

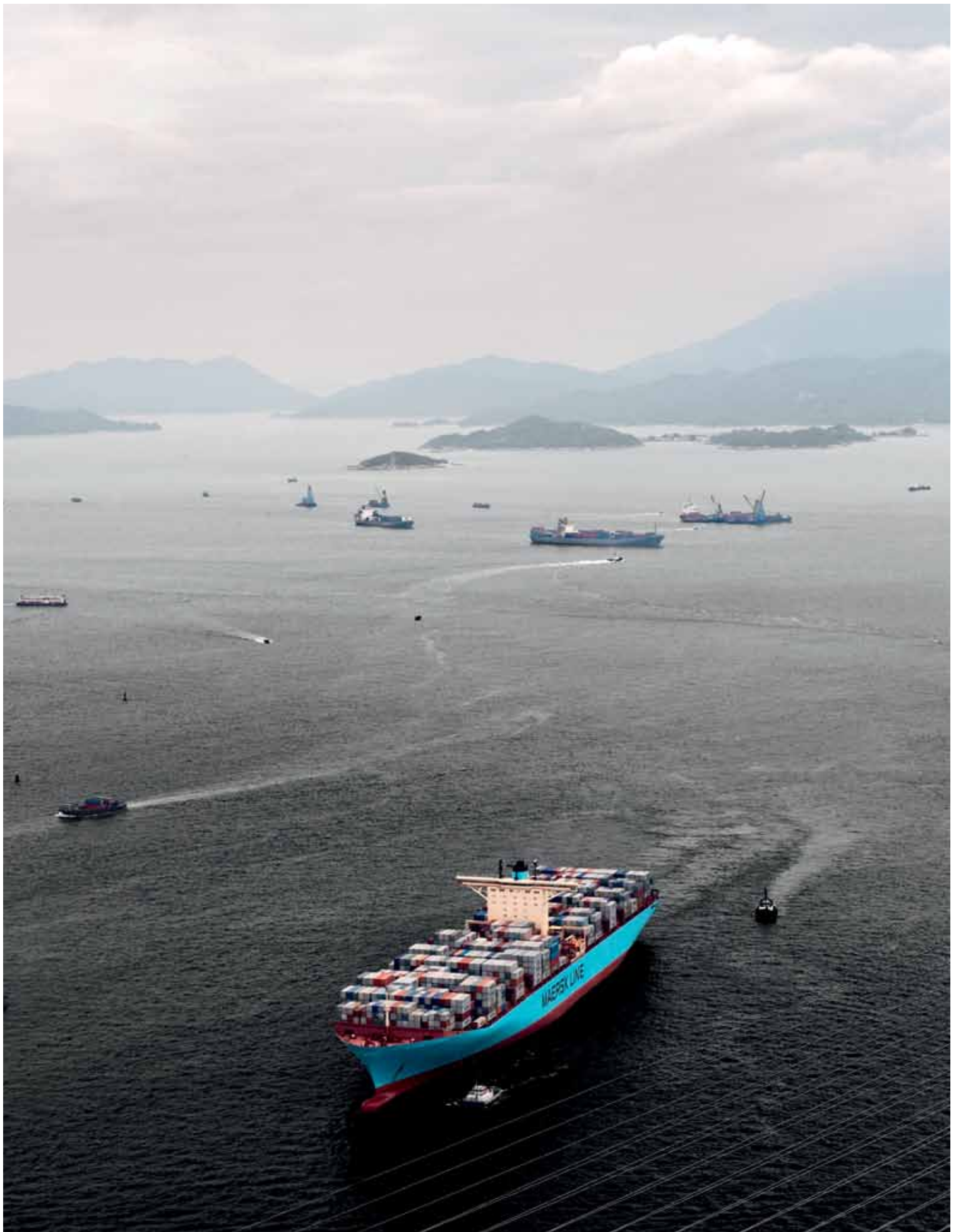
The A.P. Moller - Maersk Group's

Sustainability Report 2010

Setting the course



MAERSK



Contents



Maersk's new sustainability strategy secures global standards, governance, performance measurements and business integration.

Pages 14–16



Safety is a key priority in our business units. The Deepwater Horizon accident in the Gulf of Mexico led to internal reviews and changes in safety procedures. **Pages 22–27**



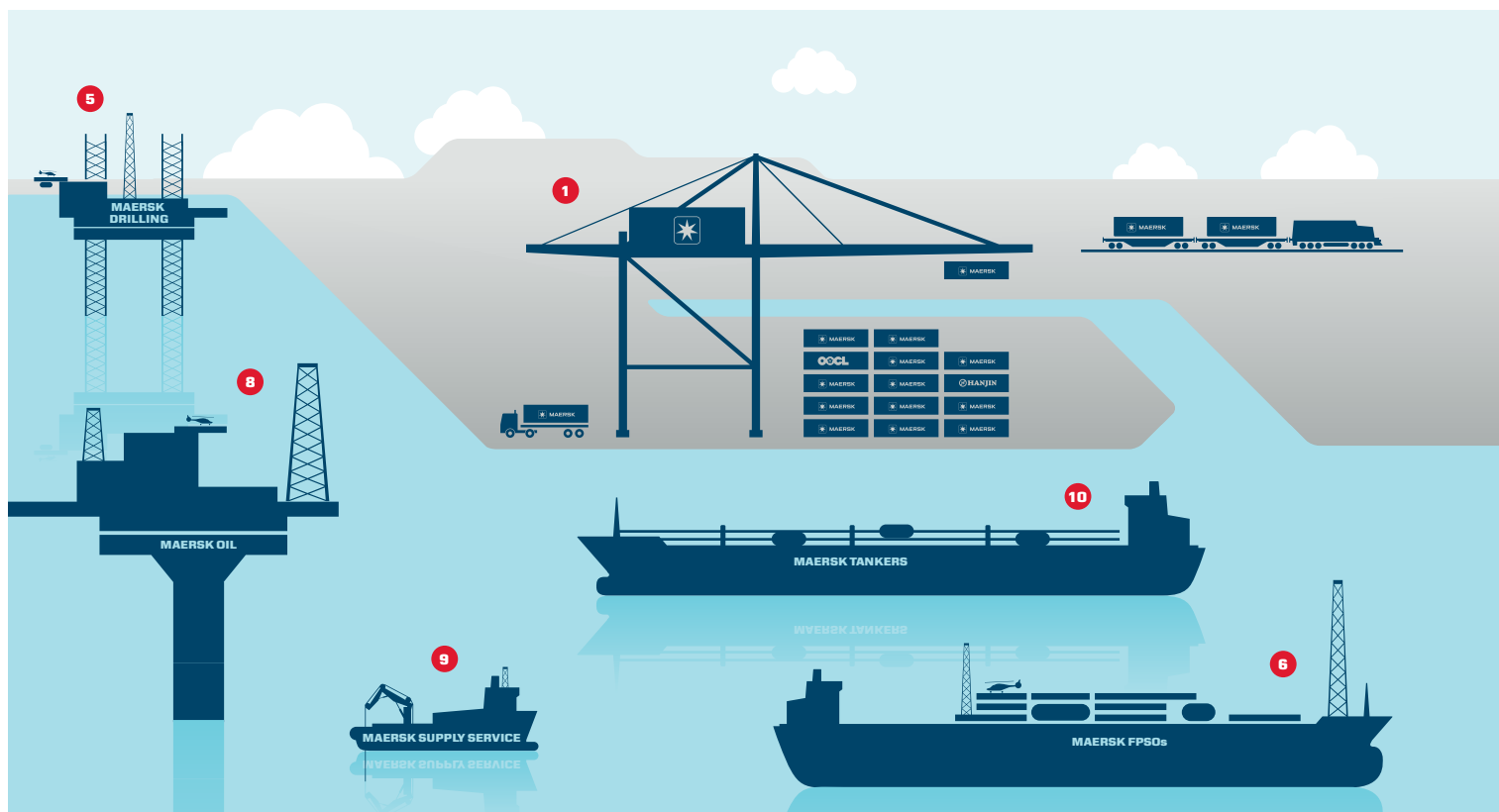
Reaching our CO₂ reduction target two years ahead of time can in large part be attributed to the use of slow steaming – perhaps also setting a new industry standard. **Pages 36–40**



Energy efficiency is fast becoming a business opportunity for Maersk. We have recently ordered 10 new ships which will be the largest and most CO₂ efficient to date. **Page 43**

INTRODUCTION	
Company profile	6
Foreword by the CEO	9
About the report	10
Group consolidated performance	13
OUR APPROACH	
Sustainability strategy	14
Governance	17
Stakeholder engagement	19
HEALTH AND SAFETY	
Health and safety	22
Piracy	27
SOCIAL RESPONSIBILITY	
Global labour principles	28
Diversity	32
Disaster response programme	34
CLIMATE AND ENVIRONMENT	
Climate change	36
Environment	41
RESPONSIBLE BUSINESS PRACTICES	
Anti-corruption	44
Responsible procurement	48
BUSINESS UNIT PERFORMANCE	
Business unit introduction	50
Container activities	
Maersk Line	52
Safmarine	55
Damco	57
Oil and gas activities	
Maersk Oil	59
Terminal activities	
APM Terminals	62
Tankers, offshore and other shipping activities	
Maersk Tankers	65
Maersk Drilling	68
Maersk FPSOs	71
Maersk Supply Service	73
Svitzer	75
Retail activity	
Dansk Supermarked	77
Other businesses	
Maersk Container Industry	80
Odense Steel Shipyard	82
ACCOUNTING PRINCIPLES AND ASSURANCE	
Sustainability accounting principles	84
Assurance statement	86

Company profile



1 APM Terminals 2 Damco 3 Dansk Supermarked 4 Maersk Container Industry 5 Maersk Drilling 6 Maersk FPSOs 7 Maersk Line 8 Maersk Oil

The A.P. Moller - Maersk Group (Maersk) is a worldwide conglomerate headquartered in Copenhagen, Denmark, with offices in more than 130 countries and approximately 108,000 employees.

Our consolidated turnover in 2010 was USD 56,090 million. In the same year, the Group presented a profit of USD 5,018 million.

The Group consists of a range of diverse companies working in energy intensive industries, most being significant players in their field.

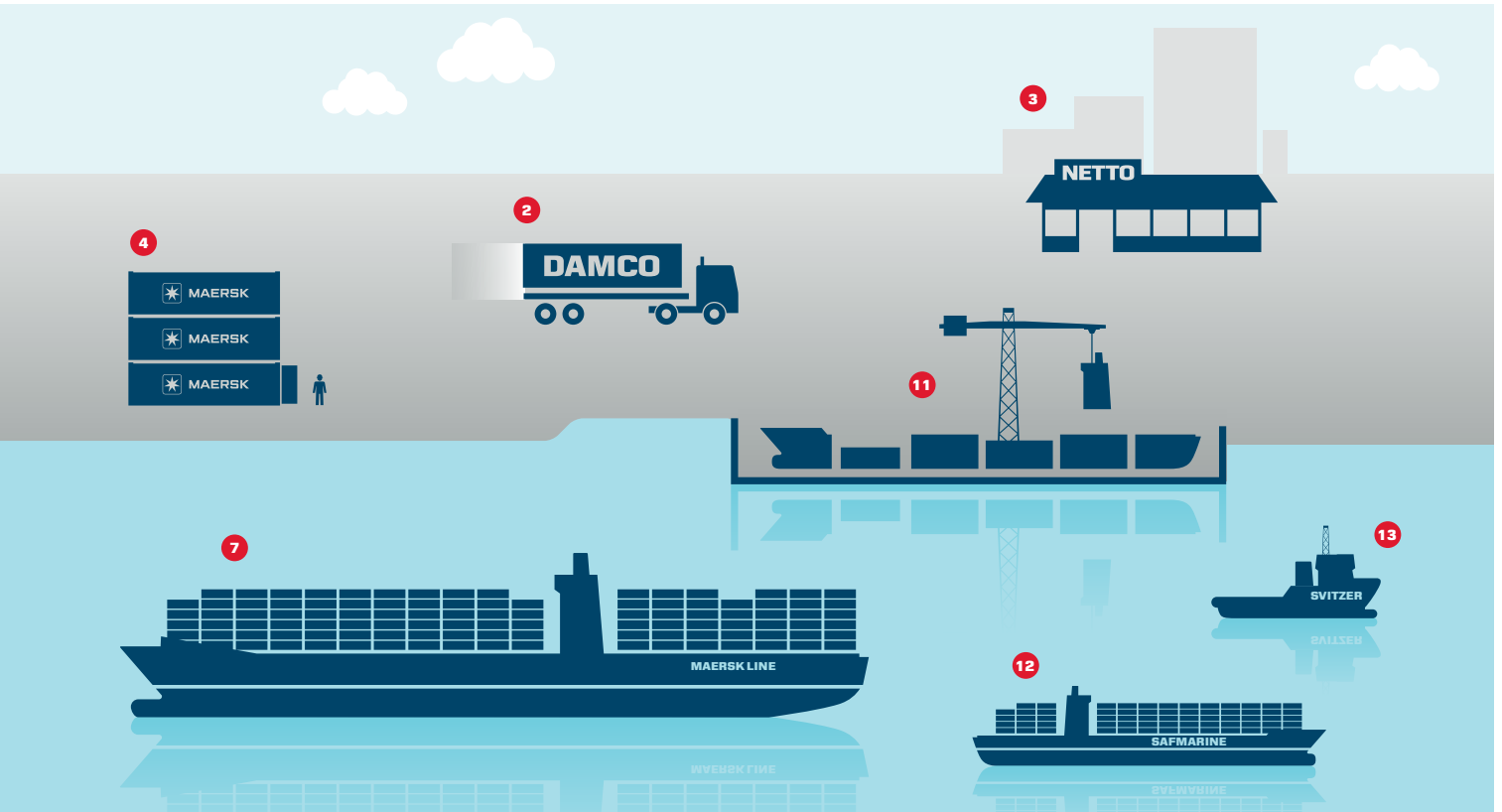
We are the world's largest operator in the transportation of containers using sea transport, including planning and execution of efficient transport solutions on land, and running portside container terminals. Our position in the transport industry grants us the potential to impact standards and business models, moving them towards greater sustainability.

We also run companies in the energy sector, exploring and producing oil and gas as well as providing offshore services such as tanker transport, drilling and other marine services. Some of

these companies are industry leaders in sustainability, working to promote high industry standards. Finally, we own shipbuilding, air cargo and retail companies.

An approximate 1,000 companies make up the A.P. Moller - Maersk Group, operating under a variety of brands. The major ones are shown in the graphic above, and a list of major companies can be found in our annual financial report.

→ [Read more](http://www.maersk.com/investorrelations)
www.maersk.com/investorrelations

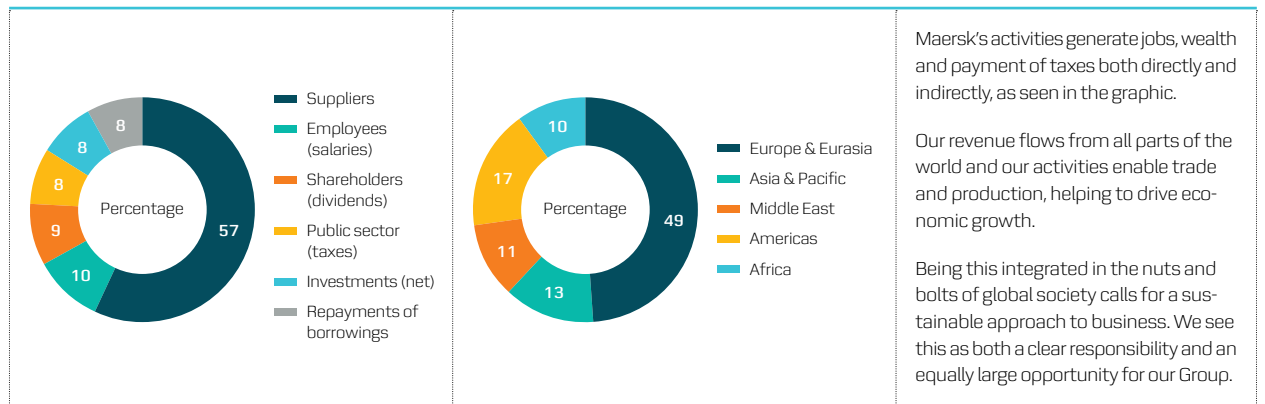


9 Maersk Supply Service 10 Maersk Tankers 11 Odense Steel Shipyard 12 Safmarine 13 Svitzer

Cash outflow and revenue distribution 2010

Cash outflow distributed by stakeholder group

Revenue split on regions



Maersk's Executive Board is increasingly involved in sustainability efforts, and safety is always the first item on their agenda. The new Sustainability Council reports directly to the Executive Board and is chaired by one of its members.



The Executive Board functions as the day-to-day management and consists of (from left):

Kim Fejfer, CEO of APM Terminals
Søren Skou (seated), CEO of Maersk Tankers
Eivind Kolding, CEO of Maersk Line
Nils S. Andersen, Group CEO

Jakob Thomsen, CEO of Maersk Oil
Claus V. Hemmingsen (seated), CEO of Maersk Drilling and Chairman of the Group Sustainability Council
Trond Westlie, Group CFO

FOREWORD BY THE CEO

Our history is closely linked to the development and spread of world trade in the last century and, as such, to globalisation. This will continue in the next century, with our Group working for sustainable development and growth of our business.

The future looks exciting for our Group. We have mastered a turn-around in 2010, changing 2009's historic loss into the Group's best result so far.

Global trade is increasing and will continue to do so. Rapidly developing economies in emerging markets and slow economic recovery in the US and Europe, will lead to shifts in trade patterns and global power balances. Whilst we are optimistic about the opportunities and the positive effect these will have on people's lives, we also foresee more pressure on resources from increasing consumption, the scale-up and diffusion of green technologies as well as social challenges.

Being active in shipping, ports and inland infrastructure, oil production and services, we are convinced that our Group will have attractive opportunities in this scenario. During 2010 we expanded our investments and business in West Africa, Asia and Latin America, not only growing our own business, but also helping develop communities and economies.

OUTSTANDING CONDUCT REQUIRED

We must be outstanding in both results and conduct, and we are pleased that the Group's sustainability strategy is now in place. Setting the course, the

strategy aims to integrate sustainability into all our business processes and make it a competitive advantage. A clear governance structure has been established to drive us towards this goal, and a number of group-wide programmes were approved in 2010 for global roll-out beginning 2011. The strategy also shows our continued commitment to the UN Global Compact.

How to make a profit is a decision made by each company, guided by a mix of values and opportunities. Maersk's choice is to pursue a business model that supports sustainable development, implying that our results go hand in hand with considerate use of resources, natural as well as human, and that our services are of value to customers and the societies we work in.

A CLOSE LOOK AT SAFETY

Every time our Executive Board meets, the first item on our agenda is safety. Because we must keep our minds on the safety of our people and operations.

The accident in the Gulf of Mexico reinforced this. It led us to investigate safety procedures in our offshore businesses, where we made improvements, but also found that our equipment was already beyond regulatory compliance.

A grim reminder of our safety obligation is that 12 persons lost their lives while working for us or on our premises in 2010. We cannot accept this and have over the last few years continued our efforts to avoid these tragic losses of life.

AHEAD OF TIME ON CO₂

The Group's first target for greenhouse gasses was to achieve an overall 10% reduction relative to business activity by 2012. We are proud that we have reached this target already.

Today, we are the global no. 1 in container shipping, but we have the potential to become leaders in more industries within transportation and energy. We will pursue this goal with efficiency and determination, as a way to move towards sustainable economic growth – for Maersk and for the global community.



Nils S. Andersen
CEO of the A.P. Moller - Maersk Group



About the report

Maersk sees reporting on our sustainability performance as a key part of being a sustainable business.

This is our second sustainability report, with which we aim to provide internal and external stakeholders including shareholders, employees and customers, with an account of our position and performance on sustainability issues.

The reporting period is 1 January to 31 December 2010. The report describes our activities at Group level and for the following six segments:

1. Container activities (Maersk Line, Safmarine, Damco)
2. Oil and gas activities (Maersk Oil)
3. Terminal activities (APM Terminals)
4. Tankers, offshore & other shipping activities (Maersk Tankers, Maersk Drilling, Maersk FPSOs, Maersk Supply Service, Svitzer)
5. Retail activity (Dansk Supermarked)
6. Other businesses (Maersk Container Industry, Odense Steel Shipyard)

Pages 14–49 are dedicated to programmes, initiatives and performance at Group level. On pages 50–83 the

focus is on the sustainability work of the business units included in this report.

Compared with our 2009 report, published in March 2010, we no longer report on Norfolkline and Rosti as these companies are no longer under Maersk ownership. Container Inland Services has been merged into APM Terminals and is no longer presented separately. Danbor and Star Air do not have individual chapters in the 2010 report due to alignment with financial data reporting, as explained below (see full data for Danbor on www.danbor.dk). In 2011 we will finalise a reporting strategy, which will determine how our sustainability reporting will develop from 2011–2014.

SCOPE

The text in the report covers activities for Group level and for the business units listed above, while consolidated data includes the full range of Maersk activities. Data for 2010 are reported based on financial scope, which is different com-

pared to the operational scope used in previous years' reporting. As far as we are aware, using financial scope for all sustainability reporting is an approach hardly ever chosen in sustainability reporting. Our change in data scope is driven by the desire to establish a clear connection between responsibility for impacts and income and costs generated.

Using financial scope for data builds a gangway between our reported economic activities and reported sustainability impacts, providing stronger integration of sustainability with core business, which is the stated goal of Maersk's sustainability strategy (read more on page 15). By applying financial scope, financial and sustainability data become directly comparable. It is now possible to see the link between reductions in the cost of bunker oil and CO₂ emissions.

The difference in choosing financial scope can be seen for example in Maersk Oil, which in many cases only

owns a proportion of an oil field, but often is selected as the operator of the entire field. Using operational scope would in these cases set Maersk Oil's share of emissions and safety incidents, etc. at a much higher level than what is reflected by the production and revenue figures within the financial scope. Conversely, in the cases where Maersk Oil owns shares in oil fields where they do not operate, using the operational scope would not include the impact of these activities in our sustainability data. In this case, the production and revenue included in the financial report, would appear to be free of emissions, safety incidents, etc., skewing the picture of the Group's performance.

The move to financial scope for sustainability reporting is also made in preparation for the establishment of sustainability performance metrics, which requires direct correlation between financial activity and sustainability. Finally, the use of financial scope makes way for integrated reporting in the future, if we were to decide to do that.

DATA COMPARABILITY

The change will impact the comparability of numbers from previous years.

We have sought to alleviate this by re-stating all 2009 figures based on financial scope, thus adhering to requirements and standards applied for scope changes in financial reporting.

We are confident that the change in data scope and the transfer of data processes to our Group Accounting department have already improved the quality of our sustainability data significantly, which has been a stated intention throughout our reporting history.

Business units like Maersk Drilling and Maersk Supply Service are affected most by the change in data scope, due to the fact that a major part of their business consists of leasing out equipment, which makes their impacts appear much smaller than previously.

APM Terminals' data are also affected, because it often operates through joint ventures and associated companies. Maersk Oil will be affected as indicated above – thus, sometimes the scope for operational data are larger and sometimes smaller than the financial scope. In the individual pages for the most affected business units, data based on operational control will be included

in addition to financial scope data, reflected in orange colour coding.

See additional general notes for the data on pages 84–85.

CALCULATING GHG EFFICIENCY

Our first greenhouse gas (GHG) reduction target was set with 2007 as baseline, proposing 10% reduction relative to business activity before 2012. By the end of 2010, we had improved our efficiency by 13%.

Given the diversity of our operations, measures of emissions of GHG per business activity (efficiency) had to be defined for each business unit. Where industry standards were emerging, as for example container shipping through the Clean Cargo Working Group (see page 21), we used this method for measuring efficiency.

The voluntary target was set at a time when the establishment of a full overview of our GHG efficiency was still in progress, and we can in 2010 directly trace 85% of our emissions. The remaining 15% come mainly from office buildings and small shipping lines for which we do not have historical data of sufficient quality to track performance. We now set out to make a new climate change strategy, including full coverage of our efficiency.

In the Group consolidated performance table the figure for total absolute GHG emissions, representing our full, absolute climate change responsibility, can be seen. See page 39 for more details on our GHG efficiency performance.

Responding to 2009 assurance recommendations

Two primary areas of improvement were suggested by Det Norske Veritas

Collection and aggregation of data and formalised data audit procedures.	2010: the data processes were moved to Group Accounting, which means that scoping, consolidation and definitions have been aligned across the Group and with the financial reporting. Read more about our sustainability accounting principles on pages 84–85.
Competencies in managing and documenting local stakeholder dialogue.	2010: As part of our sustainability strategy process we mapped our stakeholders and began a survey to establish a baseline of stakeholders' perceptions of Maersk, including the six largest business units. Read more about our stakeholder engagement survey on page 19.

