send a lot of people guidelines, documents and manuals. It will be a change for me to put these links on our Intranet portal, right on the front page. It's interactive with a dose of competition, which will help drive interest and awareness," he says.

→ suppliers and the communities in which Maersk operates. The Group has, for example, clamped down on facilitation payments globally under its anti-corruption compliance program.

A shared platform

While the quiz will be targeting new employees during their onboarding, existing colleagues may use the new tools to gain a deeper understanding of the Group Policies and why they play an important role for the Group's business.

"What's part of the culture in one part of the organisation is not necessarily the same in another part. A large global company like the Maersk Group needs a common platform, which is something the new tools reinforce," says Line Perlman, Head of Governance, Data Privacy and Legal Risk Management in Group Legal, who took part in designing the online learning tools.

The Maersk Group launched its five Group Policies in January 2013 with the purpose of putting the Values into practice. While many other companies rely on lengthy, detailed instructions to their employees, the Group Core Values and Group Policies are the basis of what the Group stands for and what this means for each employee.

"The Group Core Values and our heritage are our core strengths, and guide us to make ethically sound decisions to ensure our long-term future. The Group



Photo: Maersk Tankers

Testing out the quiz as part of an employee focus group, Tabinda Khurshid, Commercial Business Process Owner at Maersk Tankers, recalled a real-life quandary she experienced nine years ago as a trainee in Maersk Line.

Policies take that a step further by defining how to apply those ethics in a business context," says Group CEO Nils S. Andersen.

Pursuing what is best for the Group

Following the Group Policies is not always easy or without a price, as Shehan Goonewardene, Senior Business Controller

with Damco in The Hague, realised while taking the quiz as an early focus group tester. Goonewardene, who also serves as Damco's Commit anchorperson, found himself most challenged by a dilemma on whether to pursue a promising new contract at the expense of an existing, loyal customer.


"There is more than one value or angle at play here. I ended up getting it right, but it took a minute or two to convince myself it was the right thing to do," he says. 🧠

Recognition and a reward

The business unit with the best performance and participation rate across the Maersk Group will be recognized in August.

An individual employee, drawn from participants with top quiz scores, will win two free return-trip airline tickets, up to a maximum value.

The results will be based on scores submitted before 12 August. Results will be announced on the Group Intranet @maersk in August, and the individual winner will be informed via email. Find out more on the Group Policies section of the COMMIT site.



“The premise of any business is to make a profit for its shareholders, and the Group Policies help us to keep the end-goal in focus: to pursue what is best for the business,” says Line Perlman, Head of Governance, Data Privacy and Legal Risk Management in Group Legal.

The five Group Policies

- 1.** Business Approach: We pursue profitable business and responsible leadership within our industries
- 2.** Our Brand: We engage with customers, other stakeholders and colleagues to promote and protect our brand
- 3.** Health and Safety: We conduct our business in a safe manner
- 4.** Legal Compliance: We are committed to complying with applicable laws and regulations
- 5.** Our Working Culture: We provide our employees with opportunities to develop and succeed

Photo: Peter Einbrot

Mohamed Kane's

CAREER PLANNING | "What's important to me is ensuring that new candidates coming into our business get opportunities to grow, that we encourage them and help them make clear plans for their development and support and push them in achieving these," says Mohamed Kane, CEO of Damco's West Africa region.

BY JOHN CHURCHILL

➤ Halfway into his first interview, Mohamed Kane wasn't sure Maersk was the right place for him to start a career. He was 24-years old, recently married and a new father. A native of Guinea, Kane had spent a short time working for his family's successful import business, but he wanted to branch out. When he walked into the Maersk office in Conakry, Guinea, he was young, confident, and inexperienced.

"I wanted a nice pay package. That was my primary focus," Kane recalls, laughing. "We talked for a while and then Martin looked at me and said 'Mohamed, I'm not going to pay you the most, someone will offer you more. However, I've seen your test results and your profile, and I like what I see and hear from you. What I will do is make sure you learn this business, ensure you get more responsibility quickly and that you grow. The money will come later'. To be honest, I wasn't totally convinced at the time, but I'm grateful I took the job," he says.



Photo: Antoine Tempé

"Very often I didn't feel entirely ready for a job, but others believed in me, trusted me and helped me succeed"

Mohamed Kane, CEO of Damco in West Africa

The man who interviewed him, Martin Thomle, eventually left Damco but not without delivering on what he said to Mohamed. He would become Mohamed's boss, mentor and friend, pushing



Mohamed to learn and take on new roles and responsibilities within the company.

The first interview

Today, Kane is the boss. The 37-year old father of three is the CEO of Damco in West Africa. From his office in Dakar, Senegal, he oversees the Damco's operations in the West Africa region, which include 190 employees across six countries.

Along the way, he has held a variety of operational, commercial and general management roles in East, Central and West African countries

path to the top



From his office in Dakar, Senegal, Mohamed Kane oversees the West Africa region, which includes 190 employees across six countries, for Damco.

Photo: Antoine Tempe

– what he describes as an “end-to-end education in the business of logistics.”

“Very often I didn’t feel entirely ready for a job, but others believed in me, trusted me and helped me succeed. And every job gave me a new perspective on the business, a better understanding of the different parts of the business and how they come together,” he says.

Kane says he will never forget that first interview and the long-term view it gave him, even if he was not ready to embrace it. And, he is proud to be in the position now to make sure young people coming into the business

get opportunities to learn and succeed like he did.

“Sometimes when you’re young, you want it all, but you have to make choices. I now know I made the right one. What I’ve learned in just twelve years is invaluable, as are the experiences I’ve had, and I’ve got a lot more to learn, I know that,” he says.

“What’s extremely important to me, is ensuring that **new candidates** coming into our business get opportunities to grow, that we encourage them and help them make clear plans for their development and support them, and also push them a bit like I was, as they progress,” he says. 🌟

Forget job positions;

BREAKING THROUGH | Advice from senior Maersk Group leaders: Seize opportunities, take risks and own your career with the new **MyCareer framework**.

BY TERRY BAYNES

✉ Sailing around Mauritius in 1997 as a young officer on the Sovereign Maersk, Keith Svendsen received an unexpected call. It was someone from HR, asking if he would like to move to Italy as part of a three-year development program.

"A couple of weeks later, I was in Italy working in a port," he said, in a role that combined his passion for ships and leading people. That move kicked off a journey that would take him across business units, to the Netherlands, the UK, Turkey, China and eventually back to headquarters in Copenhagen where Svendsen now works as VP of Operations Execution in Maersk Line.

