



Our profile

With a fleet of 253 ships and an annual transport volume of around 11.9 million TEU, Hapag-Lloyd is one of the world's leading shipping companies. We offer reliable transport solutions to our customers in 137 countries around the world. These include container transport by sea, as well as door-to-door transport. With around 14,100 employees, we are on hand locally to serve our customers around the world.



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We've made it our mission to drive the shipping industry forward sustainably. It is for this reason that Hapag-Lloyd presented its new 2030 sustainability strategy in late 2021. This strategy sets out our ambitious target to make shipping climate-neutral by 2045. We're using this strategy to tackle global challenges and set the shipping industry on course to a clean future.

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🔗 Link to external websites



Hapag-Lloyd's sustainability strategy

In late 2021, we presented our sustainability strategy for the next ten years. Our sustainability strategy has three areas of focus:

- Clean shipping and future-proof propulsion
- Diversity and society
- Compliance and responsibility

In the past few years, we have already been able to reach some key milestones on the path towards a more sustainable shipping industry. We now want to meet the challenges of the next few years with our comprehensive sustainability strategy and even more ambitious objectives. Above all, we want all of our ships to be climate-neutral by 2045.

MAKING CLIMATE-NEUTRAL SHIPPING A REALITY – TOGETHER

As an international company, we also want to do our bit towards reaching the targets set out in the Paris Agreement. But we can only solve the global issue of climate change by working with our clients and service providers. This is why we signed up to the Global Maritime Forum's Getting to Zero Coalition. We are also in close dialogue with our clients and other stakeholders to achieve climate-neutral shipping.

For more information about our sustainability strategy, see page 46. For more information on our sustainability activities, please refer to pages 63, 79 and 96.



Significant
reduction in
consumption

15

%

less bunker consumption (tonnes per slot) compared with 2017

The eight focus topics of the sustainability strategy

We have continually expanded our sustainability activities since the 1990s. Our new sustainability strategy sets ambitious targets and measures that we have divided into three areas of focus.

**CLEAN SHIPPING &
FUTURE-PROOF PROPULSION**

**DIVERSITY &
SOCIETY**

**COMPLIANCE &
RESPONSIBILITY**



CLEAN SHIPPING AND FUTURE-PROOF PROPULSION:
Reducing greenhouse gas emissions

We are committed to decarbonisation

Our mission is clear: to clean up the shipping industry. We are driving ahead with decarbonisation by focusing on future-proof technologies and climate-neutral fuel sources. By 2045, our ships will be operated on a completely climate-neutral basis. En route to this target, we have set ourselves an intermediate objective for 2030. By that time, we want to have reduced the CO₂e intensity of the entire fleet by 30% (EEOI) as compared with 2019.

In order to achieve this reduction in CO₂e, we will update our fleet and optimise existing ships with measures to increase efficiency. In the reporting year, we sent the world's first large container ship retrofitted with a liquefied natural gas propulsion system on a test run. [↗](#)

The ship's motto "Shipping for a cleaner future!" symbolises the path we are taking and the years to come. This means not only stating our responsibilities as one of the world's leading liner shipping companies but also really bringing this to life. Over the medium term, we want to operate more efficient ships and, over the long term, only zero-emission ships.¹ In order to make this a reality, we are turning away from fossil fuels and towards biofuels or e-fuels (synthetic fuels). The implementation of measures to boost efficiency, such as planning, ship capacity and speed, as well as route scheduling, remain important because they also help us to reduce our consumption of biofuels and e-fuels.

For more information on biofuels, see page 70 and on the reduction in emissions page 71

¹ with regard to greenhouse gases

OBJECTIVES:

- Reducing CO₂e intensity (EEOI¹) of the entire fleet by 30% by 2030 compared with 2019; consistent with a 60% reduction for our own fleet by 2030 according to AER² as compared with 2008
- Net zero greenhouse gas emissions for the entire fleet by 2045 by using alternative fuel sources

¹ EEOI = energy efficiency operational indicator
² AER = annual efficiency ratio





CLEAN SHIPPING AND FUTURE-PROOF PROPULSION:

Clean air

We are continually reducing emissions of air pollutants

Our commitment to zero-emission shipping¹ underpins our aim to continually reduce air pollutant emissions both at sea and on land. Since 2020, our container ships have been using IMO-compliant fuels with a maximum sulphur content of 0.5%.

We are also using sustainable fuel types to continue to pursue this aim. Biofuels and other alternative fuels not only help to reduce greenhouse gases, but also help to reduce the amount of air pollutants emitted.

We also want to bring about a reduction in air pollutant emissions for land transport. Based on improved data availability, we want to work with our partners to develop ways to reduce emissions in pre-carriage and on-carriage.

[For more information on clean air, see page 71](#)

OBJECTIVES:

- _ Continuously reducing the emissions of air pollutants such as sulphur and nitrogen oxide at sea
- _ Reducing air pollutant emissions from land transport in pre-carriage and on-carriage



¹ with regard to greenhouse gases



CLEAN SHIPPING AND FUTURE-PROOF PROPULSION:

Sustainable supply chain

We safeguard sustainable standards throughout the entire transport chain

We aim to continually improve standards in the supply chain and establish sustainable supply chains. Part of this is improving the transparency of CO₂e emissions through the entire supply chain.

Our procurement strategy, which is still being reviewed, explicitly considers sustainability criteria such as environmental targets and due diligence or safety standards. By doing so, we ensure that sustainability remains a core component along the entire supply chain. Our specialist Global Procurement department is responsible for applying this consistently within supplier management and for standardising processes.



OBJECTIVE:

_ Developing a sustainable supply chain

We record relevant supplier data via self-disclosures in order to boost transparency throughout the supply chain. This includes environmental data, such as their CO₂ emissions. This data influences suppliers' rankings and helps us to derive new measures to boost sustainability performance throughout the supply chain.

In addition, we are working towards regular reporting of our status quo with regard to the defined targets. This will create both transparency and reliability, and will also strengthen communication with our stakeholders.

[For more information on sustainable supply chains, see page 59](#)

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DIVERSITY AND SOCIETY:

Diversity

We want to further boost diversity

We want to become even more diverse. Particularly when it comes to management positions, and at our headquarters in Hamburg, we want to boost our cultural and gender diversity. By 2023, the proportion of female employees in management trainee programmes is to increase to 50%. This will then lead to an increase in the proportion of women in management roles at the first four levels by 2030.

Around the world, people from more than 100 nations work for us. In addition to moving towards gender parity, we want to represent this ethnic and cultural variety more effectively in the upper management structures of our company – around the world.



OBJECTIVES:

- _ **Increasing gender diversity across the entire company**
- _ **Increasing cultural diversity even further – especially in management positions and at the headquarters in Hamburg**
- _ **Increasing the number of female employees in management trainee programmes to 50% by 2023**
- _ **Significantly increasing the share of female managers at the first four levels by 2030**

One of our aims is to create a growing pool of applicants for management positions by integrating more women into our leadership programmes. We also promote networking for young female professionals and offer special training formats.

[For more information on diversity, see page 93](#)



DIVERSITY AND SOCIETY:

Corporate citizenship

We will further strengthen our local engagement

Hapag-Lloyd takes responsibility for social and environmental topics. We aim to boost the social engagement of our employees. To strengthen our local engagement, we focus on education programmes, humanitarian aid and protecting the oceans. In terms of global action, we continue to work in partnership with international organisations.

We developed the “Hapag-Lloyd Cares” initiative as part of our sustainability strategy. As part of this programme, each region and the Global Service Center receives a fixed budget to support regional organisations. Furthermore, our employees receive one day off every year in order to take part in social projects or environmental campaigns.

During the reporting period, our employees supported a wide range of projects: from distributing food parcels to those in need in Chile, planting trees in India or clean-ups as part of the International Coastal Cleanup Day, there were plenty of opportunities to engage in social projects.

Education programmes are another area of focus for our social engagement. As such, we have been working with UNICEF since autumn 2021, supporting the “Schools for Africa” initiative. The programme supports children and young people in Ghana, Kenya and South Africa, right from the time they start school. UNICEF helps them to acquire both digital and soft skills in addition to mastering academic subjects.

[For more information about our corporate citizenship, please see page 107](#)

OBJECTIVES:

- _ Promoting the social activities of our employees
- _ Focusing on education programmes, humanitarian aid and marine preservation





COMPLIANCE AND RESPONSIBILITY:

Resource conservation

We preserve resources within circular economies

We want to make circular economies a reality in the shipping industry and therefore help conserve resources. As such, we are a founding member of the Ship Recycling Transparency Initiative. We also contribute to this with our steel floor containers, as these are almost completely recyclable.

In order to help protect resources, we have also committed to sustainably recycling all of our own vessels. To this end, we are launching initiatives to promote the recyclability of ships. We want to recycle the waste from our offices on land and reduce it to zero by 2030.

We have also identified measures to help protect resources in day-to-day ship operations.

[For more information on resource conservation, see page 76](#)

OBJECTIVES:

- _ **Recycling 100% of our own ships sustainably**
- _ **Reducing large-scale waste by 2030: waste generated at Hapag-Lloyd offices is to be gradually reduced and increasingly recycled**





COMPLIANCE AND RESPONSIBILITY:

Transport care

We focus on the safety of our crews, our cargo and the environment

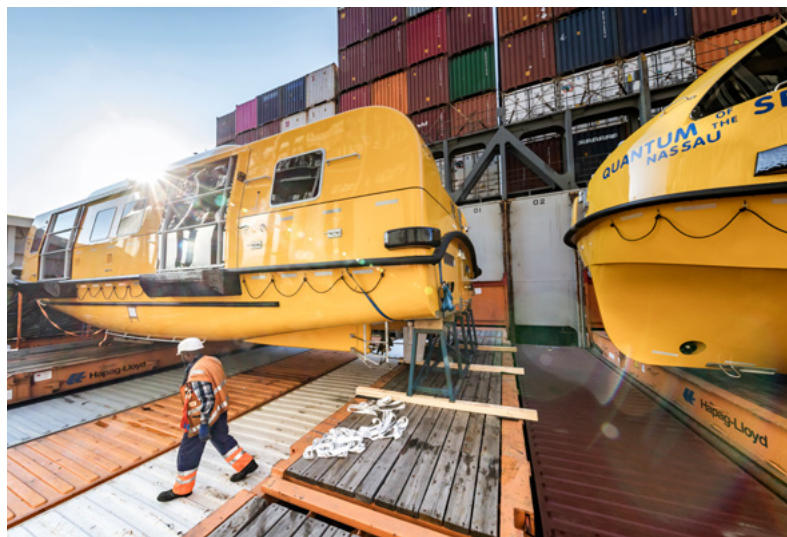
Hapag-Lloyd is continually working to improve its services and safeguard the secure transportation of its cargo.

With the establishment of a central monitoring system, we want to increase transparency when our containers are lost on land and at sea. We regard the analysis of booking data to identify undeclared dangerous goods as an important instrument that we want to develop further. We refuse to transport any such cargo. We are also active in working groups promoting further harmonisation of standards and processes.