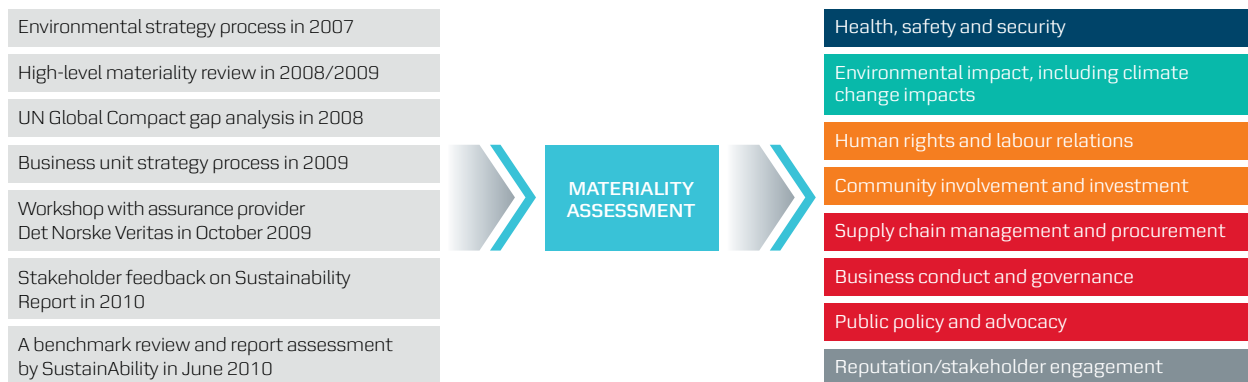
MATERIALITY

The subjects covered are related to sustainability issues, where their mate-

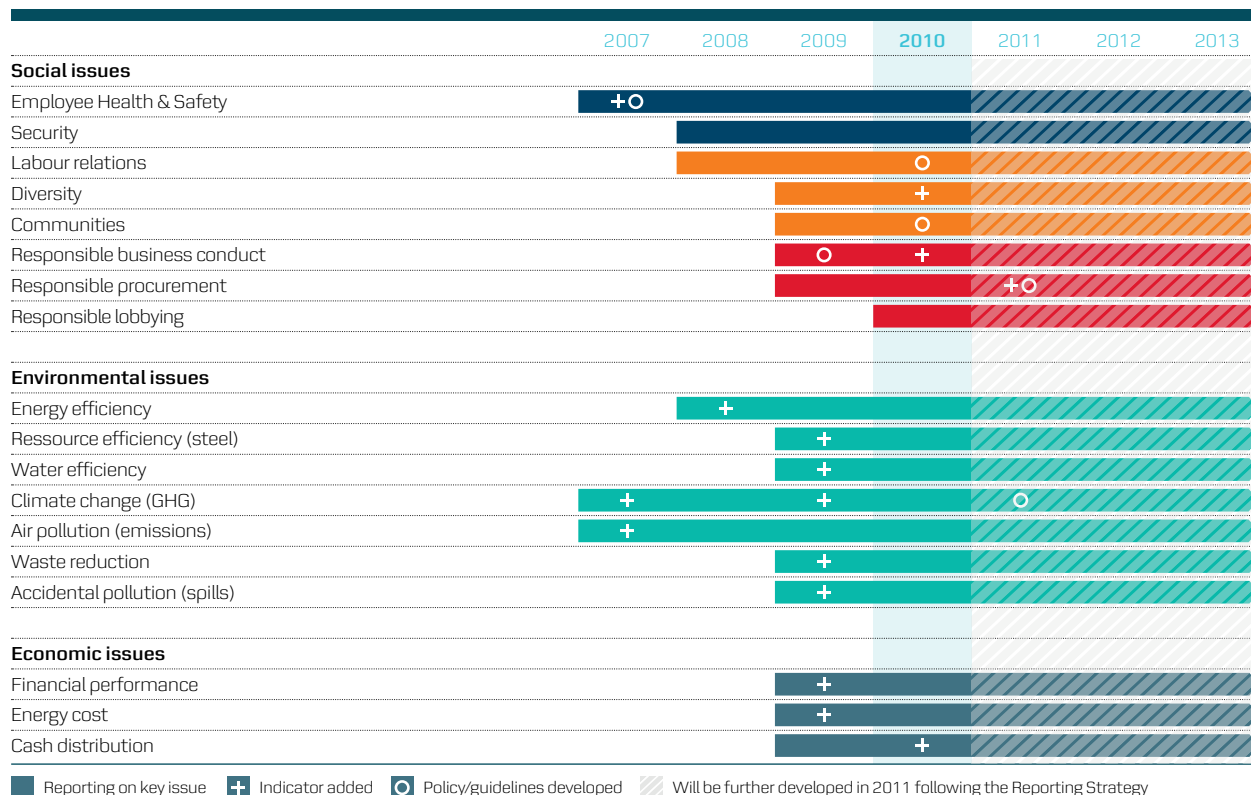
rality to Maersk has been established. This has been done through a process of research and dialogue with both

internal and external stakeholders spanning the last four years as illustrated below.

Process to determine materiality



Road map for reporting on key sustainability issues



GROUP CONSOLIDATED PERFORMANCE

Social performance^a

Our employees		2007	2008	2009	2010
Number of full time employees (FTE)		117,319	119,599	115,386	108,110
Gender (female representation)	%	–	–	33	34
Employee engagement ^b	%	66	66	67	69
Performance appraisals	%	–	–	48	60
Safety					
Lost time injury frequency (LTIF)	frequency	– ^c	5.57 ^c	5.14	4.44
Fatalities	number	25 ^c	20 ^c	13 ^d	12

– = Not available

^a Including Group functions.^b Dansk Supermarked is not part of the Group's annual Employee Engagement Survey, but carry out an individual survey every second year.^c Data not fully reported in 2007 and 2008.^d Two fatalities mentioned in our sustainability report 2009 have been removed due to change of scope. The two fatalities occurred at the premises of a third party, making them liable to report.^e Increase due to Maersk FPSOs data included from 2010.

Rosti and Norfolkline are only partially included in 2010, since they were sold during the year. The data collected until point of sale are FTEs, gender-split and safety data.

Environmental performance

Energy consumption		2007	2008	2009	2010
Fuel oil	1,000 tonnes	13,848	13,017	11,390	10,724
Diesel	1,000 tonnes	577	422	383	296
Natural gas	1,000 tonnes	908	886	767	861
Electricity	1,000 MWh	737	1,581	1,207	1,159
Energy consumption	GJ	–	–	507,801,426	479,068,238
Greenhouse gas (GHG) emissions					
GHG emissions	1,000 tonnes CO ₂ eq	53,352	47,612	42,194	39,076
Direct GHG emissions (Scope 1 GHG Protocol)					
CO ₂	1,000 tonnes	50,296	46,555	40,766	37,700
CH ₄	1,000 tonnes CO ₂ eq	852	131	631	547
N ₂ O	1,000 tonnes CO ₂ eq	1,076	200	192	188
HFC	1,000 tonnes CO ₂ eq	–	3	53	81
PFC	1,000 tonnes CO ₂ eq	–	–	0	0
SF ₆	1,000 tonnes CO ₂ eq	–	–	0	0
Indirect GHG emissions (Scope 2 GHG Protocol)					
CO ₂	1,000 tonnes	1,128	723	549	557
CH ₄	1,000 tonnes CO ₂ eq	–	–	0	0
N ₂ O	1,000 tonnes CO ₂ eq	–	–	3	3
Other air emissions					
SO _x	1,000 tonnes	656	653	501	456
NO _x	1,000 tonnes	1,094	1,042	946	887
VOCs	1,000 tonnes	16	32	25	21
Particulate matters	1,000 tonnes	45	29	83	79
Other resource consumption					
Steel consumption	1,000 tonnes	–	–	202	346
Waste total	1,000 tonnes	–	–	472	483
– recycled (composting, reused, recycled)	1,000 tonnes	–	–	230	296
– solid (landfill, on-site storage, incineration)	1,000 tonnes	–	–	199	147
– hazardous (controlled deposit)	1,000 tonnes	–	–	43	40
Water consumption	1,000 m ³	–	–	4,669	3,525
– surface water	1,000 m ³	–	–	43	51
– ground water	1,000 m ³	–	–	1,287	228
– rain water	1,000 m ³	–	–	0	0
– municipal water supplies/water utilities	1,000 m ³	–	–	3,339	3,246
Spills	m ³	–	–	3	40^e

Economic performance

		2007	2008	2009	2010
Revenue	USD million	51,278	61,270	48,580	56,090
Profit for the year	USD million	3,422	3,462	-1,024	5,018
Tax for the year	USD million	4,507	6,927	3,805	4,655
Electricity cost	USD million	–	–	194	178



In a conglomerate as diverse as Maersk, strategies are high-level. For sustainability, the targets of full business integration and solid performance management are mandatory for all. How these targets are achieved is defined by each business unit with support from Group level.



Sustainability strategy

Maersk mainly has a presence in three economic segments: transport, energy and retail. Collectively – and also in their own right – these segments constitute the very backbone of a globalised world economy.

We are a global group of companies with significant financial strength and outreach. Our activities secure the mobility of goods and facilitate trade, underpinning both development and economic growth. We participate in the supply of energy for production and help define international patterns of consumption. We are deeply embedded in the world's infrastructure, and accordingly Maersk has a large potential for impact.

An industrial conglomerate with our reach thus has a role to play in promoting human rights and international standards in the performance of economic activity. Examples are promotion of good employment and respect for workers' rights, as well as transfer of knowledge. In short, we have the ability and responsibility to do things right and contribute to a more sustainable future for the planet and our stakeholders. We see this not as a constraint but rather an opportunity for our businesses.

THE CHALLENGES

An increasingly more globalised world implies greater need for transport and energy. Maersk has already benefitted from globalisation, but we readily acknowledge that for others it has created disadvantages. The world at large is presently going through a

“To win in the long term in a world with such challenges, requires us to integrate sustainability in our business thinking and practices.”

Annette Stube, Head of Group Sustainability in the A.P. Moller - Maersk Group

massive transition and is dealing with a number of challenges brought on by this change.

There is an increasing number of people and countries striving for economic growth, at a time when global and local eco-systems are under pressure. Demo-

graphic changes will lead to shifts in consumption patterns and workforce access. Increased competition for natural resources and climate change will bring substantial changes to many markets, particularly energy and transport. All are challenges on which Maersk must act.

As a company we must combine our efforts to grow our business with activities to address these global challenges. This means running and growing our business at the same time as working to do more with less, working smarter and working to fulfil fundamental needs for transport, trade and energy supply.

OUR ACTIONS

The implications of this world in transition are that although economic opportunities are bountiful, taking advantage of these needs to be done in consideration of the balancing act of global stability. Concern has to be shown for how activities impact climate change, local economies and communities, human rights, as well as the safety of people involved in operations.

Maersk will always compete to win, and we will grow our businesses and make use of commercial opportunities as they arise. But we are also committed to balancing our competitive drive with the need for more sustainable growth.

“To win in the long term in a world with such challenges, requires us to integrate sustainability in our business thinking and practices,” says Annette Stube, Head of Group Sustainability.

OUR SUSTAINABILITY VISION

Our vision is to be a responsible and profitable enterprise balancing economic, social and environmental concerns for the benefit of the company and the global community.

OUR SUSTAINABILITY STRATEGY

Our strategy is to integrate sustainability systematically into all our business processes and make sustainability a competitive advantage.

STRATEGY IMPLEMENTATION

Maersk began the implementation of a new Group sustainability strategy in 2010. The aim of the strategy is to articulate leadership and set strategic direction for our business units with the purpose of turning sustainability into a mid- to long-term competitive advantage for the Group.

We will continue our historical role as growth enabler with a strong view to building a sustainable future. This must be based on respect and constant care for people, societies and the environment. At the same time, we regard this change as a great opportunity to capture more and new business through innovation and market development.

FIVE PRIORITIES FOR BUSINESS INTEGRATION

The main aim in the Group sustainability strategy is to integrate sustainability fully in all business operations by 2013. We structure our work in four themes: health and safety, environment and climate, social responsibility and responsible business practices, and we will report publicly on each of these annually.

We have five priority areas when working with these themes:

1. **Group standards** – with which all business units and group functions must comply. The Group will report annually on compliance with standards.
2. **Performance management** – by including sustainability in management reviews and leadership development programmes, our employee engagement survey, as well as

development of key performance indicators on sustainability linked to reward systems.

3. **Trend spotting and stakeholder engagement** – investigating future trends for risks and opportunities for Maersk and aligning future actions with stakeholder expectations.
4. **Capital expenditure** – where in due course all business units and group investment decisions should include sustainability perspectives.
5. **New markets and innovation** – to enable development of new business models by turning sustainability issues into business opportunities.

The sustainability strategy’s five priorities provide us with a firm foundation for achieving business integration for sustainability in the true sense of the word. This implies employee performance appraisals amended to also reflect safety, environment, social responsibility, etc., and working towards adding a sustainability filter in decisions on the totality of Maersk’s investments.

This process of integration is only possible through deep collaboration between group functions and business units. Many business units have already begun their journey towards implementation of the sustainability strategy, as described in the business unit section of this report. Moreover, the governance structure for sustainability, which is introduced in the next chapter, will help connect Group and business unit levels more, as well as sharing good practice.

Governance

Knowing the end point of a journey is not enough. To arrive successfully at your destination you need to be clear about who is in charge and who is making the decisions on how to get there. In a word: governance.

The ability to set direction, oversee alignment and performance throughout the organisation has been secured in our sustainability strategy, with the design of a comprehensive governance structure. This structure will help us achieve our strategic goals.

"The Group Sustainability Council will tie the ends together and set direction across the Group. Our approach is to integrate sustainability systematically into all our business processes and make it our competitive advantage whenever possible," says Claus V. Hemmingsen, Chairman of the Group Sustainability Council, member of the Executive Board and CEO of Maersk Drilling.

the creation of this governance structure strengthens the sustainability work in the Group.

It establishes that the Group's top management has overall responsibility for sustainability matters, while the Group Sustainability team is to ensure

Working groups will be set up to develop and review standards and policies on sustainability issues, and have participants from both group functions and business units.

Business units will develop and implement their own sustainability

"The Group Sustainability Council will tie the ends together and set direction across the Group. Our approach is to integrate sustainability systematically into all our business processes and make it our competitive advantage whenever possible."

Claus V. Hemmingsen, Chairman of the Group Sustainability Council, member of the Executive Board and CEO of Maersk Drilling

ROLES AND RESPONSIBILITIES DEFINED

The governance structure for sustainability establishes clear roles and division of responsibilities. It is based on Maersk's Principles of Conduct, and

delivery of the sustainability strategy's activities and drive performance.

Together with other group functions, Group Sustainability leads development of the Group's sustainability policies and pilot projects.

strategies and group standards as relevant to their business. This includes monitoring and reporting on their performance. Each business unit's leadership team will in due course have specific objectives and clear and sim-

ple performance indicators, ensuring high-level accountability at business unit level.

STRATEGIC INSTRUMENTS

To reach our strategic goals, a number of performance management tools are part of the governance set-up in Maersk. They are being designed with careful consideration of capacity building and accountability at all levels of the Group. This includes the use of management reviews of business unit performance and of sustainability key

performance indicators for management, which will be implemented to ensure that the Group rewards decisions and performance that take both economic, social and environmental factors into consideration. See governance framework below.

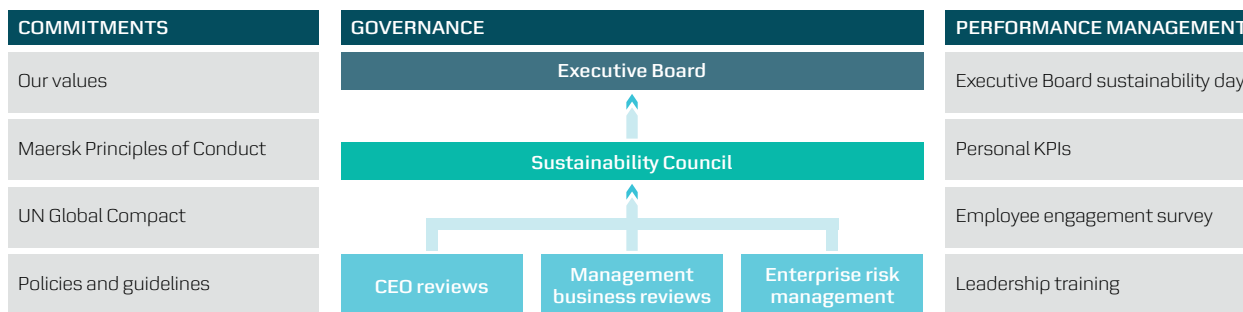
Furthermore, an annual sustainability day for the Executive Board will be organised, where top management will engage in the sustainability agenda faced by the Group across its operations.

BUILDING TRUST

Solid governance principles are the foundation upon which stakeholders' trust is built. They provide transparency and inspire momentum in reaching the stated vision and objectives.

With the implementation of these new governance principles and methodologies, we aspire to earn this trust, as well as drive performance.

Sustainability governance framework



Our commitments set the stage for our work on sustainability. Working within these parameters provide the compass for our work.

Executive Board authorises group-wide sustainability strategies and policies, securing high-level commitment and accountability for sustainability goals and targets.

The Sustainability Council operates on behalf of the Executive Board and oversees compliance to group sustainability standards and policies across the Group and makes recommendations to the Executive Board regarding group-wide policies and strategies on sustainability issues. It will also keep track of the most prominent movements on sustainability across Maersk and coordinate key sustainability issues across the Group. Members are business unit and group function representatives, and the Council

is chaired by an Executive Board member, currently Claus V. Hemmingsen, CEO of Maersk Drilling. This composition will ensure a firm link between the Executive Board and the Council, as well as input from all necessary parties.

The Group's **overall business unit review processes** will integrate sustainability issues. The output of these processes is shared with the Sustainability Council, and will finally ensure that Maersk's Executive Board has a good end-of-year overview of the level and status of sustainability in the Group. The relevant processes are:

- **Business unit strategy review** processes driven by our Group Strategy Office, focusing on both performance/compliance as well as sustainability perspectives as part of the long-term deployment of capital.

- **CEO reviews** of business unit sustainability performance, where an informed dialogue (as opposed to an audit) will take place between business unit CEOs and sustainability staff and the Group Sustainability team to evaluate performance and discuss future priorities.

- **Enterprise risk management** processes, where we have begun investigating how to fulfill our ambition to include sustainability risks in Maersk's Enterprise Risk Management framework.

Performance management will aid in driving changes, implementation and business integration as Maersk's leadership's performance will be measured not only on financial goals, but also on goals related to sustainability.

Stakeholder engagement

Maersk engages with stakeholders to be transparent and accountable for our actions, to manage key sustainability issues and risks actively and to pursue opportunities for collaboration which can benefit both business and society.

Maersk considers itself as having two key stakeholder audiences: a primary one, encompassing those who have a direct effect on or are directly affected by Maersk businesses, and a secondary audience, which consists of external groups who influence stakeholders' perceptions of our Group.

We are currently working to develop a systematic understanding of our stakeholders' view of our performance on sustainability.

In 2010 Maersk commissioned a reputation assessment survey among key stakeholders of the Group and six key business units.

This assessment will form the baseline for our future surveys of stakeholder relations, as well as provide an overview

of our stakeholders' views to support the development of relationships and ways of engaging with different groups.

Through the business units' participation, the survey also contributes to the building of local competencies in managing and documenting stakeholder dialogue, which was suggested as an area for improvement in the assurance process for our 2009 sustainability report.

Based on an online questionnaire available in English, Spanish and Mandarin, an employee perceptions survey was carried out in Maersk Line, Maersk Tankers, APM Terminals, Maersk Oil, Maersk Supply Service and Maersk Drilling in December 2010. Findings are being analysed, and a survey of external stakeholders will be carried out in Q1 2011.

LOBBYING

Maersk takes part in public policy debate where appropriate and regards lobbying activity through constructive dialogue as an important and legitimate way to contribute to political processes.

A sizeable share of this work is conducted through our participation in industry organisations such as the Danish Shipowners' Association or interactions with international agencies such as the International Maritime Organization.

We constantly strive to act as a good corporate citizen, also when engaging with governments, and to share in a responsible manner our experience and views on subjects of concern to the Group and its stakeholders.



Maersk will communicate and interact with government authorities and representatives in accordance with the Maersk Principles of Conduct.

As part of these principles, Maersk is committed to being accountable to its stakeholders, to conduct its business in an ethical and lawful manner, to work against corrupt practices and to be recognised as a reliable, trusted and engaged partner in all its business dealings. We intend to establish a uniform set of guidelines for responsible lobbying, and are currently working towards this goal.

HOW EMPLOYEES SEE MAERSK

In Maersk’s annual employee engagement survey, three questions already provide an indication of how the Group’s efforts on diversity, environmental and safety management are perceived by our employees.

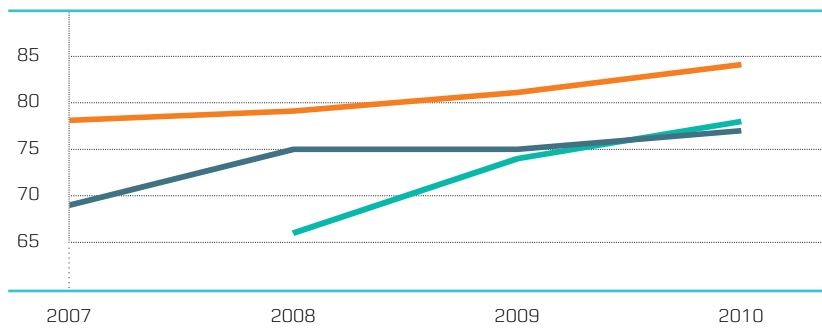
The table below shows the last four years’ development in responses to these questions, the numbers indicating a steady increase in the share of employees favourable to the statements listed, with the largest change in opinion seen in the perception of the efforts to protect the environment.

CURRENT STRATEGIC PARTNERSHIPS AND MEMBERSHIPS

We are working to build stronger relationships with our key sustainability stakeholders. In a number of cases we have formed partnerships or joined working groups to increase both our own and the general knowledge and understanding of an issue, to lend our capabilities to aid in the case of natural disasters or to increase transparency on a given issue. Read more about our partnerships on the opposite page.

Employee engagement survey 2010

Percentage



In Maersk’s annual employee engagement survey, employees indicate how they see the company’s efforts on safety management, diversity and environmental management.

- My company is committed to employee safety
- My company treats people equally with respect to gender, race, nationality, religion etc.
- My company is making a genuine effort to protect the environment

Strategic partnerships and memberships



Caring for Climate

Caring for Climate – a complementary action platform for UN Global Compact participants. Caring for Climate provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes. Through this platform, Maersk is involved in the Low-Carbon Leaders Project in cooperation with WWF. In 2010, among other things, we contributed to the publication of a report on ‘Smart Goods Transport’, including a new model for calculating carbon impact. Read more on page 37.



Working groups hosted by BSR

– Business for Social Responsibility (BSR) is an international sustainability expert group. Maersk participates in **Beyond Monitoring**, investigating ways for buyers and suppliers to integrate labour and environmental excellence into high performing supply chains. And in **Clean Cargo**, a forum pushing for the working group’s CO₂ calculation methodology to be made publicly available and positioning the group as the recognised source of high-quality, performance-based data on ocean shipping, Maersk Line are active members.



Sustainable Shipping Initiative

– hosted by the UK-based NGO Forum for the Future, brings together companies involved in shipping to investigate and draw up a case for action to move shipping towards greater sustainability and profitability. The Sustainable Shipping Initiative tasks itself with taking a closer look at challenges and opportunities over the next 30 years to ensure a robust and profitable international trade that is socially and environmentally sustainable. The initiative is founded by Maersk Line, Gearbulk, BP Shipping, Lloyd’s Register, ABN Amro and WWF.



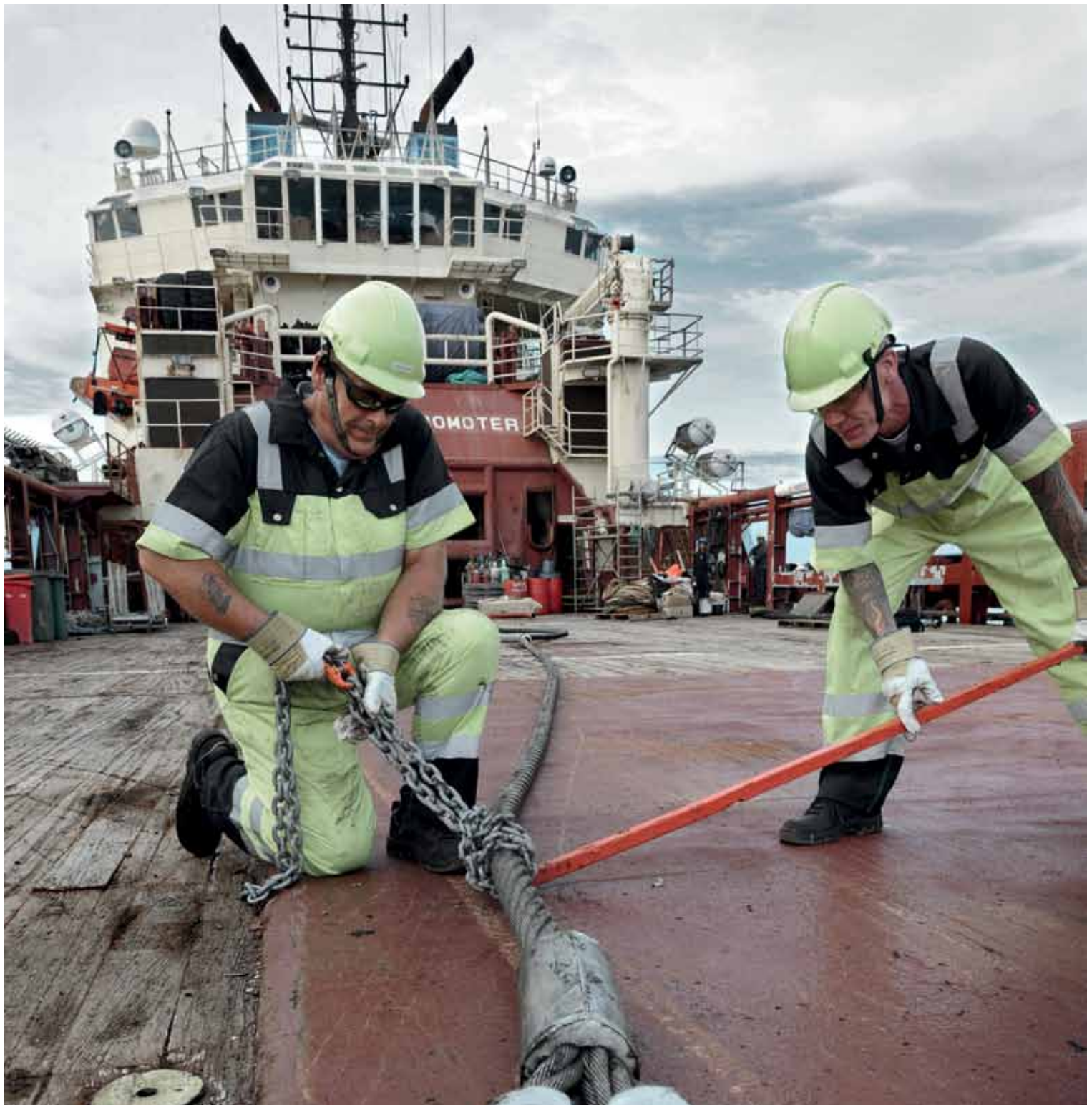
Global Compact LEAD – which supports leading UN Global Compact participants in their efforts to achieve higher levels of corporate sustainability performance and give them proper recognition for doing so. Maersk was accepted into this group at the end of 2010.