Svendsen told his story at a recent Esplanaden event, hosted by Breakthrough@Maersk on March 17, that brought together senior leaders to discuss their career paths. Their overriding message was clear: Stop thinking about job positions and start thinking about experiences.

All four leaders described dynamic careers across the Maersk Group, which have carried them to different corners of the globe and through a range of roles that stretched them in unforeseen ways.

Maria Pejter, now Head of HR in Maersk Tankers and Svitzer, never imagined that as a 24-year-old fresh out of Maersk's trainee program, she would be moving to Poland to manage workers in a warehouse and a customer service team.

"I knew nothing about warehousing and I knew nothing about leadership, so I was thrown in the deep-end," Pejter recounted.

About Breakthrough@Maersk

The network was established in 2007 when four women in Group Procurement decided to start a discussion on glass ceilings and how to break through them, forming the Maersk Women's Leadership Network. In 2015, the network underwent a strategic transformation, changing its name to Breakthrough@Maersk, with the mission of encouraging people at Maersk to embrace a culture of gender inclusion. With its events and workshops, the network aims to inspire community members to develop new skills and take charge of their careers.



Keith Svendsen's career journey has taken him across business units, to Italy, the Netherlands, the UK, Turkey, China and back to headquarters in Copenhagen where he now works as VP of Operations Execution in Maersk Line.

The focus on key experiences is a cornerstone of the MyCareer program, the simpler and more flexible framework for career development launched in June 2015.

Lucien Alziari, Head of Group HR, underscored that focus in kicking off the event, noting that a diversity of experiences builds leadership muscles, and that is how careers are built.

think experiences



Photo: Peter Elmholt

"The more open you are to all kinds of opportunities, the more opportunities are available to you," Alziari said. He encourages everyone to find their "sweet spot" – the intersection between what they are passionate about, what they're good at and what the business values.

No longer waiting for the call

For the four leaders, early career breaks came in the form of a call from HR. However, that is something that characterised the old system at Maersk – a far cry from the current one.

"Back in the days when we got the call, there was absolutely no transparency about what opportunities were there... That was the only way you could get a job," Maria Pejter remembers.

Now, with MyCareer, employees have access to a comprehensive online job atlas as well as a structured approach to career discussions with their managers to help them navigate their careers and figure out what experiences to pursue.

A key part of that, especially for women, is speaking out and asking for what you want, the leaders emphasised. For Pejter, the pivotal experience came when she realised her passion was for talent management and she decided to go after the role of Head of Group Talent Management.

"When you're very certain of what you want, it's also easier to convince others of the same thing," she said.

Svendsen said that when he first saw his staff card a few years ago, he realised that some of his past career moves had actually been steps down in job grade. Yet he had focused on pursuing roles that would expand his skillset and that he would actually enjoy doing.

By replacing job grades with job levels, which allow greater flexibility in compensation and benefits, the MyCareer framework aims to move away from the idea of a career as a vertical ladder that is to be climbed as quickly as possible.

Lene Reitzel, Head of HR in Maersk Drilling whose path has weaved through Maersk Logistics, Group HR and Maersk Tankers, urged everyone to take risks and grab new opportunities – even those that do not seem like the obvious choice at first.

"Remember that the decisions you're making now are not for life, they're for the next period of time," she said, adding: "There's a choice waiting ahead for you to make and another one and another one." 📌



"I knew nothing about warehousing and I knew nothing about leadership, so I was thrown in the deep-end"

Maria Pejter,
Head of HR in Maersk Tankers and Svitzer

Visit the MyCareer site: <http://mycareer.crb.apmoller.net/>

Visit the Breakthrough@Maersk site: <http://group.apmoller.net/sf/Esplanaden/Leisure/AWLN/Pages/default.aspx>

Keeping the crew safe: Just say stop

SAFETY FIRST | Six out of 22 rigs in the Maersk Drilling fleet have operated for more than five years without accidents resulting in lost workdays. The concept of Stop Work Authority is one of the important factors behind this success.

BY NICOLAI ØSTERGAARD



➤ At midnight on 6 March 2016, the Maersk Heydar Aliyev drilling rig entered the exclusive group of drilling rigs with the most spotless safety record in Maersk Drilling.

Maersk Completer, Mærsk Inspirer, Maersk Resolute, Maersk Resolve, Mærsk Giant and now **Heydar Aliyev** have all operated for more than five years without any accidents leading to the loss of one or more workdays for a crew member.

The most serious category of accidents aboard drilling rigs is measured in so-called Lost Time Incidents (LTIs). Five years without any LTIs means that the Heydar Aliyev has experienced more than five years in which no crew member under Maersk Drilling's authority has experienced an injury so serious that she or he was unable to resume work after a medical check.

A variety of tools

This remarkable achievement did not happen by itself.

"When it comes to safety there is a variety of tools one can use. And you have to use all of them all the time," says Rig Manager for the Heydar Aliyev, Steve Thorley.

One of the most important cards in this safety solitaire is called Stop Work Authority. This means that every member of the crew is under obligation to push the red button and stop the work process.

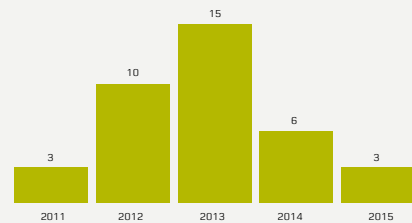
"The use of Stop Work Authority has continually been reinforced and demanded as an

obligation of employment on this rig. Every time we have experienced a situation with just the slightest potential of an incident happening, we have analysed the series of events very carefully and have ended up concluding that it is typically linked to the fact that our Stop Work Authority-culture was not as in-grown as we thought it to be. This has paved the way for a persistent emphasis on the need for employees to stop the job,

"Every time we have experienced a situation with just the slightest potential of an incident happening, we have analysed the series of events very carefully"

Steve Thorley, Rig Manager for the Heydar Aliyev

Lost time incidents



reassess and re-communicate should a job move in the wrong direction," says Thorley.

The importance of learning from previous accidents and near-misses plays an important role in Thorley's safety campaign.

Learning from history

Every time a minor incident occurs on board the rig, the crew analyses not only the specific occurrence, but also any underlying trend that needs to be addressed, including accountability, leadership, lessons learned from historical bulletins, and any trends identified during the analysis.