For more information on transport care, see page 100

OBJECTIVES:

- _ Focusing on transport safety by ensuring the safety and well-being of crews, cargo and the environment
- _ Avoiding losses of containers at sea and on land





COMPLIANCE AND RESPONSIBILITY:

Biodiversity

We want to protect the oceans and marine life

We want to continue to protect the oceans and marine life and avoid all regulation breaches relating to ballast water and substances released. To do this, we want to ensure that our own ships and charter vessels are operating at a consistently high environmental standard by 2024 as far as legally possible. We also avoid Arctic shipping routes and work in partnership with NGOs.

We want to avoid the spread of invasive species as a result of untreated ballast water because they can affect the delicate balance of marine ecosystems. As a result, we comply rigorously with all relevant guidelines.

Another area of focus for our work is on the specific data analysis of the environmental information gathered by our fleet with the aim of identifying further opportunities for protecting the oceans on board our ships.

[For more information on biodiversity, see page 73](#)

OBJECTIVES:

- _ **Zero regulation breaches related to ballast water and released substances in our own fleet**
- _ **Operating our own ships and charter vessels at consistently high environmental standards as far as legally possible by 2024**



»The topic of sustainability is now an integral part of our corporate strategy«



Rolf Habben Jansen,
Chief Executive Officer (CEO)



Janin Aden,
Senior Director of
Sustainability, con-
ducted this interview.

Janin Aden: When it comes to sustainability, every single step counts. How has Hapag-Lloyd progressed in 2021?

Rolf Habben Jansen: We have consistently adopted a strategy leading towards climate-neutral shipping and are now also making waves beyond the industry itself. We critically reviewed our structures and processes in 2021 and improved them. We have also expanded on our sustainability strategy and set ourselves ambitious targets. Furthermore, the topic of sustainability has now been included as an integral part of our corporate strategy as its fourth pillar.

What concrete measures has Hapag-Lloyd implemented?

In terms of decarbonisation, we officially put our “Brussels Express” into service. As the first shipping company in the world to do so, we retrofitted this large container ship to run on a dual-fuel propulsion system, thus reducing its CO₂ intensity by 15 to 25%. We pushed ahead with this topic and ordered twelve new dual-fuel ships in 2020 and 2021 at a cost of around USD 2 billion. In order to reduce our CO₂e emissions, we also carried out further tests with a biofuel mixture for the propulsion of one of our ship classes. This means we are now able to power a total of 16 ships in the A19 and A15 classes with biofuel, significantly reducing our greenhouse gas emissions.

The pandemic means that many people are facing major challenges. To what extent are our employees affected, and how is Hapag-Lloyd supporting them?

We take a holistic view of sustainability and also promote social cohesion in our world. Our workforce of around 14,100 people is our top priority and we make sure their working environment means they can work healthily and safely. The pandemic has meant we have all had to deal with huge restrictions over the past year and continues to present us with challenges. Our marine personnel in particular are still under great pressure due to the difficulties in changing crews, as well as with very long stints spent on board, separated from their families. Improving their situation is our top priority. Overall, the situation of seafaring staff is better now than it was in 2020. The effects on our teams on land vary. In many countries, they all work from home. During the 2021 reporting year, we introduced a hybrid working model featuring consistent standards with modern digital tools.

The people behind the company show that they embody social responsibility through corporate citizenship. What role does this play at Hapag-Lloyd?

Hapag-Lloyd started taking social responsibility from the outset, over 170 years ago. Many of our employees strongly identify with this position. We want to do our bit towards helping resolve social issues – with our own work, via donations and with our expertise. Our local teams see the problems around them with their own eyes. We are now supporting their local engagement even more with additional funding and one day off work every year so that they can take part in social or environmental campaigns. We focus on education programmes, humanitarian aid and marine preservation – working in partnership with global aid organisations such as UNICEF.


The company slogan, supplemented with the word “sustainably”, is the motto for this report: “Connecting the world across oceans – sustainably”. Is Hapag-Lloyd taking a purely sustainable approach now?

Yes, as I explained at the start, we have not only expanded our sustainability strategy but also anchored sustainability criteria in our corporate strategy. From decarbonisation to diversity to the development of a sustainable supply chain, our actions are based on our sustainability targets. By 2045, our entire fleet is to be carbon-neutral. On the path towards this target, we first want to reduce the CO₂e intensity of our entire fleet by 30% by 2030 as compared with 2019 and measured using the Energy Efficiency Operational Indicator (EEOI). We have defined specific measures to achieve this. We will only reach our targets, however, if we set up our entire organisation, activities and our dialogue with other stakeholders with our objectives in mind. We will only achieve the decarbonisation of container shipping if we work together.

I would like to thank everyone for their support and trust in us and hope you enjoy reading our sustainability report!

Hamburg, 9 March 2022

Sincerely,



Rolf Habben Jansen
(Chairman of the Executive Board)

About this report

Report content – 102-1, 102-5, 102-54, 102-56

This is the fifth sustainability report (SR) issued by the Hapag-Lloyd Group and Hapag-Lloyd AG. It contains the combined separate non-financial report (NfR). The statements are based on the requirements of the German CSR Directive Implementation Act (CSR-RUG) and supplement Hapag-Lloyd's financial reporting with disclosures on material non-financial aspects in accordance with Sections 315c in conjunction with 289c to 289e of the German Commercial Code (HGB). With this report, Hapag-Lloyd complies with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework for facilitating sustainable investments and amending Regulation (EU) 2019/2088 (hereinafter "Taxonomy Regulation"). All disclosures which are part of the NfR and serve to fulfil the above-mentioned requirements are marked with the abbreviation.

– NfR

The sustainability report provides extensive information about the Group's sustainability activities and goes beyond the legal requirements. It has been issued in accordance with the Core Option of the internationally recognised Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards).

The NfR is also based on the GRI standards. We employed GRI Standard 103 with regard to the presentation of concepts for the NfR aspects. This includes, among other things, a description of the relevance of the aspect for our business activities and the corresponding management approach, including targets and measures. Non-financial indicators based on the relevant GRI standards have also been reported for these aspects wherever such standards exist. The information on the

fulfilment of the GRI indicators is additional information and not part of this non-financial report. See the table "Index on the non-financial report" for the location of the CSR-RUG-relevant report contents. – NfR

INDEX ON THE NON-FINANCIAL REPORT

CSR-RUG-RELEVANT REPORT CONTENTS IN THE SUSTAINABILITY REPORT 2021*

		CHAPTER	PAGE
Description of the business model		Hapag-Lloyd	20-22, 24
Environmental aspects	Emissions: air pollutants	Environmental and climate protection	47, 64–65, 69, 71–72
	Emissions: greenhouse gases	Environmental and climate protection	47, 64–72
	Energy use	Environmental and climate protection	47, 64–72
	Protection of the sea and marine biodiversity	Environmental and climate protection	47, 73–75
Employee aspects		Health and safety	47, 101, 105–106
	Training and education	Employees	89–92
Combating corruption and bribery and upholding human rights	Occupational health and safety	Health and safety	47, 96–106
	Compliance	Hapag-Lloyd	30–33
Other material topics	Human rights in own operations	Hapag-Lloyd	30–33
	Data protection and IT security	Hapag-Lloyd	34–36
	Customer satisfaction	Hapag-Lloyd	25–28, 47
	Business strategy considering both sustainability opportunities and risks	Hapag-Lloyd	24
	Service and process quality	Sustainability at Hapag-Lloyd	29, 46–48, 50–55
		Hapag-Lloyd	25–28

* Reference is made to the chapters and sections where the matter is mainly addressed.

The content of the NfR was subjected to a voluntary operational audit in accordance with ISAE 3000 (Revised) with limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. The audit assignment and result can be found in the independent practitioner's report on a limited assurance engagement on non-financial reporting at the end of this sustainability report. – NfR

Some of the content of the report is marked for the NfR as well as for the GRI standards. This content was not checked against the requirements of the GRI standards. – NfR

The material topics according to GRI and CSR-RUG are based on the materiality analysis conducted in 2019 (see Sustainability at Hapag-Lloyd, p. 45 et seq.). The topics were checked for relevance for the year 2021 and have not changed in terms of their wording compared to the previous year. No new topics have been declared relevant under CSR-RUG. – NfR

The social requirements under CSR-RUG are of major importance to Hapag-Lloyd but do not fulfil the materiality criteria of CSR-RUG. – NfR

The topic of supply chain refers to all aspects which have been identified as being subject to mandatory reporting; the topic itself, however, does not require reporting. It is covered in a separate chapter (see Sustainable procurement, p. 59 et seq.). – NfR

An essential connection relevant for understanding the amounts in the consolidated financial statements was not established. – NfR

Scope and reporting period – 102-10, 102-45, 102-50, 102-52

The NfR is published every year in English and German on the Hapag-Lloyd website. In it, Hapag-Lloyd reports on the progress made in the financial year under review, from 1 January to 31 December. This NfR concerns the 2021 financial year. – NfR

The same applies to the sustainability report.



Unless otherwise indicated, all disclosures in this report relate to Hapag-Lloyd AG and its affiliated consolidated companies. Joint ventures and associated companies were included in the respective financial data of the first chapter “Hapag-Lloyd – Our profile” using the equity method. Hapag-Lloyd AG’s group of consolidated companies is described in detail in the 2021 Annual Report (p. 154 et seq.). – NfR

The objectives of the companies CMR Container Maintenance Repair Hamburg GmbH and Middle East Container Repair Company LLC are the storage, maintenance, repair and trade of containers, in addition to all related transactions. The implementation of the management approaches and content described in the non-financial report and in the sustainability report is dependent on local circumstances and potential local application due to the specific function of the companies. In future, the management approaches and content described in the non-financial report and the sustainability report are to be implemented consistently across the Group to the extent possible. In the non-financial report and the sustainability report, indicators and content are marked with corresponding footnotes if the companies mentioned above are excluded. In this context, we speak of “companies involving the maintenance and repair of containers”. – NfR

On 8 July 2021, Hapag-Lloyd acquired 100% of the shares and voting interests in the Dutch container shipping company Nile Dutch Investments B.V. (Nile-Dutch). Therefore, since that date, companies of the NileDutch Group have been included in the scope of consolidation. – NfR

The scope of disclosures regarding the vessels deployed is indicated by the following phrasing.

- If the disclosure pertains to our vessels of the fleet managements, we say “our vessels/ships”, “our own vessels/ships”, or “our fleet”.
- In some cases, the disclosure only pertains to our vessels registered under the German flag. In such cases, we speak of “vessels/ships registered under the German flag” or “vessels/ships under the German flag”. – NfR

Disclosures relating to marine personnel refer to our own staff. Employee figures and other information on guidelines and measures therefore do not include crews on chartered vessels because the employees working on those vessels fall under the responsibility of the relevant shipowner. – NfR

References to disclosures outside the Group management report constitute additional information and are not part of the NfR. – NfR

Recording and comparability of data and information



The information was requested electronically, and some of the data was recorded using area-specific WeSustain software. When adding up and transferring data, rounding differences may occur. – NfR

Forward-looking statements

All forward-looking statements in the NfR are based on the assumptions valid at the date of publication. Due to unknown risks, uncertainties and other factors, the actual results, developments or performance of the company may differ from this (see management report, p. 105 et seq.). – NfR

Further comments

This report frequently refers to the industry-specific twenty-foot equivalent unit (abbreviated TEU), which is an international standard unit for shipping containers. – NfR

You can find further information at [Hapag-Lloyd.com/en](https://www.hapag-lloyd.com/en)  and in the Annual Report . The next sustainability report is scheduled for publication in April 2023.