World Economic Forum – an independent international organisation engaging leaders of society to shape agendas. In 2010, Maersk decided to become part of the Logistics Emergency Teams (LET), a group formed under the World Economic Forum to assist in the first weeks after a natural disaster under the leadership of the UN World Food Programme (read more on pages 34–35). We are also members of several other working groups focusing on logistics, transportation and sustainability.



Carbon War Room – a US NGO aiming to discover and promote market-driven solutions to climate change. During 2010 Maersk Line teamed up with Carbon War Room to create more transparency on CO₂ emissions. The Carbon War Room’s new website features the CO₂ performance of each Maersk Line owned ship – a good first step in providing transparency. Read more on www.carbonwarroom.com



The protection of Maersk employees is integral to our licence to operate and at the core of our sustainability efforts. These include not only avoiding accidents, injuries and fatalities, but also protecting against pirate attacks and robberies during our operations.



Health and safety

Even a brief view across the Maersk companies' activities reveals our involvement in some of the potentially most dangerous work situations in the world. We operate on open seas in sometimes adverse weather conditions, we extract oil and gas from the depths of the earth, we lug around heavy loads in ports and transport flammables across water and land.

Subsequently, safety is an all-encompassing priority for our Group. This shows in the priorities and high level of activities to propagate safety in our business units. And it shows in the renewed focus we give to safety in our strategy work at group level.

"We will always be working to improve our safety performance. It is a part of our values and policy to be safe in all our work, and it is certainly a business driver," says Christian Krøll Thomsen, Lead Health & Safety Advisor.

Safety is the first item on the Executive Board's agenda for their approximately 25 meetings per year. Safety is also central in the CEO reviews performed by business units and the Group Sustainability team annually. The subject will feature heavily in a planned safety day for the Executive Board in 2011,

and is a principal area of attention for the Group Sustainability Council. Read more on these entities in the governance section on pages 17–18.

extension of our Health, Safety, Security and Environment Manual (HSSE) and of the strategies already in place in the different business units.

"We will always be working to improve our safety performance. It is a part of our values and policy to be safe in all our work, and it is certainly a business driver."

Christian Krøll Thomsen, Lead Health & Safety Advisor
in the A.P. Moller - Maersk Group

PLANNING A NEW STRATEGY FOR HEALTH AND SAFETY

As part of the Group Sustainability Strategy, development of a new strategy for health and safety has begun. This is a reflection of our growing strategic approach to the sustainability agenda. This strategy will serve as a strategic

It will gather the many experiences from around the Group's business units and provide a platform for learning and knowledge sharing in both specific activities and leadership involvement.

An obvious place to begin knowledge sharing is to look at our business

units in the offshore industry. These have safety as a core element in their licence to operate and ability to attract business. Accordingly, their safety management systems are both very strong and live up to tight regulatory demands resulting in low incident frequencies.

The area of health management in Maersk is not as systematically developed as safety management. Over the last few years we have seen growth in employees' and other stakeholders' interest in this area.

We also find activities at business unit level within areas such as canteen menus and setting up of fitness facilities for employees, but so far there has not been a common approach to the subject in Maersk.

The upcoming health and safety strategy will remedy this. We are currently looking at how we can define and develop a health agenda for the Group, aiming to clarify how this adds value for the Group on par with other sustainability efforts.

SAFETY IS ALL AROUND

The work on safety issues is by no means limited to the safety organisation neither at group or business unit level. In fact the subject of safety is embedded in a broad number of functions across the Group.

As already mentioned, the Executive Board is involved by having strategic oversight and determination of focus areas, and the Group Sustainability team works on safety through strategy work and annual business unit review processes. Safety issues are also ingrained in Maersk's Responsible Procurement Programme, and will be an additional performance metric for the business units being tracked and discussed in periodic reviews.

SAFETY PERFORMANCE 2010

A large majority of our business units improved their performance on safety measured in the frequency of lost time injuries (LTIF) in 2010, adding to improvements from earlier years.

We find the many reductions in lost time injuries to be a result of dedica-

tion to continuous improvement and the fact that safety is the most material issue for more than half of our businesses.

Data from 2010 show that the total number of lost time injuries is 1,389, which is a drop of more than 7% compared to 2009.

We still have some ground to cover before we reach the zero injuries performance to which we aspire. At the same time we recognise that safety performance is not only expressed through injuries and fatalities, in fact many of our business units monitor many more factors. In the future we will strive to provide more detailed reporting on safety.

In conclusion, safety performance on injuries is improving. But a rather large question beckons an answer.

WHY DO WE STILL HAVE FATALITIES?

Maersk business units' activities are of a nature where incidents can be fatal.

Fatalities 2010

Business unit	Location	Description	Employed by
APM Terminals	Bahrain, UAE	Employee crushed beneath a crane when it overturned while loading steel plates onto trucks	Maersk
	Houston, USA	Traffic accident between two trucks	Maersk
(Inland)	Area of Apurimac, Peru	Two truck drivers in a solo road accident in the mountains	Maersk
(Inland)	Hong Kong, China	Worker run over by a truck while performing reefer monitoring	Maersk
	Houston, USA	Truck driver crushed between two trucks in a waiting lane	Contractor
	Shanghai, China	Traffic accident during ship operation	Contractor
	Tanjung Pelepas, Malaysia	Disregard of safety procedures during vessel operation	Contractor
	Algeciras, Spain	Disregard of safety procedures during vessel operation	Contractor
	Douala, Cameroun	Truck driver hit by another truck	Third party
Maersk Line	Mombasa, Kenya	Traffic accident caused by truck driver trying to overtake another truck in a terminal area	Third party
Maersk Tankers	Hamburg, Germany	Sweeper slipped and fell from height while cleaning the cargo tank on Bro Arthur	Third party

Across our business units, 12 fatalities occurred in 2010, compared with 13 in 2009 (see page 13, note d), each year with a majority in terminal and container inland operations.

In 2010 we also saw cases of employees probably committing suicide while working on Maersk facilities. They are investigated on a par with fatalities in Maersk, but are not included in the scope for our reporting, which includes only work-related fatalities. We are currently contemplating how we investigate possible links between a suicide and the work environment.

Similarly, the fatalities that recently occurred among our sub-contractors in Afghanistan (read more on next page), are not included in the scope for our reporting.

Each fatality is deeply distressing, and occurred in spite of a good and improved performance level in most business units on other safety measurements, e.g. LTIF, and an increased focus on preventive actions.

Historically the work to prevent fatalities and severe accidents follows what is termed 'Heinrich's safety triangle', which states that near-miss reporting (accidents that could have happened but did not), risk assessments, safety cases etc. are absolutely necessary to prevent all types of accidents. We will continue to optimise to improve performance within the logic of this safety triangle.

Recent research shows, however, that organisations working ardently in line with this triangle can still have fatalities, and that there is not necessarily a direct correlation between these and the safety triangle approach.

An illustration of this point is the disconnect between the strong safety leadership provided by APM Terminals in terms of injuries over time, while at the same time contributing 10 of the 12 fatalities registered to the Group in 2010.

UNDER WHO'S MANAGEMENT?

Another learning point from 2010 is that a significant part of the fatalities in our statistics occur to persons

working on Maersk premises but not directly employed by Maersk.

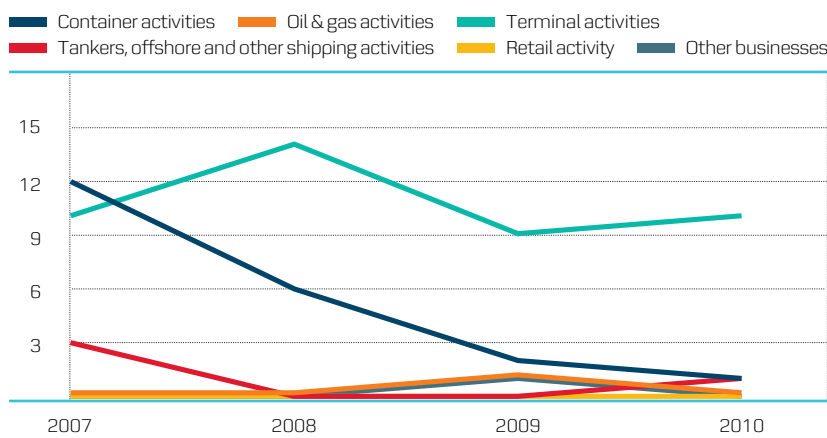
This points to the need for a greater involvement on our part in preparing and requiring contractors, third parties and others whom we grant access, to be conscious of the risks involved in the work they are about to perform. Should fatalities still occur on our premises, we will as a minimum always commit to ensuring a fatality is fully investigated by employers and the authorities.

ACTING TO CHANGE

Fatalities occurring around our activities are of great concern to us. We cannot accept the current state of affairs, and spurred by an Executive Board decision, we initiated activities in 2010 which will hopefully lead to significant progress towards our target of zero fatalities:

- We set up a group of internal safety experts who will collect and disseminate experiences from across the Group. We have a particular focus on transfer of knowledge from our activities in the energy segment,

Fatalities per business segment



GLOBAL COMPACT PRINCIPLE NO. 2

Businesses should make sure that they are not complicit in human rights abuses.

where safety is a core operational discipline, to other parts of our business.

- We joined an external US study and working group about preventing fatal and serious accidents hosted by two internationally renowned organisations, Behavioral Science Technology and Mercer (former ORC Worldwide). Seven global organisations with varying risk profiles are participating in the study, representing the oil and gas, marine transportation, agriculture and mineral extraction sectors. A full 1,028 accident events were

examined in a dedicated effort to investigate why companies with good safety records still have fatalities.

These activities and investigations are progressing at group level but have yet to lead to conclusions and subsequent new strategies for preventing fatalities that can be cascaded to business units in the Group.

ON THE RIGHT TRACK

Numerous examples within the Group demonstrate that accidents can be

avoided. These include Maersk Supply Service's Maersk Chancellor, which by the end of 2010 had spent nearly seven years without LTIs, and Maersk Drilling's Rig no. 12 which could celebrate more than 10 years without an LTI.

A perfect safety record is not accidental, but is achieved through constant attention to safety in all operations. The good examples serve as best practice across the Group, as well as inspiration and proof that it is possible to achieve zero accidents.

Operating in Afghanistan

Under a contract with the US government, Maersk arranges the transportation of goods to troops in Afghanistan. The contract is held by our US subsidiary Maersk Line, Limited with services provided by Maersk Line, Damco as well as sub-contractors.

Ground transport is carried out by sub-contracted rail and trucking companies. In the course of providing these services a number of a sub-contractor's staff have tragically lost their lives. In November 2010 this issue was the subject of a television news segment in the Danish national media, who based on information from Maersk Line, Limited counted 29 fatalities in total.

Following the story, further research among employees brought to our attention that our collected data were incomplete and that more people had been killed. The sources further in-

formed us that all eligible next-of-kin to the deceased might not have received compensation by our sub-contractors.

Our investigations have subsequently revealed a total of 39 fatalities. This updated number is based on additional information about three fatalities, a revised scope now including six fatalities not directly related to the war, and a fatality that occurred at the time of the news story.

Contractors are in certain cases responsible for payment of compensation to the family of the deceased individual. Maersk actively investigates whether this has taken place for the fatalities incurred. Regrettably, one of our major sub-contractors filed for bankruptcy. This bankruptcy has made it very difficult to determine if compensation for fatalities occurring in 2007 and 2008 has been paid. Significant resources are being spent validating the identity of the deceased and the extent to which the relevant next-of-kin have been compensated (e.g. through

local country justice systems). For a smaller number of cases this validation has proven exceedingly difficult due to the warzone environment and the unavailability of reliable records.

We continue to work closely with our sub-contractors to improve proper notification and registration of contractor fatalities and payment of compensation to avoid similar situations in the future. We carefully ensure that all sub-contractors involved in transporting goods to and from Afghanistan are known for providing a good service and have a good track record as well as high safety standards for their employees. Furthermore, we insist that full compensation be paid in case of any accident or injury.

In addition to our efforts noted above, the US government has established mandatory insurance schemes to cover personal injury and fatality claims. We are facilitating this process with our sub-contractors and the appropriate US government agencies.

Piracy

Piracy remains the main maritime security concern for the Group.

In 2010 we experienced two attacks on Maersk ships, which were both averted through use of the security measures applied by our ships. This compared to three attacks in 2009.

- On 21 October the container ship Safmarine Zambezi was attacked by pirates off the Tanzanian coast in the Indian Ocean.
- On 27 October Maersk Karachi, a container ship, was attacked by pirates also in the Indian Ocean.

The main reason for the reduced number of attacks on Maersk ships is the presence of the naval bodies' presence in the Gulf of Aden.

All ships entering the risk zone report to both the UK Maritime Trade Office in Dubai and the EU's Naval Forces' coordinating unit. An increasingly coordinated effort to deploy their ships in line with the commercial transits has had a real effect.

Piracy attacks increased in number, in severity and geographically (see map). Armed robberies at sea – which are defined as attacks taking place inside

territorial waters – also increased in number and severity and most commonly take place in West and East African waters, in the South China Sea, the Philippines, Indonesia and South and Central America. Unlike in the Indian Ocean, these incidents consist of boarding ships typically at anchorage or in ports with the objective of theft or kidnapping of the crew.

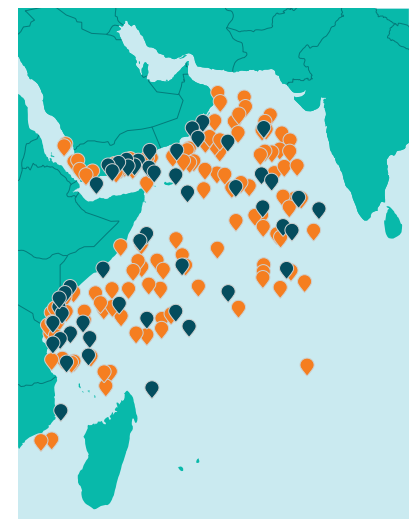
Security onboard and at landside has been strengthened to counter these events, mostly through the activation of anti-piracy measures but also in cooperation with shore-side authorities.

STRONGER THROUGH PARTNERSHIP

Ensuring our security measures follow current best practice at all times, Maersk Line began cooperating with two competing shipping companies, CMA CGM and MSC in 2010. Together the partnership accounts for a quarter of all transits through the Gulf of Aden and the members constitute the three largest container shipping companies in the world, controlling more than one-third of global containerised capacity.

The cooperation includes information exchange on safety measures, piracy policies and procedures, as well as coordination to ensure that the fight against piracy is continuously on the agenda by relevant authorities and stakeholders.

Piracy attacks 2010



● Attack ● Attempted attack
Source: MaRisk 2010



We want to ensure that we create benefits for both the company, its employees and the communities in which we work, and that the playing field is made as level as possible for those wanting to grab the opportunities provided.



Global labour principles

The newly established Maersk Global Labour Principles will help us ensure that every employee is treated according to the same standard.

As a trusted employer, equal standards based on international conventions and principles must be in place, even if Maersk employees carry out their work in many diverse cultures and regulatory environments.

The principles (shown on page 31) will support our efforts to provide good and fair labour conditions for our people, and can also serve as a competitive advantage to help us attract talent and have a stable workforce. They are guided by internationally recognised instruments and underpin Maersk's commitment to the UN Global Compact.

Having these principles implemented will also reduce the risk of workplace conflicts, which can damage a company both financially and in terms of reputation. Therefore accountability and transparency on governance of workplace conflict risks is in demand by customers and other stakeholders.

Broader communication directed at all employees on the existence and content of the principles will be achieved through internal media.

E-LEARNING PROGRAMME

To ensure awareness and increased capabilities in dealing with the dilemmas involved in global labour relations, we will launch and run a web-based train-

“We want to make sure that frontline leaders know what is expected, but are determined to ‘keep it simple’. Working in such an array of geographical locations, as we do, we find that simplicity is the only way.”

Bill Allen, Head of Group Human Resources in the A.P. Moller - Maersk Group

ing programme for relevant managers during 2011.

Besides a general introduction to the principles, the e-learning training programme

consists of a number of case-based dilemma challenges. Participants will work to resolve these dilemmas, each related to one of the Maersk Global Labour Principles, and at the same time be provided an opportunity to flag local issues. Participation is monitored and follow-up on concerns flagged will be assured.

“We want to make sure that frontline leaders know what is expected, but are

determined to ‘keep it simple’. Working in such an array of geographical locations, as we do, we find that simplicity is the only way,” says Bill Allen, Head of Group Human Resources.



This is in line with testing of the Maersk Global Labour Principles carried out by business units. These tests confirmed the ongoing challenge of

creating global guidelines that can accommodate local customs and activities, as illustrated by the below case on the use of polygraphs.

This does not entirely solve the problem. Most of the trucking companies we use also work for other customers, who may require polygraph testing. As such Maersk alone cannot eliminate the use of polygraphs in the market, nor can we entirely avoid employing trucking companies which use polygraphs. This would limit our possibility of meeting our customers' demands for service.

Another dilemma in this case is the fact that in the regions where the practice is common, employees in many cases favour polygraph testing because they want the 'clean bill' they feel the tests provide.

What we can do is to communicate our policy and work to abolish the practice to the best of our ability. This includes requiring our suppliers to avoid the use of tests when they investigate on our behalf, having informal discussions with other multinational companies on this practice and investigate if there are alternatives to polygraph testing which will meet customer requirements.

HELP US IMPROVE

Any employee with a question or a sense of non-compliance regarding the global labour principles can raise this directly with a manager or the human resources department. Reporting of serious violations related to discrimination can also be directed to Maersk's global whistleblower system available on www.maersk.com.

We aim to investigate all questions or concerns and respond with appropriate action wherever necessary.

A NO TO POLYGRAPHS

In the spring of 2010, Maersk was criticised in the Danish media for the use of polygraph testing in El Salvador. Polygraph tests are widely practiced for investigative purposes in Central America, due to the high number of truck hijackings.

In the current case, we became aware that a Maersk Line supplier had used polygraphs in crime investigations, testing employees of sub-contractors – primarily trucking companies.

Using polygraph testing violates Maersk's Global Labour Principles number two and eight as well as the International Labour Organisation's code of practice, the UN Global Compact, and the Maersk Principles of Conduct – which all form the basis for our labour principles.

On 23 April 2010 a ban on use of polygraphs was communicated across the Group.

TARGETS 2011

Completion of Maersk Global Labour Principles training for general managers and human resources managers worldwide, around 400 people.

Maersk Global Labour Principles

1. Health, safety and security

Maersk is committed to providing a safe and healthy working environment, to minimising the risk of accidents, personal injury and adverse health impacts, and to continuous improvement in health and safety performance. Maersk will provide the facilities, training and protective equipment necessary to ensure a safe workplace for all our employees. We will facilitate reporting of unsafe acts without fear of reprisal. Maersk is committed to ensuring the physical security of all its employees.

2. Equal opportunity and diversity

Maersk will treat every employee with respect and dignity and will not tolerate discrimination or harassment of any kind. Employment related decisions are made on a variety of relevant factors such as qualifications, skills, performance and relevant experience.

3. Child labour

Maersk will comply rigorously with all local laws and regulations and will in no event employ children under 15 years, or under 16 years for work at sea. Maersk will not permit hazardous work or night work for children under 18 years.

4. Forced labour

Maersk will not use any form of forced or involuntary labour, and refrains from practices that can give rise to a risk of involuntary labour.

5. Freedom of association and collective bargaining

Maersk respects its employees' right to associate freely, form or join organisations of their choosing and to bargain collectively in accordance with recognised international instruments, local laws and regulations, in full freedom and without fear of reprisal, intimidation or harassment. Maersk also recognises its employee's right to refrain from collective representation. Maersk is committed to conducting collective bargaining with freely chosen employee representatives of a legally recognised union.

6. Working hours

Maersk is committed to assuring full compliance with applicable laws, regulations, and relevant collective agreements concerning working hours and overtime, leave and minimum rest periods. It is company policy not to make systematic use of extensive overtime work and any overtime hours will be appropriately compensated according to individual terms of employment, applicable regulation and relevant collective agreements.

7. Compensation

Maersk will provide its employees with compensation and employment-related benefits on a competitive basis. We recognise that wages are essential to meeting employees' basic needs and will at least pay the minimum wage and mandated benefits required by local law.

8. Fair procedures

Maersk is committed to upholding the privacy of our employees. Maersk undertakes to follow fair disciplinary, grievance and dismissal procedures which are provided for by company policies and collective bargaining agreements including, upon request, the provision of exit conversations for employees leaving employment with the company.

GLOBAL COMPACT PRINCIPLE NO. 1

Businesses should support and respect the protection of internationally proclaimed human rights

GLOBAL COMPACT PRINCIPLE NO. 3, 4, 5 AND 6

Businesses should uphold:

- the freedom of association and the effective recognition of the right to collective bargaining
- the elimination of all forms of forced and compulsory labour
- the effective abolition of child labour
- the elimination of discrimination in respect of employment and occupation



Diversity

For Maersk the business case for diversity is straightforward: we need access to the largest possible talent pool to remain among the leading companies in the industries in which we operate.

Launched in the Danish headquarters in 2009, Maersk's diversity efforts were rolled out beyond headquarters in the second half of 2010. This roll-out entailed the appointment of a diversity driver in six of the Group's largest business units: Maersk Line, Maersk Oil, Maersk Drilling, APM Terminals, Damco and Maersk Tankers.

By the end of 2010 each of the business units had completed their prework and analysis including definition of scope, baseline and benchmarks, and had committed to a plan for their future work, including 2011 priorities and activities. Together the diversity drivers form the Diversity Council, which will work on diversity

priorities across the business units in order to create a multiplier effect and impact through joint effort. At Group headquarters women in management are defined as a primary focus area, but business units are free to work on other kinds of diversity based on their needs. Maersk Oil, for example, chose to add nationality to their efforts.

In 2011, the Diversity Council will meet quarterly and in addition every business unit will work with Group Human Resources to follow up on their efforts and to turn the plans into action.

"Ultimately what we want to achieve is a company that is attractive to all

language were developed and deployed internally; and engaging with external women's networks to heighten visibility.

- **Flexibility**, where fixed working hours were removed from all contracts. Most departments have limited the

equally with respect to gender, race, nationality, religion, etc.

In 2011 we will continue to drive gender diversity initiatives that address our workplace with a focus on human resources processes as well as through focusing on the career progression and development of women. As a part of our efforts we will try and address the structural and socio-economic factors that may impede women's careers.

"The appointment of 'diversity drivers' demonstrates the commitment from the Executive Board and signals that the business units are ready to take the next step forward to drive diversity in the regions in which they operate."

Maria Pejter, Senior Director, Group Talent Management in the A.P. Moller - Maersk Group

kinds of people, because it makes Maersk more interesting as an employer, partner and service provider," says Maria Pejter, Senior Director in Group Talent Management.

HQ'S FOUR FOCUS AREAS

In the Danish headquarters of Maersk, the target is to have female representation of 20% at general manager level, 15% at director level and 10% at vice president level by the end of 2014.

At headquarters, in 2010 we continued our work within the four established focus areas:

- **Women's Leadership Network**, where 140 members making up 70% of the target population are invited to events discussing the myths, research and hard facts on diversity, career choices and personal experiences of women in leadership.
- **Recruitment**, where tools to create job adverts using gender neutral

hours where employees are expected to be present between 9 and 15, introducing a first measure of flexibility.

- **Career models**, where we worked to develop a diversity module for our people strategy, and to integrate diversity in talent development and succession planning. These will be launched in 2011.