"It is important to study the historical bulletins. We believe that our ability to fully assess the risks we are exposed to, depends on our understanding of how things can go wrong," Thorley continues.

A three day risk awareness course has been developed for new hires prior to their going to the rig. This gives all new Roustabouts a much better understanding of the processes on board and all new employees are much better prepared for contributing to the planning and are more willing to participate in the planning and more eager to use their Stop Work Authority. They have no preconceived ideas that stopping the job is only something that management can talk about.

Best year for safety

This professionalised approach to safety is one of the



Maersk Group - safety essentials

We are all responsible.
If you see a risk, you own it.

We all have the authority.
Stop any unsafe action or operation.

We all have an obligation.
Look out for each other.

Photo: Maersk Drilling

factors underlying the fact that 2015 was Maersk Drilling's best year, in terms of safety.

"The most encouraging thing in 2015, has been to witness the professional manner with which the rig teams have worked on safety issues. We have deployed several new drilling rigs and acquired many new employees in 2015, and yet we have managed to keep the frequency of Lost Time Injuries at its lowest level ever, while simultaneously maintaining a high uptime,"

says Head of Health, Safety, Security, & Environment in Maersk Drilling Bent Nielsen.

According to Nielsen, the rig teams have shown great enthusiasm in taking responsibility regarding the effort to minimise personal injuries.

"We must give the **rig teams** a lot of credit for the fact that Maersk Drilling only had three accidents resulting in lost workdays directly under our responsibility in 2015," concludes Nielsen. 🌟

Every member of the crew is under obligation to push the red button and stop the work process if they see even the slightest hint that an adverse incident might occur.



It is Mexico's moment right now

CHILDREN OF NAFTA | Mexico has become a manufacturing titan and lesser-known areas of the country such as Guadalajara's technology hub are driving the economy. Trade and globalisation are key ingredients to the nation's secret recipe as it seeks to take the next step up.

BY ANDERS ROSENDAHL

✉ "It is definitely Mexico's moment right now," says Mario Veraldo, Managing Director of Maersk Line's Middle America Cluster.

"The country is part of the global supply chain and connectivity between Mexico and Asia is critical for that to work. By being on time every time, Maersk Line is enabling that supply chain, where Asia and Mexico will be key for the next couple of years," he adds.

Twenty years after joining the North American Free Trade Agreement (NAFTA), Mexico has penned more than 45 free trade agreements, making it one of the world's **most open economies**. Exports have grown five-fold, the country is one of the world's top

15 manufacturing economies and a top-5 automotive producer with major global brands present. As nearshoring sees production moving closer to consumption, proximity to the US is adding to the positive trend.

Free trade, big vessels

"Mexico has changed radically in terms of its economic structure over the past 20-25 years. It is now an open economy looking outwards rather than inwards," says Eduardo Garcia, an independent economist in Mexico City and founder of Sentido Común, a Mexican financial news website.

The Maersk Group is closely linked to the development. Investments such as the continuous introduction



Mexico is one of the most open large economies for the world. According to the World Bank, exports plus imports are equivalent to 66% of GDP, compared with 26% for Brazil and 42% for China. A BCG survey finds that 77% of Mexicans take a positive view of the future. Only 6% are very pessimistic.

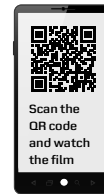


Photo: Felix Sauffert

“Mexico has changed radically in terms of its economic structure over the past 20-25 years. It is now an open economy looking outwards rather than inwards”

Eduardo Garcia, independent economist in Mexico City

of bigger vessels and the APM Terminals’ port endeavour in Lázaro Cárdenas underline the Group’s commitment to a nation that is keen on trade.

In 2015, Maersk Line’s business in Mexico rose by 20% reaching a total of 250,000 containers (FFE).

Trading on technology

Few places embody the impact of trade more than **Guadalajara**, the focal point of Mexico’s technology hub. The export value of technology products and services from the area reached USD 21 billion in 2014, and it is trade that helps drive the business of both small players and global brands such as IBM, HP and Microsoft.

“We do business with all the big companies providing them with supply chain solutions. We bring

NAFTA

- The **North American Free Trade Agreement (NAFTA)** is an agreement signed by Canada, Mexico, and the United States, creating a trilateral rules-based trade bloc in North America. The agreement came into force on 1 January 1994.

Growth

- Mexico’s economy (GDP) is projected to grow by 2.6% in 2016 and 2.9% in 2017 according to the **IMF’s World Economic Outlook Update** (January 2016)



“We bring materials in from all over the world to our assembly production. This makes our logistics very complex, and we need good partners like Damco so we can have our materials on time and cost, so we can offer the same thing to our customers”

Roberto Briseño,
Supply Chain Director at BDT

→ in raw materials for our customers, they produce internally in Mexico and then they re-export the finished goods to the rest of the world,” says Arlés Espino, Strategic Sales Manager at Damco in Guadalajara.

15,000 people work in the IT industry specifically, and more than 100,000 people in the electronics industry, making Xboxes and other consumer electronics, of which much is destined for US consumers. The smooth flow of materials is key for these companies, including BDT, a data storage company:

“We bring material in from all over the world to our assembly production. This makes our logistics very complex, and we need good partners like Damco so we can have our materials on time and cost, so we can offer the same thing to our customers,” says Roberto Briseño, Supply Chain Director at BDT.

The big enabler

Dubbed a Mexican ‘Silicon Valley’, observers note that Guadalajara, while heavy on the manufacturing of electronics, still has some catching up to do when it comes to innovation.

“There is a slight opening of the entrepreneurial potential in Mexico,” says Eduardo Garcia.

“I see young guys coming up with Apps for mobile devices and ideas for things on the internet, but we still lack a culture of entrepreneurship in Mexico. However, It is something that is emerging and I hope to see more of it over the next few years.”

Maersk Line’s Mario Veraldo also sees the growing production capacity, the rise of a consumer market of 120 million people and an ability to step up in the value chain as elements that will keep Mexico interesting for years to come, not least as trade with other Latin American countries is expected to increase.

“Over the next couple of years it will become clear how important Mexico’s economy is for all of Latin America because of how much products it attracts and how much it sends out. And I think Maersk Line will continue to be a big enabler for that to happen,” he says. 📍

An auto boom

GROWTH | Mexico’s auto industry has attracted global multibillion dollar investments. For **KIA Motors**, a South Korean carmaker, this has led to Maersk Line bringing in equipment for a state-of-the-art plant in the Mexican desert. Now, it is bringing in steel, parts and other input for the 300,000-cars-a-year production machine.

