

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

In the 2020 financial year, the Supervisory Board of Hapag-Lloyd AG properly and conscientiously performed all of the tasks for which it is responsible in accordance with the applicable laws, articles of association and rules of procedure. The Supervisory Board monitored the Executive Board as it managed the Company and diligently advised it on a regular basis. Its main priority at all times was to protect the interests of Hapag-Lloyd AG, the primary operating unit responsible for the Group's performance.

Cooperation between the Supervisory Board and the Executive Board

In the 2020 financial year, the Executive Board informed the Supervisory Board regularly, comprehensively and promptly about the competitive environment, the planned business policies, all strategic and fundamental operating decisions and the risk management system. The Executive Board also discussed with the Supervisory Board the most important financial indicators as a means of assessment for the Company's economical position. The reports and discussions in the 2020 financial year focused in particular on the corporate and social measures in relation to the COVID-19 pandemic. They also focused on corporate planning, the implementation of "Hapag-Lloyd Strategy 2023" and fleet planning.

The Executive Board reported both orally and in writing to the Supervisory Board in its meetings, providing full responses to all of the Supervisory Board's questions. Outside of the meetings, regular reports on the Group's performance and on the most important transactions at Hapag-Lloyd AG also ensured that the Supervisory Board was kept well informed. Furthermore, frequent discussions on the current business took place between the Chairman of the Supervisory Board and the Chief Executive Officer. The Chairman of the Supervisory Board also attended Executive Board meetings on a regular basis in the 2020 financial year. As a result, the Supervisory Board was fully up to date at all times. The reports by the Executive Board complied with legal requirements and those of the Supervisory Board and adhered to the principles of good corporate governance.

The Executive Board involved the Supervisory Board at an early stage in decisions with a significant influence on the position and performance of the Company. The Supervisory Board thus monitored the Executive Board's management of the Company at all times on the basis of legality, correctness, appropriateness and viability.



Michael Behrendt
(Chairman of the
Supervisory Board)

Meetings of the Supervisory Board and matters addressed

The Supervisory Board met 4 times in the reporting period. These meetings were held on 19 March 2020, 4 June 2020, 16 September 2020 and 11 November 2020. All the meetings of the Supervisory Board and its committees in 2020 were attended by the respective members predominantly by video.

The average attendance rate of Supervisory Board members at Supervisory Board meetings and committee meetings was as follows:

- Meetings of the Supervisory Board: 98.6%
- Meetings of the Presidential and Personnel Committee: 100%
- Meetings of the Audit and Financial Committee: 100%

Attendance of the Supervisory Board members in the 2020 financial year

Meeting	Meetings by the Supervisory Board				Meetings by the Presidential and Personnel Committee			Meetings by the Audit and Financial Committee			
	19.3.2020	4.6.2020	16.9.2020	11.11.2020	19.3.2020	16.9.2020	11.11.2020	18.3.2020	14.5.2020	13.8.2020	10.11.2020
Name											
Albrecht	✓	✓	✓	✓			✓				
Alnowaiser	✓	✓	○	✓				✓	✓	✓	✓
Al-Thani	✓	✓	✓	✓	✓	✓	✓				
Behrendt	✓	✓	✓	✓	✓	✓	✓				
Diekamp	✓	✓			✓						
Gehrt	✓	✓	✓	✓							
Gernandt	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hasbún	✓	✓	✓	✓				✓	✓	✓	✓
Klemmt-Nissen	✓	✓			✓			✓	✓		
Kröger	✓	✓	✓	✓				✓	✓	✓	✓
Lipinski	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nieswand	✓	✓	✓	✓	✓	✓	✓				
Niklas			✓	✓		✓	✓			✓	✓
Pérez	✓	✓	✓	✓	✓	✓	✓				
Schroeter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Schwiegershausen-Güth	✓	✓	✓	✓							
Stawars			✓	✓							
Zimmermann	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Meeting attendance

○ Did not attend the meeting

■ Was not a member of the Supervisory Board or the committee at the time of the meeting