PERFORMANCE AND SUPPORT

The efforts have started to pay off. In 2010 there was an increase in female representation among general managers both in the Danish headquarters and globally with year-end figures of 18% and 21% respectively, up from 17% and 17% in 2009. The female representation among directors has also increased globally to 8%, from 7% in 2009. The female representation at vice president level remained at 4%.

In the employee engagement survey question on diversity, 77% of our colleagues agreed that we treat people

RETAIL'S DIFFERENT KIND OF DIVERSITY

Maersk's retail ownership, Dansk Supermarked, has several times been recognised for their efforts to create a diverse workplace (see the awards list on www.maersk.com/sustainability). Dansk Supermarked's diversity is broad including the integration of a number of disadvantaged groups into the work place. One such group is first and second generation immigrants, where Dansk Supermarked has cooperated with Danish municipalities for more than five years with huge success. Another group consists of people with disabilities, who take care of the recyclable bottles system, work in the bistro and help stock the shelves in the morning in one of Dansk Supermarked's hypermarkets. All in collaboration with municipalities and a couple of suppliers.

TARGETS 2011

18%, 10% and 6% female representation in headquarters for general managers, directors and vice presidents respectively by the end of 2011.

Disaster response programme

Maersk has unique capabilities, assets and expertise that can be used to alleviate the chaos resulting from a major natural disaster. In partnership with the UN's World Food Programme, we will use our strength to deliver humanitarian aid when disaster strikes.

Sadly, 2010 provided several examples of disaster-ridden regions in dire need of help. Both the massive earthquake in Haiti and the floods in Pakistan called on the international community to join forces and help the unfortunate victims of these adverse events.

Our employees showed great generosity during these large-scale disasters in 2010, and Maersk will continue to provide a platform where both employees and the Group will be engaged in humanitarian efforts.

PARTNERING TO ASSIST THE UN

In 2010 Maersk decided to join the Logistics Emergency Teams (LET), a group formed under the World Economic Forum five years ago.

"Disasters and the subsequent breakdown of a society's infrastructure is a

revealing reminder of the importance of logistic infrastructure, which in daily life is taken for granted," says Nils S. Andersen, CEO of the A.P. Moller - Maersk Group.

LET assists the UN World Food Program (WFP) in case of large scale natu-

"Disasters and the subsequent breakdown of a society's infrastructure is a revealing reminder of the importance of logistic infrastructure, which in daily life is taken for granted."

Nils S. Andersen, CEO of the A.P. Moller - Maersk Group

ral disaster, where WFP always serves as logistics center for the UN.

LET provides logistics specialists (e.g. shipping experts, port managers and warehouse managers), assets (e.g. warehouses and containers) and trans-

portation services (shipping and trucks). LET will intervene for the first three to six weeks following a natural disaster.

Over time we have learned that by partnering with other players, Maersk is able to maximise the impact of what

we have to offer, and that it is possible to set up structures to minimise the disturbances such efforts create to the rest of our organisation.

An internal structure has been set up in Maersk to deal with our new approach



to natural disaster response. We have established a Disaster Response Coordination Team, coordinated by the Group Sustainability team.

SENDING OUR EXPERTS

Aside from our assets and services, membership of LET entails Maersk sending experts in logistics or other needed fields of knowledge to the disaster area.

A pool of dedicated and specially-trained Maersk employees will be formed as part of our emergency response commitment to assist the

WFP in the immediate aftermaths of a large natural disaster.

Those elected for participation in a stand-by core of people eligible for deployment will go through a three to five day training programme prepared by WFP and Maersk. The programme deals with humanitarian logistics, its organisation and the emergency context.

ENABLING ENGAGEMENT

When Maersk responds to a natural disaster together with the World Food Programme, an employee donation

scheme will be established in addition to the other Group efforts.

As was the case following the disasters in both Haiti and Pakistan, these employee donation schemes allow employees to make personal donations to the Red Cross/Red Crescent via a link on Maersk's intranet. These donations are matched by the company.

For Haiti, the scheme resulted in a total donation of close to DKK 1.5 million, for Pakistan the donation was close to DKK 400,000 plus what was collected in several local initiatives across Maersk.



Climate change and environment are the two areas where Maersk can have the greatest global influence in terms of developing solutions and raising industry standards for environmental impacts. By way of size in a number of the industries in which we operate, our actions go a long way towards change.



Climate change

The importance of curbing climate change has in no way lessened during 2010. Maersk intends to fulfil its role in this global battle.

Both at COP 15 in Copenhagen and at COP 16 in Cancun, the outcome of the negotiations speaks of limiting the rise in temperatures to below two degrees. But the current emissions trajectory shows the world rapidly moving towards an increase above four degrees.

Should this scenario become real, the consequences would be dramatic. Flooding from sea-water would cause loss of land, crops and fresh water supplies. Agricultural yields are expected to decrease. Temperature increases will also affect the risk of fires and the global health situation.

The current political consensus in the UN negotiations leads to an increasing focus on identifying which products and services need to be expanded to enable a transition to a low carbon economy. A focus which is needed to secure a sustained spread of welfare globally and simultaneous reductions in CO₂ emissions.

LOW-CARBON TRANSPORT NEEDED

In this context, companies are both polluters and solution providers. Maersk is determined to be part of the solution and active in the discussion of how we use transport. Maersk's

port, through the Low-Carbon Leaders Project, developed under the UN Global Compact Caring for the Climate Initiative in cooperation with WWF.

The paper discusses the transport sector's contribution to climate problems

"The actual distance travelled by a product is not important. What is important is the CO₂ emissions resulting from the transport and the societal value of the service provided. That is the essence of carbon distance."

John Kornerup Bang, Lead Climate Advisor in the A.P. Moller - Maersk Group

activities in the transport sector produce by far the largest amount of CO₂ emissions in the Group. However, sea transport is the most climate friendly mode of transport.

In 2010, Maersk supported the publication of a paper on Smart Goods Trans-

and solutions. The paper is available at www.transformative-solutions.net.

The report suggests that:

- Sea transport offers significant potential in creating a low carbon economy.



- Global low carbon transportation strategies should pursue shifts from road and air freight to sea freight, using the concept of ‘carbon distance’ as a guiding principle.

“To tap into shipping’s low carbon potential, the political level should create carbon transparency and embrace

the concept of ‘carbon distance,’” says John Kornerup Bang, Lead Climate Advisor in the A.P. Moller - Maersk Group.

“The actual distance travelled by a product is not important. What is important is the CO₂ emissions resulting from the transport and the societal value of the

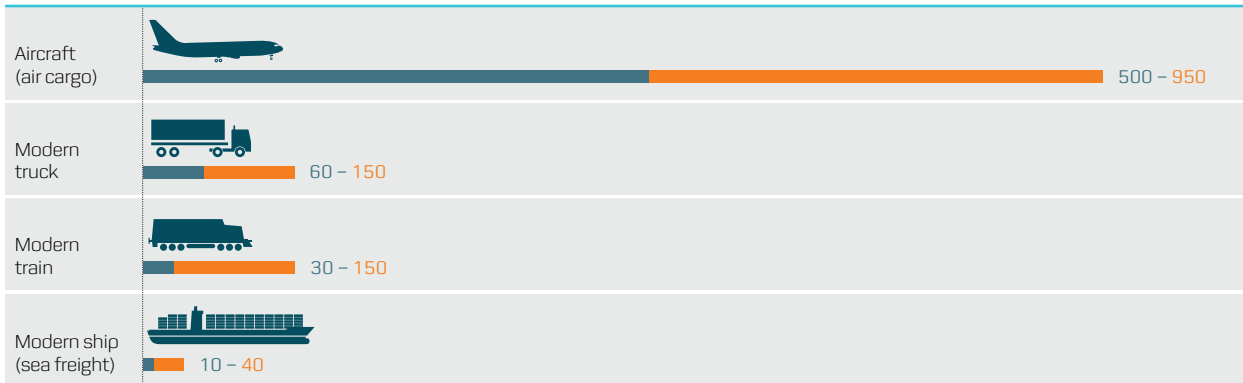
service provided. That is the essence of carbon distance,” he adds.

TAKING ON LEADERSHIP

Maersk has huge potential for affecting the change from air to sea. Through ownership of Maersk Line – the largest provider of sea transport in the world

Carbon impact from transport (range)

CO₂ (in grams) emitted per metric tonne of freight per km of transportation



■ Minimum emission ■ Maximum emission

The Low-Carbon Leaders Project, developed under the umbrella of the UN Global Compact’s Caring for Climate Initiative and in cooperation with WWF.



– and our ownership of APM Terminals, Damco and Maersk Container Industries – our potential for impacting this change is perhaps greater than any other company operating in global transportation of goods. Additionally, in the world's growth regions in terms of world supply and thereby freight needs, our position is strong and therefore ripe with potential influence. For example, we have been present in China for nearly 100 years, and have freight and port activities across the African Continent.

We have made a conscious decision to take on the leadership role in changing global transport through the introduction of technology-based solutions and changes to the business model in the transport segment.

"Innovation in sustainable shipping will be critical to solve the climate crisis. We are looking for leadership in developing transportation solutions that will bring about the transition to a low-carbon economy," says Lila Karbassi

from the UN Global Compact's Caring for Climate programme.

We are proud to see our leadership efforts recognised by others e.g. by way of being invited by the UN Global Compact to join their LEAD programme, and to provide an industry perspective at the World Climate Summit in Cancun, Mexico, in December 2010.

FIRST CLIMATE CHANGE TARGET REACHED

In 2009 Maersk set its first climate change target: to improve the group-wide greenhouse gas (GHG) efficiency by 10% by 2012 using 2007 as baseline.

This target was set as a relative target because we believe the role of business is to create more and more efficient solutions rather than shrinking activities. This secures scalability and relevance in meeting the double challenge of reducing emissions and creating enhanced wealth and opportunities for the global population.

Setting that target has driven efforts across the Group's business units, which have all contributed to the reductions achieved so far. And we are pleased that we have already reached the target, with a total reduction of 13% relative to business activity (read more on page 11).

While all business units have achieved reductions in CO₂ emissions, the main contributors to reaching the target are our businesses involved in transportation.

GLOBAL COMPACT PRINCIPLE NO. 7 AND 8

Businesses should support a precautionary approach to environmental challenges.

Businesses should undertake initiatives to promote greater environmental responsibility.

Slow steaming, i.e. reducing speed at sea, is the main driver of greater GHG efficiency, along with implementation of a number of energy efficient technologies, and a greater focus on behavioural aspects of energy use.

THE CLIMATE CHANGE ROAD AHEAD

Being part of the solution as well as the problem, calls for an updated climate change strategy. We have begun designing this new strategy and expect to have new targets as well as a new strategy ready during 2011. The framework established in 2010 for this work calls for the new strategy to:

- Establish a Maersk climate change policy.
- Set targets for GHG emissions relative to our business activities, for both the short to medium term (3-10 years) and the long term (20-40 years).
- Open the scope of our strategy to include not only our own emissions, but also an increased understanding of how our activities are connected

to both our customers' and suppliers' emissions.

THE ROLE OF FOSSIL FUELS

Maersk is also involved in extraction of oil and gas. While we acknowledge that the world's mix of energy sources will need to change significantly in a 30-40 year perspective, we also concur with the International Energy Agency's estimate that renewable energy cannot cover the world's energy needs in a financially sustainable way in the short to mid-term future.

Until then, oil and gas is needed to support economic development for all, as well as the transition to a fossil free economy.

In our oil business we are committed to extracting oil and gas in an efficient and safe manner. One example is through investment in new technologies. Between 2009 and 2010 Maersk Oil has brought down the CO₂ emissions per unit of production by 20%. This has been supported by our ongoing flaring reduction programme in Qatar and the implementation of the Dunga Gas Utilization plant in Kazakhstan.

NEW REDUCTION INITIATIVES

Maersk is also involved in a range of supporting offshore activities. These business units operate at leadership level in their industries. Continuously improving their own performance, both Maersk Tankers and Maersk Supply Service in 2010 reached out to customers to engage in dialogue over how to achieve CO₂ emissions reductions.

Another example of how we are investing in an area that has long-term potential to benefit climate change and uses special capabilities within our Group is our work on Carbon Capture and Storage (CCS) and CO₂-based Enhanced Oil Recovery (EOR).

INVESTING IN NEW USES OF CO₂

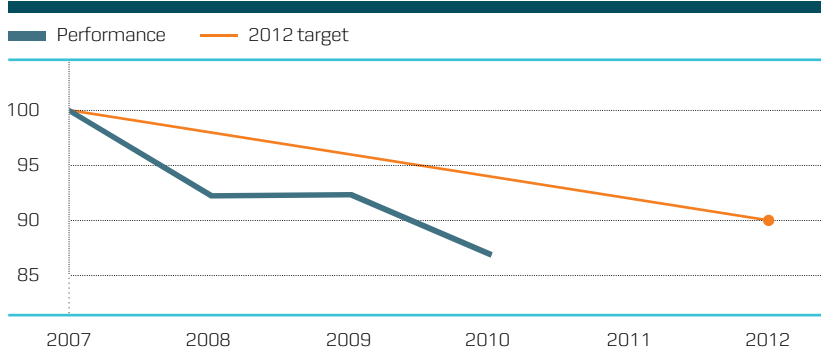
Carbon capture and storage (CCS) takes CO₂ emitted and stores it in empty oil and gas fields, or uses it for Enhanced Oil Recovery (EOR).

Transport between emissions, source and storage sites is needed and tanker ships are a cost-efficient and flexible way to transport CO₂.

In 2009 a partnership was established, between Maersk Oil, Maersk Tankers and two Finnish power companies, to test both CCS and EOR by 2015, and in 2010 Maersk Tankers joined forces with Hyundai Heavy Industries and Det Norske Veritas to design ships that can transport CO₂.

The aim of this partnership is to have a ship design ready once CCS projects commence. This depends on the development in pricing of CO₂ quotas.

GHG intensity for the Group





Environment

Maersk's environmental strategy from 2008 requires all our business units to pursue greater efficiency through innovation and technological advances – with the aim of using natural resources more efficiently and with less impact on the environment.

In partnership with suppliers and industry partners and supported by Maersk Maritime Technology's Innovation and Ship Engineering departments, our business units work on reductions of emissions of CO₂ as well as SO_x, NO_x and particulate matter.

Efforts are also being made on waste handling (coordinated by Maersk Line),

anti-fouling, ballast water management and discharges of oil to water.

The world's marine environment and biodiversity is at stake as well as the quality of air in coastal areas. Transporting containers by sea, as well as operating tanker ships, supply ships, tug boats, drilling rigs and platforms, Maersk has a special interest and

responsibility in protecting the global waterways.

BALLAST WATER SYSTEMS NEEDED

Ships carry ballast water picked up in one marine environment, which when discharged in a different marine ecosystem can threaten the eco-balance and lead to the spread of unwanted species. It is

regarded as a large-scale environmental threat to the marine environment.

Maersk has ballast water management plans and ballast water logs on the great majority of its ships. We seek to minimise the use of ballast water and to conduct internal and mid-ocean ballast exchange. However, in order to live up to regulations passed by the International Maritime Organization and those ready for ratification, stronger measures are needed. Through a joint venture company we are involved in the development of a ballast water treatment system, which is now being tested, and as partners we follow the results closely, just as we monitor innovations made by other companies trying to build efficient systems with the smallest physical footprint.

ANTI-FOULING: NOTHING STICKS

Paints used on the hull of a ship affect the amount of living organisms attaching to the hull. Called fouling, it increases friction leading to higher fuel consumption and emissions of CO₂, as well as more energy used for cleaning.

Unfortunately, many of the existing anti-fouling compounds are highly toxic and damage the marine environment and biodiversity. In collaboration with paint suppliers, we are testing several paints to help evaluate effectiveness using the ships' performance monitoring systems to get detailed data.

BEST PORTS FOR WASTE DISPOSAL

Safe disposal of waste generated by both machinery and people onboard ships is another item worked on by Maersk. Our policy already forbids disposal of unprocessed non-biodegradable solid waste at sea.

Both Maersk Line and Maersk Tankers have begun a process of rating ports' waste disposal facilities, and are working to have the results of these ratings verified by an independent agency.

THREE OPTIONS FOR SULPHUR

Left-over sulphur stays in fuel oil after refining and is released as SO_x in exhaust gases. More stringent regulations on SO_x emissions are underway, which will impact all Maersk ships, and we are investigating several technical solutions as an alternative to switching to low sulphur fuel. Read about Maersk Line's voluntary fuel switches on pages 53–54.

Scrubbers – where the exhaust gas is made nearly free of SO_x through different processes using water spraying in a closed or open loop mode. Maersk Line will have such a system installed on a ship for testing in 2011.

Liquid natural gas (LNG) used as a fuel, significantly reduces SO_x, CO₂ and NO_x. Maersk has initiated several projects to investigate technical, operational and economical aspects in relation to the use of LNG as a fuel. Reduced cargo space due to more fuel space needed, increased safety demands and fuelling infrastructure for LNG are challenges that remain to be solved.

Biofuel – five business units are financing tests of biofuel. In a joint industry project, we completed combustion tests of different fuel blends on a Maersk container ship at the end of 2010, to our knowledge the first such project ever. The final results are still undergoing analysis. Maersk is also considering the use of second and third generation biofuels and participates in a consortium to develop sustainable biofuel for the transport sector.

REDUCING NO_x

Emissions of NO_x derive from the combustion process in all engines, regardless of the fuel type used. Over the next decade ship owners will be required to reduce their emissions of NO_x by 80%.

Maersk participates in the research into new technologies to reduce NO_x and particulate matter emissions in collaboration with engine manufacturers and equipment suppliers. As part of this project, Maersk is testing exhaust gas recirculation on board a container ship. The target is to reduce NO_x by 50%. We are also testing water-in-fuel technology.

MINIMISING OIL POLLUTION

When producing and transporting oil there are continuous discharges of oil into water, affecting fragile marine habitats and biodiversity.

Maersk Oil is currently investigating the use of nano-particles for oil and water separation. Maersk Tankers are involved in improved design, increased efficiency, and better process control of bilge water treatment, improved ship design and investigation of possible substitutions for hydraulics where feasible.

All projects are conducted in collaboration with other parties, and the projects' actual contents are so far kept confidential by mutual agreement with partners.

GLOBAL COMPACT PRINCIPLE NO. 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.



Groundbreaking ships on the way

Throughout 2010 Maersk Line worked to design and negotiate the contract to build 10 of the largest and most CO₂ efficient container ships ever. The capacity of each ship will be 18,000 TEU – 16% greater than the largest ship built so far, Emma Mærsk. We expect delivery of the first ship in 2013, to be used for transport between Asia and Europe.

Building a container ship 16% larger than any of today's is an accomplishment, but applying available technologies to make it the most CO₂ efficient ship at the same time, we believe is groundbreaking. The new ships establish a new class of container ships, labelled Triple-E class due to their:

- **Economy of scale:** These ships take economy of scale to a new level, as the additional capacity is not matched by a need for additional engine power.
- **Energy efficient:** The hull of these ships are optimised for lower

speeds, and the energy-efficient engine type is combined with a waste heat recovery system which contributes to ship propulsion. The result is what we believe to be unmatched energy efficiency.

- **Environmentally improved:** These ships reduce CO₂ emissions by 50% per container moved, compared to the industry average on the Asia-Europe routes (based on 2009 CO₂ emission reports from the Clean Cargo Working Group). The ships also come with an effective and energy efficient ballast water treatment system and will be prepared for installation of a SO_x scrubber, when the technology has matured further. Finally, all the ships will be ISO14001 certified when they leave the yard.

"It is our goal to reduce Maersk Line's CO₂ emissions per container moved by 25% by 2020 (compared to 2007). The Triple-E ships will help us reach that goal, and will make us even more competitive in the market than we are today," says Eivind Kolding, CEO of Maersk Line.

PREPARED FOR RECYCLING

The ships will also be designed for future safe and sound recycling. We will develop a so-called 'Cradle to Cradle Passport', which lists and describes the materials used, their location, and how they can be correctly disassembled and recycled/discharged. Maersk Line has developed the concept for the Cradle to Cradle Passport together with the organisation EPEA (Environmental Protection Encouragement Agency).

IMPROVING YARD PERFORMANCE

The ships will be built by the DSME shipyard in South Korea, which has been criticised for its safety performance. Third party audits performed on our behalf in 2010, concluded that DSME has a good Health and Safety management system, but can improve on performance (read more on page 49).

By giving the order to DSME we are using our size and experience to help suppliers improve social and environmental performance.



Conducting our business responsibly is inherent in Maersk's values and our Principles of Conduct. It is part of the Group's history. We have high expectations for our own behaviour in the interaction with others, and expect the same of our business partners.



Anti-corruption

Maersk is determined to promote fair and clean business. It is part of our values and stakeholders expect it of us. At the same time, we need to navigate in markets where laws are not always obeyed and corruption may be widespread.

Bribery and corruption undermine society by funnelling resources out of the formal economy away from investments in infrastructure, education, and health services, and increase the costs of doing business.

The attention given to anti-corruption by governments, international agencies, organisations and corporations continues to grow, and many influential companies demand that their suppliers have anti-corruption programmes in place. Finally, anti-corruption legislation is being applied far more widely and diligently, notably by the USA and the UK.

"We have good reasons to persist in our anti-corruption work. It is in line with our values and Maersk Principles of Conduct," says Joseph Simon, Senior Legal Counsel in Maersk. "And in a strict business sense, failure to work seriously with anti-corruption can adversely impact our brand and reputation."

We also actively support the UN Global Compact working group on anti-corruption by making our internal expertise on the subject available to this group and drafting and editing UNGC online anti-corruption documents (RESIST II).

FACILITATION PAYMENTS

The Group applies internationally applied standards in dealing with facilitation payments, i.e. small sums demanded by government employees to perform an administrative process that they are legally obligated to perform without any such payment.

Facilitation payments unfortunately remain a widespread phenomenon in some parts of the world, despite being illegal under nearly all local laws, and despite increasing international opposition to such payments. We oppose facilitation payments and our goal is to eliminate them. We will always at-

tempt to avoid them, e.g. by asking for an official receipt, and each business unit will clearly record facilitation payments that prove unavoidable as they do other costs.

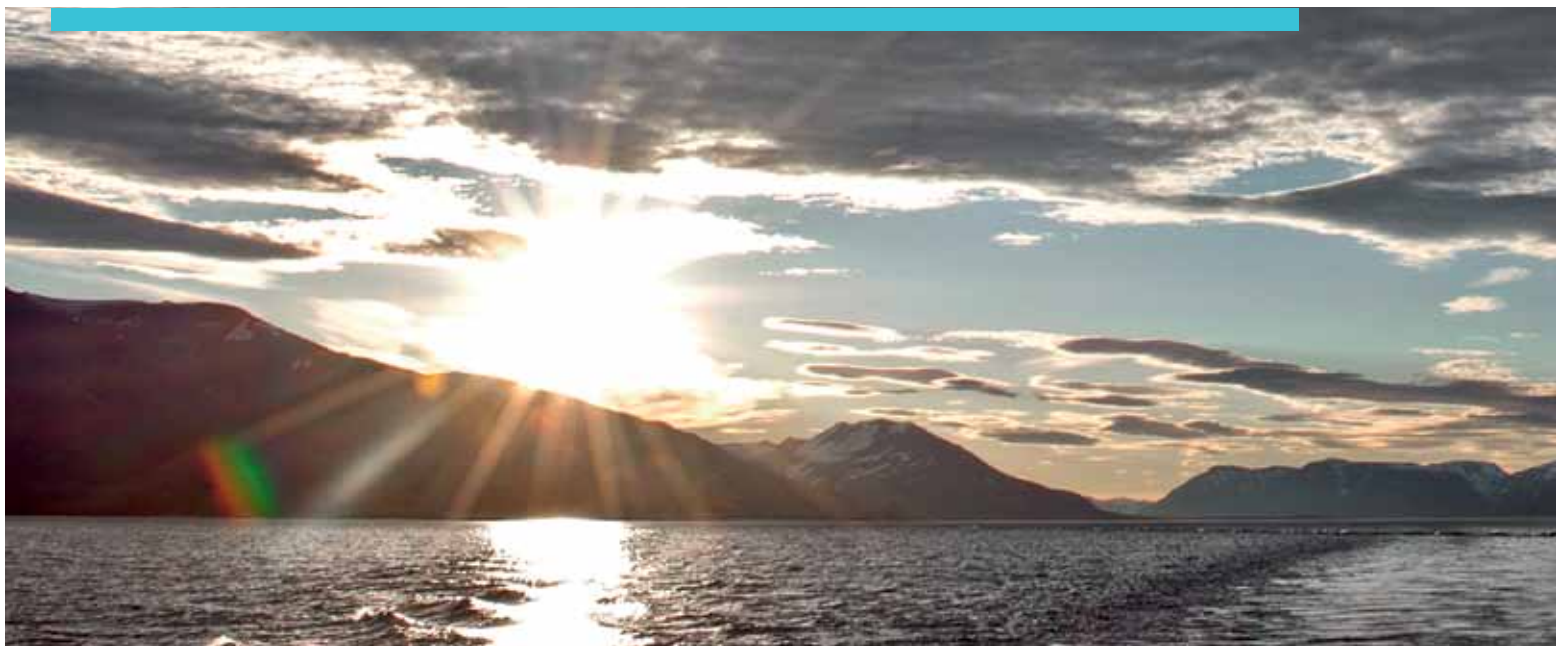
IMPLEMENTATION AND TRAINING

The main focus in 2010 was the implementation of the 2009 anti-corruption policy, including focused training, and a whistleblower system for the entire Group.