HAPAG-LLOYD

Chapter contents

Customer focus and quality are the main guiding themes of our activities. As part of this, we have further advanced our digitalisation and focused on sustainability. In doing so, we want to fulfil our goal of being the “Number One for Quality”.
[More >](#)

Our profile

As one of the world's leading container liner shipping companies,¹ Hapag-Lloyd is continuing on its course to become the industry's quality leader. It is our vision to set new quality standards and to embody exceptional reliability, service quality and responsible actions with regard to people and the environment for our customers. All of this is covered in our Strategy 2023, which we updated in 2021. In this context, we presented our new sustainability strategy in 2021 for the period up to 2030. With our commitment to sustainability, our exceptional employees and our excellent global service network, we are an efficient, responsible partner for our customers. – NFR

OVERVIEW OF THE GROUP

– 102-2, 102-3, 102-4, 102-6, 102-7

The core of our business, container shipping, is flanked by a service portfolio that includes pre-carriage and on-carriage by inland waterway, rail and road and enables door-to-door transport services around the world. In this way, we are able to offer our customers the best possible service, relying on lasting partnerships with our service providers. Only by doing so can we ensure that our high quality standards in terms of service and sustainability are met. – NFR

Since the company was founded more than 170 years ago, the Hapag-Lloyd headquarters have been located in Hamburg. Today, around 14,100 employees (Hapag-Lloyd AG: around 3,800) work for us in 65 countries. We have 253 modern container ships (2020: 237) and ship an annual transport volume of around 11.9 million TEU.² Globally, we operate 126 liner services for fast and secure connections around the globe. – NFR

With the takeover of the Dutch shipping company Nile Dutch Investments BV (NileDutch) in 2021, we made a strategic acquisition and are gaining a foothold in the strategic African market. With over 40 years of experience, NileDutch has a strong presence there. We completed the acquisition in July 2021 and integrated the company into our Hapag-Lloyd structure at the beginning of 2022. A few integration activities (e.g. ramp-down of the NileDutch IT systems) will be completed once all business processes have been finalised in the course of 2022.

¹ Positioning based on services offered, global market coverage, transported container volume and transport capacities

² Twenty-foot equivalent unit

Asia, Middle East, North Europe, South Europe, North America and Latin America: Hapag-Lloyd is active in these six regions, each with their own headquarters offering regional management of the areas of Business Administration, Customer Service, Operations and Sales. The regions are in turn divided into 30 areas. This structure will remain unchanged by the integration of the NileDutch shipping company. We will transfer the NileDutch sites in Europe and Asia to existing Hapag-Lloyd offices and will integrate the African branches as sub-areas in Area West Africa.

Improved customer services thanks to Quality Service Centers

We are highly motivated to continue to play an active role in shaping the transformation of our industry. Our focus is on boosting quality for the customer because a high-quality service that also fulfils the special requirements of various aspects of sustainable business practices is what paves the way to the future – we are certain of this. In order to improve quality and customer service, there are a total of 11 Quality Service Centers (QSC) globally, each of which is responsible for several areas. In 2021, we established QSC Izmir in South Europe as the 11th QSC site, which oversees the areas of Turkey and Egypt. – NFR

OVERVIEW OF THE REGIONAL HEAD OFFICES AND QUALITY SERVICE CENTERS – 102-3, 102-4



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The QSCs are components of our organisational model project, which we are implementing as part of our Strategy 2023 with the aim of improving the organisational structure and global processes in the company. The QSCs unite select roles, such as Customer Service and Business Administration, in a single location to create synergies and increase service quality. – NfR

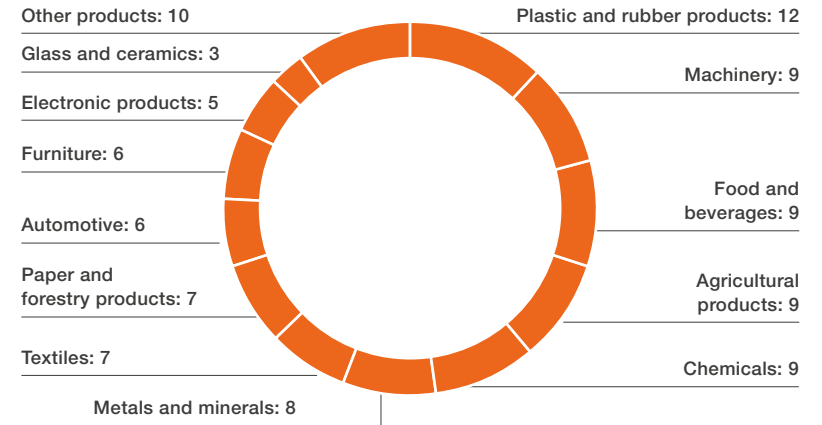
Our services

Around the world, our 421 sales offices (2020: 395) and our headquarters and sales partners managed transport assignments for around 33,100 customers in the 2021 financial year (2020: around 30,400). – NfR – 102-7

We ship goods from 13 product categories, from food to engineering products, with the smallest product category accounting for 3% of the transport volume and the biggest category accounting for 12%. As a result of this diversification, we can reduce our dependence on economic cycles in individual sectors and can assume long-term financial growth under stable economic conditions.

– NfR – 102-2

TRANSPORT VOLUME BY PRODUCT CATEGORY (IN %)



In principle, the Hapag-Lloyd fleet transports all authorised goods. However, we do not transport any goods that we have listed as excluded from our portfolio, such as asbestos (see Handling dangerous goods, p. 105 et seq.). All orders are reviewed with reference to the sanctions lists of the UN, EU and US with regard to any embargoes or sanctions and only accepted if they fulfil the criteria. For example, we refer to the sanctions lists of the US Office of Foreign Asset Control (OFAC). During the reporting year, we launched software that makes the entire screening process more precise and user-friendly.



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Flagging of Hapag-Lloyd ships

Hapag-Lloyd only flies flags that have a very good or good rating from port state controls (PSCs) and are listed on the Paris Memorandum of Understanding (MoU) White List. Based on our principles, we fly a high proportion of our ships (39 ships) under the German flag, which enjoys an excellent reputation in the industry and attracts highly qualified personnel. The selection of a flag state is primarily based on legal requirements. However, financial considerations and the associated hedging instruments also play a role.

FLAGGING OF HAPAG-LLOYD SHIPS

Flag	Number of ships*
Germany (G)	39
Liberia (L)	27
Bermuda (BE)	14
Malta (M)	13
Marshall Islands (MI)	12
USA (US)	5
Chile (Chi)	3
Total	113

* Includes our own and leased vessels – as at 31 December 2021

A ship's flag no longer has significant effects on the environmental or social conditions on board since international regulations such as the ISM, MLC, STCW and MARPOL³ are binding for all ships. Some regional requirements must be complied with depending on the ship's route; for example, the USA and the EU have environmental requirements (see Environmental and water protection, p. 73 et seq.). Hapag-Lloyd also applies additional standards on its own ships that go beyond these international requirements and that enable

³ ISM = International Safety Management
MLC = Maritime Labour Convention
STCW = International Convention on Standards of Training, Certification and Watchkeeping for Seafarers
MARPOL = International Convention for the Prevention of Marine Pollution from Ships

us to implement our high standards in terms of environmental and climate protection (see Climate and environmental protection, p. 63 et seq.).

ECONOMIC DEVELOPMENT – 201/103

Continued strong demand for export goods from the Asian region, combined with ongoing COVID-19 restrictions, resulted in sustained disruption to global supply chains, which has extensive implications for our day-to-day business despite our balanced service network. Particular challenges to ensuring quality include port and hinterland infrastructure congestion, restricted factory operations in many places, and general travel restrictions for our crews. In order to be able to continue to offer our customers a largely trouble-free service and ensure the supply of goods such as food and medical products, we are countering this by, among other things, optimising our network and at the same time increasing transport capacity by means of the increased use of charter ships and an increased number of new containers.

In the 2021 financial year, Hapag-Lloyd generated an operating profit (EBIT) of EUR 9,390 million (2020: EUR 1,315 million). The significant increase is mainly due to the increase in the average freight rate to 2,003 USD/TEU (2020: 1,115 USD/TEU) and the resulting 74% increase in revenue to EUR 22,274 million (2020: EUR 12,772 million). Higher container handling expenses (+14%) and an increased average bunker consumption price (+25%), however, weighed on the operating result.

In 2021, we recorded an increase in the fleet size from 237 (2020) to 253 vessels. The transport capacity of the fleet increased from around 1.72 million TEU (2020) to around 1.77 million TEU. The container fleet amounted to 3.05 million TEU in 2021 (2020: 2.70 million TEU). We recorded an increase in our transport volume from 11,838 thousand TEU in the previous year to 11,872 thousand TEU. – 102-7, 201-1

For more information about our economic development, please see our 2021 Annual Report (p. 86 et seq.).

GROUP-WIDE STRATEGY 2023 – 201/103

In late 2018, we created guidelines for our Group-wide Strategy 2023, which will support our long-term, profitable and organic corporate growth. Key cornerstones of Strategy 2023 are securing our position as a global player and establishing our company as the quality leader in the industry. In late 2021, we confirmed and refocused our strategy and added sustainability aspects. As a new, fourth pillar, the topic of sustainability is now an integral part of our corporate strategy. In this context, we presented our sustainability strategy for the period until 2030 separately in November 2021 (see sustainability management, p. 46). – NfR

For more information about our Group strategy, please see our 2021 Annual Report (p. 65 et seq.). We also refer to relevant aspects of Strategy 2023 in the individual chapters of this report.



STRUCTURE OF HAPAG-LLOYD'S CONTAINER SHIPPING FLEET –102-7

	31.12.2021	31.12.2020	31.12.2019
Number of vessels	253	237	239
of which our own vessels*	113	112	112
of which chartered vessels	140	125	127
Aggregate capacity of vessels (TTEU)	1,769	1,719	1,707
Aggregate capacity of containers (TTEU)	3,058	2,704	2,540
Number of services	126	122	121

* Includes our own and leased vessels

CUSTOMER FOCUS AND DIGITALISATION

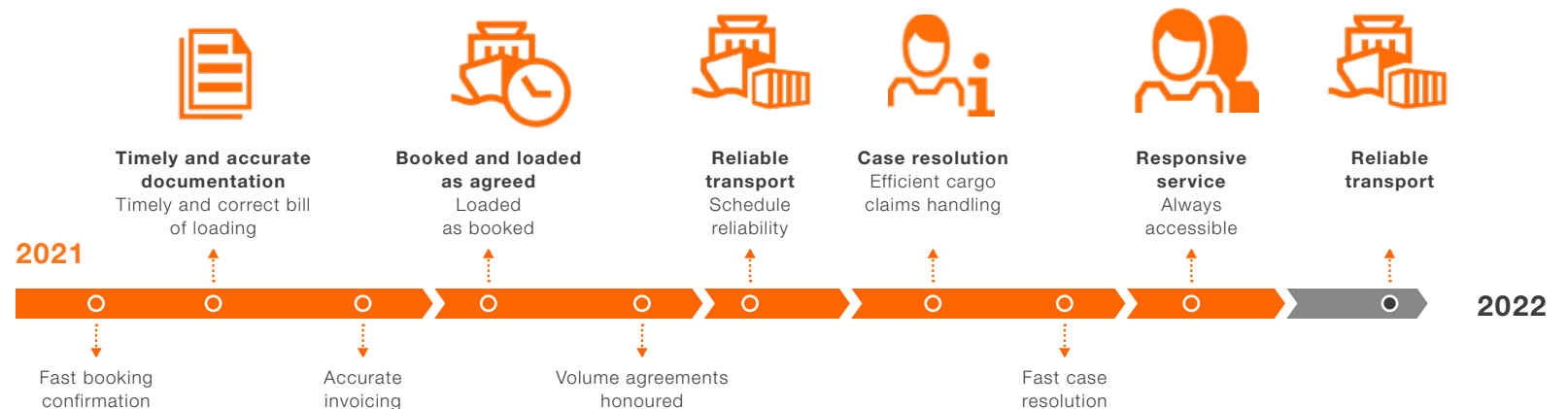
Quality and customer focus are the guiding themes of our Strategy 2023. They are at the heart of all of Hapag-Lloyd's activities. Having further consolidated our Group strategy in the last financial year and given significantly more attention to the issue of sustainability than before, our primary focus is now on quality factors with a particular emphasis on sustainability aspects. Digitalisation enables us to find innovative and efficient solutions for our customers and therefore

achieve our goals more quickly and effectively in the area of quality and customer focus while emphasising sustainability. – NfR