Supervisory Board meeting on 19 March 2020

In its meeting on 19 March 2020, the Supervisory Board began by focusing on the amendment of the long-term remuneration element as a component of the Executive Board members' annual variable remuneration. The Supervisory Board subsequently focused primarily on the annual financial statements. Following its own review and the recommendation of the Audit and Financial Committee, it approved the annual and consolidated financial statements as well as the combined management report for the 2019 financial year. The Supervisory Board then approved the agenda for the Company's Annual General Meeting on 5 June 2020 and adopted its resolution

proposals for the agenda items. In particular, the Supervisory Board decided to follow the recommendation of the Audit and Finance Committee regarding its proposal for the selection of the external auditors of the annual and consolidated financial statements. On the recommendation of the Nomination Committee, the Supervisory Board decided to propose to the Annual General Meeting Dr Isabella Niklas for election to the Supervisory Board as a shareholder representative since Dr Klemmt-Nissen's term as Supervisory Board member expired at the end of the 2020 Annual General Meeting. Furthermore, the Supervisory Board decided to propose to the Annual General Meeting a pay-out of a dividend. The Supervisory Board also conducted a review of the non-financial report prepared in accordance with Sections 289b (3) and 315b (3) of the German Commercial Code (HGB) and the Declaration of Conformity with the German Corporate Governance Code 2017. It adopted this report and then discussed the current business.

The Supervisory Board passed a resolution outside of a meeting on 27 April 2020 to approve the Executive Board's resolution to conduct the Annual General Meeting on 5 June 2020 virtually without the physical presence of the shareholders or their proxies in accordance with Section 1 (2) of the German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 pandemic.

Supervisory Board meeting on 4 June 2020

Before the Annual General Meeting, the Supervisory Board decided to extend by a further two years the employment contract of Executive Board member Mr Joachim Schlotfeldt, which was scheduled to expire in 2021. Afterwards, the Supervisory Board obtained information from the Executive Board about the current business and in particular discussed with the Executive Board the effects of the COVID-19 pandemic on the business. The forecast results for the 2020 financial year were also discussed in detail in light of the cost-cutting and control measures implemented due to the outbreak of the COVID-19 pandemic as well as financing measures for ship investments. Finally, the Supervisory Board prepared for the Company's Annual General Meeting, which took place the day after the meeting.

Elections to the committees took place by means of resolutions passed outside of a meeting on 10 June 2020, a process which was initiated after the Annual General Meeting on 5 June 2020.

Supervisory Board meeting on 16 September 2020

In its meeting on 16 September 2020, the Supervisory Board welcomed Dr Isabella Niklas, who was elected by the Annual General Meeting on 5 June, and Ms Svea Stawars, who was court-appointed with effect from 31 July 2020, as new members of the Supervisory Board. The Supervisory Board then took stock of the Executive Board's report on the current business. The Executive Board reported in particular on the performance factors of cost-cutting programmes and on corporate and social measures as a result of the COVID-19 pandemic. The remaining discussions focused on the second earnings forecast for 2020, fleet planning as well as the report of the Chief Compliance Officer.

Supervisory Board meeting on 11 November 2020

At the start of the meeting, the Supervisory Board passed changes to the rules of procedure for the Executive Board and Supervisory Board and dealt with the policy prepared by the Executive Board regarding a guideline on the new transparency regulations for related party transactions. This meeting also focused on discussions about the current business and the annual budget for 2021, including Hapag-Lloyd AG's business plan. The Executive Board gave a precise account of the corresponding planning and went into detail on the underlying assumptions. On the recommendation of the Audit and Financial Committee, the Supervisory Board approved the Executive Board's annual budget for 2021. Finally, the Supervisory Board focused on fleet planning and the ordering of six newbuilds.

Meetings of the committees and matters addressed

The work of the Supervisory Board was prepared and supported by its committees. The following committees, with the members listed beside them, were active in the reporting year:

Presidential and Personnel Committee: Michael Behrendt (Chairman), Felix Albrecht (from 16 September 2020), Sheikh Ali bin Jassim Al-Thani, Jutta Diekamp (until 30 June 2020), Karl Gernandt, Dr Rainer Klemmt-Nissen (until 5 June 2020), Arnold Lipinski, Sabine Nieswand, Dr Isabella Niklas (from 10 June 2020), José Francisco Pérez Mackenna, Klaus Schroeter, Uwe Zimmermann.