The priority was in-person training for key managers and for staff whose

GLOBAL COMPACT PRINCIPLE NO. 10

Business should work against corruption in all its forms including extortion and bribery.



GOOD EXAMPLES ENCOURAGE

"We are still at the early stages, but there are definite success stories," says Joseph Simon. "Stories that show, that it can be done, you can say no to bribery."

One such story originates from a country with a reputation for official corruption where Maersk refused to make a payment requested by a public official. Instead, Maersk complained to the public official's supervisor. This led to the dismissal of the official and a retraction of his request for a bribe. Also, in a country where facilitation payments are endemic, Maersk has consistently refused to pay them. The initial effect was that approval of e.g. work permits took longer, and more documentation was demanded of Maersk than for others. But waiting times are being reduced and officials no longer ask Maersk for payments – and in fact now use Maersk as a model for other companies.

work could expose them to demands for bribes in high-risk markets, which meant that about 800 key staff were trained in over 40 sessions held in 13 countries (see table for employees in scope for training on opposite page).

Through this focus we were able to incorporate headquarters and local managers in the anti-corruption programme's global implementation and mitigate risks.

About 50% of the relevant employees were trained in 2010, representing those who have a significant impact on effective short-term and long-term global implementation of the anti-corruption policy.

Training in 2011 will be expanded to include e-learning, which will be available to a much larger group of employees. Face-to-face training will continue, provided by Group Legal and by business unit legal teams, as will videoconference-based training.

ENHANCED FOCUS

Business units also increased the use of standard compliance clauses in contracts. Moreover, we are asking business partners to complete compliance due diligence questionnaires, and we verify responses through available sources, e.g. court records, media reports and local reputation.

LAUNCHING A WHISTLEBLOWER SYSTEM

The Maersk whistleblower system was launched in January 2011, and is available in 140 countries in more than 40 languages. Reports can be made by telephone, through www.maersk.com or through internal websites. Reporting can of course still take place via managers, or using e-mails, letters and telephone calls.

The system generates two main benefits; allowing Maersk to learn of wrongdoing and to take action to stop it, and giving employees and



other stakeholders an additional means to report genuine concerns about wrongdoing. All investigations will be conducted according to Group guidelines.

Reports can be made on fraud, corruption, competition law breaches, insider trading, foreign trade controls violations, deliberate breaches of IT security, discrimination and harassment.

The system incorporates legal restrictions on reporting in some countries.

Anticipated anti-corruption training 2011

Measured in percentage	Maersk Line ¹	Safmarine	Damco ²	APM Terminals	Maersk Tankers ³	Maersk Drilling, FPSOs, LNG & Supply Service ⁴	Svitzer ⁵	Maersk Oil ⁶	Group Procurement ⁷
Total	99	TBD	25	TBD	–	–	15	15	100
Senior management	–	TBD	90	TBD	99	80-100	80	65	–
Country/regional management	–	TBD	90	TBD	99	30-40	80	65	–
Managers & heads of dept.	–	TBD	–	TBD	90	65-80	80	65	–
Legal/compliance staff	–	TBD	–	TBD	–	80-100	–	–	–
Staff w/contact to public officials	–	TBD	–	TBD	–	30-40	50	65	–

TBD = To be determined

- Maersk Line training will be primarily e-learning, supplemented by video conference training for legal staff and in-person training for selected managers, anticipated numbers not yet generated.
- Damco will train selected persons in the categories without percentages, e-learning in English, number could increase if available in other languages, e.g. Mandarin Chinese, French, Spanish.
- Maersk Tankers intends to train selected staff in 2011. Key staff with contact to public officials received in-person training in 2010.

- Percentages represent a combination of in-person and e-learning training, specified staff categories represent total numbers that will have received training in 2010 and 2011.
- Svitzer legal staff received training in 2010. If e-learning is in place Svitzer could train approximately 50% of white-collar staff and 10% of other staff in 2011.
- Maersk Oil legal staff received training in 2010. Maersk Oil could train approximately 15% of its broader staff in total if e-learning is implemented, other percentages represent specified categories of staff that did not receive training in 2010.
- Target is e-learning training to all staff in 2011.

Responsible procurement

As a global company, with over 100,000 suppliers in more than 100 countries, we can positively influence our suppliers' development by embedding into our supply chain internationally-agreed standards for responsible business conduct in the areas of human rights, labour, anti-corruption and environment.

While our suppliers are spread around the globe and work with varying standards and cultures, we make millions of purchasing decisions annually, with a large share of these decisions made locally.

This is why our Responsible Procurement Strategy focuses on continuous improvement, capability building and risk management – we must make it easy for our employees and suppliers at all times to understand what is the right thing to do and how to do it.

CODE OF CONDUCT ON THE WAY

We have always focused on doing business in a responsible manner, and more recently we started to work on consistency in the social standards we use for selecting and working with our

suppliers in different business units, including a Third Party Code of Conduct.

"We strongly believe that implementing a Code of Conduct towards our supply chain creates value for all parties. It helps establish a long-term relationship between ourselves, our suppliers and the societies where we operate, which creates a better business environment for all," says Stig Romby Nielsen, Senior Director in Group Procurement in Maersk.

Our Third Party Code of Conduct reflects our commitment to the UN Global Compact and the core labour conventions of the International Labour Organisation. It addresses anti-corruption, labour practices, environment and occupational health, safety and security of the supplier's employees.

APPROACH: DIALOGUE AND DEVELOPMENT

We are working on implementing the Third Party Code of Conduct through dialogue and development, rather than disqualification and punishment.

"Responsible procurement is about sound business," says Renata Frolova, Head of Responsible Procurement. "We see this as an investment in our future and suppliers shouldn't feel penalised for participating."

That is not to say there will be no implications. On the contrary, legally-binding contract terms, on-site audits, improvement plans, tight progress measurement and constructive yet critical dialogue are all part of the system.

TESTING AND PREPARING IN 2010

During 2010 we developed the software which enables the buyer to carry out the initial supplier assessment, schedule supplier interviews and keep track of the progress. In China and Denmark a total of 500 suppliers were invited to participate in the pilot test.

As a result of the pilot, we learned that to deliver credible results in responsible procurement we need to educate our buyers, focus on a limited number of suppliers and prioritise our efforts in the areas of highest impact. We have also learned that the only way to make responsible procurement operational is by empowering the buyers to enter into a critical and constructive dialogue with their suppliers.

Following the pilot test, it was decided to implement the programme in all Maersk's business units worldwide.

TARGETTED EFFORTS

We want to focus our efforts where it makes the most sense. We will start with a phased roll-out with focus on major suppliers, areas of high risk and capability building with the key personnel in the procurement functions.

In 2011 we expect to target the majority of these suppliers:

- Major/high spend suppliers
- Critical/strategic suppliers
- Branded products
- Selected suppliers with direct spend in high-risk countries

At the end of 2011, the procurement functions in Maersk will be assessed on:

- % of spend assessed
- % of suppliers who have acknowledged Maersk's supplier code of conduct

TARGETS 2011

- 50% of spend assessed
- Approximately 200 buyers trained in working with Responsible Procurement
- Business unit strategies on responsible procurement developed, communicated and implemented
- % of suppliers in each prioritisation segment (assessment, dialogue, performance management)
- % of suppliers where identified actions have been completed (self-assessment, audit).

→ [Read more
www.maersk.com/procurement](http://www.maersk.com/procurement)

Auditing shipyards in Asia

On the backdrop of workplace safety issues raised by Danish media in 2010, Maersk decided to conduct audits of several shipyards used by Maersk in South Korea and China.

All audits were conducted by a recognised third party auditor and with representatives from Maersk. The audits were conducted at two yards in South Korea and three yards in China.

Both sets of audits provided a chance for us to explore, how we can support our key suppliers in improving their performance on sustainability issues

and were part of a pilot for our Responsible Procurement programme which will be rolled out in 2011.

For the two South Korean yards it was concluded that both have acceptable health and safety programmes in place, but improvements in performance were needed. Subsequently, a corrective action plan has been shared with both yards. Further, Maersk Line has encouraged both yards to commit to the UN Global Compact.

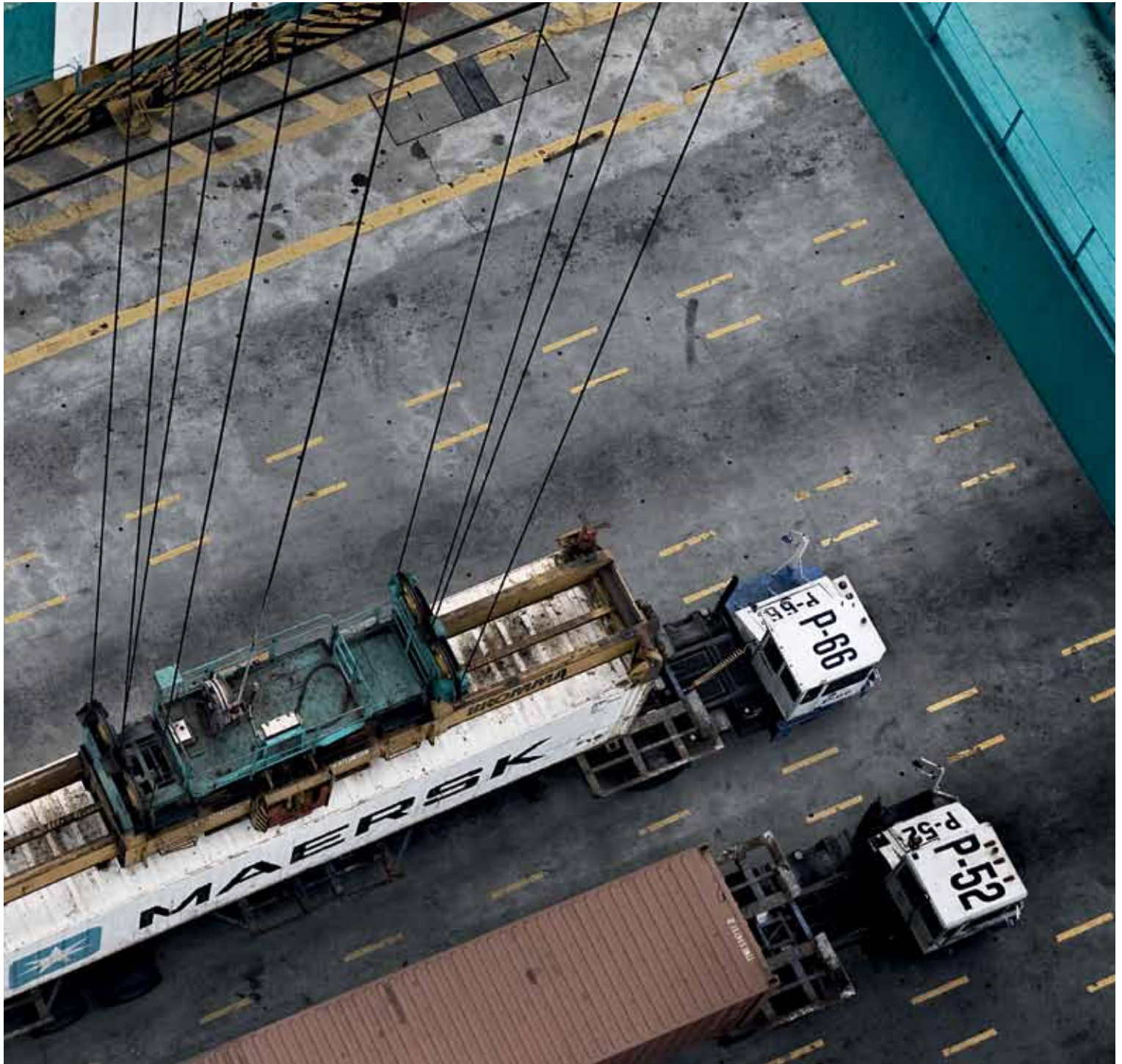
In China, the three yard audits were performed in December 2010. These audits also provided us with an opportunity to develop ideas for how to work on improvement projects in the future

and if an audit against our future Third Party Code of Conduct is feasible. We are currently in the process of analysing the results and preparing suggestions for future activities.

Good risk management systems and general management performance are often linked, so improvement in one area will lead to overall improvements in quality, innovation and learning as well as better health and safety records. Maersk has an opportunity – through our size and long established relationships – to help improve sustainability performance in our supply chain. This is an approach which is beneficial both to us and our partners.



Transport, energy and retail. These are the three high-level segments in which Maersk makes its mark on global business. Our reach is growing as we expand our activities, including in ever more markets, particularly in emerging economies.



Business unit performance

Being a large conglomerate, it can be difficult to grasp both the full extent and the detail of Maersk's business activities, when portrayed at group level. In the following pages we provide an overview of our main activities at the business unit level.

The summaries provide detailed information on the most material issues dealt with by the individual business units. It shows the diversity in our businesses both in terms of activity type, size and potential for impact on the sustainability agenda – internally and externally.

MOVING AHEAD

Overall our business units are making progress within sustainability at the strategic level, having been through and learned from the process of developing sustainability or CSR strategies. Safety remains an imperative for most of the business units. For many, however, climate change and environmental matters are growing in importance. Business units also stand ready to begin implementation of the Group programmes on responsible procurement and labour principles which were finalised and approved at group level in 2010.

MORE INFORMATION

Data for the business units presented here, do not add up to the consolidated number presented in the consolidated table (see page 13), which also comprises input from headquarters and minor activities.

Moreover, in this report we only include data on a few, select key performance indicators for each business unit. Full sets of externally verified data, both consolidated for the Group, per segment and per business unit, can be found on our website.

Most business units provide more information on their sustainability efforts on their own websites. We have included a link at the bottom of each chapter for your reference.

→ [Read more
www.maersk.com/sustainability](http://www.maersk.com/sustainability)

BUSINESS UNIT PERFORMANCE	
Container activities	Page
Maersk Line	52
Safmarine	55
Damco	57
Oil and gas activities	
Maersk Oil	59
Terminal activities	
APM Terminals.	62
Tankers, offshore and other shipping activities	
Maersk Tankers	65
Maersk Drilling.	68
Maersk FPSOs.	71
Maersk Supply Service	73
Svitzer	75
Retail activity	
Dansk Supermarked	77
Other businesses	
Maersk Container Industry.	80
Odense Steel Shipyard	82



Maersk Line is one of the largest liner shipping companies in the world. We own and operate more than 500 container ships and some 300 offices in around 120 countries, and our size and reach make our potential for impacting positive change significant.

Shipping routes play a large role in regional growth and development of supply chains. The international container shipping industry, including Maersk Line, has a large economic footprint. According to the World Shipping Council, the largest shipping lines transport more than 3% of the global gross national product.

We operate in a near-commoditised market, which makes the competitive challenges of differentiation increasingly important. For Maersk Line, environmental sustainability has become an element in meeting this challenge leading to a change in our approach.

“Our sustainability focus is now increasingly driven by what creates value for our customers. Earlier our efforts

were mainly driven by internal drivers such as the potential for cost savings, efficiency and new innovating technologies and processes,” says Eivind Kolding, CEO of Maersk Line.

We have the potential to impact the transport sector’s direction in terms of sustainability, and want to take on this leadership role. Our new sustainability strategy will align and drive our activities going forward.

SUSTAINABILITY STRATEGY IN PLACE

The strategy was created through a six-month process involving customers, employees and other stakeholders. More than 300 customers participated in a general survey and 14 of our main

customers were interviewed directly. We learned that more than 40% of Maersk Line’s customers already include sustainability in supplier selection, and that this number is set to grow.

Environmental sustainability is one of Maersk Line’s future market differentiators, as is behaving responsibly towards our key stakeholders, including employees, suppliers, local communities and society at large.

The strategy outlines Maersk Line’s sustainability vision and three promises made to stakeholders, as well as six priorities for the coming years, complete with action plans and targets. In 2010 our focus was on designing programmes for roll-out in 2011.

USING TECHNOLOGY TO DRIVE CHANGE

Based on our sustainability strategy, we have increased our CO₂ reduction target to 25% per container moved by 2020 (baseline 2007). On a broader scale we aim to drive improvements and innovation throughout the industry.

From 2007 to 2010 we reduced our CO₂ emissions per container moved by 14.5% by improving our operational efficiency, most importantly through the application of slow steaming, which alone has cut CO₂ emissions by approximately 7% in just 18 months. Slow steaming began as a cost-saving initiative in 2008 but is now a core operating principle of Maersk Line, in spite of the market turn-around in 2010.

Slow steaming has been accused of transferring costs to customers, for whom slow steaming may imply longer transit times. In reality, slow steaming gives improved on-time delivery to customers, which to many customers is the most important factor of all.

Slow steaming requires amendments to the ships' engines, techniques Maersk Line pioneered and made available to the industry. It is estimated that approximately half of all container ships in the world are now slow steaming, in effect setting a new industry standard.

In 2010, we also tested first generation biofuel on one of our container ships. These fuels have a relatively weak sustainability profile and prospects for large-scale use are limited, but newer biofuels could well be part of our future fuel mix.

Maersk Line also began analysing the potential in further retrofitting our ships with new, cleaner technologies e.g. bulbous bow optimisation, optimised propeller, waste heat recovery system, NO_x scrubber and ballast water treatment. The projects will result in an investment plan that – when rolled out over the next 5-10 years – will contribute to our CO₂ reduction and other environmental targets.

Negotiated in 2010, Maersk Line has ordered 10 groundbreaking ships, which will not only be the world's largest, but also the most energy efficient container ships in the world. They will consume 50% less fuel and emit 50% less CO₂ per container than the industry average on the Asia-Europe trade lane, where they will sail (read more on page 43).

AIDING INDUSTRY TRANSPARENCY

Maersk Line in 2010 became the first shipping line to share publicly the environmental performance of all its owned ships on www.shippingefficiency.org.

OUR THREE STAKEHOLDER PROMISES:

- "First choice for customers" through demonstrated best-in-class sustainability performance
- "Raise the bar" of the industry by changing the shipping industry for good – and for the better
- "Mobilise the organisation" by integrating sustainability into our core business processes

Also as the first shipping line ever, we had our CO₂ emissions data for each ship verified by Lloyd's Register. Credibility of data is important, and we now include data on CO₂ emissions in our monthly performance communication to customers.

While we believe Maersk Line's data to be the best in our industry, we still need to improve. We work to maintain a low level of data reporting errors through narrowing the scope for errors and increased monitoring and feedback to the ships.

MOVING FIRST ON REDUCING SULPHUR

We want to drive our own operations as well as the shipping industry towards

Priorities for driving sustainability

Environmental leadership
• Low carbon leadership: The global leader in low-carbon shipping.
• Drive to zero SO_x: Driving our own operations as well as the shipping industry towards zero sulphur emissions.
• Protecting the marine environment: Act as a responsible habitant of the world's oceans and protector of oceanic health.

Corporate responsibility
• A good place to work: Treat employees with respect and dignity, through use of Maersk's Global Labour Principles and diversity programme.
• Responsible business practices: Taking active measures against corruption and exploring our role in limiting illegal trade.
• Responsible supply chain practices: Engaging with suppliers to improve conditions in our global supply chain.

zero SO_x emissions. Since 2006, we have switched to low-sulphur fuels close to California's coasts, and in 2010, we expanded this to also include Houston and Hong Kong.

Our voluntary fuel switches show great environmental effect, and we hope to inspire wider industry action and regulation.

AUDITING SHIPYARDS

Maersk was criticised in 2010 for a number of accidents at a South Korean shipyard used by Maersk Line. In response to these concerns, we performed audits on two South Korean shipyards in early September 2010. Read more on page 49.

ILLEGAL CARGO

We also received media criticism relating to some of the cargo we carry, in these cases rosewood and electronic waste. In both cases all allegations directed at Maersk Line were found to be baseless.

We recognise the negative effects of illegal trade and apply screening proce-

dures and consultation of lists of registered shippers, and we are involved in collaborative efforts to deal with this growing international challenge.

SAFETY PERFORMANCE: PROGRESS AND CHALLENGES

Sadly, during 2010, Maersk Line had one fatality, where a third party employee died in a traffic accident at a terminal in Kenya. Our investigations are still ongoing focusing on causes and learning points.

We continue our drive towards zero accidents and we have come a long way. However, our safety performance remains by and large unchanged since 2003.

In respect to the stagnation in our safety performance, we have strengthened our safety organisation towards the end of 2010. In 2011, we launch several new initiatives such as a training programmes for office staff to ensure office decisions do not increase safety risks in operations. We will also begin work to improve safety along the transportation chain by engaging with partners and suppliers.

TARGETS

- CO₂** 25% reduction in relative CO₂ emissions from owned and chartered ships from 2007–2020
- SO_x** Drive to zero

More targets and actions planned for 2011 can be found in Maersk Line's Sustainability Progress Report for 2010, available on www.maerskline.com.

We see the biggest potential for improvement in addressing human behaviour. Our long-term focus is to make safety something people consider in everything they do.

Our performance is difficult to benchmark, as shipping lines' safety data are currently not comparable. Definitions vary and industry transparency is lacking. Maersk Line encourages an open partnership approach to safety across the industry.

[→ Read more www.maerskline.com](http://www.maerskline.com)

Container business^a incl. Maersk Line and Safmarine
key sustainability figures 2010

Social performance – safety		2007 ^b	2008	2009	2010
Number of full time employees (FTE)	number	36,454	33,575	29,877	29,330
Lost time injury frequency (LTIF)	frequency	–	1.09	1.14	0.83
Fatalities	number	0	5	0	1
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	38,553	36,384	34,235	32,112
CO ₂ – direct and indirect	1,000 tonnes	38,266	36,178	33,813	31,702
Economic performance					
Revenue	USD million	–	26,846 ^c	18,288 ^d	24,022

– = Not available

^a Container business includes Maersk Line, Safmarine, MCC Transport and other container-related activities.

^b In 2007 only Maersk Line ships reported environmental data.

^c Figure reflects total revenue for our container business which includes Maersk Line, Safmarine, Container Inland Services and Maersk Container Industry.

^d Revenue restated due to change in reporting activities.



Safmarine provides shipping services with a focus on destinations in Africa, the Middle East and the Indian subcontinent. Present in 110 countries, primarily in emerging economies, Safmarine helps to enable economic growth through trade.

In line with the rest of the shipping industry, Safmarine’s business picked up early in 2010. However, the experiences of the past year, combined with industry trends and increased competition in our main regions, made us decide on a change in strategy.

“You could say it’s all about going back to our roots, back to what we do best,” says Tomas Dyrbye, CEO of Safmarine. “And that is serving customers’ shipping needs to and from Africa, the Middle East and the Indian subcontinent.”

A TWO-PRONGED STRATEGY

All business functions work to support this business strategy. For sustainability there are two work streams:

1. Building partnerships to promote sustainability through education in our major markets.

2. Attaining operational efficiencies, energy savings and environmental benefits by using knowledge and solutions developed by and with Maersk Line.

POOLING RESOURCES

Safmarine’s strengths are our knowledge of core regions and our people, who customers say make a difference. We want to add a new dimension: the extended customer relationship working to promote sustainability.

When our resources are pooled with those of our customers, we can take on larger projects providing greater impact. Partnerships also provide Safmarine with a differentiated approach to sustainable development, as well as supporting our business strategy by adding sustainability to the customer value proposition.

In 2010, we worked on more than 15 partnership activities in 11 countries with a number of our large customers. Two examples of these are:

- Safmarine and our customer Olam are members of the World Cocoa Foundation (WCF). WCF ECHOES (Empowering Cocoa Households with Opportunities and Education Solutions), Olam and Safmarine have been involved in the start-up of three primary schools in Ivory Coast. Due to current political tensions in Ivory Coast, the project implementation may experience delays, but all partners remain committed to its long-term objectives.
- Helping young seafarers – In the Indian east coast port of Kakinada Safmarine has joined our customer, Cargill and the Sailors’ Society in establishing a Maritime Community

Centre. The work to set up the first Maritime Training Resource Centre in India will begin early 2011. The Centre will recruit and guide young seafarers in their seafaring career, resembling a maritime studies programme in South Africa, pioneered by Safmarine. It is estimated that the centre will attract 5,000 young seafarers per year.

Safmarine's aim is to focus on long-term projects, even if they are more prone to risks beyond our control, because we are convinced they provide greater benefits for all.

RESPONSIBLE SHIP RECYCLING

In 2010 we decided to 'green recycle' the 24 year-old Safmarine Cotonou at an ISO 14001-accredited ship breaking yard in China. This greener option cost more, but meant a significant portion

of the ship could be reused, and all materials removed from the ship traced – beyond the current international requirements.

AGAINST ILLEGAL TIMBER

The international trade in illegally logged timber causes environmental damage and promotes corruption, undermines the rule of law and funds armed conflict.

Having a strong presence in the African continent, the source of an appreciable share of the world's timber exports, Safmarine is involved in the transport of timber, and thus potentially part of the problem. We attempt to find a model for ensuring the legality of the goods, as for example our cooperation with the Liberian Forestry Development Authority. They have set up a verified custody system governing all com-

TARGETS 2011	
LTIF	0.7 (incl. MPV owned ships crewed by Enzian)
Oil spills	Zero

mercial log and wood export, ensuring that timber leaving Liberia is traceable in terms of origin and location.

We have recently joined the Association Technique Internationale des Bois Tropicaux (ATIBT). Its goals are to organise and rationalise the tropical timber trade.

See page 54 for Safmarine's key sustainability figures 2010.