CUSTOMERS AND QUALITY PROMISES

Our goals are divided into five categories which culminate in ten quality promises. They determine the success factors that we believe are necessary for a positive customer experience. In addition, our quality promises enable us to measure our efforts and help us to evaluate our success. – NfR

OUR QUALITY PROMISE IN FIVE CATEGORIES OF GOALS – NfR



CONNECTING THE WORLD ACROSS OCEANS – SUSTAINABLY

Giving our word: ten quality promises

In 2020, we published our four quality promises in categories 1 and 2. In 2021, these were followed by a further five promises in categories 2, 3, 4 and 5.

We plan to publish our final promise in the category “Reliable transport” at the start of 2022. – NfR

Customer satisfaction and loyalty are a top priority for us. They are at the heart of our identity as a company. Our customer base has grown compared with the previous year and now comprises around 33,100 direct customers and freight forwarders of various sizes. Our aim is, and will always be, to address their needs at all times. Regardless of whether the relationship is short-term, medium-term or long-term, customer focus is a key component of our DNA and therefore firmly embedded in the goals of our Strategy 2023. – NfR

While we made good progress in 2021 with regard to achieving our goals, we want to further improve our performance in two areas in particular: “Booked and loaded as agreed” and “Reliable transport”. In order to make improvements in these two categories, we launched the following measures in the reporting year:

- Implementation of several operational processes, improving the cooperation between terminals, ports and all land-based partners in order to reduce average delays significantly.
- We collect more robust data on the arrival times of our ships, which enables us to keep our customers regularly updated with estimated times of arrival and to determine the collection times of the containers more precisely.
- Optimisation of internal processes, including through the implementation of a new case management system.
- More in-depth training for all customer service employees worldwide to increase our support level.
- Establishment of an industry-specific customer service team and simultaneous improvement of company-wide communication channels to develop specialist industry knowledge and ensure knowledge transfer.
- Development of a new omni-channel communication concept. – NfR

How we see ourselves: we want to be “Number One for Quality”

In order to develop a reputation as the “Number One for Quality”, we require a targeted and tactical approach. For this, we want to and need to satisfy each and every one of our customers and their expectations. We firmly believe that this will enable us to achieve our ambitious goal.

By optimising existing systems and processes and developing new digital services, we can offer our customers the best-possible service. A key element of our Strategy 2023 is therefore digitalisation. Digital surveys and feedback mechanisms help us to identify potential improvements and adopt corresponding measures. – NfR

In April and October 2021, we conducted Customer Experience Surveys (CES) to obtain feedback on our quality promises and incorporate further suggestions into our agenda. One instrument that offers us particular opportunities in this regard is the new Customer Panel – a forum in which we demonstrate simulations of existing and new items in our digital product range to several hundred voluntary candidates and then conduct interviews to find out how well these products are received and what can and needs to be changed. The Customer Panel provides us with valuable insights and a form of interaction that enables us to strengthen our customer relationships. – NfR

The global pandemic situation was another reason for us to actively seek feedback in the reporting year. This seemed particularly important to us as we wanted to demonstrate to our customers that we address their specific needs and offer them the best-possible service despite the effects of the pandemic. The feedback enabled us to develop preventive measures, among other things, such as ordering additional containers in order to avoid bottlenecks. Despite our intensive efforts to provide first-class customer service, our customer satisfaction level fell between October 2020 and April 2021. We believe that this is a direct result of the unrelenting particular circumstances of the COVID-19 pandemic. – NfR

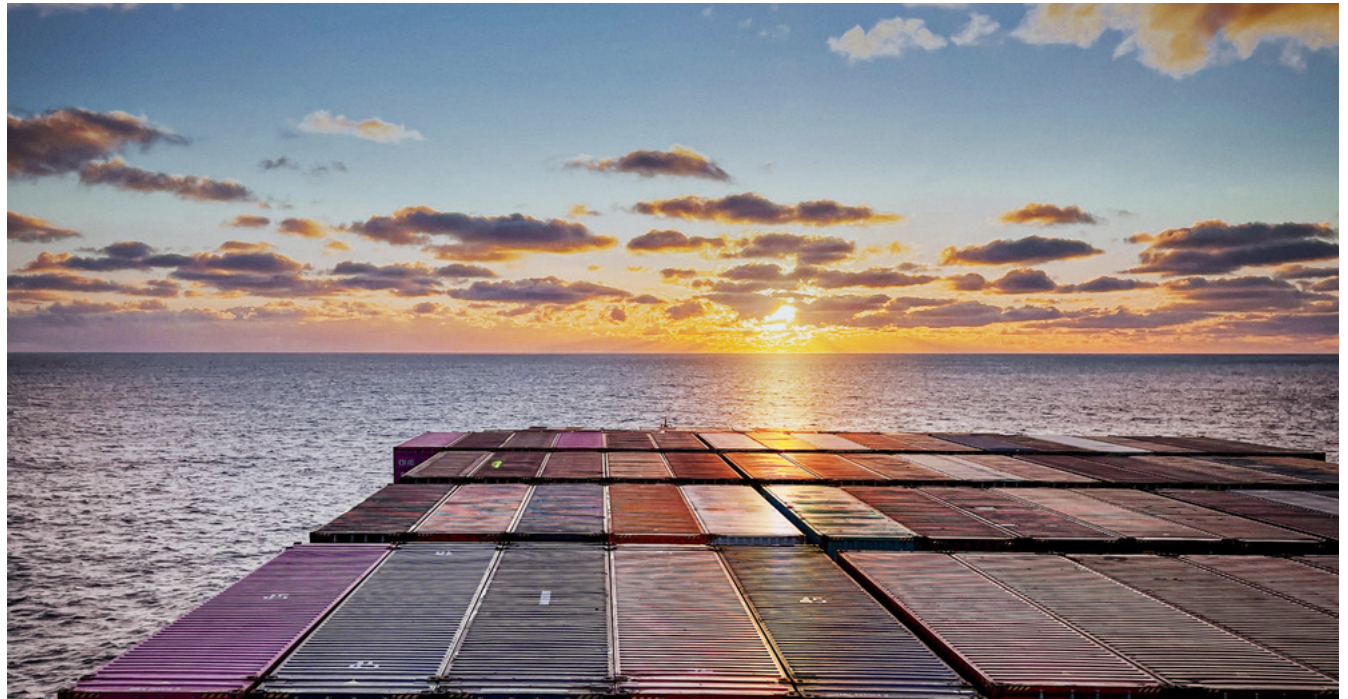
During the reporting period, we also focused on implementing further measures based on the results of the Customer Experience Survey 2020. These measures included:

- The integration of the newly published quality promise into the existing dashboard. This makes our progress transparent and provides our customers with an even better service.
- The implementation of additional functions in the Hapag-Lloyd Navigator.
- The launch of the Hapag-Lloyd Online Business Suite: This online platform was developed based on customer feedback and offers a full-service experience in relation to the shipping process.
- A range of additional online products such as digitalised documents for customs clearance and digitalised bills of lading. The introduction of electronic bills of lading represents a fast and secure way to share the associated documents with our customers and their customers. – NfR

For us, one thing is certain: only by engaging in dialogue with our customers will we continue towards our goal of becoming the “Number One for Quality”. For this reason, we use a range of different tools to obtain regular feedback and cultivate communication with our customers. Here, too, digital instruments are our method of choice. – NfR

With all of the digital products that we use to improve and expand our service, we offer our customers an opportunity to give immediate feedback online. In addition, we collect regular feedback through conventional customer interviews. We use co-development cycles with customers from various regions to develop, refine and improve products and processes. An important element here is our Customer Panel, through which we receive and process specific customer enquiries. Tracking processes enable us to identify various target groups, which can reveal potential improvements that are particularly practical, specific and customised. – NfR

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Our digital service offerings

Our aim is to focus more and more on agile and digital work methods and services in the future. These already include:

Quick Quotes

Booking platform for making digital enquiries about freight rates and booking a service. 2021: more than 20% of the booking volume processed through Quick Quotes (previous year: more than 10%). – NfR

Mobile App

Important information about cargo, timetable details, contact information, digital enquiries about freight rates and booking a service (can be done using various devices). – NfR

Hapag-Lloyd Navigator

Digital dashboard for managing orders. All relevant information at a glance and in real time. Since 2021: completely revised website navigation and customer guidance. – NfR

Tracing by Container

Latest information about the status or location of containers. In the future: enhanced PLUS versions with more options and functions for our customers. – NfR

Involving our employees in customer focus and digitalisation¹

–404-2

It is essential that we inform and train our employees about the key issues of customer focus and digitalisation so we can take full advantage of the opportunities offered by digitalisation in the entire container liner shipping company. We therefore provide all our employees with information on digitalisation via our Digital Hub, an internal, web-based platform. We explain our own digitalisation processes in training modules and also outline our digital solutions for our customers. In addition, we develop internal training modules on the latest product developments, customer feedback, marketing, sales, agile work methods, etc. – NfR

¹ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

In September 2021, we held an online Digital Day for the specialist departments for digitalisation processes in our regions and areas. The main focus was on methods for data-supported working. We also reached additional employees – across all areas of the company – through our Digital Week. In addition to interested staff members, managers played a particular role here. In Ambassador Workshops, “ambassadors of digitalisation” from various company areas and management levels transferred their knowledge to the regions. The online sessions from Digital Week were also recorded and made available to our workforce in the internal Learning Management System. – NfR



Corporate governance and compliance

The trust that our partners and other stakeholders have in our company is the basis of our economic success. We ensure this through Group-wide corporate governance and compliance requirements, one of which is our Global Code of Ethics.¹

EXTERNAL REGULATIONS (SELECTION)

Hapag-Lloyd must comply with a wide range of national and international laws and regulations, for example:

- **International regulations** such as the Maritime Labour Convention (MLC)
- **National legislation** such as the German Stock Corporation Act (AktG)
- **Regulations of individual countries** that apply extraterritorially, such as certain anti-corruption and anti-bribery legislation, e.g. the UK Bribery Act

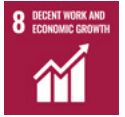
CORPORATE GOVERNANCE

As a company, Hapag-Lloyd strives for sustainable appreciation. Good corporate governance plays an absolutely essential role in this. The Executive Board and Supervisory Board use the applicable laws, in particular the German Stock Corporation Act (AktG) and the German Corporate Governance Code (GCGC) to manage and monitor the Company. Both boards affirm their commitment to the GCGC every year² with a Declaration of Conformity in accordance with Section 161 AktG and also report on corporate governance in the Corporate Governance Report (see 2021 Annual Report, p. 45 et seq.). – NfR – 102-12

You can find information about the shareholder structure and the composition of the Supervisory Board, as well as Hapag-Lloyd's diversity concept, in the 2021 Annual Report (p. 85 and 52 et seq.). – 102-5, 102-18, 405/103

¹ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

² The last Declaration of Conformity from the Executive Board and Supervisory Board was submitted in March 2021 based on GCGC 2017/2019. The next routine Declaration of Conformity will be adopted in March 2022 on the basis of the GCGC 2019.