Audit and Financial Committee: Karl Gernandt (Chairman from 10 June 2020), Oscar Hasbún Martínez (Chairman until 10 June 2020), Turqi Alnowaiser, Dr Rainer Klemmt-Nissen (until 5 June 2020), Annabell Kröger, Arnold Lipinski, Dr Isabella Niklas (from 10 June 2020), Klaus Schroeter, Uwe Zimmermann.

Mediation Committee pursuant to Section 27 (3) of the German Co-Determination Act (MitbestG): Michael Behrendt (Chairman), Felix Albrecht (from 16 September 2020), Jutta Diekamp (until 30 June 2020), José Francisco Pérez Mackenna, Klaus Schroeter.

Nomination Committee: Michael Behrendt (Chairman), Sheikh Ali bin Jassim Al-Thani, Karl Gernandt, Dr Rainer Klemmt-Nissen (until 5 June 2020), Dr Isabella Niklas (from 10 June 2020), José Francisco Pérez Mackenna.

The responsibilities assigned to these committees are described in detail in the joint Corporate Governance Report of the Executive Board and the Supervisory Board (Corporate Governance Report).

The **Presidential and Personnel Committee** met three times in 2020, on 19 March 2020, 16 September 2020 and 11 November 2020.

Besides discussing the preparations for the Supervisory Board's session on 19 March 2020, the Presidential and Personnel Committee also focused on the amendment of the long-term remuneration element as a component of the Executive Board members' annual variable remuneration.

The Presidential and Personnel Committee passed a resolution outside of a meeting on 21 May 2020 to recommend to the Supervisory Board that the employment contract of Executive Board member Mr Joachim Schlotfeldt be extended by a further 2 years.

In its meeting on 16 September, the Presidential and Personnel Committee dealt with the preparation of the following Supervisory Board meeting.

The **Audit and Financial Committee** convened four meetings in the financial year, on 18 March 2020, 14 May 2020, 13 August 2020 and 10 November 2020.

In the meeting on 18 March 2020, the discussions centred on issues relating to the annual financial statements, including the external auditors' report on the annual and consolidated financial statements for the 2019 financial year (see also "Annual and consolidated financial statements 2019" in the 2019 annual report). The dependency report and the proposal for the election of the external auditors were discussed, and a corresponding proposal to the Supervisory Board was passed (see also "Review of the report by the Executive Board on relationships with affiliated companies" in the 2019 annual report).

The second meeting on 14 May 2020 was dominated by a discussion on the financial report for the first quarter and the forecast for the second quarter. Financing measures were also discussed, as were the internal control and risk management system (ICS) and the Group's risk situation.

In the meeting on 13 August 2020, the discussion centred on the half-year financial report and the forecast for the second half, with a particular focus on Group liquidity. The Audit and Financial Committee also dealt with the report by the Corporate Audit department and the report regarding the Group's hedging transactions.

In the fourth meeting on 10 November 2020, the focus was on the presented 2021 annual budget, including Hapag-Lloyd AG's business plan. The committee discussed the targets and measures with the Executive Board in detail, in particular in light of the ongoing COVID-19 pandemic, and decided to recommend that the Supervisory Board approve the Executive Board's planning. Investments in newbuilds were also discussed, as were the financial report for the third quarter and the audit focal points in the external audit.

In its meeting on 19 March 2020, the **Nomination Committee** proposed the appointment of a shareholder representative to the Supervisory Board, to be elected at the 2020 Annual General Meeting. This was due to the resignation of a shareholder representative on the Supervisory Board for personal reasons with effect from the end of the Annual General Meeting on 5 June 2020.

The **Mediation Committee** did not meet in the reporting period.