[→ Read more on www.safmarine.com](http://www.safmarine.com)

A tragic death

The 2010 death of a female cadet in the South African Transnet National Ports Authority's Maritime Studies Programme, who was sailing on-board a Safmarine ship, generated debate about the conditions for females in the South African merchant fleet. And in some media reports, allegations were made about sexual abuse against cadets being rampant.

Safmarine does not recognise the picture painted in the media and Safmarine has to date not received any complaints of sexual harassment taking place onboard its ships.

Safmarine shares the International Transport Worker's Federation's advocacy for decent work, human and civil rights and will not tolerate any violation of these rights. We have zero tolerance towards any kind of sexual harassment and will not accept any kind of abuse, discrimination or harassment onboard our ships irrespective of gender, nationality or religion.

Our policy is to treat every employee with respect and dignity and we are committed to providing a safe, secure and healthy working environment where all employees can feel safe. As part of its policy, Safmarine offers South African seafarers access to an independent, confidential service, where they can get help to deal with any problem, being per-

sonal or work-related. Reporting these matters does not impact anyone's employment with Safmarine and the company encourages all those working on board ships to report all incidents.

The death of this young cadet was very tragic and Safmarine has cooperated and continues to cooperate with the authorities in this matter. Safmarine has carefully evaluated any possible learning from the incident and implemented it in their policies. The outcome of the investigations by the police has not led to any charges being raised.

Safmarine's sympathies continue to be with the young cadet's family.



Damco provides freight forwarding and supply chain management services and our customers include many of the world's largest companies. Our services enable the global exchange of goods, and can impact this exchange towards less carbon-intensive modes of transport.

The customers' perception of the logistics industry is changing. As the industry becomes more commoditised, there is a growing need for a wider range of differentiated services.

This is evident with customers requesting solutions that consider environmental impact. Damco is in a good position to provide these solutions.

"Making Damco part of the solution, we create an additional value proposition towards our customers, and a position in the market as experts in sustainable transport," says Rolf Habben-Jansen, CEO of Damco.

A GROWING MARKET FOR GREEN

Damco has three green logistics products (see side bar on next page), which on average provide customers with a 10% reduction in waste and CO₂ emissions. More companies now see the link between emission reductions, cost savings and reputation.

These companies are great influencers and create a growing customer readiness. "We count some of the world's largest retail and sports clothing companies among our green logistics customers. Our green logistics activities and customer base have increased by nearly 50% in 2010," says Jordi Avel-

laneda, Global Head of Green Logistics in Damco.

LESS THROUGH MORE

Air transport solutions were limited in our sales palette in the past. In 2010, we increased our offerings within air freight. While this sounds contradictory to sustainability, it is in fact not. "We are very much used to optimising between various transportation modes. In fact, our slogan when it comes to air freight is 'we want your air cargo because we want to help you reduce it'," Rolf Habben-Jansen said to industry media in 2010.

To secure a low-carbon future, companies need to make intelligent choices when it comes to the selection of transportation modes. Damco can help its customers make these choices and thus reduce their air freight and the related carbon emissions.

COLLABORATIONS FOR THOUGHT LEADERSHIP

Damco is adamant about being first in class when it comes to green logistics. We use collaboration to develop our thinking.

We participate in the Greenhouse Gas Protocol Initiative working group to develop guidelines on Scope 3 (among others, transport-related emissions of greenhouse gasses), the most widely used methodology to estimate carbon emissions. As the only transportation company in this group, we have not only learned a lot, but we have also been able to provide the transport industry's perspective on this subject.

Damco has also joined 28 companies from the manufacturing and transport industries in the Clean Cargo Working Group, driven by sustainability consultancy BSR.

PROGRESS ON CO₂ REDUCTIONS

It is our stated target to reduce our own carbon intensity by 30% by 2014. In 2010, we made considerable progress and further reduced our CO₂ emissions per TEU by more than 10% compared with 2009.

More than half of Damco's own environmental impact is generated in our warehouses, and an innovative energy and resources efficiency pilot project will be implemented in 2011 at select warehouses. We expect energy savings of up to 20% as well as a recipe for implementation in the remaining warehouses.

SAFETY AT WORK

Damco saw a considerable decrease in our lost time incident frequency from 5.55 in 2009 to 1.75 in 2010. We attribute this to intensified safety awareness training, incident reporting and monitoring. Nevertheless, we continue to focus on safety at work through further safety awareness training. We perform a root-cause analysis of each serious work-related incident and as a consequence, implement appropriate corrective measures to prevent reoccurrence of any type of accident.

TARGETS 2011

LTIF 10% reduction (2010 baseline)

OUR GREEN LOGISTICS PRODUCTS

SupplyChain CarbonCheck – estimation and reduction of CO₂ emissions from transport. Launched late 2007.

SupplyChain CarbonDashboard – quarterly reports on customers' supply chain footprint, both in total, per shipment, per product group and per mode of transport (ocean, rail, truck, barge and air). Launched in 2009.

Packaging optimisation service – designing packaging to reduce logistics costs as well as minimise environmental impact. Launched in 2010, due to customers' interest in reducing waste, in partnership with a packaging design company.

→ Read more www.damco.com

Damco key sustainability figures 2010

Social performance – safety^b		2007 ^a	2008	2009	2010
Number of full time employees (FTE)	number	n/a	10,961	10,269	9,502
Lost time injury frequency (LTIF)	frequency	n/a	3.83	5.55	1.75
Fatalities	number	n/a	1	2	0
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	n/a	49	37	37
CO ₂ – direct and indirect	1,000 tonnes	n/a	49	36	36
Economic performance					
Revenue	USD million	n/a	2,841	2,223 ^c	2,691

n/a = Not applicable

^a Damco did not exist as a separate business unit in 2007.

^b 2009 data will serve as the baseline for safety in Damco.

^c Revenue restated due to change in reporting activities.



Maersk Oil is a midsize international oil company with an operated oil and gas production of approximately 600,000 barrels and 800 million cubic feet per day, respectively. We produce and explore in Denmark, the UK, Qatar, Kazakhstan, Algeria, Angola, Brazil, Norway, Oman, Greenland and the US Gulf of Mexico to meet the worldwide demand for energy

Global demand for energy is rising. In meeting this demand the oil and gas industry faces the challenge of operating in increasingly sensitive and technically challenging environments.

This requires Maersk Oil to innovate and explore new technology for both operational and environmental efficiency. We are committed to exploring for and producing oil and gas in a sustainable manner, i.e. ensuring the safety of our employees, managing our emissions and ensuring that our activities benefit the states and societies hosting our operations.

"We are serious in our commitment and realistic in our approach to sustainability," says Jakob Thomasen, CEO of Maersk Oil. "Many areas of sustainability are already fully integrated in our business processes, for example in our approach to health, safety and the environment, and we are building on this tradition to become just as strong in other sustainability areas."

A YEAR OF LEARNING FOR THE INDUSTRY

The Deepwater Horizon explosion in the Gulf of Mexico in April 2010, with

its tragic loss of 11 lives and serious environmental consequences, caused the offshore industry to re-examine how the risks associated with deep-water drilling operations are managed. Maersk Oil conducted a detailed internal review resulting in now-implemented recommendations, including enhanced risk assessments on all new wells, strengthening of safety-critical standards for well barriers and specifications for well control equipment.

EU and US regulators are now considering revising the regulations that protect lives, sensitive environments and

local communities around offshore activities. Maersk Oil welcomes these initiatives.

IMPROVING SAFETY

Maersk Oil wants to be a top industry performer when it comes to the safety of our people. This includes the goal of incident-free operations, towards which progress is being made.

In 2010, we managed to halve the number of lost time injuries and significantly reduce the number of process safety incidents.

"In 2010 we saw a major commitment from senior management to the concept of an incident-free Maersk Oil. This will not be easy to achieve, but with the level of management and workforce commitment we have now, I firmly be-

lieve we will get there," says Tim Magee, Director of HSSEQ in Maersk Oil.

The drive towards an incident-free Maersk Oil, the Leading Safety programme, spearheaded by CEO Jakob Thomasen, was launched in the autumn of 2010. In 2011 we expect the programme to reach all Maersk Oil employees, through training and commitment-building activities. As

Heightened scrutiny of Maersk Oil

Two Danish media cases in 2010 called the credibility of Maersk Oil into question. Our employees work constantly to comply with rules and regulations and achieve strong safety, environmental and commercial performance at the same time. Their commitment cannot be disputed.

The two cases highlight that we need to be more transparent in our communication on sustainability issues both externally and internally, also ensuring channels for offshore staff to confidentially discuss concerns with management or advisory functions in the company.

NORTH SEA SAFETY

In 2010 the safety on our UK North Sea installations was criticised. Danish media quoted records from the HSE, the UK regulator for work-related health and safety, which showed that Maersk Oil had a high number of violations of safety rules since 2006, putting its performance in the bottom quartile in a list of all UK sector operators.

We acknowledge that we had a number of notices from the HSE on these installations, which were acquired in 2005 and were approaching the end of their original design life. Extending the useful life of aging facilities while maintaining safe and environmentally responsible operations is a significant challenge for many operators across the North Sea.

Significant investment in facility upgrades, investigations and safety programmes have been made in recent years. We saw the first results of these efforts in 2010, as lost time injuries, total recordable incidents and hydrocarbon leaks were all halved compared to 2009 when looking at data within operational scope.

"We work closely with the HSE to address areas of concern and whilst we are making significant progress, we recognize that there are areas where we have to maintain focus to ensure continuous improvement," says Martin Rune Pedersen, Managing Director of Maersk Oil in the UK.

NORTH SEA OIL IN WATER DISCHARGES

Also in December 2010, questions were raised concerning our Danish

North Sea operations' compliance with the prevailing guidelines for water sampling and analysis as well as oil spill reporting, including allegations of systematic fraud.

As requested by the Danish Environmental Protection Agency, Maersk Oil conducted an analysis of the various subjects and allegations. Furthermore, Maersk Oil commissioned an independent report from Lloyd's Register.

"The investigation did not give cause to believe that fraud has taken place in our oil spill reports or in the oil-in water analyses. I also noted that Lloyd's Register concludes that Maersk Oil has established the necessary tools and processes for complying with official rules. But we have to acknowledge that our processes can be improved, as Lloyd's Register also indicates," says CEO Jakob Thomasen.

We will proceed to work on these process improvements, and will also add DKK 100 million to the DKK 2 billion already invested since 2002 in new technology and enhanced water treatment equipment on our installations in the Danish North Sea.

a forerunner to this programme a world-wide safety culture survey was conducted, providing us with data for assessing the effects of the Leading Safety programme and other initiatives.

In 2010 we also reviewed all lost time incidents from the past three years, to ensure that patterns, trends and learning opportunities were captured and shared across Maersk Oil. From this process we learned that root cause investigations and disciplined classification of incidents in reporting both needed strengthening.

ENVIRONMENTAL PERFORMANCE

We are on target in 2010 towards reducing our CO₂ emissions from flaring by 50% by 2012 compared with 2007 levels.

Between 2009 and 2010 we have brought down the CO₂ emissions per unit of production by 20%. The main drivers of this reduction were Qatar, where all unused gas offshore is exported to shore, and Kazakhstan, where our gas utilisation plant was brought online in 2010. A longer-term

opportunity for emission reduction is through combined Carbon Capture and Storage (CCS) and Enhanced Oil Recovery (EOR). Read more on page 39.

PROMOTING RESPONSIBILITY

In 2010 we began rolling out the Maersk anti-corruption programme including training of relevant staff. The programme includes comprehensive contract clauses and anti-corruption due-diligence processes prior to entering into contracts.

Also, we introduced a new standard on security covering our global operations. It will help to protect our employees and the communities in which we operate through due diligence processes and strict contractual requirements to all security providers.

Maersk Oil also developed its corporate social responsibility strategy which focuses on integration of management of social risks, i.e. risks related to human rights, and more active stakeholder engagement.

[→ Read more www.maerskoil.com](http://www.maerskoil.com)

TARGETS

LTIF	Zero in 2011
CO ₂	Reduce emissions from flaring with 50% by 2012 (2007 baseline)

EXPLORING GREENLAND

In November 2010, Maersk Oil, in partnership with Greenland's national oil company Nunaoil, was awarded a licence for exploration and production offshore in West Greenland. The Arctic will be one of the toughest operating environments, and only after all environmental aspects of the operation have been fully assessed and addressed will drilling activity begin – expected to be at least three to five years from now. We will establish a field research facility available for use by authorities, industry and the scientific community at large. We will also collaborate with industry partners sharing the challenge of operating in Greenland, as well as seek advice from experts in the field of Arctic operations.

Maersk Oil key sustainability figures 2010

Social performance – safety		2007	2008	2009	2010
Number of full time employees (FTE)	number	2,293	2,419	2,631	2,658
Lost time injury frequency (LTIF)	frequency	1.53	1.95	1.87 ^a	1.03 ^a
Lost time injury frequency (LTIF) ^b	frequency	1.53	1.95	2.16	1.19
Fatalities	number	0	0	1 ^a	0 ^a
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	6,505	5,141	3,797 ^c	3,028 ^c
CO ₂ – direct and indirect	1,000 tonnes	6,055	4,888	3,457 ^c	2,814 ^c
Economic performance					
Revenue	USD million	–	13,494	9,025	10,250

– = Not available

^a Health and safety data not obtained from non-operated fields.

^b Data collected with operational scope.

^c Environmental data is not complete for non-operated fields in Algeria and UK.

For non-producing exploration fields in Brazil, Norway, USA and Oman the reported data is reported 100%, as ownership share per field/license is unavailable. Impact is considered immaterial.

APM TERMINALS



APM Terminals operates port terminals and inland facilities such as trucking, inland depots, maintenance and repair yards on five continents. Through our strong presence in emerging markets, we help create economic growth both directly and indirectly.

The port and terminal industry has begun to recover from the crisis of 2009-2010. While working to stay competitive, a number of game-changing shifts occurred in the port terminal industry.

Firstly, the growth in trade is moving to emerging markets. Secondly, there has been a clear growth in the privatisation of ports, because the level of capital, knowledge and competencies needed is rarely sufficient in local government. Thus, local authorities are becoming far more interested in the development opportunities offered by the applicants as part of a contract for running a port terminal. This affects our business model. We need to respond to these changes both to sustain our business and to impact the development of local communities positively.

APM Terminals can demonstrate capabilities in creating value beyond the port terminal area. A study conducted in 2009 shows ports can impact broadly a local economy, by effectively facilitating trade as well as spreading the benefits of trade to the surrounding economy. This is a strong value proposition, which serves us well in the growing tender market (read more about the study on our website).

Another important event in 2010, extending our value chain, was the merger of the Maersk-owned business, Container Inland Services, with our operations. Previously serving primarily Maersk Line's need for inland activities (trucking, inland depots, etc), these activities will now be part of APM Terminals' offerings to our customers.

DRIVING PROGRESS ON GLOBAL COMMITMENT

APM Terminals is committed to making progress on the UN Global Compact principles. For this purpose, we have initiated a project to develop a tailor made self-assessment tool, based on the UN Global Compact methodology, which will be applied by all of our activities. The system will also be part of new project developments as well, serving as a way of integrating sustainability perspectives into our way of doing business.

Each self-assessment will result in a scoring of each of the 10 principles. The resulting one-page overview is to become an integrated part of our corporate governance. We expect this integration to begin in 2011.

SAFETY AT THE FOREFRONT

The work carried out in ports, depots and inland transport creates risks of damaging human lives, something we invest a great deal of effort in avoiding. Our people deserve it and our business depends on it.

want to extend to our new inland activities. The flipside is that sadly, when something does happen it is usually serious, even fatal.

This shows in the 2010 statistics, which shows 10 people died while

Terminals' Global Safety Day on 12 October 2010.

Moreover, we will work more aggressively on holding contractors and suppliers accountable on safety matters. On any given day our facilities receives more than 90,000 visitors, who also need to comply with our safety procedures.

"We support all initiatives that make ports safer places to work. I think that we can also congratulate APM Terminals on its safety effort, which has seen recorded injuries fall from 890 in 2006 to 482 in 2010, but which also acknowledges that even one injury is one too many, and that all measures must be taken to prevent them."

Paddy Crumlin, Chair of the ITP's Dockers' Section

"Safety used to be an obligation, now it's also getting to be a competitive factor. When you handle safety well, you manage risks, you secure your licence to operate and prove you have good governance. You cut costs – interruptions to business are expensive, and stop you from delivering on time to the customer," explains Henrik Kristensen, Head of Corporate Responsibilities in APM Terminals.

In 2010 we worked to integrate inland activities in our safety management system including audits, workshops and training programmes to incorporate standards of procedures, investigations, reporting, etc.

Based on figures within operational scope, our LTIF in 2010 was 4.36 compared with 5.82 in 2009. This represents a drop of 25% in 2010. To have learning opportunities we are searching outside our own industry for benchmarks for the future.

In the port areas we see that we have hardly any smaller injuries – a fact we

working on our premises, seven in the port terminals and three within the inland activities. This is an increase from the nine fatalities in 2009 (four/five), which is far from our target of zero fatalities. We deeply regret the loss of these 10 people. In 2011 the safety focus will be on providing more support to entities with higher safety risks, identifying the next level of safety maturity and determining a new peer group outside the ports industry.

INVOLVING STAKEHOLDERS

We can never take our focus off our own systems and behaviour, but APM Terminals also wants to involve our broader stakeholder community in promoting safety at work and increase accountability.

We work to involve stakeholders in awareness and training campaigns, one example being our invitation to the International Transport Workers' Federation (ITF), to get involved in APM

CONSEQUENCE MANAGEMENT

Increased safety for workers not employed by APM Terminals, such as truckers, carriers and contractors engaged with stevedoring and lashing work, is the

COMMUNITY TOOL USED IN BUSINESS DEVELOPMENT

An output of the study of the impact of our terminal in the Apapa port in Lagos, Nigeria, carried out in 2009, was a community tool. Today, when we design and plan the construction of new terminals, the tool is used to investigate challenges beyond the immediate business, e.g. the community composition and needs.

One of the new contracts won in 2010 was a 25 year concession running the Monrovia port in Liberia. In a country recovering from a decade-long civil war, the community is challenged and not easily understood. Using the tool has increased our understanding of the local community and we are now considering how best to engage.

In Santos, Brazil, another new terminal project was won, beginning with a major environmental clean-up from past activities, before construction of a large new terminal will commence. This turns land that was previously unusable into a contributing part of the community.

main challenge. They must also work according to APM Terminals' standards.

We have begun annual reviews of contract compliance in terms of safety, to ensure that our contracts enable this kind of accountability and allow for financial or other disciplinary action if the contractor fails to live up to APM Terminals' safety standards.

"Our starting point is that we take responsibility for what goes on within the parameters of our terminals. For external vendors we feel a responsibility to influence their safety standards and ultimately if they refuse to be influenced we could end that relationship," says Kim Fejfer, CEO of APM Terminals. We launched this new intention as part of our fourth Global Safety Day in 2010.

CO₂ EMISSIONS REDUCED

For port activities the target was a 10% reduction in CO₂ emissions per lifted container (TEU). We managed a reduction of 9%. Five factors affected our performance:

- Simplifying processes

- Monitoring of individual terminal performance on a monthly basis, with immediate show of how management decisions affect performance
- Our two green ports in Rotterdam and Zeebrugge
- Portfolio trimming due to commercial needs
- Allocation of reefer electricity consumption to our customers. We have no influence on this consumption and regard it as a 'pass on'-service.

In 2011 our target for both port and inland activities is to improve emissions by 6% over 2010 in relative terms. Further we plan to implement an environmental management system in all entities.

For reefer containers, the consumption of electricity while transiting in ports has so far been allocated to the terminals, creating a risk of double counting. We want to ensure that emissions are allocated to the operator, who has the largest possibility and incentive to lower emissions. From this year onwards we have decided to allocate emissions to the shipping liners, provided that information on electricity consumption is available from the terminal.

TARGETS 2011

LTIF	Reduce by 15%
CO ₂	Reduce by 6%
Oil spills	Zero

INDUSTRY BENCHMARKS

In 2010 we started working on establishing global industry benchmarks for CO₂ emissions, in collaboration with other terminal operators. We anticipate increased transparency about footprints and sharing of best practices to actively reduce the climate change effect.

This type of benchmark is necessary to further transparency and accountability from terminal operators. Our customers, the container shipping industry, are also interested in terminal emissions as their customers – the large retailers and consumer goods producers – want to be able to calculate emissions based on the entire distribution chain.

→ [Read more www.apmterminals.com](http://www.apmterminals.com)

APM Terminals key sustainability figures 2010

Social performance – safety		2007 ^a	2008 ^a	2009	2010
Number of full time employees (FTE)	number	22,571	25,179	20,135	19,022
Lost time injury frequency (LTIF)	frequency	9.60 ^b	9.24	4.89	5.28
Lost time injury frequency (LTIF) ^c	frequency	9.60	9.24	5.82	4.36
Fatalities	number	10	14	9	10
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	647	783	623	594
CO ₂ – direct and indirect	1,000 tonnes	607	782	568	511
Economic performance					
Revenue	USD million	–	3,119 ^d	4,240 ^e	4,251

– = Not available

^a 2007 + 2008 are APM Terminals and Container Inland Services added up.

^b Only data for APM Terminals is available.

^c Data collected with operational scope.

^d Only data for APM Terminals.

^e APM Terminals and Container Inland Services consolidated.



Maersk Tankers operates 176 ships including a large fleet of crude oil carriers, product tankers, chemical and gas carriers, linking the extractive industries with production facilities and supporting energy availability across the world. We are headquartered in Denmark with offices in six other countries.

While the state of the global economy appears to be improving, the global tanker business still hovers just above the bottom of the curve. Markets continued failing in the first half of 2010, and while the second half of the year showed some improvement, it remains an industry suffering from low prices and historically low profits across the board.

“We want to make sure that when the crisis finally blows over, we are the company left standing with the right people and the right customers. This demands focus on cost, quality and customers – but also on driving a company that employees can be proud of: a sustainable company,” says Søren Skou, CEO of Maersk Tankers.

Our most material issues defined in our 2010 and 2011 sustainability action plan are safety and environment. We have key performance indicators for safety and environment in place on all managerial levels, including our executive management. Through customer vetting and inspection programmes, Maersk Tankers aims to gauge customers’ areas of focus. Our goal is to adapt to potential focus switches quicker than competitors by identifying these sooner.

USING SIZE TO INFLUENCE

Maersk Tankers is the largest participant in the tanker industry and by moving first we will attempt to increase

the industry’s focus on sustainability issues. Through our sustainability plans and actions, we are working towards a leadership position.

Among other things, we are working to coordinate standards in our pooling arrangements (i.e. combining resources with our competitors to achieve common goals), and are active in the Oil Companies International Marine Forum (OCIMF), a voluntary association of oil companies.

“Working with our customers in OCIMF we have the opportunity to better our industry. We can debate safety and environmental issues related to shipping

of oil and gas with our customers and are glad to be able to show leadership in this way," says Søren Skou.

MOVING AHEAD ON SAFETY

In early 2010, a third party contractor suffered a fatality onboard one of our ships in the port of Hamburg. The contractor had been exiting a cargo

tank following a sweeping operation when he slipped from a ladder and fell to the bottom of the tank. Subsequent internal and external accident investigations and a post mortem examination revealed that the individual had been under the influence of and impaired by a cocktail of illegal and prescription drugs.

Since the accident, Maersk Tankers has reviewed and updated procedures and processes surrounding working with contractors, enclosed space entry and working from heights since the accident and plans to release learning campaigns on the two latter points during 2011.

Our LTIF dropped from 1.34 in 2009 to 0.83 in 2010, which can be attributed to a great increase in number and quality of our near miss reporting, which almost doubled. Our target for 2011 remains an LTIF of 0.6.

We strive to be best in class regarding safety and our performance compares favourably with the industry benchmark of 1.09 (source: INTERTANKO, running 12 months). We have made extensive plans to improve on our health and safety management in 2011, through application of a broad number of measures:

- We will roll out a new management system and software which will aid onboard management and operations, and allow a more effective analysis of HSE data with more timely updating of policies and procedures.
- We will run campaigns on health, working at height, safe-handling and on entry into enclosed spaces.
- Training of officers employed by Maersk Tankers after 2007 on values and safety culture.

- CSR audits on two repair yards used by Maersk Tankers.
- Requirements for each ship to implement and carry out four ship specific HSE initiatives during the year.

REDUCING CO₂ THROUGH FUEL OPTIMISATION

Our environmental strategic ambition is to go beyond compliance and pursue eco-efficiency in our daily operations, and improving our environmental performance remains one of our focus areas in 2011.

Our absolute CO₂ emissions increased in 2010 by 19% compared to 2009. In 2011 we will continue to work towards our target of reducing air emissions, for CO₂ and NO_x by 5% per cargo unit per nautical mile by end December 2012 (2007 baseline), and for CO₂ by 15% by end December 2015 using the same baseline.

A major contributor to the 2010 and future reductions was Maersk Tankers' ongoing fuel optimisation project, which applies a broad variety of measures such as continuous improvements in voyage planning, optimal trimming of ship operations both at sea and in ports, through continuous performance monitoring.

Moreover, in 2010 we ran a campaign focusing on energy efficiency on board the ships, including a pilot test of a ship energy efficiency management plan, which has also saved energy. This will continue in 2011.

A BROAD RANGE OF ISSUES ADDRESSED

As another item in our action plan, we made sure, that all ships carrying crude

ANTI-CORRUPTION TO THE FRONTLINE

Maersk Tankers took anti-corruption efforts to frontline employees in 2010, with a few simple tools communicating that we want to keep our business clean.