Providing humane working conditions is an established practice at Hapag-Lloyd. Amongst other things, the Global Code of Ethics regulates compliance with appropriate working hours, minimum wages and equal treatment.



We are expressly committed to fair competition as well as compliance with all applicable national and international laws. Compliance with laws, the avoidance of corruption and bribery, and compliance with human rights are guaranteed for our business partners via the Global Code of Ethics and the Supplier Code of Conduct.



"Contributing fairly to society": Hapag-Lloyd is aware of its responsibility to provide fair, transparent company taxation, for example through its tax compliance management system.

COMPLIANCE

– 205/103, 206/103, 307/103, 406/103, 407/103, 408/103, 409/103, 412/103, 419/103

Our clear and stringent compliance structures ensure compliance with laws, standards and requirements throughout the company. They also help us meet increasing third-party requirements regarding corporate governance. – NfR

Our highest priority is to comply with all applicable regulations, laws and standards and to avoid criminal offences within the company, as well as the fines associated with them, through a well-functioning compliance structure. Following all relevant regulations is an ongoing process that requires constant adjustments to be made. – NfR

For us as a global company, the continuous development and consolidation of policies is particularly challenging. In order to stay up-to-date on current legal requirements, we need to update our policies and the associated processes and measures. Our compliance management system helps us to specifically prevent breaches of compliance.³ The compliance management system is continuously reviewed internally by the Compliance department, taking into account international standards from the regulatory authorities (e.g. USA, EU). – NfR


Hapag-Lloyd is also expressly committed to fair competition and compliance with all applicable national and international laws, in particular with regard to corruption, bribery and competition law. We tolerate no violations of these laws and regulations and also pursue legal action against violators. A relevant statement from the entire Executive Board affirms our position on this. – NfR

Compliance organisation – 205-2

We ensure our compliance with laws, as well as external and internal guidelines, through the formal structures of our Compliance organisation, which we defined in our Compliance programme. The Compliance team carries the principal responsibility for the topics of competition law, embargoes and sanctions, fighting bribery and corruption, as well as fraud. The Chief Compliance Officer heads the central Compliance department and reports directly to the Chief Executive Officer. Our regional compliance officers implement the compliance programme in the regions and national affiliates⁴, act as a contact partner to assist employees who report violations, and carry out preventive measures such as training sessions. The Executive Board and the Supervisory Board are regularly updated via compliance reports. – NfR

Global Code of Ethics

– 102-16, 205/103, 206/103, 406/103, 407/103, 408/103, 409/103, 412/103

The intrinsic values of our corporate culture are the basis for cooperation throughout the company and are all set out in our Global Code of Ethics.  The code defines the behaviour we expect from management and employees when working with colleagues, customers and partners, and the principles that underlie this behaviour. New employees are familiarised with the Global Code of Ethics as part of the onboarding process. In order to ensure that the code is clearly understood by all employees, it is available in German, English, Chinese, Portuguese and Spanish.⁵ – NfR

The first basic value of the Global Code of Ethics is the observance of human rights as defined in the United Nations' Universal Declaration of Human Rights. The code also comprises the International Labour Organization's core labour standards such as the prohibition of all forms of discrimination, the prohibition of child or forced labour and sub-standard working conditions, and the right to freedom of association and collective bargaining. – NfR

3, 4, 5 The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

The content of the Global Code of Ethics also corresponds to the regulations of the Maritime Labour Convention (MLC). In order to ensure that these regulations — and our Global Code of Ethics — are complied with at sea as well, audits are carried out for the entire fleet by the respective flag state or classification society. In addition to this, there are audits by the Port State Controls (PSCs). The International Transport Workers' Federation (ITF) carries out inspections on the contract ships to ensure compliance with regulations.

– NfR – 412-1

We continuously examine the extent to which the Global Code of Ethics and the Executive Board's compliance statement satisfy external compliance regulations and update them if necessary. The Ethics Committee, which comprises the heads of the Compliance, Corporate Audit and Human Resources departments, is responsible for following up on breaches of the Global Code of Ethics.

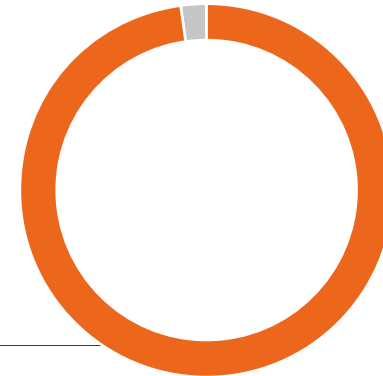
– NfR

Compliance training – 205-2, 407-1, 408-1, 409-1, 412-2

In order to raise awareness of the topic of compliance among employees and to communicate the relevant knowledge, we have established a comprehensive training concept. The concept includes both face-to-face and online training and is continually enhanced. On-site training is divided into compliance management training and regular and topic-specific compliance training, such as on corruption. The web-based training is mandatory for shore-based personnel. There were very few cases during the reporting year where training was not completed – for example, by recently hired staff.⁶ In training, we use simulations of potential business scenarios that are highly recognisable to participants along with audiovisual and interactive content. – NfR

⁶ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

**COMPLIANCE TRAINING – DEGREE OF FULFILMENT
(AS AT 31 DECEMBER 2021)** – NfR – 205-2



Around 98%
(Hapag-Lloyd AG:
around 98%)

The fulfilment rate for our web-based training on compliance and corruption was around 98% for employees who were required to complete training in the reporting year.

Live training, which since 2020 has increasingly included regular virtual training alongside on-site training, is anchored in the company's training concept and is carried out for the relevant employees on an ongoing basis. Mandatory web-based training is unaffected by this. Once again, fewer in-person training sessions took place in 2021 due to the COVID-19 pandemic. – NfR

The implementation of compliance requirements on board takes place throughout the fleet according to the ISM code and MLC and includes human rights aspects. We inform the marine personnel on board our ships and the external managers about compliance topics and internal guidelines such as the Global Code of Ethics among other things via our electronically distributed fleet circular. In the course of their familiarisation with the vessel, our marine personnel are informed about generally binding rules of conduct, as well as about the topics of corruption and human rights. This is done via training sessions or through the use of handouts. The participants have to confirm in writing that they have read and understood the handouts. – NfR

Reporting mechanisms

We have established a whistle-blower system for the entire company whereby internal and external informants can notify us of potential breaches in compliance. – NfR

We specifically encourage our staff⁷ to report compliance violations or suspected violations to their superior, their local compliance officer or the central Compliance department. We assure them that they will not be disadvantaged by reporting, regardless of whether the violation proves to have occurred or not. The same applies to business partners that report a potential violation in good faith. – NfR

Our employees and business partners can also report violations to local law firms which have been commissioned by us. If requested, reports are forwarded anonymously to the Compliance department. – NfR

No significant violations in the areas of corruption, discrimination or child and forced labour were reported via the above-mentioned whistle-blower system in the reporting period. – NfR – 205-3, 406-1

Our marine personnel can report compliance violations, violations of marine labour law, disadvantages or unfair treatment via a defined complaints procedure. Reports can be made to their direct superior, the Compliance department or the ship's flag state. The MLC provides the legal framework for this process and for the resolution of a conflict. – NfR

Our seafaring staff have two reporting options. Information about the whistle-blower process is posted on board and employees can call the whistle-blower hotline if they have something to report. Incidents that are relevant to compliance can also be reported to the email address provided. The implementation of the MLC Complaint Procedure is mandatory, is posted on board and is based on the principles of the Maritime Labour Convention (MLC). Notifications are received by the ship's management. There is a cooperative dialogue between the Fleet Management and Compliance departments. Eight complaints in relation to our own ships were received through the MLC Complaint Procedure. Two of them were substantiated. – NfR

⁷ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

We inform the owners of our charter ships about the whistle-blower system. They receive a flyer and a copy of the Code of Conduct and are asked to post them on board. Any concerns can be reported via the whistle-blower hotline or directly to the Compliance department. We have also named external lawyers in every country as contact partners. They can then anonymise the concerns and forward them to the Compliance department. – NfR

Dealing with violations

The Ethics Committee is responsible for following up on reported violations. For serious suspected cases, for example of forced labour or child labour, the committee meets immediately. Other than this, it meets once a month. If necessary, it can initiate suitable measures to address the issue (e.g. an investigation by Corporate Audit or external specialists). We investigate all suspected cases thoroughly. If there is credible evidence with a legal basis, we initiate the necessary legal or disciplinary measures. If criminal violations occur, we report them to the local authorities. Disciplinary measures include sanctions under employment law, such as an official warning. If a gross violation occurs, the employee's contract may be terminated, the matter reported to the relevant authorities, or other legal steps taken. In the event of a serious, confirmed violation by a business partner, we reserve the right to terminate the business relationship immediately. – NfR

In 2020, there was one significant breach relating to internal fraud in Area China. The internal investigation has been concluded. The company has dismissed employees in connection with this case. The external investigations by the law enforcement agencies were still under way in 2021. As a result of the incident, extensive internal process and control improvements have been implemented. – NfR



There were 31 concrete indications of potential compliance breaches during the reporting period. There were seven significant breaches of the Code of Ethics during the reporting period. No criminal charges were brought. The company is not aware of any cases of child labour, forced labour, human trafficking or criminal corruption. – NfR – 419-1

Compliance through collaboration

Hapag-Lloyd actively combats corruption in the maritime industry and is a member of the global Maritime Anti-Corruption Network (MACN), which represents more than 160 stakeholders from this field. MACN works with major stakeholders, including national governments and international organisations such as the United Nations Development Programme (UNDP). The network's aim is to identify and minimise corruption in the maritime shipping industry.

– NfR – 102-12

We also expect our business partners to pursue our values and comply with our code of conduct. Our suppliers and the external managers of our ships are thus required to commit to the content of our supplier code of conduct,⁸ which includes complying with human rights and employment law and avoiding corruption (see Sustainable procurement, p. 59 et seq.). Topics such as child

labour and forced labour are explicitly dealt with in this code. Human rights risks are also prevented on charter ships through compliance with the MLC. Compliance is audited via checks by the flag states and port state controls.