BY ANDERS ROSENDAHL

➤ KIA Motors’ new factory in Monterrey was already taking shape in late 2015. Massive, grey structures were rising from the desert. Mexican and Korean workers, helmet covered heads wrapped in scarves to protect them from the blazing sun, were immersed in finalising the plant they only began building earlier that year. The training of new employees was also well underway.

“We will be providing jobs for 3,300 directly at the plant and roughly 7,000 indirectly when we start production,” Sonja Aymá Garza, a public relations assistant manager with KIA Mexico, explained as she gave a tour of the construction site.

While Mexico has become a global top-5 automotive producer, KIA Motors is one of the newcomers. Garza joined in January of 2015 as employee number 24. By the turn of the year, the employee count had exceeded 1,000. Additional mass hiring and training was in progress, parallel to containers with equipment arriving thick and



Photo: Felix Seuffert



Photo: Felix Seuffert

Hiring from all over Mexico, KIA Motors will employ 3,300 people at its new facility in Monterrey. In addition to the training facility in Monterrey, new employees have travelled to factories in the U.S., Brazil and Korea to learn the KIA way of auto making.

from the desert



fast, for the plant to be ready to start production only a few months later.

Mexico's auto industry used to assemble parts produced north of the border and then re-export finished cars back to the U.S. The North American Free Trade Agreement (NAFTA) and the globalisation of the auto industry changed this dramatically. Giants such as VW, Toyota, BMW and KIA have built state-of-the-art factories in Mexico and logistics have become much more complex.

"A car is not produced in just one place anymore, and carmakers will continue to import and export to enable production," says Mario Veraldo, Managing Director of Maersk Line's Middle America Cluster.

"The fact that we have been able to take cost out of the global supply chain for the last many years puts us in an important position. We help them become truly global," he adds.

Key to pushing competitiveness has been the continuous introduction of larger vessels on the trades from Asia to Mexico, from the 6,700 TEU Maersk Seletar in 2008 to the recently deployed 13,500 TEU mini Triple-Es.


Mexico produced 3 million vehicles in 2015 and is expected to reach 5 million by 2020. Parallel to this,

Maersk Line has quadrupled its business with the global automakers of Mexico, seeing the number of containers rise to just shy of 20,000 (FFE) between 2011 and 2015.

For the KIA Motors project, Maersk Line moved 2,000 containers with equipment, a 35-40 day journey from Seoul. The project had an aggressive timeline, which did see challenges, e.g. in terms of weather and other things that cannot be controlled, putting Maersk Line's team to the test as it worked to keep the project on track:

"Global business is very demanding from a logistics perspective in terms of cost efficiencies, lean processes and of course compliance under the different countries. In order to succeed, we have to rely on shipping companies to take care of all that, and that's what Maersk Line has brought to the project," says Customs and Logistics Manager of KIA Motors Mexico, Hugo Aguilera.

"Maersk Line has been a great partner for the project," he adds.

With the KIA facilities in Monterrey ready to begin production, Maersk Line and KIA Mexico recently entered into a new agreement that will see Maersk Line, starting in May, transport 3,000 containers (FFE) from South Korea to Monterrey to provide parts and other input to the production machine. 

KIA Motors is one of many global auto giants setting up production facilities in Mexico, where output is expected to reach 5 million vehicles by 2020. During the past four years, Maersk Line has quadrupled the number of containers that it brings into Mexico for its auto makers.



Every little bit counts

STRENGTH IN THE GROUP | Knowledge and experience of fuel efficiency, built up in the Maersk Group's shipping businesses, are now helping in oil-related areas. **It has already achieved substantial savings for Maersk Drilling and more are possible.**

BY SAM CAGE

➤ Sometimes, a simple idea can bring **big benefits**.

When a number of employees switched from Maersk Tankers to Maersk Drilling, they noticed there was potential for running a fuel efficiency programme to reduce the environmental and cost impacts of operations – something that had become common in the Maersk Group's shipping businesses.

These costs had not been of great importance in oil- and oil-services businesses like drilling while prices were high. However, with tougher competition for business, providing customers with a better service can help to keep assets at work.

A pilot study was initiated and fuel flow metres and energy meters were installed on a rig. This let to fuel savings of about 8% a year – and USD 304,000 for the client.

"Why reinvent the wheel? Let's use the expertise we

have in the Group," says Varun Ramdas, Environment & Energy Manager at Maersk Drilling. "Shipping pays for its fuel; the client pays for fuel with Drilling. This led us to think: why not use our internal experience and draw on that knowledge to try and differentiate ourselves? Every little bit of differentiation counts, especially in a new oil reality."

"We want to make energy efficiency an integral part of our business model and help clients reduce their operating costs in the process," says Ramdas, who moved from Maersk Maritime Technology, where he had worked on efficiency for Maersk Line and Maersk Tankers, in 2014.

Not rocket science

Practices that were already common in the shipping industry were adopted by Maersk Drilling and modi-



Working together: Varun Ramdas (left) and Steen Sander Jacobsen are using expertise from shipping businesses to bring more fuel efficiency to Maersk Drilling.

A pet project with potential

Steen Sander Jacobsen spent a week going through the systems on one of Maersk Drilling's new V-class drillships. Jacobsen, Maersk Tankers' Head of Cost Leadership, found there was nothing on board he could use to capture the data on energy flows – the first necessary step towards improving efficiency.

The reporting system from the Group's shipping businesses was imported and adapted to the drillship. Processes were set up to conduct daily analysis of fuel consumption and trend performance, and specialist software was developed and installed to further evaluate efficiency and identify areas for improvement.

The results of this initial pilot study showed fuel savings of around 8% per year. In 2014, the drillship consumed 4,000 tonnes of fuel at a cost of USD 3.8 million – a reduction in emissions of 1,000 tonnes of CO₂ and savings of USD 304,000 in fuel costs for the client.

"It has developed from being a pet project to analysing consumption and helping with maintenance costs," says Jacobsen. "We work with the drill units as we work with a vessel, and the potential is not exhausted yet."

fied to its assets, with the aim of benchmarking performance across its fleet and potentially across the drilling industry. Ramdas asked Maersk Tankers if they could help and Maersk Drilling's client agreed to help fund the installation of the necessary equipment because of the potential savings.