On every ship there is a "Welcome on board" notice that greets visitors. This now has a new, explicit message concerning anti-corruption. Furthermore, all visitors to our ships are supplied with a folder communicating our stand on corruption. Our office staff have also had training on handling corruption-related situations.

Maersk Tankers' anti-corruption efforts are supported by our customers, including BP:

"I'm very pleased to note that Maersk Tankers has taken the global challenge of facilitation payments in hand and demonstrated a willingness to be transparent and honest in tackling this issue with the company's recent "stop corruption" initiative. This is indeed an illustration of Maersk Tankers' commitment to deliver its business in full compliance with its ethics and compliance code. It will certainly encourage other organisations to follow suit," says Captain G. Fekry, Manager at Vetting and Clearance for BP Shipping Ltd.

oil have on board an approved volatile organic compound management plan, and all ships are currently in the process of establishing approved ballast water management plans, in line with possible future requirements from the Ballast Water Convention.

In 2010, we landed an increasing share of our sludge and garbage (11% compared to 9.8% in 2009) in green ports, i.e. ports that we find meet Maersk's safety and environmental supplier requirements. Although our total figures for waste remain the same it is encouraging to see more focus on recycling and reuse. We want to rank our top 100 ports on performance and costs associated with waste disposal, and engage with these for best practice sharing. In 2011 we will rate the most used ports and audit two major ports. The possible involvement of a non-governmental organisation in validating our port ratings is expected.

We had two overboard spills – in two sealed drums – and 17 spills contained on board, equal to 800 litres of oil overboard and 1130 litres contained on deck. This is an uncommon increase and through more information to the ships, stricter observation of guidelines

and procedures during transfers and more training on onboard pollution prevention equipment we will reverse this trend. Our target for 2011 remains zero spills.

In 2011 we will also begin work on chemical management and preparations for ship recycling.

CSR AND INTEGRATION ARE FUTURE FOCUS

We have set out a number of focus areas to guide our sustainability efforts in the coming year. One of the most prominent is to integrate sustainability in Maersk Tankers' organisation. We see this target as requiring a strong sustainability culture with sustainability representatives in all areas of operations and on the ships, training and empowerment, engagement and sharing of best practices.

Moreover, we are preparing ourselves for the roll-out of programmes on group-wide labour principles, human rights and responsible procurement.

We will also work to ensure that sustainability is included in commercial strategies, and to create partnerships

TARGETS

LTIF	0.6 in 2011
CO₂	Reduce by 15% per cargo unit x nautical mile by end of 2015
Green ports	Rank most used ports and audit two major ports in 2011
Oil spills	Zero in 2011

with customers and suppliers on sustainability issues and business opportunities.

Examples of this are our work with Shell on scrubber technologies, which are used to control air pollution and potentially to recover heat from hot gases, and our involvement in the project Green Ship of the Future. This project is a cooperation between 25 companies, primarily from the Danish maritime industry, which have joined forces to develop strategies to reduce ships' emissions to air.

→ [Read more
www.maersktankers.com](http://www.maersktankers.com)

Maersk Tankers key sustainability figures 2010

Social performance – safety		2007	2008	2009 ^a	2010
Number of full time employees (FTE)	number	1,847	1,879	2,964	2,771
Lost time injury frequency (LTIF)	frequency	0.59	1.38	1.34	0.83
Fatalities	number	0	0	0	1
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	1,775	2,124	1,953	2,330
CO ₂ – direct and indirect	1,000 tonnes	1,765	2,111	1,941	2,316
Economic performance					
Revenue	USD million	–	940	1,166	1,219

– = Not available

^a Product tanker company Broström was acquired in 2009.



Maersk Drilling owns 26 drilling rigs and provides high-efficiency drilling services to oil companies around the world, supporting our customers in meeting the global demand for energy. Headquartered in Copenhagen, Denmark, we have offices in 11 countries.

The global offshore drilling market experienced a slowdown in 2009, from which we are still recovering. The future outlook for offshore drilling, however, is encouraging. Our main growth opportunities are in Asia, Latin America and Africa.

Maersk Drilling sees sustainability as a supporter of our business strategies. We want to be preferred over our peers by employees and customers. Sustainability, we believe, can help us get that outcome.

"In the offshore industry it is vital to be able to show good management and performance on items related to sustainability, and we want to be industry leaders in this area. We have no doubts that this will provide us with a competitive edge in the future," says Claus V. Hemmingsen, CEO of Maersk Drilling.

Market developments also drive us towards sustainability. Our customers' expectations of Maersk Drilling are increasing. Regulators' demands for sus-

tainable practices are set to grow, and contracts in our future growth regions demand high levels of community engagement by the drilling operator.

OUR BASIS: A FULL STRATEGY FRAMEWORK

Integration of sustainability in all relevant business processes was bolstered by the launch of a CSR strategy for Maersk Drilling in 2010. Together with the existing Health, Safety and Environment (HSE) strategy, we now

have a complete framework to guide our sustainability actions.

"Maersk Drilling is aligning and enhancing its efforts within sustainability with focus on employees, customers, communities and the environment," says Claus V. Hemmingsen.

"In the offshore industry it is vital to be able to show good management and performance on issues related to sustainability, and we want to be industry leaders in this area. We have no doubts, that this will provide us with a competitive edge in the future."

Claus V. Hemmingsen, CEO of Maersk Drilling

We built our CSR strategy through a process of analysis of external trends and internal dialogue including input from teams with extended customer and regulatory contacts. Together with these stakeholders, we focused on exploration of oil fields' impact on the environment and local communities. Also, we saw a continued emphasis on risk management with regards to safety, emissions and spills as well as other local impacts.

Accordingly, our future work will focus on four areas:

- Emissions and hazardous materials
- Compliance, risk management and decision making
- Communication and stakeholder engagement
- Community engagement for our local entities

REVIEWING PROCEDURES

The defining moment in the offshore industry in 2010 was when the rig Deepwater Horizon caught fire and

sank on 20 April. Eleven people died, 17 were injured, and the unleashing of crude oil into the Gulf of Mexico represents one of the biggest accidental marine oil spills to date.

Initially, the incident spurred a review of the rights and responsibilities of

offshore staff to stop a job, with our CEO communicating to all senior staff the rights to reinforce their mandate to stop any job, where the safety of the operation can be questioned.

Maersk Drilling also cooperated with Maersk Oil to analyse and learn from this incident, suggesting a number of changes in drilling safety procedures, e.g. upgrade of well-control equipment and processes for integrating the oil company's design of the well, and Maersk Drilling's design of drilling processes.

On an industry level, we welcome tighter rules, expecting that long term they will lead the industry to safer and more efficient drilling.

In the International Association of Drilling Contractors, the main drilling industry global trade association, we are actively pushing for higher standards on both safety and environmental monitoring through our membership of relevant committees.

A TIGHT GRIP ON SAFETY

Safety is a crucial element in the drilling business and Maersk Drilling goes beyond compliance. As a minimum we comply with relevant laws in all areas in which we work. In addition, we have built our management system to the most stringent international requirements meaning that even if we operate in a place with little or no HSE legislation, Maersk Drilling applies the same rules.

Based on operational scope data (read more on scope page 84), Maersk Drilling's LTIF for 2010 was 0.36 – our lowest LTIF ever – compared to 0.7 in 2009, continuing the trend of previous years of improved safety in our workplaces. To keep this good performance going, in 2010 we carried out two new

NEW TOOL TO IDENTIFY RISKS AND STAKEHOLDERS

Part of our CSR strategy is a priority focus on community involvement. We are well under way in preparing a set of shared guidelines and a tool for systematic mapping of risks and stakeholders.

Using the tool, all units or departments in the company will map and evaluate risks and stakeholders, providing a plan for CSR including stakeholder engagement locally with an overview of both dialogue opportunities and risk mitigations. The tool is designed in accordance with the AA1000 Stakeholder Engagement Standard and will be implemented in early 2011.

The resulting CSR plan will locally together with our current HSE plans constitute a sustainability plan for each particular operation.

activities investigating behavioural elements in safety:

Safety surveys – a safety climate survey among our employees, which we intend to use to benchmark and track developments year-on-year, and a set of safety culture surveys, built on interviews with roughly 100-125 people from senior managers to roustabouts. Three safety culture surveys were conducted in 2010, leading to the risk management focus described below, and to the individual units taking action in areas where the analysis showed they were lagging.

Risk management – which in both our working group related to the Deepwater Horizon accident and in our safety surveys was brought up as an area in need of improvement. We will integrate an improved safety, security and quality risk management module in our management system Sirius.

PROCESS-BASED INTEGRATION

In 2010 we prepared for integrating

sustainability into our business processes locally and globally.

- Uncovering the needs of our local operations, with each unit performing a materiality analysis which will determine a local plan. A tool was prepared and tested in Brazil and Venezuela in 2010, with global roll-out planned for early 2011.
- Initiating formalised internal CSR-consultation on commercial investment decisions, e.g. market entry and procurement of rigs.
- Developing a campaign for awareness and practical implications of the eight Maersk Principles of Conduct, to be launched in 2011.
- Using our web-based management system which provides easy access to and broader knowledge of standards and procedures. In 2010 we went through all business processes in the system and located where sustainability issues are relevant. These will be integrated into the system in 2011.

TARGETS 2011

LTIF	1.0
TRCF measure	5.0
CO ₂	Reduce by 5%
Spills	Max 7 spills

More targets and actions planned for 2011 can be found in Maersk Drilling's Sustainability Report 2010, available on www.maersk-drilling.com.

One example of what we can achieve with Sirius is the reduction in safety incidents caused by lack of compliance with own procedures. These decreased from 24% of all incidents in 2009 to 13% in 2010 just by way of implementing the system.

→ [Read more www.maersk-drilling.com](http://www.maersk-drilling.com)

Maersk Drilling key sustainability figures 2010

Social performance – safety		2007 ^a	2008	2009	2010
Number of full time employees (FTE)	number	2,567	2,890	2,867	3,198
Lost time injury frequency (LTIF)	frequency	1.67 ^b	1.09	0.97	0.00
Lost time injury frequency (LTIF) ^c	frequency	1.67	1.09	0.70	0.36
Fatalities	number	0	0	0 ^d	0
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	406	768	20	17
CO ₂ – direct and indirect	1,000 tonnes	406 ^e	720	20	17
Economic performance					
Revenue	USD million	–	1,450 ^f	1,282	1,627

– = Not available

^a 2007 and 2008 environmental and safety data is collected for Maersk Drilling and Maersk FPSOs as one unit.

^b Figure is based on the Group Reporting standard for 2007 (working hours), and the equivalent number in 2009 terms (exposure hours) is 1.08.

^c Data collected with operational scope.

^d The two fatalities mentioned in our sustainability report 2009 have been removed due to change of scope. The two fatalities occurred at the premises of a third party, making them liable to report.

^e Did not report electricity and flaring in 2007 which explains both low CO₂ and CH₄ emissions.

^f Covers revenue for Maersk Drilling, Maersk FPSOs and Maersk LNG.



Maersk FPSOs assists in oil and gas production by building and operating floating production units for oil companies around the world. We have our headquarters in Denmark and offices in four other countries.

During 2010 the FPSO market reverted to the same level as prior to the financial crisis, and more than 100 projects with an FPSO as the preferred solution, are expected to be launched globally in the next five years.

These are very attractive prospects, and Maersk FPSOs is working to accelerate our performance through technological solutions and equipment that, among others, focus on the efficiencies and safety provided by greener technology.

In support of our ambitions, Maersk FPSOs received the ISO 14001 Certificate of Approval in 2010.

"In Maersk FPSOs we have a constant focus on our safety performance and protection of the environment. We carefully monitor social and technical developments in the industry for protection of our environment and our people. HSE is also about taking care of yourself – and of one another," says Stig Hoffmeyer, CEO of Maersk FPSOs.

STRATEGIC PRIORITIES ON TRACK

In 2010 Maersk FPSOs established an independent HSE department, which will work to bring to life the priorities in our HSE strategy, among other, reducing our activities' impact on the

external environment. In this connection, we established 'green teams' on two offshore units, Maersk Curlew and North Sea Producer.

We developed a strategy for our CSR work towards 2014. Our aspiration is to incorporate sustainability into everything we do, taking into account the environment, the people and the financial viability, and promoting solutions which may exceed local requirements in cooperation with our customers and other business partners.

The main focus of our CSR work in 2010 was "Getting the foundation

right” and in 2011 we will work under the heading of “Toolbox and Training” to drive CSR processes, actively engage the organisation, promote key projects and conduct audits.

SAFETY STARTS WITH ME

This simple message is written in metre-high letters on the accommodation on several Maersk FPSOs ships. And safety is of the utmost importance

every routine and action,” says Peter Holst, Head of HSE in Maersk FPSOs.

In total, Maersk FPSOs had five lost time injuries in 2010. This is five incidents from our goal and we will continue the work to improve the general safety culture by continuous training and development of our employees.

The fact that the goal of zero injuries can be reality and not only aspiration was

“The last two years have seen some very significant and complex activity on Curlew, which have made the achievement of 1,000 days LTI free all the more impressive. All of your offshore and onshore teams should be congratulated for achieving this work safely.”

Perran Horrell, FPSO Operations Manager, Shell U.K. Limited

– as well as the top HSE priority – in Maersk FPSOs.

“Safety is a value, not a priority you can change. We promote a behaviour-based safety culture, with open and honest communication to create an environment where safety is part of

proved by two of our operating units in 2010. On 14 November 2010 the gas production unit Nkossa II achieved 2,700 consecutive days without accidents, due to a strong safety culture.

Another unit of ours, Maersk Curlew, operates in the North Sea and reached

TARGETS 2011

TRCF	8
Oil spills	1 or less

1,000 days with no LTIs in 2010. This was achieved despite a disconnection, which made dry docking for repairs necessary, and subsequent reconnection of the unit performed offshore. Being able to achieve zero injuries under these circumstances is remarkable and appreciated by the customer.

“The last two years have seen some very significant and complex activity on Curlew, which have made the achievement of 1,000 days LTI free all the more impressive. All of your offshore and onshore teams should be congratulated for achieving this work safely,” says Perran Horrell, FPSO Operations Manager, Shell U.K. Limited

→ [Read more www.maersk-fpsos.com](http://www.maersk-fpsos.com)

Maersk FPSOs and Maersk LNG key sustainability figures 2010

Social performance – safety		2007 ^a	2008 ^a	2009	2010
Number of full time employees (FTE)	number	2,567	2,890	875	831
Lost time injury frequency (LTIF)	frequency	1.67 ^b	1.09	0.00	1.55
Fatalities	number	0	0	0	0
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	406	768	15	39
CO ₂ – direct and indirect	1,000 tonnes	406 ^c	720	15	39
Economic performance					
Revenue	USD million	–	1,450 ^d	386	418

– = Not available

^a All 2007 and 2008 environmental and safety data is collected for Maersk Drilling and Maersk FPSOs as one unit.

^b Figure is based on the Group Reporting standard for 2007 (working hours), and the equivalent number in 2009 terms (exposure hours) is 1.08.

^c Did not report electricity and flaring in 2007 which explains both low CO₂ and CH₄ emissions.

^d Covers revenue for Maersk Drilling, Maersk FPSOs and Maersk LNG.



Maersk Supply Service provides the offshore industry with subsea support, transport of equipment, anchor handling and mooring. Our 67 ships operate in all major deepwater regions of the world.

In the offshore support service industry safety performance determines if you win or lose business. Keeping people safe is the way to maintain our licence to operate.

“Our customers in the oil industry are very straight with us. They expect us to be safety leaders and watch our safety performance closely. Our vision is to be the customers’ first choice and that can only be the case when we get safety right,” says Carsten Plougmann Andersen, CEO of Maersk Supply Service.

For Maersk Supply Service safety is the most important issue on the sustainability agenda. Environment is an improving second on our list, and a growing part of our customers’ and employees’ interests as well.

Along with implementation of Group policies on anti-corruption, responsible procurement and labour principles, local community impact and engagement will feature more prominently on our sustainability agenda in the years to come.

PART OF BUSINESS PROCESSES

Safety aspects are already integrated in our business strategy, but we are taking this to the next level.

“Office staff already have safety key performance indicators as part of their performance assessment, and in 2011 we will work to develop safety and environmental performance indicators for senior officers at sea,” says David Blencowe, Director HSEQ in Maersk Supply Service.

The ISO14001 environmental management system was implemented in 2006, and we continue to train our officers in this system, due to turnover and rotation. For 2010 we had set a target of 95% of officers and office staff having completed this training, and we came a long way towards our goal.

FOUR INITIATIVES TO IMPROVE SAFETY

Our performance measured in LTIF improved again in 2010. We had four main initiatives:

- **Safety observation card**

We introduced a simple paper-based reporting format on near-misses to be used in all areas of our ships by our crews. Since the introduction our combined safety observation and

near miss, reporting rose by 62% in 2010.

• **Safety culture survey**

From our first ever safety survey among seafarers we learned that they see our safety culture as strong, but suggest stronger feed back loops between our offices and ships, and more focus on introduction and training in certain geographical areas.

• **Localised training**

Through a new safety organisation, we now have safety staff working from Canada, Brazil, Australia and Scotland which allows for more localised training.

• **Hazard hunts on ships**

'Hazard hunts' invite crews, visiting crews or visiting company representatives to search for unsafe conditions on board. Ship management provide feed-back and address the issues found.

LEARNING FROM A FATALITY

In August 2010, on a wind farm off the German coast, a diver working on the seabed under one of our ships sadly died. The diver was not under our management, and authorities have found

that our ship or crew did not have any responsibility for the accident.

Yet, the incident taught us that our offices and crews would benefit from better training in third party management, and we changed our procedures to require deeper engagement from the ship's management.

FOCUS ON REDUCING ENVIRONMENTAL IMPACT

In our strategy covering the next three years, we have determined four focus areas to reduce our impact on the natural environment (below numbers are based on operational scope).

- **CO₂ emissions** – our target is a 5% reduction per ship before end of 2012 (baseline 2008). In 2010 we reduced emissions by 12% mainly due to new ships. In 2011 we will continue engaging with customers on reduction of transit speed, and roll-out a consumption reporting system for our ships to increase energy consciousness and allow benchmarking.
- **Spills and consumption of oils** – where the target was a 25% reduction of spills in 2010. We achieved a

TARGETS	
LTIF	0.65 in 2011
TRCF	2.75 in 2011
Ship audits	100% of ships in 2011
Safety observation cards submitted:	5,000 in 2011
CO ₂ :	5% reduction per ship by end 2012

reduction of 82% (from 1,600 litres to 303 litres), through focus on investigation of all spills and spill prevention.

• **Chemical product types used**

– which we wanted to reduce by 10% in 2010, and achieved a reduction of 17%. We tested the use of bio-chemicals and a changed economic incentive structure for ships and suppliers.

• **Management of ballast water**

– where the target is to have a complete solution in 2012, two years ahead of new legislation entering into force. In 2010 we ran pilots on four ships.

→ [Read more www.maersksupplyservice.com](http://www.maersksupplyservice.com)

Maersk Supply Service key sustainability figures 2010

Social performance – safety		2007	2008	2009	2010
Number of full time employees (FTE)	number	1,642	1,797	2,412	2,088
Lost time injury frequency (LTIF)	frequency	2.34	1.43	0.94	0.00
Lost time injury frequency (LTIF) ^a	frequency	2.34	1.43	0.69	0.81
Fatalities	number	0	0	0	0
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	771	740	33	30
CO ₂ – direct and indirect	1,000 tonnes	765	735	33	30
Economic performance					
Revenue	USD million	–	712	749	772

– = Not available ^a Data collected with operational scope.

SVITZER



Since 1833, Svitzer has developed a number of specialist and inter-related services within harbour, terminal and ocean towage, as well as salvage and emergency response. Today we have offices in 36 countries and operate in more than 130 locations around the world.

The purpose of Svitzer is to provide safety and support at sea. Central to all business segments is our approach to health and safety: Do it safely, or not at all.

Safety is at the core of our value proposition to both customers and colleagues, and it is our most material sustainability issue.

“Sustainability, with a strong focus on safety, is already pivotal to our business. We expect it to become an even stronger part of our value proposition in the future. Competition in our industry is increasingly moving towards sustainable solutions including safety and environmental issues as the determining factors”, says Jesper T. Lok, CEO of Svitzer.

UPGRADED TRAINING

In 2010 Svitzer’s performance on LTIF improved by 35%, from 1.35 to 0.82. We maintain a zero injuries target, and focus our efforts on improving procedures and equipment. In 2011, in order to maintain our solid performance and improve further, we will focus on further developing our safety culture, among others through training.

To this end, the Svitzer-specific training DVD, first developed back in 2008, containing basic safety training and safety culture lessons including exercises, has been upgraded. It will be launched in 2011. All employees, seafarers and office staff as well as new employees, will undertake a half-day training pro-

gramme based on the DVD, ensuring a common understanding of the Svitzer safety culture. In addition to the utilisation of safety equipment (PPE) the DVD also addresses behavior-based safety.

As our customers take a huge interest in safety – the subject being a large element in tenders for which we compete – the DVD will also be made available to our customers.

Another addition to our training portfolio was an expansion in the number of mobile simulators in use from one to four. These mobile simulators supplement the main simulator at Force Institute in Denmark, and provide us

with the opportunity to increase local testing of new procedures and training of new employees. Portable mobile simulators are now in place in the UK, Sweden, Dubai and Peru. A fifth simulator is planned for our new operation in Angola. The usage of simulators allows us to maintain the high skill level of our crew as well as train them for critical situations under safe conditions together with local pilots.

A LONG ROUTE TO AVOID PIRATES

To protect the safety of our crews, we have decided to make the entire “piracy risk area” as defined by the International Maritime Organization, as out of bounds to all our ships.

Svitzer’s business activities in the affected area are very limited, so current implications of this decision mainly applies to newbuildings mobilising around the tip of the African continent or the Pacific rather than through the Suez Canal, causing 50% higher costs, or for ocean towage operations.

REDUCED EMISSIONS

Svitzer reduced its relative emissions of CO₂ per tug operation (excluding

ocean towage) by 3% in 2010 compared to 2009.

This result was achieved by a number of initiatives, all increasing awareness of fuel consumption. A number of ships have had monitoring equipment and fuel gauges installed to measure actual consumption – in relevant cases followed up by training. Others have improved the planning process for loading, reducing emissions substantially.

In addition the topic of our environmental footprint has been brought up in our internal magazine, assisting to raise the overall environmental awareness within Svitzer. A number of initiatives in preparation for the future are running on a continuous basis, and we support the Group initiative to investigate the use of biofuels, along with a number of other business units.

GREEN TUG BOATS ON THE WAY

Environmental issues are growing in importance to our customers, and we aspire to become recognised as the most environmentally-responsible company competing in our industry.

TARGETS 2011

CO₂	1% reduction per tug operation
LTIF	Zero
Safety training	All employees to complete new training programme

“We are preparing for increasing demands from both customers and legislation by developing products that meet these demands. This is not only about risk management, it is about keeping our business prepared for the future, and making our contribution to alleviating climate change”, says Jesper T. Lok.

As part of this plan, in 2010 we placed the first order for two environmentally-sound tugs, the ECOTug, the first of which will be delivered from Baltija Shipyard end 2011. These new tugs are expected to reduce fuel consumption and CO₂ emissions by some 10% and NO_x emissions by 70-80% compared to more traditional tug boats.

[→ Read more www.svitzer.com](http://www.svitzer.com)

Svitzer key sustainability figures 2010

Social performance – safety		2007	2008	2009	2010
Number of full time employees (FTE)	number	3,676	3,901	3,806	3,461
Lost time injury frequency (LTIF)	frequency	2.60	1.64	1.35	0.82
Fatalities	number	3	0	0	0
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	435	491	244	222 ^a
CO ₂ – direct and indirect	1,000 tonnes	433	487	243	221
Economic performance					
Revenue	USD million	–	917	779	890

– = Not available

^a Of the 9% reduction, 6% is due to reduction in activity.

Dansk Supermarked A/S



Dansk Supermarked is the final link in the global trade value chain, in this case bringing goods to consumers in Denmark, Sweden, Poland, Germany and the UK. We operate six retail chains and two department stores, with more than 1,400 stores and 45,000 employees.

The retail industry allows for people to access goods from local, national and international sources. In Dansk Supermarked we believe our primary task is to offer free choice to our customers and at the same time make a profit responsibly.

Within this task lie challenges. We source globally and this implies a number of risks – regardless of policies and rules. We employ many thousands of

people, most of these quite young and in entry-level positions, whom we need to keep safe and secure while performing their jobs in open-access locations where cash floats freely. The goods we source are transported over long distances and need to be kept frozen, cool, warm, under light and more.

At the same time the retail sector needs to be highly conscious of costs due to low margins on most products

sold. Good sourcing, safe workplaces, job opportunities and savings on energy all assist in keeping costs down and creating an “esprit de corps” that helps us attract and retain employees.

“We work with sustainability issues to help us provide our customers with choices that we and they can feel good about, and to help us run a profitable business,” says Erling Jensen, CEO of Dansk Supermarked.

ROBBERIES: A GROWING CONCERN

One of the greatest risks to our store employees is being the target of a robbery. Dansk Supermarked has since 2007 seen an increase in the number of robberies in our stores. In 2010 we saw a small decrease to 46 robberies in Denmark, compared to 49 in 2009.