– NfR

Charter owners are also required to sign the supplier code of conduct unless they have their own code of conduct that corresponds to ours. The code of conduct includes standards for ship managers regarding compliance requirements. During the reporting period, 56% of charter owners signed the Hapag-Lloyd supplier code of conduct or had their own equivalent code of conduct. – NfR – 205-2

Due to the processes described above, Hapag-Lloyd sees no relevant risks relating to the violation of freedom of association or collective bargaining; nor does it see evidence of child, forced or compulsory labour, either at its sites on land or on its own and chartered ships. – 407-1, 408-1, 409-1

⁸ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

DATA PROTECTION AND DIGITAL SECURITY⁹ – 418/103

The protection of personal and company data is our highest priority and is in the interests of our customers, partners and employees. The use of digital systems, however, also poses a risk of digital threats. We account for this in particular by implementing best practices in line with the recommendations of BIMCO and the Digital Container Shipping Association (DCSA) at sea and on land. – NFR

EXTERNAL REGULATIONS (SELECTION)

Data protection:

- EU General Data Protection Regulation (EU GDPR)
- Germany: Law on the Regulation of Data Protection and the Protection of Privacy in Telecommunications and Telemedia (TTDSG)
- International: Data Security Law
- Personal Information Protection Law in the People's Republic of China
- Specific data protection laws or regulations from 86 countries such as Brazil, Singapore and China
- California Consumer Privacy Act (CCPA)

IT security:

- European Commission: Network and Information Security Directive (NIS Directive)
- IMO: New cybersecurity requirements (from 2021), including the cataloguing of measures and the assessment of risks
- European Union: Programme for Critical Infrastructure Protection (EPCIP)
- IT Security Act 2.0 (KRITIS)

Protecting our IT infrastructure and our data is a key element in protecting our business interests, and is a major decision-making criterion for some of our customers when placing an order.

We pursue the strategy of fulfilling all relevant standards and requirements by implementing ISO standard 27001 and supplementary measures. In doing so, we must also take local requirements and our global system into account. In 2021, we saw a variety of changes around the world in the field of data

⁹ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

protection – for example, in the Middle East, Asia and Africa. In Europe Hapag-Lloyd has already started implementing the new EU standard contractual clauses. Here, we develop corresponding transfer impact assessments with our vendors. – NFR

In 2020, due to the contact and travel restrictions that resulted from COVID-19, we created conditions that would allow employees to work from anywhere practically overnight. This method is now widely used. Another challenge is the necessity of processing more personal data from our partners in order to satisfy hygiene requirements regarding infection tracing. – NFR

Standards for the protection of data and IT systems

We work with sensitive data all over the world. We guarantee the protection of this data and its security, even in the face of new IT threats, through our high technical and process-related standards and well-trained employees. These standards enable us to comply with the relevant laws and meet specific customer requirements at the same time. In doing so, we rely on the ongoing training of our employees and the regular monitoring of our technical systems. This allows us to generally remedy identified security flaws during normal operations. – NFR

In 2020, we successfully established an ISO 27001-compliant information security management system for the core business functions, services and activities within Hapag-Lloyd AG for the Technical Infrastructure and Operations Management business divisions and received the relevant external certification. A review of our data protection methods and critical infrastructure took place accordingly. We continually expand such controls through our Improvement Plan with a view to increasing the level of maturity of the ISO certification and widening its scope. This involves regular self-assessments and external audits, as well as changes to our own IT infrastructure, such as increased use of the cloud. A follow-up appraisal of the ISO 27001 certification took place in November 2021 and the certification was issued again. We also launched the Fortress cybersecurity programme in 2021. With the aid of the Fortress Initiative, technological measures were implemented to combat cyberthreats and information security was strengthened through organisational changes. In future, we will also set up an Information Security department outside of the IT department. – NFR

Organisational integration of IT security and data protection

At Hapag-Lloyd, responsibility for data protection and data security lies with the individual business units worldwide. The Corporate Data Protection Office (CDPO) advises the central departments, regions and areas about compliance with data privacy legislation. To this end, each region and area has its own data protection officer or coordinator who implements all legal requirements and coordinates measures with the CDPO if necessary. – NfR

An IT security team monitors and improves our central IT systems on land and deals with security issues. By engaging in discussions with external security experts, the team is always up-to-date on the latest risks and developments.

– NfR

For our own ships, IT security at sea is the responsibility of regional Fleet Management teams. For example, the Maritime IT Operations team is responsible for the 39 vessels registered under the German flag. – NfR

Security of the fleet's IT-based operational systems

With the increasing digitalisation of many processes in shipping, the security of on-board IT and networks and an appraisal of associated challenges such as the threats posed by cyberattacks are becoming highly significant. For Hapag-Lloyd, this primarily plays a role with regard to new acquisitions because the operational systems of our fleet are not currently connected with the IT systems that are essential for ship operation. Generally speaking, we believe that a ship should be able to operate without IT support in an emergency. Because new acquisitions have technical external access capability, additional preventive security measures will be needed in the future. As a result, we are monitoring the latest developments closely and are engaged in dialogue with our competitors. – NfR



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In this context, we implemented numerous measures during the reporting period, initially on board ships under the responsibility of the German ship management organisation and now also on the ships operated from Dubai. We are currently implementing a modernised IT platform on board these ships. We are countering the resulting potential risks with a simultaneous process that safeguards IT security at sea and accounts for new reporting requirements. This went into normal operation in March 2021. Our strategic aim remains the IT standardisation of our own fleet in Hamburg and Dubai, both in terms of software and hardware. – NfR

Some of the necessary measures were implemented in 2020 under difficult conditions as a result of the contact and travel restrictions; this occasionally led to a more efficient process. For example, a server was replaced by the crews themselves under remote instruction from Maritime IT Operations. Harmonisation was largely complete by the end of 2021 for ships that are managed from Germany and Dubai, for example with regard to satellite links and technical infrastructure. As a result of this and an evaluation, the staffing level was increased in this field via new hires. The remaining work packages will be implemented in the first half of 2022. – NfR

We are continuing to fulfil the requirements of IMO 2021. In 2021, we supplemented the International Safety Management (ISM) Manual with the topic of cybersecurity, for example. We communicated this to our seafaring staff in March 2021. We also formed a cybersecurity task force comprising IT Security and Ship Management. Our ship management in Dubai has also developed and implemented cybersecurity requirements to comply with the IMO 2021 regulations. – NfR

In the context of the Digital Container Shipping Association, we are championing the harmonisation of statutory IT security standards. We want to create an industry framework to meet the increasing challenges posed by cybersecurity.

Data and information training

We place great value on familiarising our employees throughout the company with the responsible and legally compliant handling of information and data. We use a blended learning concept to train our shore-based personnel. This combines several training types such as web-based and on-site training, and is supplemented with course content and news on the intranet. We thereby aspire to pursue insight that goes far beyond the minimum standards required under

data protection law. In 2021, we revised the modules for land-based personnel and seafaring staff as part of IMO 2021. The training was reviewed by DNV and approved by the Compliance department. Once again, almost all training took place virtually in 2021 as a result of the COVID-19 pandemic. – NfR

Our data protection experts also train our shore-based personnel in changes in the law and new employee hires. Employees from areas that handle sensitive data receive topic-specific training. A user awareness programme on managing phishing emails was also initiated. In 2021, the programme focussed on the topic of phishing and email attacks. As part of our ISO 27001 certification, we are currently continuing to develop both a communication strategy to keep employees with customer contact informed and an interactive training concept that must be completed in the event of repeated cases of misconduct. – NfR

The marine personnel on board our ships registered under the German flag are also trained and made aware of IT security and data protection. Because web-based training is often impossible as a result of poor internet connections, on-board briefings are provided by officers and via digital training documents and videos. Regular reports of causes for concern by our crews show that the awareness-raising measures are working. – NfR

Data protection enquiries

We continually receive specific enquiries from customers and employees regarding data protection and the processing of their data, including via our whistle-blower hotline and email. During the reporting period, employee enquiries¹⁰ regarding data protection regulations increased in particular, while we continued to receive relatively few notifications. We communicate important information regarding data protection in a transparent way, for example via our data privacy statement on our website and in our mobile app. – NfR

In 2021, there were no reportable data protection incidents or breaches of our central IT security.¹¹ – NfR – 418-1

10, 11 The companies that maintain and repair containers are included here.

RESPONSIBLE TAX POLICY

Responsible tax policies are still coming under increasing scrutiny in international corporations. Part of this is due to increasingly stringent legal requirements, though increasing public awareness is also playing a role. As a result, in the 2021 financial year, we followed the OECD project for fairer taxation within the global digital economy and the launch of the global minimum tax rate for international companies with great interest. – 207/103

External regulations

As a result of our global business activities, we are liable to pay taxes in many countries with varying regulatory requirements. The respective national tax laws in conjunction with bilateral agreements for the avoidance of double taxation form the legal parameters. Furthermore, a multilateral agreement developed as part of the BEPS (Base Erosion and Profit Shifting) programme of the Organisation for Economic Co-operation and Development (OECD) is authoritative. This is the legal basis for country-by-country reporting; it defines expansions and amendments to the double taxation agreement as well as to the agreement's regulations on the distribution of taxation rights. As an international corporation with revenue exceeding EUR 750 million, Hapag-Lloyd is subject to the aforementioned country-by-country reporting requirement, i.e. the exchange of certain country-specific corporate indicators among tax authorities of all member states. In November 2021, the EU Parliament also adopted the EU Directive for public country-by-country reporting. As a result of its size, the Hapag-Lloyd Group will in future also be obliged to make its country-by-country reporting accessible to the public on the company website. The requirements must be enshrined within national law by the EU Member State within 18 months.

In addition, the EU State Aid Guidelines provide a framework for the tax relief available from the individual countries for international shipping within the EU.

In October 2021, the OECD/G20 Inclusive Framework (an alliance of 140 states) also finalised new global taxation standards with regard to the challenges posed by the digital economy and these were adopted by the G20's Finance Minister Conference. The new regulations pertain to the global minimum taxation rate for multinational companies, as well as a redistribution of taxation rights between the country in which the company is domiciled and the markets in which it conducts business. In addition to the digital economy, they also apply to all global companies above a certain size and are scheduled to come into force from 2023. Depending on its own future financial growth, the new standards may potentially affect Hapag-Lloyd, although there is an exemption planned for specific types of income from international shipping in terms of the global minimum tax rate. – 207/103, 207-1

The Group parent company Hapag-Lloyd AG has opted for taxation by tonnage in Germany since 1999 (known as tonnage tax; see 2021 Annual Report, p. 187 et. seq.) and stood by this decision in 2021. Under this system, the tax burden is determined by the capacity of the fleet, not by the earnings actually achieved. The tonnage tax enables Hapag-Lloyd to limit its tax burden in the Federal Republic of Germany, particularly in periods of high operative earnings. However, the tonnage tax must also be consistently applied during economically difficult years and remains a tax burden since income taxes are calculated and levied regardless of whether the company has made a profit. There are similar tax models in other countries such as Denmark, France, the UK, Italy, the Netherlands, the USA, Greece and Malta. – 207-1

In 2016, a legal regulation was also introduced in Germany – initially for five years – regarding total wage tax exemptions for employers of marine personnel on ships registered under the German flag. There are also comparable taxation systems for shipping companies in other European countries. By using these provisions, Hapag-Lloyd can remain competitive at an international level while continuing to operate ships registered under the German flag and maintain the associated high standards under labour and social law. The existing regulation was extended by a further 72 months by the German government in 2021 and this was approved by the EU Commission. This is another major step towards strengthening the profile of the German flag. – 207-1

DAC 6 Reporting was launched in the Federal Republic of Germany in 2020. This obliges Hapag-Lloyd to notify the national tax authorities of the affected EU member states of certain international transactions within 30 days. – 207-1

Organisational integration

The Tax department is globally responsible for the organisation and monitoring of tax activities. The relevant responsibilities and reporting and reconciliation requirements are regulated in the internal Group tax guidelines. Comprehensive risk reporting is also provided in the quarterly reports. – 207/103, 207-1, 207-2

Tax planning takes place when the budget is being determined. It is reviewed three times in the course of a financial year and adjusted as necessary.