Personnel changes in the Supervisory Board and the Executive Board

Dr Klemmt-Nissen retired as a shareholder representative on the Supervisory Board, stepping down with effect from the end of the Annual General Meeting on 5 June 2020. The Annual General Meeting elected Dr Isabella Niklas to succeed him as the Supervisory Board's shareholder representative. Ms Jutta Diekamp retired from the Company on 30 June 2020. Hamburg district court appointed Ms Svea Stawars as the Supervisory Board's new employee representative with effect from 31 July 2020.

As per a resolution passed by the Supervisory Board on 4 June 2020, the employment contract of Executive Board member (CPO) Mr Joachim Schlotfeldt was extended by a further 2 years.

Executive Board member Mr Nicolás Burr resigned on 29 February 2020. According to a resolution passed by the Supervisory Board on 13 November 2019, Mr Mark Frese was appointed as Executive Board member with effect from 25 November 2019 and succeeded Mr Nicolás Burr as the new CFO.

Corporate governance

The Supervisory Board is committed to the principles of good corporate governance and maintained a continuous focus on these principles in the 2020 financial year. One key element of this is the recommendations and, in some cases, the suggestions of the German Corporate Governance Code (GCGC) as amended on 7 February 2017 (since the announcement on 24 April 2017 and in the corrected version dated 19 May 2017, GCGC 2017). This does not preclude a deviation from the recommendations of the Code in certain justified cases. As a listed company, Hapag-Lloyd AG is required to issue a statement in accordance with Section 161 of the German Stock Corporation Act (AktG) indicating the extent to which it has complied and is complying with the recommendations of the GCGC or which recommendations it has not followed or is not following, and to provide reasons for deviating from recommendations (Declaration of Conformity). On 19 March 2020, the Executive Board and Supervisory Board issued a Declaration of Conformity, which is available on the Company's website. Further details on corporate governance can be found in the joint Corporate Governance Report of the Executive Board and the Supervisory Board (Corporate Governance Report).

The Supervisory Board members of Hapag-Lloyd AG are required to disclose any conflicts of interest to the Chairman of the Supervisory Board, in particular those which may occur as a result of providing advisory or consulting services to customers, suppliers, lenders or other third parties or holding positions on their corporate bodies. In line with the GCGC's recommendation, the Supervisory Board will outline any conflicts of interest that occurred and how they were dealt with in its report to the Annual General Meeting. There were no indications of actual or potential conflicts of interest in the 2020 financial year.

Audit of the 2020 annual and consolidated financial statements

The Executive Board submitted the annual financial statements, the consolidated financial statements and the combined management report of Hapag-Lloyd AG and the proposal on the appropriation of profits to the Supervisory Board within the specified time.

KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, audited the annual financial statements as at 31 December 2020 prepared by the Executive Board in accordance with the provisions of the German Commercial Code (HGB), the consolidated financial statements prepared in accordance with Section 315 e HGB on the basis of the International Financial Reporting Standards (IFRS), as applicable in the European Union, as well as the combined management report and issued each of them with an unqualified auditor's opinion.

Before the Audit and Financial Committee made a decision on its recommendation to the Supervisory Board regarding the proposal of the external auditors to the Annual General Meeting, the external auditors declared that there were no business, financial, personal or other relationships between the auditors, their corporate bodies and their lead auditors on one side and the Company and the members of its corporate bodies on the other side that could raise doubts about the auditors' independence. This declaration also disclosed the extent to which other services had been provided to the Company in the previous financial year or contractually agreed for the following year. Within this context, the Audit and Financial Committee verified and confirmed that the required independence exists. The Supervisory Board was informed of the result of this verification process before making its decision on the proposal of the external auditors to the Annual General Meeting.

The audit engagement for the annual financial statements of the Company and the Group was awarded by the Chairman of the Supervisory Board's Audit and Financial Committee in accordance with the resolution of the Annual General Meeting on 5 June 2020.