WORKING FOR RESPONSIBLE SOURCING

In trying to secure a well-managed supply chain, Dansk Supermarked has been a member of the European supply chain initiative Business Social Compliance Initiative (BSCI) since 2006.

In 2010 we encouraged other Danish companies to join BSCI. We gathered 63 non-food suppliers for an event informing these companies of the benefits of BSCI membership, e.g. the fact that once a supplier has been approved by one member of BSCI, this approval extends to the other more than 400 member companies. Of the 63 participants, 22 are for various reasons out of scope and 17 will join BSCI. 24 of the participants have not stated their intention to us.

Auditing

Dansk Supermarked performed 28 audits in 2010, a share of which was performed by other BSCI members and in the BSCI database.

We have added 90 suppliers to our internal list, of which 18 already had a BSCI certificate. We have received 59 completed self-assessments and performed 17 audits based on these (included in the 28 total audits).

Our main concern in terms of robberies is the effect it has on our employees, and we employ all possible measures to increase security.

We employ all possible measures to increase security for our employees:

- Continuous follow-up and investigation of occurrences, and risk-mitigating adaptation of procedures
- Employee training in conflict management and prevention of robberies
- Testing of state-of-the-art anti-robbery technologies
- Response teams offering psychological support in case of involvement in a robbery. On average, three employees take up the offer of psychological assistance after a robbery. Employees, who have been the target of a robbery, are helped back into their old job – or a similar job in another location.
- Open industry cooperation, within the Danish Chamber of Commerce, to develop security solutions and affect policy changes to increase the industry's security in general.

In general, our LTIF has decreased 4% in 2010 from 2009, despite increased activity.

This can be attributed to a renewed focus on training, an ongoing communication effort as well as a lower rate in employee turnover.

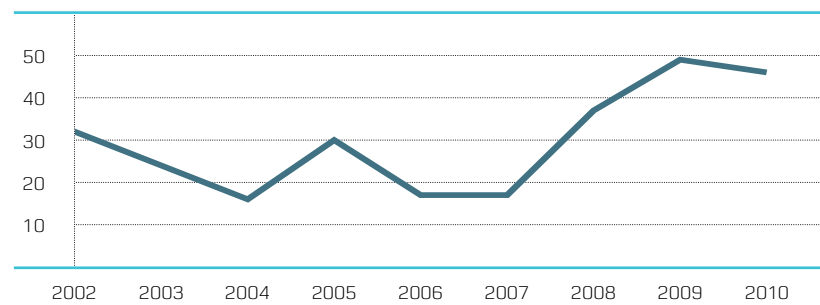
WORKING TOWARDS ENERGY SAVINGS

In order to meet the strategic ambition level of eco-efficiency set by Maersk, Dansk Supermarked has initiated a number of energy saving activities and set targets for our activities.

In 2010, total CO₂ emissions increased by 4% and electricity consumption also increased by 4%. These increases can mainly be attributed to the very cold winter in Northern Europe as well as an increase in number of stores.

In 2010 the total CO₂ emissions were reduced by 7%. In regards to the electricity consumption we reached a reduction of 8%, but due to the very cold winter in Northern Europe the consumption of energy for heating increased by 7%.

Robberies in Dansk Supermarked 2002-2010



In January 2010, our chain of discount supermarkets Netto initiated use of a new cooling warehouse. Being 21,500 m² and using CO₂ as its cooling agent it is one of the most energy-friendly refrigerators of its size anywhere in the world.

We estimate that this new warehouse will create savings in terms of energy and CO₂ emissions to the tune of 10% per year compared to building area, and as such will greatly aid us in reaching our targets.

In 2010 we also optimised store equipment and lighting to achieve energy savings.

BUSY WITH WASTE

Waste is a massive by-product of the retail industry in the shape of packaging such as cardboard, plastic and pallets, as well as food waste. This has both financial and environmental costs.

Dansk Supermarked wants to improve its waste management procedures with an aim to create savings, and to reduce, re-use or recycle as much as

possible. A further benefit is reduction in our risk of non-compliance with regulatory requirements for the management of waste.

In a project developed throughout 2010, we have negotiated with a facilities management company to improve our waste management, with a full-time consultant working from our offices for the next two years. The project is focused on our Danish stores.

We are already closely involved with suppliers on design of packaging for ease of use, and reduction of waste.

CREATING OPPORTUNITIES

The retail sector holds a large share of the labour market's entry-level positions. In Dansk Supermarked we recognise that this provides an opportunity for us to contribute to the integrating of disadvantaged groups into society through employment.

In Denmark, where 66% of our jobs are, we have for a number of years actively sought to provide jobs for immigrants and people with a range of disabilities, through projects in collaboration with

TARGETS	
CO ₂	Reduce emissions relative to building area by 10% by 2012 (2007 baseline)

municipalities. In recognition of this work, we received the Danish Diversity Award in 2010.

In 2010 we further began a programme to employ young people, who at an earlier stage in their life were involved in small scale criminal activity. This was launched in partnership with a Danish NGO named 'High Five'.

[→ Read more www.dsg.dk](http://www.dsg.dk)

Dansk Supermarked key sustainability figures 2010

Social performance – safety		2007	2008	2009	2010
Number of full time employees (FTE)	number	25,310	25,879	25,635	26,104
Lost time injury frequency (LTIF)	frequency	13.76	12.83	14.10	13.53
Fatalities	number	0	0	0	0
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	242	176	191	199
CO ₂ – direct and indirect	1,000 tonnes	242	176	190	198
Economic performance					
Revenue	USD million	–	11,435 ^a	10,683 ^a	10,537

– = Not available

^a Revenue is restated due to new financial regulations for other income.



Maersk Container Industry develops and supplies reefer containers, reefer machines and dry containers for global sea transport. Through innovations in design and technology we contribute to lowering the environmental impacts of global trade.

The significant drop in demand during 2009 continued in the first quarter of 2010. Maersk Container Industry used this time to upgrade our production facilities and sustainable innovations.

Fortunately, global demands for our products has picked up strongly. We have been able to respond to this fast, benefitting from our earlier decision to only scale down and not close down production. Consequently we have re-established our workforce, partly by new recruitment.

Our industry still has work to do in convincing customers that sustainability is the way ahead. Still, during 2010 our sustainability focus offered us new business opportunities and differentiated us from competitors.

ADDRESSING OUR OWN IMPACT

During 2010 we worked to reduce consumption of electricity, water, fuel and waste from production, and significant reductions were achieved compared with targets set, and new targets were set for 2011. In addition, we initiated projects to reduce emissions of volatile organic compound (VOC) by using water-based paint for surface treatment of containers. The projects will be continued in cooperation with potential suppliers and customers in 2011.

SAFETY COUNTS

Safety continues to be a main focus area for Maersk Container Industry. In 2010 our lost time incident frequency (LTIF) was 1.88 compared with 2.24 in 2009 – a reduction of 16%.

“Even though we have achieved a reduction of 16%, we are still not where we want to be and improvements will continue during 2011,” says Peter K. Nymand, CEO of Maersk Container Industry Group.

At our production facilities in China, we provide ongoing safety training for our employees about, among others, materials used in production, personal protective equipment, safe working processes, analysis of dangers at work stations, safety in leadership, regular knowledge sharing meetings, etc.

We undertake workplace assessments and campaigns based on the most frequent type of incidents. Safety issues are evaluated on a daily basis at senior management meetings for further improvements.

In 2010, in collaboration with external consultants and the Danish embassy in Beijing, we completed a middle-management training programme at our Dongguan facility based on findings from audits conducted in 2009. The programme focused on safety awareness, people management and corporate social responsibility.

SUSTAINABLE PRODUCT OFFERINGS

In 2010, Maersk Container Industry worked to design, produce and market products that reduce the environmental and climate change impacts from the use of containers. These are:

- **Container insulation with nearly no ozone depletion** – Containers traditionally use an ozone-depleting substance for insulation. Since February 2010 all Maersk Container Industry’s reefer containers as well as reefer machines use our new insulation product, SuPoTec® (Sustainable Polyurethane Technology), which is almost ozone neutral. Measured at 2010 production levels, SuPoTec® has reduced global CO₂ emissions by 660,000 tonnes annually and local CO₂ reduction during container

manufacturing of more than 65,000 tonnes annually.

- **Recyclable plastic flooring of dry containers** – Maersk Container Industry has developed plastic flooring as a sustainable alternative to hardwood floorboard. The plastic flooring is made of recycled low-grade plastic plus wood fibres. During 2010 we conducted full-scale pilot tests with satisfactory results and the new 100% recyclable product will be mass-produced from 2011.
- **AV+: Lower energy use with smart ventilation** – By measuring the CO₂ concentration inside the container and thereby ensuring correct ventilation, it is possible to decrease the use of energy used for cooling of container contents during transport considerably. Maersk Container Industry has developed a control unit for this purpose, which has been in production since 2009. The market uptake on this product is progressing, albeit slowly.

NEW USE OF DRY CONTAINERS

Finally, Maersk Container Industry has entered into partnership, together

TARGETS 2011	
CO₂	Reduce 20% – from 0.14 to 0.11 kg/USD
Energy	Reduce 16% – from 0.58 to 0.49 GJ/1,000 USD
Water	Reduce 17% – from 0.64 to 0.53 m ³ /1,000 USD
Waste	Reduce 18% – from 24.8 to 20.4 kg/1,000 USD

with Damco and Maersk Line, Limited (Maersk Line’s US sister company), with Intermodal Structures, a US modular building company. The partnership revolves around a new concept for housing containers.

The modules can be shipped like freight containers and then configured into one or two-storey schools, military barracks, offices or medical centres. They are well suited for locations where conventional construction is not feasible or practical. We are investigating the use of these for assistance in disaster areas like earthquakes and relief aid, etc. as well as military use.

[→ Read more www.maerskbox.com](http://www.maerskbox.com)

Maersk Container Industry key sustainability figures 2010

Social performance – safety		2007 ^a	2008	2009	2010
Number of full time employees (FTE)	number	n/a	n/a	3,138	4,105
Lost time injury frequency (LTIF)	frequency	n/a	3.34	2.24	1.88
Fatalities	number	n/a	0	0	0
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	n/a	44	69	152
CO ₂ – direct and indirect	1,000 tonnes	n/a	43	37	72
Economic performance					
Revenue	USD million	n/a	26,846 ^b	270	689

n/a = Not applicable
– = Not available

^a Maersk Container Industry reported under Maersk Line in 2007.

^b Figure reflects total revenue for container business, which at this point also comprised Maersk Container Industry.



Odense Steel Shipyard is, after nearly 100 years of shipbuilding activities, currently working to finalise remaining ship orders, while building up an industrial park to take over the area in full in 2012.

The Odense Steel Shipyard will cease shipbuilding when the last order is delivered in 2012, and in 2010 the shipyard has continued to down-size its staff according to plan.

The main sustainability challenge for Odense Steel Shipyard is reducing the impact of redundancies on the local community and the individual employee.

During 2010 the yard reduced its staff at the Lindø facilities according to plan. The number of employees was reduced from 2,300 to approximately 1,000.

Our efforts to remedy the impact of the redundancies follow two separate tracks:

1. Efforts to attract new activity to the area, thereby increasing available jobs. These efforts are primarily carried out by Lindø Industrial Park, a division of Odense Steel Shipyard.
2. Efforts to help the individuals who are made redundant. These efforts are primarily carried out by Lindø Shipyard, also a division of Odense Steel Shipyard.

ATTRACTING NEW ACTIVITIES

Lindø Industrial Park has, since its establishment in second half of 2009, been working on attracting companies to rent facilities at Lindø. By the end of 2010, Lindø Industrial Park has entered into contracts with 25 companies, occupying 20% of the Lindø facilities and with activities generating about 600 jobs.

FINISHING THE NEWBUILDING ORDERS

At the shipyard, the main priorities are to fill the last orders in a safe and secure manner, and to help the people who are

made redundant, by assisting in preparing for new employment, and by creating awareness of the highly-qualified staff now available in the job market.

“In spite of the insecurity stemming from the imminent closing of the yard, our people made the same great effort in 2010. Our customers and other stakeholders have remarked on this, and both management and the Board

Odense Steel Shipyard has made agreements with local unions for extended leave for developing CVs, re-training and additional compensation. Together with local authorities, job centres has been established at the yard to ease the employees’ job-seeking process. With public re-training institutions, special courses for the employees have been developed to upgrade qualifications.

“We are looking at 2,300 Lindø employees, and around 1,000 working for local suppliers, who will be out of a job. This will obviously have a huge effect on the economic and social fabric of the local community.”

Johnny Voss, Senior General Manager HSSE/CSR at Odense Steel Shipyard

of Directors are very appreciative of the commitment shown,” says Peter Jann Nielsen, CEO of Odense Steel Shipyard.

Lindø has helped public authorities to apply to the EU for substantial support for re-education from the EU’s Globalisation Fund.

CONTINUOUS EFFORT TO HELP

On the issue of help to individuals who are made redundant, Odense Steel Shipyard has an extensive and constructive cooperation with various public authorities, whether on local, regional, state or EU level.

In 2010 Odense Steel Shipyard also ran a campaign to draw attention to the availability of our highly-qualified staff and to create awareness of the general need for job creation in the region of Funen, where Odense Steel Shipyard is located.

TARGETS 2011	
Electricity	30,000 MWH
Water	50,000 m ³
Fuel	200 tonnes
Waste	6,000 tonnes
VOC	160 tonnes
LTIF	Zero

SMALLER AND SAFER

The number of work related injuries decreased during 2010. However, the number of exposure hours decreased at an even higher rate, causing an increase in LTIF. The main reason for the lower number of injuries is that as the workforce is reduced and the most experienced workers remain at the yard. Also, the safety functions are able to follow up on each of the injuries much more closely, allowing for improved assessment of the injury and subsequent offering of alternative work while the effects of the injuries last. “We depend on each other to a greater extent, now that the workforce is much smaller,” says Søren Rask, Head of Safety at Odense Steel Shipyard.

[→ Read more www.oss.dk](http://www.oss.dk)

Odense Steel Shipyard key sustainability figures 2010

Social performance – safety		2007	2008	2009	2010
Number of full time employees (FTE)	number	6,262	4,939	4,546	1,787
Lost time injury frequency (LTIF)	frequency	57.00	42.11	18.06	29.86
Fatalities	number	0	0	1	0
Environmental performance					
Greenhouse gas (GHG) emissions	1,000 tonnes CO ₂ eq	34	92	62	48
CO ₂ – direct and indirect	1,000 tonnes	34	80	56	37
Economic performance					
Revenue	USD million	–	1,005	789	504

– = Not available

Sustainability

accounting principles

This report has been prepared in accordance with the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines, and has independently been verified by Det Norske Veritas to be consistent with an application level of C+.

An overview of all GRI standard disclosures and the corresponding UN Global Compact principle covered in this report can be found at www.maersk.com/sustainability

The sustainability accounting principles for 2010 have been changed, whereby scoping, consolidation and definitions have been aligned across the Group and with the financial reporting. To gain consistency in comparison figures, 2009 figures have been re-collected in light of the new, updated and aligned policies.

The data collection process has been made stronger. Reporting tools are validated via IT audit, and manuals and online training are in place. A set of general accounting principles for sustainability has been established, which defines the reporting rules, processes and responsibilities. A controlling guideline has been established to secure business units' own assurance of submitted data, before sign off by the respective CEO and CFO. Furthermore,

all business units are obliged to provide explanation sheets on significant developments in data.

From 2011 and onwards the audit committee have decided, that the sustainability reporting will be included in the framework used to assure risks and controls for the financial reporting (the so-called "EuroSox", Financial Statements Act §107b).

SCOPE

The Group has applied a series of basic scoping principles to minimise the risks of double-counting and lack of counting. The most important change is that sustainability reporting now applies financial control criteria for what is in and out of our direct responsibility and thus follows the principles of financial accounting.

The basic scoping principles also cover which assets are to be included in the consumption measurements. The base principles for scoping on owned and leased ships, rigs, trucks, etc. are as follows:

- Owned assets which the Group uses: the Group is liable for consumption and emissions

- Owned assets which are leased out: the Group is not liable for consumption and emissions – the lessee is.
- Leased-in assets which the Group uses: the Group is liable for consumption and emissions – the lessor is not.

Technical management of an asset on behalf of third parties does not make the Group liable for the consumption and emissions. Consumption and emissions belong to the asset owner/lessee, who decided to have production with this asset in the first place – and just happened to hire the Group's skilled personnel. If material, the business unit may include the emissions as explanations in the text. Scoping for health and safety follows the above, unless the contract with the lessee makes the Group liable for the work environment on leased-out assets or lessor liable for the leased in assets.

Regarding greenhouse gases, the reporting must be compatible with the Greenhouse Gas (GHG) protocol which operates with three scopes covering direct emissions from own assets (so-called scope 1 in GHG protocol terminology), indirect emissions from the energy used for producing electricity and district heating, which the Group

buys (scope 2) and Indirect emissions from third party activities related to the Group's business i.e. supply chain including customers and suppliers including outsourced activities (scope 3).

Within the current group-wide climate change policy we report only on scope 1+2 when it comes to reporting our GHG emissions. A business unit can choose to comment on scope 3 GHG emissions. However, these data are not part of the assured data set.

CONSOLIDATION

The data are collected per legal entity per activity. And given regular consolidation principles from the financial consolidation principles, the figures are consolidated line-by-line.

Subsidiaries, in which the Group has full control, are included 100%. Joint ventures, in which the Group has joint control with the counterparts, are included by proportionate consolidation. Associated companies and other companies are defined as entities in which the Group does not have control, thus the data is not included. A supplementary advantage of using the financial consolidation principles is that the sustainability indicators can be compared directly with the financial data.

A business unit can choose to show data given operational control, but in the consolidation for the Group, the financial control scoped data are used.

DEFINITIONS

The Group has defined two categories of data; documented and probable data. The reason for the split is that the Group wishes to be able to declare, that the data provides a true and fair view

of the Group's sustainability indicators. But at the same time it is also recognised that some data are more difficult to document than others. In these cases, the data are assumed and justified in an elaborated format, whereby the assumptions can be traced. This is what we call probable data.

Documented data comprise:

- Our employees
- Energy consumption
- Other air emissions
- Steel consumption
- Oil extraction
- Financial data

Probable data comprise:

- Health and safety
- Waste
- Water consumption
- Spills
- Anti-corruption training

EMISSION CONVERSIONS

The GHG emissions are calculated indirectly via conversion factors for energy consumption and other air emissions.

The Group has calculated the GHG emissions based on various official conversion factor schemes including standard assumptions of emissions, content and flare efficiencies.

The principles for choosing among the schemes are:

- Newest schemes are preferred
- International recognised generic schemes are preferred
- Specific branch schemes can be included when not in conflict with the above
- A scheme must always be used in full, thus no combined schemes are allowed unless specific elements were not included in the primary scheme.

FULL SETS OF DATA AVAILABLE ONLINE

In this report we only include data on a few, select key performance indicators for each business unit. Full sets of data, both consolidated and at the business unit level can be found on our website: www.maersk.com/sustainability.

GENERAL NOTES FOR DATA

- All figures for 2009 have been re-collected, re-consolidated and assured.
- Number of employees measures average number of full-time employees (FTEs) excluding jointly-controlled entities and discontinued operations.
- Employee engagement reflects the percentage of engaged employees who participated in the annual engagement survey. Engagement is the combination of satisfaction, pride, referral and intent to stay in the organisation.
- The percentages for performance appraisals are based on headcounts, not FTEs.
- Lost time injury frequency measures the number of lost time injuries excluding fatalities per million exposure hours.
- TRCF = Total Recordable Case Frequency
- In 2007 and 2008 different conversion factors and fuel oil sulphur content have been applied across the years and across various activities. For 2009 and 2010 conversion factors and fuel oil sulphur content have been updated and aligned across years and activities.
- Particulate matters are calculated on heavy fuel.

Assurance statement

A.P. Møller - Maersk ('APMM' or 'the Group') asked Det Norske Veritas ('DNV') to verify the 2010 Sustainability Report ('the Report'). APMM is entirely responsible for the content of the Report. DNV's responsibility is to APMM's management only and according to the terms agreed. This statement is intended for APMM management and broader stakeholders.

Scope of assurance and limitations

DNV verified the Group-level activities, statements and sustainability performance data reported for January-December 2010. We reviewed the full year Group-level, consolidated performance data for 2010 as well as the re-stated data for 2009, by tracing the data one level down to the consolidated data submitted by each business unit. The scope of work did not include verifying the accuracy of the activity data collected from individual legal entities within each business unit.

We evaluated the Report's adherence to the three Accountability Principles (Inclusivity, Materiality and Responsiveness) and the reliability of specified sustainability performance information, as required for a Type 2, moderate level of assurance in AA1000 Assurance Standard 2008 ('AA1000AS 2008'). We also evaluated adherence to the principles of Completeness and Neutrality, as set out in DNV's Protocol for Verification of Sustainability Reporting. We did not verify the financial-economic performance data reproduced from the certified financial accounts, nor interview any external stakeholders. Our verification took place between November 2010 and February 2011.

Verification methodology

We planned and carried out the work in accordance with the AA1000AS 2008 and DNV's Protocol for Verification of Sustainability Reporting. Through on-site verification of data, reporting tools, documents and interviews, we challenged the statements made in the Report and evaluated the mechanisms for implementing the Group's sustainability-related policies and the robustness of the underlying data management system, information flow and controls. We interviewed 44 management staff at Group Head Office and at offices of five Business Units selected by APMM (Denmark: Maersk Tankers, Maersk Supply Service, Svitzer; Benelux: APM Terminals, Safmarine).

Conclusions

In DNV's opinion, the 2010 Sustainability Report provides a fair and credible representation of APMM's overall sustainability performance and application of the AA1000 Accountability Principles. The Report describes the sustainability issues that are most important to the different business areas as well as the response from local management and at Group level. The quality of environmental and safety data has increased significantly due to the new procedures for data collection, consolidation and internal control. The information is presented in a way that will help stakeholders make informed decisions about the Group's sustainability performance.

We confirm that the Report meets the requirements of GRI's 2006 Sustainability Reporting Guidelines' Application Level C+.

We evaluated adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

AA1000 principles

Inclusivity: Acceptable. APMM has strengthened its approach to identifying and engaging with stakeholders and considering their input in its management and reporting of material stakeholder concerns. Coverage and competence in stakeholder engagement appear to have improved across key parts of the organisation.

Materiality: Good. During 2010 APMM has continued to systematically map out and prioritise those sustainability issues most significant to the Group and its stakeholders. The results have helped define the strategic direction of the sustainability work, strengthened staff competencies, and informed the focus and content of this Report.

Responsiveness: Acceptable. The Report clearly sets out the governance structure, strategy and systems for managing sustainability issues across the organisation. The Report reflects improved responsiveness to specific stakeholder concerns raised through the media or surveys.

Reliability: Good. Within the scope of our assurance defined above, and in accordance with AA1000 Type 2, moderate level assurance requirements, we conclude that the specified performance information presented in the Report is reliable. Information in the Report is presented so as to allow comparison of year-on-year performance, with clear indication where improved data auditing has resulted in corrected data. DNV finds that the current data collection process and reporting tool (incl. related calculation tools) are robust and fit for purpose, and we believe they are likely to yield consistent data of good quality over time.

Additional principles

Completeness: Acceptable. Within the reporting boundary and scope defined by the Group, we conclude that the Report does not omit information that would significantly influence stakeholders' decisions or that reflects significant sustainability impacts for the Group during 2010. The re-stated data for 2009 did not reveal a substantially different picture to its original publication.

Neutrality: Good. The information contained in the Report is balanced and presented in an overall neutral tone. Dilemmas and challenging situations are presented together with commitments to future improvements.

Opportunities for improvement

The following is an excerpt from the observations and opportunities reported back to the management of APMM. They are generally consistent with management objectives already in place.

- APMM should follow up on the implementation of the Group Sustainability General Accounting Principles when conducting internal revisions and business reviews within the individual business units and underlying entities.
- Having achieved a more reliable data set for GHG emissions, APMM may wish to consider a recalculation of the baseline year for measuring its emissions reductions.
- APMM is now in a good position to select and establish targets for a wider set of key performance indicators to enhance future measurement and reporting of performance.

DNV's competence and independence

DNV provides sustainability risk management services through qualified specialists worldwide. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality towards people interviewed during the assignment.

For Det Norske Veritas AS,



Dr Helena Barton
Lead Verifier



Jens Peter Høiseth
Key Customer Manager

Copenhagen, 17 February 2011



AA1000
Licensed Assurance Provider
000-10

We value your feedback

If you have any questions, comments or suggestions about this report or our performance, we welcome your feedback. You can send your comments to:

A.P. Møller - Maersk

Esplanaden 50
1098 Copenhagen K
Denmark
Att: Group Sustainability

Email: Susanne.Nielsen@maersk.com

Telephone: +45 3363 3522

www.maersk.com/sustainability

FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements on expectations regarding the achievements and performance of A.P. Møller - Mærsk A/S and the A.P. Møller - Maersk Group. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond A.P. Møller - Mærsk A/S and the A.P. Møller - Maersk Group's control, may cause actual results and development to differ materially from expectations contained herein.

Print

This publication is printed by KLS Graphic House, carbon neutral printer, on Galerie Art Matt

Editors

Marie Damsgaard
Susanne Nielsen

Contributing writer

Eva Harpøth Skjoldborg

Design and layout

e-Types & India

Printed in Denmark 2011





MAERSK