Our principles for a responsible tax policy

Hapag-Lloyd consciously supports fair and transparent company taxation and acts according to the guiding principle of paying a fair share to society. Our strategy pursues clearly defined principles:

- Transparent dialogue with stakeholders, particularly with the relevant tax authorities
- Strict compliance with all legal requirements regarding the relevant country-specific tax situation
- Punctual and correct payment of all corporate taxes, under consideration of the protective effect of any bilateral agreements for the avoidance of double taxation on corporate earnings
- Rejection of artificial company structures created solely for the purpose of lowering the tax burden
- Transparency with regard to our necessary operational presence in low-tax countries
- Implementation of structures and processes to ensure permanent monitoring and compliance with legal requirements with regard to company taxation (tax compliance management) – 207/103-2, 207-1, 207-2, 207-3

We have a partial presence in low-tax countries through special purpose vehicles (SPVs), or because it is absolutely necessary to maintain global network coverage from an operational point of view. The SPVs are not operational and generally serve as a means of financing vessels or containers that are used by Hapag-Lloyd AG in an operational capacity. The isolation of financed vessels or containers as their own legal entity is often required by lending banks (insolvency protection). The SPVs are located in countries with low administrative requirements plus good conditions for financing and collateral provision from a legal perspective. The choice of location does not result in lower taxes since the companies do not generate profits there.

Tax compliance management system

Particularly in the Federal Republic of Germany, companies are obliged to implement a tax compliance management system (CMS) for the protection of the company and its legal representatives. In this context, even insufficient tax payments caused through negligence may still lead to the legal representative of the company being held personally liable. With the implementation of this kind of system, the company executives meet the increasing demands in terms of internal tax organisation, the selection of suitable specialists and the regular monitoring of company processes with regard to compliance with legal requirements in tax matters (duties of due diligence and control).

– 207-1, 207-2, 207-3, 207/103

Initial planning of a tax compliance management system began in 2019, which involved recording processes in place. In 2020, the project was delayed due to the unexpected COVID-19 pandemic. 2021 was also shaped by the ongoing challenges of the global pandemic for established processes in the world of work, which not only further delayed the final launch of the tax CMS, but also required us to monitor existing and documented processes and identified risks. Based on today's projections, we expect the full implementation of all measures and processes by summer 2022. Hapag-Lloyd uses the existing internal control system (ICS) as a basis for its tax CMS. Monitoring of tax processes is to be integrated into the ICS to the extent possible. These kinds of extensive, legally mandated tax control systems are by no means standard everywhere in the world. This means that Hapag-Lloyd meets very high standards in this area. Causes for concern regarding our tax practices can be registered via our whistle-blower system (see Compliance, p. 30 et seq.).

Tax reporting requirements

Hapag-Lloyd is subject to, and of course fulfils, the relevant national tax reporting requirements in all the countries where it operates. Hapag-Lloyd is also in full observance of the legal requirements for submitting country-by-country reports in the national headquarters of its Group parent company (Germany). We report transparently about all company results and tax payments in the countries in which Hapag-Lloyd is represented by its affiliates. This information is currently only shared with the national tax authorities that have committed to collect and share country-by-country information and are subject to tax secrecy there. As a result of the new EU Directive for the implementation of public country-by-country reporting, it will in future be possible for the general public to access this data on the Group parent company's website. – 207-4

Local requirements in terms of transparency and documentation are also increasing in other countries such as the UK, where the publication of a company's tax policy or strategy is mandatory for companies above a certain size. In addition, the EU also set new transparency standards in its DAC 6 obligation requirements with regard to cross-border transactions within international corporations. According to these requirements, a wide range of cross-border transactions must be automatically reported to the affected EU member states by the companies and their external consultants.

The tax experts at Hapag-Lloyd AG continually monitored the necessary corporate transactions in 2021 for the relevant DAC 6 reporting and documentation obligations. The German Federal Central Tax Office was informed of any transactions that were subject to mandatory reporting under the legal regulations before the deadline.

Due to the significant increase in the financial result of the Hapag-Lloyd Group and the expansion of the fleet in 2021, income tax expenses under IAS 12 increased to around EUR 61 million (2020: EUR 46 million). In addition, Hapag-Lloyd AG pays cargo tax in various countries, i.e. income tax that is not based on net profit but on varying parameters such as revenue or transport volume. Total cargo tax expenses in 2021 came to EUR 44 million (2020: EUR 26 million). Measured by the result before income taxes (including cargo taxes), the tax rate of the Hapag-Lloyd Group thus comes to approximately 1% (2020: 7%). – 201-1

For more information about our tax policies, please refer to the 2021 Annual Report (p. 187 et seq.).

Consolidated disclosures of the Taxonomy Regulation

ART. 8 OF THE TAXONOMY REGULATION

The Taxonomy Regulation is a core element of the European Commission's action plan to redirect capital flows to more sustainable economic activities. It represents an important step towards achieving CO₂e neutrality by the year 2050 in line with the EU's targets, as the Taxonomy is a classification system for environmentally sustainable economic activities. – NfR

In the following section, as a non-financial parent company we present the proportions of our Group revenue, capital expenditure (CapEx) and operating expenses (OpEx) for the 2021 reporting period that are associated with the first two environmental objectives (climate change mitigation and climate change adaptation) pursuant to Art. 8 of the Taxonomy Regulation and Art. 10 (2) of the Delegated Regulation on "content and presentation". – NfR

DEFINITIONS

A Taxonomy-eligible economic activity is an economic activity that is described in the delegated acts which supplement the Taxonomy Regulation (i.e. the current Complimentary Climate Delegated Act) irrespective of whether that economic activity meets or could meet any or all of the technical screening criteria laid down in those delegated acts. – NfR

A Taxonomy-non-eligible economic activity is any economic activity that is not described in the delegated acts which supplement the Taxonomy Regulation. – NfR

A Taxonomy-aligned economic activity is an economic activity that meets all of the following requirements:

- The economic activity contributes substantially to one or more of the environmental objectives;
- it has no significant adverse effect on any of the environmental objectives;
- it is conducted in compliance with the minimum protection; and
- it meets the technical screening criteria in the delegated acts which supplement the Taxonomy Regulation (i.e. the current Complimentary Climate Delegated Act). – NfR

OUR ECONOMIC ACTIVITIES – NfR

Key performance indicator (KPI)	Total (EUR m)	Proportion of Taxonomy-eligible activities (in %)	Proportion of Taxonomy-non-eligible activities (in %)
Revenue	22,273.5	99.9	0.1
Capital expenditure (CapEx)	3,077.3	99.1	0.9
Operating expenses (OpEx)	1,292.6	93.8	6.2

Around 90% of cross-border trade in goods is transported by sea. The global shipping industry produces around 3% of the world's greenhouse gas emissions and therefore has a correspondingly high level of responsibility in the area of sustainability. With the sustainability strategy we developed at the end of 2021 and our associated ambitious targets, we want to play our part in making shipping more sustainable. At over 90% in the 2021

reporting year, a significant proportion of our economic activities can be classified as Taxonomy-eligible. We expect that only a small proportion will be Taxonomy-aligned in the 2022 financial year. Based on our sustainability strategy and from our discussions with stakeholders, we believe that there is a correspondingly large opportunity to increase the proportion of Taxonomy-aligned economic activities in the future so that we can fulfil our responsibilities in the area of sustainability. – NfR

TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES – NfR

We examined the relevant Taxonomy-eligible economic activities on the basis of our activities as a container liner shipping company and assigned them to the following economic activities in accordance with Annex I and II of the Complimentary Climate Delegated Act. The following table shows the environmental objective for which the activities are Taxonomy-eligible:

Taxonomy-eligible activities	Description	NACE code	Climate change mitigation	Climate change adaptation
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	Hapag-Lloyd's core business is the shipping of containers by sea using its own ships and chartered ships, but also encompasses transport services from door to door	H50.2, N77.34*	✓	✗

– NfR

DISCRETION IN RELATION TO THE TAXONOMY ELIGIBILITY OF OUR ECONOMIC ACTIVITIES

Activity 6.10

The service offered by Hapag-Lloyd always involves the performance of a transport contract from A to B. The execution of a transport contract comprises a number of different sub-components. In addition to transportation by sea, these include transportation of the empty container from the depot to the customer or from the customer to the depot, transportation of the container from the customer to the port/terminal (= pre-carriage) or transportation of the container from the port/terminal to the recipient (= on-carriage), the preparation of freight, port and customs documents and the loading and unloading of the container at the port/terminal. – NfR

From the customer's perspective, Hapag-Lloyd provides a range of services that enable it to guarantee the reliable execution of the overall contract while taking account of cost factors and critical

time requirements. Hapag-Lloyd's service promise is thus not aimed at delivering individual components, but rather its focus is always on the overall outcome that results from the contract-specific coordination of the sub-components of its service bundle. As a result, Hapag-Lloyd is always responsible to its customers for managing the entire transport contract. – NfR

In light of the explanations above, we regard the entire process of transporting containers as a holistic economic activity. As most of this process of transporting containers is performed by sea, we assign it to economic activity 6.10. This is irrespective of the fact that parts of the transportation process are performed by road, rail and inland waterway under certain circumstances. In light of this, the activities 6.2 Freight rail transport, 6.6 Freight transport services by road and 6.8 Inland freight water transport were not identified as relevant economic activities for Hapag-Lloyd. – NfR

Core business activity and external revenue

Our assessment of Taxonomy-eligible revenue is focused on economic activities which are defined as the provision of goods and services in a market and therefore (potentially) generate income (in the present or future). Activity 6.10 represents our core business activity which we assess using the Taxonomy Regulation. Secondary activities such as the acquisition, ownership and renovation of buildings are not reported as Taxonomy-eligible activities and not included in our revenue KPI, as they do not generate any external revenue on an autonomous basis. The same applies to activities related to the maintenance and repair of our ships, which we subsume into our core activities. – NfR

Revenue that is not assigned to the core business activity is classified under Taxonomy-non-eligible economic activities. – NfR

TAXONOMY-ELIGIBLE CAPEX AND OPEX AND INDIVIDUALLY TAXONOMY-ELIGIBLE CAPEX AND OPEX

With regard to CapEx and OpEx related to our Taxonomy-eligible economic activities and CapEx/OpEx related to acquired productions and individual measures that we regard as individually Taxonomy-eligible, we refer to the explanations in the sections “CapEx KPI” and “OpEx KPI” in the description of our accounting principles. – NfR

OUR KPIS AND ACCOUNTING PRINCIPLES

The most important indicators include the revenue KPI, CapEx KPI and OpEx KPI. For the 2021 reporting period, the KPIs must be disclosed with regard to our Taxonomy-eligible and Taxonomy-non-eligible economic activities (Art. 10 (2) of the Delegated Regulation on “content and presentation”). – NfR