The documents relating to the annual and consolidated financial statements and the appropriation of profits were examined and discussed at length at the meeting of the Audit and Financial Committee on 16 March 2021 in preparation for the audit and the handling of these documents by the Supervisory Board in the presence of the external auditors, who gave an account of the results of their audit, and in the presence of the Executive Board; this included questions to the external auditors regarding the manner and scope of the audit as well as the audit result. As a result, the Audit and Financial Committee was convinced of the correctness of the audit and the audit report. In particular, it was also satisfied that the audit report – as well as the audit performed by the external auditors themselves – complied with all legal requirements. Within this context, the external auditors also confirmed to the Audit and Financial Committee that no circumstances existed which would lead to concerns about their impartiality. Furthermore, the Audit and Financial Committee obtained a report from the external auditors on the audit of the risk early-warning system. The external auditors stated that the Executive Board had taken the measures required under Section 91 (2) of the German Stock Corporation Act (AktG) regarding the establishment of a risk early-warning system in a suitable form and that the risk early-warning system was suitable for identifying at an early stage any developments that would

endanger the existence of the Company. The Audit and Financial Committee agrees with this assessment. The Audit and Financial Committee made a recommendation to the Supervisory Board to acknowledge and approve the result of the audit performed by the external auditors, and since it had no objections of its own to the documents for the annual financial statements and consolidated financial statements along with the combined management report submitted by the Executive Board, to approve the annual financial statements, the consolidated financial statements and the combined management report.

The aforementioned financial statement documents, the Executive Board's proposal on the appropriation of profits and the audit reports of the external auditors were provided to all members of the Supervisory Board in time to prepare for the Supervisory Board's meeting on 17 March 2021.

In its meeting on 17 March 2021, the Supervisory Board discussed the results of the audit performed by the external auditors and the recommendation of the Audit and Financial Committee and conducted its own in-depth review of them after the Executive Board had explained the documents submitted. This meeting was also attended by the external auditors, who reported on the main results of their audit and answered questions from the Supervisory Board about the manner and scope of the audit and the audit results. The discussion also included the risk early-warning system. The Supervisory Board agrees with the Audit and Financial Committee's understanding of the effectiveness of this system. It also obtained a report from the Audit and Financial Committee on its monitoring of the external auditors' independence, taking into account the non-audit services provided, and its assessment that the external auditors continue to have the necessary independence. The Supervisory Board fully observed its increased monitoring duties, in particular with regard to the independence of the external auditors, using its corresponding guideline for the approval of non-audit services provided by the external auditors.

The Supervisory Board was satisfied that the external auditors had correctly performed the audit and that both the audit and the audit reports complied with the legal requirements. Following its own thorough review of the annual financial statements, the consolidated financial statements and the combined management report (including the declaration on corporate governance), the Supervisory Board declares that it has no objections to the annual financial statements and consolidated financial statements or the combined management report. Following the recommendation of the Audit and Financial Committee, the Supervisory Board acknowledged and agreed with the external auditors' findings. The Supervisory Board therefore approved the annual financial statements and the consolidated financial statements in its meeting on 17 March 2021. The annual financial statements of Hapag-Lloyd AG have thereby been adopted. The Supervisory Board agrees with the Executive Board's assessment of the state of the Company and the Group as expressed in the combined management report. The Supervisory Board discussed the Executive Board's proposal on the appropriation of profits, which includes a dividend of EUR 3.50 per dividend-eligible share, from the perspectives of the dividend policy and the shareholders' interests. The remaining retained earnings of EUR 631.8 million will be carried forward to the subsequent year. The Supervisory Board concurred with the Executive Board's proposal on the appropriation of profits on 17 March 2021.

Review of the Executive Board report on relationships with affiliates

The Executive Board submitted its report on relationships with affiliated companies in the 2020 financial year (dependency report) to the Supervisory Board in a timely manner.

The external auditors audited the dependency report and issued the following unqualified auditor's opinion:

"Following our mandatory audit and assessment, we hereby confirm that:

1. the actual disclosures in this report are accurate
2. the payments made by the Company for the legal transactions detailed in the report were not unreasonably high"

The audit report of the external auditors was also submitted to the Supervisory Board. The dependency report and the corresponding audit report were sent to all members of the Supervisory Board in a timely manner to enable them to prepare for the discussions in the Supervisory Board meeting on 17 March 2021.