"We target abnormalities very quickly. We capture them almost immediately and, for example, stop pumps running that should not be in operation or optimise the use of auxiliary engines and power generation," says Steen Sander Jacobsen, Head of Cost Leadership at Maersk Tankers, where a team of 16 is now looking at Maersk Drilling's data as well as that for its own and pool vessels.

"What we're doing is not rocket science, but we never let go. In fact, we are making the biggest savings on simple, simple things."

More agile, more value

With solid evidence of the programme's success, Maersk Drilling approached other clients and considered other opportunities for using practices from the shipping industry to make savings, which Varun Ramdas sees potentially reaching almost 15% in total. Depending on fuel prices, that could amount to USD 300,000-1 million.

Techniques like hull cleaning and polishing and slow steaming, used already in the Group's shipping businesses, can offer value to both the service provider and client because using equipment more efficiently also reduces maintenance costs as well as fuel consumption.

"This makes us more agile and the data we capture through this programme helps our experts in technical and operations translate that into economic value – both for the client and Maersk Drilling." 🌟

"We target abnormalities very quickly. We capture them almost immediately and for example, stop pumps running that should not be in operation or optimise the use of auxiliary engines and power generation"

Steen Sander Jacobsen,
Head of Cost Leadership
at Maersk Tankers

News in brief



Mr. Møller honoured with a postage stamp

Mærsk Mc-Kinney Møller's daughters and grandchildren attended the unveiling of the postage stamp in late March with their families.

In her speech, Ane Mærsk Mc-Kinney Uggla, Chairman of The **A.P. Møller and Chastine Mc-Kinney Møller Foundation** alluded to the Group Core Value "Our Name":

"The family and I appreciate the fine recognition of my father's work, which this postage stamp honours. We are pleased that it embraces central elements of his endeavours. The vessel Emma Mærsk in the background, named after our mother, Mr. Møller's wife for more than 65 years. The white seven-pointed star on the funnel, the family and the company's symbol since 1886 and not least the MÆRSK name."

An envelope with the new postage stamp was issued to the participants at this year's Annual General Meeting, and it is expected to become a collector's item

Issued by PostNord Danmark, the Danish postal service, the **postage stamp** is an addition to the "Great Danes" series, which celebrates distinguished Danes who have left indelible traces in their wake.



Leise Mærsk Mc-Kinney Møller, Ane Mærsk Mc-Kinney Uggla and Kirsten Mærsk Mc-Kinney Olufsen (left to right) with the sketch for their father, Mærsk Mc-Kinney Møller's postage stamp.

The wrench, the screwdriver

THE CONNECTED PLATFORM | Operators on Maersk Oil's Culzean platform in the North Sea will be as likely to carry a tablet as more traditional tools. Advanced information management will mean more data can be stored in a more easily accessible format – making the whole operation more efficient.

BY SAM CAGE

➤ There's a problem with a valve on a North Sea production platform. A worker steps outside with a tablet and snaps a photo.

Back onshore, they pull up the whole history of the part – how old it is and what maintenance has been carried out – at the push of a button. Linked up on a permanent video conference, the experts in the onshore office can quickly assess the best course of action and immediately discuss this with the manufacturer and offshore team.

This is how Culzean's connected platform will work after production starts in 2019. With fibre optic cables, advanced data management and robust wireless networks that cover the whole facility, everything can be documented online, meaning ease of access, improved safety, and time and money savings.

"The aim on Culzean is to tie everything together," says Stuart McAuley, Culzean Engineering Manager. "One of the biggest challenges offshore today is that you spend a lot of time finding the right data. What we plan for Culzean is if something breaks or a valve needs replacing, you will have instant access to the data required whether you are on the worksite, office or the other side of the world."

Design expertise

The technology already exists, but is often employed piecemeal, meaning the full benefits are not realised.

With a fully connected platform, more positions will be able to be based onshore, and maintenance and ordering of spare parts can be better planned. The aim is

Planning ahead means operational delivery can be as a competitive as possible throughout Culzean's lifespan, says Gretchen Watkins, Maersk Oil COO.



With a fully connected platform, more positions will be able to be based onshore, and maintenance and ordering of spare parts can be better planned.

to improve efficiency by 20% in terms of people's time.

"With the challenges in energy markets, using technology to improve our efficiency and bring sustainable cost savings is becoming ever more important. We estimate the digital toolkit can save more than USD 10m annually," says Troels Albrechtsen, Vice President for Corporate Technology & Projects.

"The planning that is going into Culzean is building minimised costs into the whole project and new models of working that offer protection against wherever markets go next."

Critical equipment will be tagged so that when it is scanned, key details such as manufacturing data and certificates and video simulation of maintenance and operations come up immediately. Routine maintenance will be carried out by checking off a list on a tablet.

Building in lower costs

One of the biggest costs offshore is helicopter flights. By basing more staff onshore, the number of required flights will be reduced, bringing significant savings.

The permanent video link will mean onshore and offshore teams can communicate face-to-face whenever

and the iPad



The Culzean project

- Approved by the UK Oil and Gas Authority in August 2015, Culzean is located about 240 kilometres off Aberdeen and is expected to produce enough gas to meet 5% of total UK demand at peak production in 2020/21
- Its forecast plateau production is 300-450 million standard cubic feet per day, giving Maersk Oil equity production of 30,000-45,000 boepd
- Maersk Oil UK (49.99%) is the operator of the high pressure, high temperature (HPHT) field. JX Nippon (34.01%) and Britoil (BP) (16%) are its partners
- Culzean benefits from an HPHT fiscal allowance, which exempts a portion of a company's profits from the supplementary charge, or top-up tax paid by the North Sea industry

needed, simply by walking into the conference room and asking their counterpart to join them at the other end.

"We have decided to have a small operations team embedded in the Culzean project team from an early stage. By planning carefully in the design phase, when we have the expertise of the design team and vendors on board, the operations team has established the foundation for bigger savings through the operating phase," says Gretchen Watkins, Maersk Oil's Chief Operating Officer. "This ensures operations excellence is given the best chance of success and our operational delivery can be as competitive as possible throughout the life of the facility." 📱

News in brief

Maersk News is on its way to your mobile device

Stay up-to-date on the go. The new Maersk News app is being rolled out to all company managed devices across the Maersk Group in both iOS and Android versions.

The installation is seamless and once installed, the Maersk News app icon will appear on your home screen:



Aside from being a one-stop portal for Group and Business Unit News, the app prompts you whenever new content is available. The updated news carousel allows you to fully customise your alerts, so that it will feature the specific news and announcements from your business unit. It also gives you access to bulletins and people news from across the Group.

Likewise, in the Social section you can choose to view all feeds pushed to social media platforms by the Maersk Group or your individual Business Unit.

To read more about the app please visit <http://maersknews/>

1 million kilometres without road incidents

Road safety has always been an area of concern for Maersk Oil in Kazakhstan where the company has onshore operations that involve a high level of vehicle use.

In 2013, the company announced zero tolerance of seat belt violations and reduced the speed limit at the Dunga field to 30km/h in order to improve its road safety performance.

The installation of IVMS (in-vehicle monitoring system) in all company run vehicles was initiated in 2014. Maersk Oil Kazakhstan launched compulsory defensive driving training the same year. To drive and encourage road safety further Maersk Oil Kazakhstan introduced its 'Driver of the Quarter Award' in 2015.

In 2016, Maersk Oil introduced the Incident-Free Life-Saving Rules to reinforce its stance and message in terms of safety, including when its employees are driving.

"A driver's job comes with a high degree of risk and is very important, yet sometimes under-recognised. We may have all the necessary rules and restrictions in place, as well as constantly monitoring the condition of our vehicles, but at the end of the day it is people who follow those rules, drive those vehicles and remain vigilant," says Phil Cunningham, Managing Director of Maersk Oil Kazakhstan.



2015 ended badly:

The culprit is price declines in oil and freight rates

“A MIXED PLEASURE” | While the Group’s financial performance was not satisfactory, its response to the tough markets was. In his report at this year’s **Annual General Meeting** held in Copenhagen, the Chairman of the Board of Directors emphasised that a return on invested capital of 2,9% in 2015 is not satisfactory.

BY FLEMMING J. MIKKELSEN



► Presenting the Maersk Group’s result for 2015 to more than 1,150 shareholders in the Bella Centre in Copenhagen was a “mixed pleasure” for the Chairman of the Board of Directors.

“Although 2015 started well, it ended badly,” said Michael Pram Rasmussen, explaining that declining freight rates and oil prices had led to both Maersk Line and Maersk Oil ending the year with a loss-making quarter.

“This trend led us to issuing a downgrade of our expectations for the year’s underlying result in October,” Pram Rasmussen said.

The chairman was referring to the fact that in the first quarter of 2015, both Maersk Line and Maersk Drilling reported their best underlying quarterly results ever. Maersk Line and Maersk Drilling had profits of USD 710m and USD 195m, respectively, in the first quarter.

“The Group’s profit in the first half of the year was just over USD 2.6bn, but our overall profit for 2015 amounted to only USD 925m,” Pram Rasmussen said. “And let me be clear, the return on our invested capital of 2.9% in 2015 is not satisfactory, financial speaking.”



Photo: Rene Strandbygaard

Michael Pram Rasmussen at this year's Annual General Meeting in Copenhagen.

The Group's share price dropped over the course of last year, which led to some critical questions from the shareholders at the meeting.

One critic, Claus Berner Møller, vice president of ATP, the Danish pension giant, asked if Maersk Line was losing its edge over competitors, pointing to a comparably smaller EBIT margin in Q4. Another critic, Michael Thøgersen, representative of the Danish Shareholders Association, questioned the wisdom of the dividend payment to shareholders in these tough times but also complimented Maersk's management for not "sitting on its hands."

Shareholders at the Annual General Meeting: IN MY OPINION



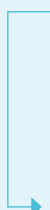
Thomas Jürgensen: "Excellent meeting with straightforward answers. I would appreciate more answers on how Maersk Line and Maersk Oil have tackled the low freight rates and a low oil price. A weak share price stimulates the purchase of more shares."



Hubert Knörr: "Fine meeting. Now I know why the competitors' operations are cheaper than those of Maersk Line. They do not invest in equipment to reduce CO₂ emissions. I'll be attending the meeting again next year."



Lis Bruun and Eyvin Bruun: "Maersk is good at running a business under tough conditions. We appreciate that. Unfortunately, we no longer know most of the other AGM participants."



Dorte Lyth: "As usual, we received very detailed answers to the questions being asked. In addition, and as usual, the questions were answered with a good sense of humour."



Kirsten Ehlers: "Great to be present at the meeting. All the activities have been conducted professionally. I would have liked to hear more about the consequences of the named listing of shares."

Photos: Rene Strandbygaard



Danish media were eager to interview Vice Chairman of the Board of Directors, Ane Mærsk Mc-Kinney Ugge at this year's Annual General Meeting held in Bella Centre in Copenhagen.

Photo: Rene Strandbygaard



Pram Rasmussen replied that with the low price of oil, Maersk no longer has a competitive advantage because of its large environmental investments in its vessels.

He also underlined that, despite great difficulties, the company is trying to smooth the shareholders' losses on shares through the dividend policy.

"It is true that the price has fallen by 42 per cent. But if you take our dividend into account the loss is down to 11 per cent. I would definitely not say that this is satisfactory. But it is a result of the fact that both freight rates and oil prices are low, and not due to bad business management," Pram Rasmussen said.

Recycling of old vessels

According to the Chairman, an important issue for the Group is ship-breaking. During the last decade, the Group has recycled a limited number of ships, but this is expected to increase over the next five years.

However, until recently, this was only possible at a limited number of shipyards in China and Turkey, and the price was USD 1-2m higher per ship than at shipyards in India, Pakistan or Bangladesh. The Group has therefore investigated alternative options to shipbreaking in China and Turkey, which at the same time allow for cost-effective and responsible ship-breaking and recycling.

Development in India

"There has been some development within the last few years, especially in Alang in India, where some

shipyards have invested in improving their standards. After thorough investigations of these shipyards by independent experts, we have concluded that the yards already have a good standard and we are interested in supporting this trend further by bringing our ships there to be recycled," the Chairman said, adding that Maersk employees will be present at the shipyards throughout the shipbreaking process.

"We will be maintaining precisely the same standards that we have had for responsible ship

recycling over the last 10 years and we will assist the shipyards when they work to meet our requirements."

Employees were praised

Maersk employees were praised at this year's Annual General Meeting. In his report, Pram Rasmussen drew attention to the fact that the employees are doing an excellent job.