In preparation for the Supervisory Board's review and decision-making process, the Audit and Financial Committee assessed the aforementioned documents in detail. The members of the Executive Board explained the dependency report to the Audit and Financial Committee in detail in its meeting on 16 March 2021. They also answered questions from committee members. The meeting was also attended by the external auditors, who reported on their audit, in particular their audit focal points and the main results of their audit, and explained their audit report. The members of the Audit and Financial Committee took note of the audit report and the auditor's opinion, critically examined them, and discussed these documents as well as the audit itself with the external auditors. This included questions about the manner and scope of the audit and the audit results. Consequently, the Audit and Financial Committee was able to satisfy itself of the correctness of the audit and the audit report. In particular, it was satisfied that the audit report – as well as the audit performed by the external auditors themselves – complied with all legal requirements. The Audit and Financial Committee made a recommendation to the Supervisory Board to approve the result of the audit performed by the external auditors, and since it has no objections to the Executive Board's statement on the dependency report, to decide on a corresponding assessment.

The Supervisory Board performed the final review in its meeting on 17 March 2021, taking into consideration the resolution and recommendation of the Audit and Financial Committee as well as the audit report of the external auditors. The Executive Board explained the dependency report in this meeting and answered questions from Supervisory Board members. The external auditors also attended this meeting, reported on their audit of the dependency report and their main audit results, explained their audit report, and answered questions from Supervisory Board members, in particular regarding the manner and scope of the dependency report audit and the audit results. Based on this, the Supervisory Board reviewed the legal transactions detailed in the report on the relationships with affiliates to determine whether the payments made by the Company were not unreasonably high in consideration of the circumstances that were known at the time they were made or whether disadvantages had been offset. To enable this, the Supervisory Board obtained an explanation of the most important legal transactions, which formed the basis for the payments made by the Company and the services received in return. In doing so, and on the basis of the report provided by the Audit and Financial Committee, the Supervisory Board was convinced of the correctness of the dependency report audit and the audit report. In particular, it was satisfied that the audit report – as well as the audit performed by the external auditors themselves – complied with all legal requirements. The Supervisory Board reviewed the dependency report with regard to its accuracy in particular and also verified that the affiliates were identified with the necessary diligence and that all precautions necessary for recording legal transactions and measures which are subject to reporting requirements were taken. This review did not identify any reasons for objections to the dependency report. Following the recommendation of the Audit and Financial Committee, the Supervisory Board agreed with the result of the dependency report audit by the external auditors. Based on the final results of the Supervisory Board's own review of the dependency report, there are no objections to the Executive Board's statement on the dependency report.

The Supervisory Board thus performed its own review of the Executive Board's dependency report and the external auditors' audit report.

Audit of the non-financial report 2020

The Executive Board submitted the separate non-financial report of Hapag-Lloyd AG to the members of the Supervisory Board in good time for them to prepare their own audit. The Supervisory Board commissioned an external audit of the content of the non-financial report within the context of obtaining limited assurance. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, performed an external audit of the content of the non-financial report in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) within the context of providing limited assurance and issued an unqualified auditor's opinion. After conducting its own independent review of the non-financial report 2020, the Supervisory Board raised no objections.

In its meeting on 17 March 2021, the Supervisory Board addressed the result of the audit of the non-financial report and conducted its own in-depth review of it after the Executive Board had explained the documents submitted and in the presence of the auditors, who gave an account of the results of their audit. Consequently, the Supervisory Board was able to satisfy itself of the correctness of the audit and the audit report. It thus acknowledged and agreed with the auditors' findings and adopted the non-financial report in its meeting on 17 March 2021.

At the same meeting, the Supervisory Board also awarded the audit engagement for the non-financial report for the current financial year to an external auditor.

Acknowledgement

We would like to sincerely thank the Executive Board and all employees of the Hapag-Lloyd Group for the services rendered in the last financial year and their great personal commitment.

Adoption of the report

The Supervisory Board adopted this report by a resolution on 17 March 2021 in accordance with Section 171 (2) AktG.

Hamburg, 17 March 2021

For the Supervisory Board



Michael Behrendt
(Chairman of the Supervisory Board)