"Every day, our almost 90,000 employees who are spread around the world do their utmost to maintain daily operations in over 130 countries, and they are doing

a fantastic job, despite the difficult market conditions we are currently encountering," he said.

Following on from this, Pram Rasmussen expressed great satisfaction that the group has succeeded in increasing the diversity of its staff.

"We have reached five of our six targets for the proportion of women and the range of nationalities represented in management and are generally speaking making progress in this area," he said. 🇩🇰

"Every day, our almost 90,000 employees who are spread around the world do their utmost to maintain daily operations in over 130 countries, and they are doing a fantastic job, despite the difficult market conditions we are currently encountering"

Michael Pram Rasmussen, Chairman of the Board of Directors

MY MAERSK

Already the Chief Officer of a Triple E vessel at 29, Shravan Kumar Sripathi relishes his job at sea, and the challenges of managing people and leading by example.



"I can't really think of any other job"

BY TAN YI HUI

When he was a boy, the sea was already calling out to Shravan Kumar Sripathi, back in his home of Visakhapatnam, a beautiful coastal city on the eastern shores of India.

"I grew up with picturesque sights of the sea, the beach, distant ships at anchor, the lighthouse and illuminated coastline – all visuals well versed with the seafaring community," says Sripathi.

Leadership by example

Today, some twenty years later, Sripathi works on a **Triple E** vessel. As a Chief Officer at 29, Sripathi says he is satisfied with his career path, which started as a Dual Cadet in Maersk Line back in 2004.

"It gives me a sense of achievement to be on this prestigious fleet of vessels – the Triple E. Five years down the line, I would very much like to see myself as a successful Captain in Maersk Line," he says.

As a leader and aspiring future captain, Sripathi stands by his principles:

"Leadership is all about motivation through example and not by authority. In my opinion, if you want to be accepted and followed unquestioningly, there is no room for double standards in anything you, as a leader, do. It's all about earning respect, not demanding it."

SHRAVAN KUMAR SRIPATHI

Age: 29 years

Nationality: Indian

Education: D.M.S. (Dual Officer, Singapore), B.A. (Bachelor of Arts)

First Job: Maersk Line as a Dual Cadet

Current job: Chief Officer

Interests: Licensed Zumba Fitness Instructor, Dancing, Fitness, Movies, Writing, Travelling, Sports

To Sripathi, visiting new places and working together with a multi-national crew is an enriching experience.

"It has taught me a lot and shaped my personality in being more tolerant and sensitive when dealing with colleagues from very different backgrounds," he adds.

"The exposure at sea helped me grow as a person. And I can't really think of any other job which would allow me to work for 6 months of the year and enjoy a break for the remaining 6 months, thus allowing me to nurture my other interests."

On land, Sripathi is a licenced Zumba fitness instructor. He also teaches hip hop and contemporary dance classes.

"Dance and fitness are two things very dear to me, and I spend most of my time back home teaching and improving myself," he says, adding that besides his diverse dance interests, he is also skilled in martial arts and archery.

A happy ship is a safe ship

According to Sripathi, at sea, teamwork between different departments is of prime importance to ensure the smooth operation of a ship. Daily discussion with the relevant department heads, prioritising jobs and reaching an understanding makes allocation of resources smooth and are just another day at the office. Says Sripathi:

"We try and work towards maintaining the ship as a team which is facilitated by open dialogue and mutual respect," says Sripathi.

To foster camaraderie and teamwork, Sripathi helms on board events like Matz Mania, a fun and games challenge.

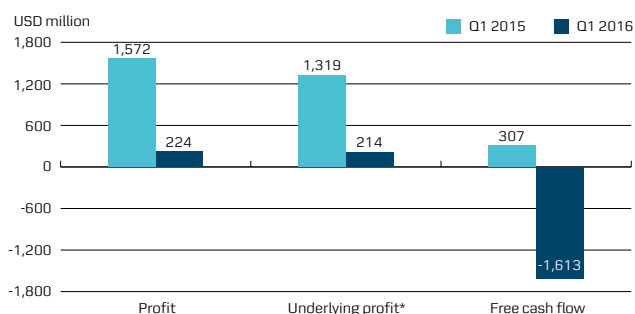
"This event brings out a lot of hidden talent that our crews possess and provides a platform for all to interact and bond on a more personal and social level, which in turn promotes teamwork on board. As they say, a happy ship is a safe ship," says Sripathi. ✨

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.

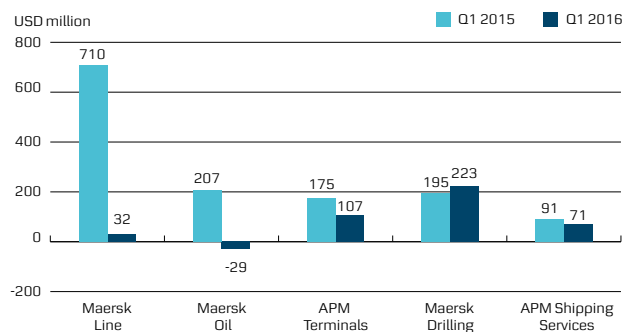
Profitable in tough markets with good operational performance

Group Financial Highlights, Q1 2016



* Underlying profit is equal to the profit or loss for the period excluding net impact from divestments and impairments

Underlying profit by activity*



The Maersk Group delivered a profit of USD 224m (USD 1.6bn) negatively impacted by the low oil price and low average container freight rates. The return on invested capital (ROIC) was 2.9% (13.8%).

GROUP HIGHLIGHTS

Freight rates and oil prices stayed subdued and volatile in Q1 2016 due to continuing significant supply-demand imbalances. Within these difficult markets, the Group executed plans to reduce costs and deliver high operational performance.

Global economic conditions remain difficult to predict and the Group's businesses and ROIC are significantly impacted by large short-term volatility.

The underlying profit of USD 214m (USD 1.3bn) was significantly lower than that for the same period last year due to all businesses, except Maersk Drilling, Maersk Tankers and Damco, being lower and Svitzer being at the same level as last year.

The Group's revenue decreased by USD 2.0bn or 19% compared to Q1 2015, predominantly due to 37% lower oil prices and 26% lower average container freight rates. This was partly offset by 7% higher container volumes and 15% higher oil entitlement production.

Operating expenses decreased by USD 1.0bn. This was mainly due to lower bunker prices and cost saving initiatives, including lower oil exploration costs.

The Group completed its share buy-back programme in Q1 and acquired own shares to a value of DKK 3.2bn (USD 0.5bn) as part of the DKK 6.7bn buyback programme (approximately USD 1bn).

"We maintain our focus on strengthening the Group's position in the market and have completed acquisitions within APM Terminals and Maersk Oil, and in Maersk Line we have defended our market leading position"

Maersk Group CEO Nils S. Andersen

DEVELOPMENTS IN THE QUARTER



Maersk Line delivered three of its Multi-Purpose Vessels (MPV) to their new owners during Q1 2016 and the last remaining vessel was delivered at the beginning of Q2 with Maersk Line then having exited the MPV segment.

For **Maersk Oil** the yearly update of its reserves and resources as per end of 2015 showed entitlement reserves and resources (2P+2C) of 1,141m barrels of oil equivalent (1,311m boe) including proved and probable (2P) reserves of 649m barrels of oil equivalent (510m boe). The net (2P) reserves increase of 139m boe was due to the addition of close to 300m boe

from the major development projects Johan Sverdrup and Culzean, offset by the 114m boe of entitlement production (92m boe) and some downward revisions due mainly to the lower oil price.



APM Terminals completed the acquisition of Spanish Grup Maritim TCB's port and rail interests adding eight ports to its portfolio, and an agreement was signed to develop a new transshipment terminal at the Tangier Med 2 port complex.



Maersk Drilling had the contract for the harsh environment jack-up Mærsk Gallant cancelled, and received a notice of early contract termination for the ultra-deepwater semi-submersible Mærsk Deliverer. However, both cases are expected to come out neutral for the 2016 full year financials.

PORTFOLIO HIGHLIGHTS

Maersk Line made a profit of USD 37m (USD 714m) and achieved a ROIC of 0.7% (14.3%). The average freight rates declined by 26% to 1,857 USD/FFE (2,493 USD/FFE) due to lower bunker prices and deteriorating market conditions across all trades. Especially Maersk Line's key trades to/from Europe as well as Latin America and North America were impacted. Volumes increased by 7.0% to 2,361k FFE (2,207k FFE).

The EBIT margin gap to peers is estimated at around 5% for the last quarter (Q4 2015) on par with our ambition level.

Maersk Oil reported a loss of USD 29m (profit of USD 208m) and a ROIC of negative 3.0% (positive 14.8%) mainly due to 37% lower average oil price of USD 34 per barrel versus USD 54 per barrel in Q1 2015.

Partly offsetting the lower result was a 15% higher entitlement production of 350,000 boepd (304,000 boepd) and 65% lower exploration costs of USD 57m (USD 162m).

Maersk Oil reduced its operating expenses by 21% excluding exploration costs. A combination of effects from exchange rates, cost reductions, exit from Polvo, Brazil as well as the very low level of exploration activities has reduced the break-even level to about USD 40-45 per barrel (USD 45-55).



Photo: Maersk Oil

APM Terminals made a profit of USD 108m (USD 190m) and a ROIC of 6.2% (12.9%). In general, weak demand, especially in Europe, slowing growth in China, and the low oil price continued to impact APM Terminals negatively. Being largely dependent on raw material exports, many economies in Latin America and West Africa where APM Terminals has significant activities, continue to see declining growth and foreign trade.

Maersk Drilling delivered a profit of USD 222m (USD 168m) generating a ROIC of 11.2% (8.5%) positively impacted by USD 60m due to the termination of Mærsk Deliverer and the high contract coverage at higher rates compared to current markets. Since the launch of the cost reduction and efficiency enhancement programme in Q4 2014, Maersk Drilling has reduced its costs by 12%.

At the end of Q1 2016, Maersk Drilling's forward contract coverage was 72% for 2016, 54% for 2017 and 43% for 2018 and the total revenue backlog amounted to USD 4.7bn (USD 5.9bn).

APM Shipping Services made a profit of USD 75m (USD 94m) and a ROIC of 6.2% (8.1%) with improved results in Maersk Tankers and Damco, Svitzer being at the same level as last year and Maersk Supply Service giving a loss.

USD million	Q1 2016	Q1 2015	Change	FY 2015
Maersk Line				
Revenue	4,974	6,254	-20%	23,729
Reported profit	37	714	-95%	1,303
Operating cash flow	42	971	-96%	3,271
Volume (FFE '000)	2,361	2,207	7.0%	9,522
Rate (USD/FFE)	1,857	2,493	-26%	2,209
Bunker (USD/tonne)	178	358	-50%	315
ROIC (%)	0.7	14.3	-13.6pp	6.5

Maersk Oil				
Revenue	1,032	1,433	-28%	5,639
Reported profit	-29	208	N/A	-2,146
Operating cash flow	-172	105	N/A	1,768
Prod. (boepd '000)	350	304	15%	312
Brent (USD per barrel)	34	54	-37%	52
ROIC (%)	-3.0	14.8	-17.8pp	-38.6

APM Terminals				
Revenue	962	1,136	-15%	4,240
Reported profit	108	190	-43%	654
Operating cash flow	198	271	-27%	874
Throughput (TEU m)	8.7	9.1	-4.9%	36.0
ROIC (%)	6.2	12.9	-6.7pp	10.9

Maersk Drilling				
Revenue	654	630	3.8%	2,517
Reported profit	222	168	32%	751
Operating cash flow	427	280	53%	1,283
ROIC (%)	11.2	8.5	2.7pp	9.3

APM Shipping Services				
Revenue	1,114	1,319	-16%	5,080
Reported profit	75	94	-20%	446
Operating cash flow	111	160	-31%	806
ROIC (%)	6.2	8.1	-1.9pp	9.5

Group guidance for 2016

The Group's expectation of an underlying result significantly below last year (USD 3.1bn) is unchanged. Gross cash flow used for capital expenditure is still expected to be around USD 7bn in 2016 (USD 7.1bn).

The Group's guidance for 2016 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 2016 please visit the Investor Relations website: <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.



Platform jacket sets sail for the North Sea

THE BIG PICTURE | The wellhead platform jacket for Maersk Oil's Culzean gas development sets sail from the Heerema Fabrication Group's (HFG) Vlissingen facility in the Netherlands for its installation in the North Sea. The jacket – the stable platform that will be the basis of the production facility – was started and has been completed much earlier than the other infrastructure for Culzean to give plenty of time to drill the high-pressure wells, which typically take longer than conventional wells.

Photo: Alex Boorman

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