The KPIs are calculated in accordance with Annex I of the Delegated Regulation on “content and presentation”. We determine the Taxonomy-eligible KPIs in accordance with the legal requirements and describe our corresponding accounting policies as follows:

Revenue KPI

Definition

The proportion of Taxonomy-eligible economic activities in our overall revenue was calculated as the portion of net revenue that is generated from products and services related to Taxonomy-eligible activities (numerator) divided by the net revenue (denominator), in each case for the financial year from 1 January 2021 to 31 December 2021. – NfR

The denominator of the revenue KPI is based on our consolidated net revenue pursuant to IAS 1.82(a). Further details on our accounting principles for our consolidated net revenue can be found on page 150 et. seq. of our 2021 Annual Report. – NfR

The numerator of the revenue KPI is defined as the net revenue that is earned from products and services related to Taxonomy-eligible activities, i.e. related to the activity “6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities” which generates revenue from container liner shipping. – NfR

Reconciliation

Our consolidated net revenue can be compared with our consolidated financial statements. See income statement on page 142 of our 2021 Annual Report (“Revenue”). – NfR

CapEx KPI

Definition

The CapEx KPI is defined as Taxonomy-eligible capital expenditure (numerator) divided by our total capital expenditure (denominator). – NfR

Total capital expenditure comprises additions to property, plant and equipment and intangible assets during the financial year under review before depreciation, amortisation, impairments and remeasurements, including those which result from remeasurements and impairments for the financial year in question and without changes in the fair value. This comprises the acquisition of property, plant and equipment (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). Additions to property, plant and equipment and intangible assets that result from business combinations must also be included in the denominator. Goodwill is not included in CapEx, as it is not defined as an intangible asset under IAS 38. – NfR

Further details on our accounting principles with regard to our CapEx can be found on page 150 et. seq. of our 2021 Annual Report. – NfR

The numerator consists of the following categories of Taxonomy-eligible capital expenditure:

- a) Capital expenditure related to assets or processes that are associated with Taxonomy-eligible economic activities (“category a”):

We assume that assets and processes are associated with Taxonomy-eligible economic activities if they are essential components that are necessary for performing an economic activity. Consequently, all capital expenditure on our ships and containers including right-of-use assets for chartered ships and leased containers is included in the numerator of the CapEx KPI.

- b) Capital expenditure which is part of a plan to expand Taxonomy-aligned economic activities or to convert Taxonomy-eligible into Taxonomy-aligned economic activities (“CapEx plan”) requires an assessment of whether our activities are Taxonomy-aligned (“category b”). For the 2021 reporting period, we only report on Taxonomy-eligible activities; we did not prepare a capital expenditure plan within the meaning of EU Taxonomy.

- c) Capital expenditure related to the acquisition of production from Taxonomy-eligible economic activities and individual measures through which certain target activities are performed on a low-carbon basis or the emission of greenhouse gases is reduced (“category c”). It is also regarded as Taxonomy-eligible capital expenditure if the purchased production or individual measure corresponds to the description of the economic activity in question (see further explanations below). – NfR

Reconciliation

Our total capital expenditure can be compared with our consolidated financial statements. See pages 192, 194 of our 2021 Annual Report. It relates to the total of the movement types (acquisition and production costs):

- Additions and
- Additions from business combinations for intangible assets, right-of-use assets and property, plant and equipment. – NfR

Individually Taxonomy-eligible capital expenditure

The numerator of the CapEx KPI also comprises capital expenditure related to the acquisition of production from Taxonomy-eligible economic activities and individual measures through which certain target activities are performed on a low-carbon basis or the emission of greenhouse gases is reduced. These individual capital expenditures relate to the economic activities that are listed in the delegated acts which supplement the Taxonomy Regulation (i.e. the current Delegated Regulation on the climate). The associated capital expenditure is Taxonomy-eligible if the acquired production/individual measure corresponds to the description of the economic activity in question. – NfR

We identified the following economic activities that lead to capital expenditure which can be regarded as Taxonomy-eligible acquired production/individual measure:

Description of the individually Taxonomy-eligible acquired production/ individual measure	Economic activity in question (Annex 1 to the Complementary Delegated Act)
Entire vehicle fleet	6.5 Transport by motorbikes, passenger cars and light commercial vehicles
Renovation measures on existing buildings	7.2 Renovation of existing buildings
Acquisition or leasing of buildings	7.7 Acquisition and ownership of buildings

– NfR

OpEx KPI

Definition

The OpEx KPI is defined as Taxonomy-eligible OpEx (numerator) divided by our total OpEx (denominator). – NfR

Total OpEx consists of direct, non-capitalised costs related to research and development, building renovation measures, short-term leasing, maintenance and repair and all other direct expenses associated with the day-to-day maintenance of property, plant and equipment. This includes:

- Expenses for research and development which were recognised as expenses in the income statement in the reporting period (see page 193 of the Annual Report 2021). In accordance with our consolidated financial statements (IAS 38.126), these comprise all non-capitalised expenses that are directly assigned to research and development activities.
- The volume of non-capitalised leases was calculated in accordance with IFRS 16 and includes expenses for short-term leases and low-value leases (see page 234 et seq. of our Annual Report 2021). Even though low-value leases are not explicitly mentioned in the Delegated Regulation on “content and presentation”, we interpreted the legislation in such a way that these leases are to be included.
- Maintenance and repair costs and other direct expenses associated with the day-to-day maintenance of property, plant and equipment were calculated on the basis of the nominal accounts as per the general ledger. The corresponding expenses can be found in the income statement both in transport expenses and in the other operating result. The maintenance and repair costs also include expenses for building renovation measures. – NfR

The OpEx taken into account usually includes costs for services and material costs for day-to-day maintenance as well as for regular and unplanned maintenance and repair measures. These costs are directly allocated to our property, plant and equipment. – NfR

The OpEx taken into account does not include expenses for the day-to-day operation of property, plant and equipment, such as expenses for fuel, handling & haulage and personnel expenses. – NfR

Direct costs for training and other adaptation requirements for employees are not included in either the denominator or the numerator. The reason for this is that Annex I of the Delegated Regulation on “content and presentation” only lists these costs in the numerator, which does not allow for a mathematically sensible calculation of the OpEx KPI. – NfR

With regard to the numerator, we refer to the corresponding disclosures on the CapEx KPI. – NfR

Supplementary to the information on the individually Taxonomy-eligible capital expenditure, we identified the following additional operating expenses which can be regarded as Taxonomy-eligible acquired production/individual measure. – NfR

Description of the individually Taxonomy-eligible acquired production/ individual measure	Economic activity in question (Annex 1 to the Complementary Delegated Act)
Services related to hosting, Saas, Iaas, PaaS	8.1 Data processing, hosting and related activities

– NfR



Sustainability is part of how we see ourselves and, with our new sustainability strategy, it is also part of our corporate strategy. Our fleet is expected to be climate-neutral by 2045.
[More >](#)

SUSTAINABILITY AT HAPAG-LLOYD

Chapter contents

Sustainability management

Through our focus on sustainability, we aim to preserve the perspectives and opportunities for future generations. In order to reach this goal, we have introduced relevant structures and processes. In the sustainability strategy presented at the end of 2021, we set the course towards climate-neutral shipping. We intend to make this a reality through diverse measures and by encouraging our employees to think and act sustainably. After all, sustainability is a part of our identity. – NfR

OUR CONCEPT OF SUSTAINABILITY

As a traditional Hanseatic company, value-based, responsible actions in the areas of the economy, ecology and social commitment are firmly anchored in the corporate culture of Hapag-Lloyd. This policy defines our concept of sustainability in the form of binding guidelines and principles. These are supplemented by our Global Code of Ethics (see our Global Code of Ethics, p. 30 et seq.).

In our guidelines, our Strategy 2023 and our new sustainability strategy, we commit to:

- Providing our customers with the highest quality and innovative products (see Customer focus and digitalisation, p. 25 et seq.)
- Protecting the environment and the climate (see Climate and environmental protection, p. 63 et seq.)
- Creating an attractive working environment for our employees (see Employees, p. 79 et seq.)

- Ensuring the health and safety of our employees (see Health and safety, p. 96 et seq.)
- Making a contribution towards society (see Corporate Citizenship, p. 107 et seq.)









Furthermore, our revised corporate values from 2020 are at the core of our activities and form the overarching framework. Our values are the driving force that enable us to sustainably implement our strategies (see Corporate values, p. 93).

We want to keep our impact on the climate and environment as low as possible. Based on this, we confirmed and refocused our Strategy 2023 at the end of 2021. As a new, fourth pillar, the topic of sustainability is now an integral part of our corporate strategy.

Hapag-Lloyd's sustainability strategy

In 2021, we developed and published our sustainability strategy with the goal of making shipping more sustainable. Our ambitious target is to make shipping climate-neutral by 2045. With the strategy, we take on global challenges and set the course to lead our industry to a clean future. – NfR

Our sustainability strategy encompasses the three focus areas of “Clean shipping & future-proof propulsion”, “Diversity & society” and “Compliance & responsibility”. Within these three areas, we identified eight focus topics with their respective targets and measures which we will strategically pursue starting in 2022. We want to drive the implementation forward through regular communication between the responsible sustainability team and the specialist departments. In addition to that, we will internally report on the status of target achievement every quarter and publish our progress once a year in the sustainability report. – NfR

CLEAN SHIPPING & FUTURE-PROOF PROPULSION	DIVERSITY & SOCIETY	COMPLIANCE & RESPONSIBILITIES
 <p>REDUCTION IN GREENHOUSE GAS EMISSIONS – NfR</p> <ul style="list-style-type: none"> _ Reducing CO₂e intensity (EEOI¹) of the entire fleet by 30% by 2030 compared with 2019; consistent with a 60% reduction by 2030 for our own fleet according to AER² as compared with 2008 _ Net zero greenhouse gas emissions for the entire fleet by 2045 by using alternative fuels 	 <p>DIVERSITY</p> <ul style="list-style-type: none"> _ Increasing gender diversity across the entire Group _ Increasing cultural diversity even further, especially in management positions and at HQ in Hamburg _ Increasing the number of female employees in management trainee programmes to 50% by 2023 _ Significantly increasing the share of female managers at the first four levels by 2030 	 <p>RESOURCE CONSERVATION</p> <ul style="list-style-type: none"> _ Recycling 100% of our own ships sustainably _ Reducing large-scale waste by 2030: waste generated at Hapag-Lloyd offices is to be gradually reduced and increasingly recycled
 <p>CLEAN AIR – NfR</p> <ul style="list-style-type: none"> _ Continuously reducing the emissions of air pollutants such as sulphur and nitrogen oxide _ Reducing air pollutant emissions from land transport in pre-carriage and on-carriage 	 <p>SOCIAL ENGAGEMENT</p> <ul style="list-style-type: none"> _ Boosting engagement in social activities among our employees _ Focusing on education programmes, humanitarian aid and marine preservation 	 <p>TRANSPORT CARE – NfR</p> <ul style="list-style-type: none"> _ Focusing on transport safety by ensuring the safety and well-being of crew, cargo and environment _ Avoiding losses of containers at sea and on land
 <p>SUSTAINABLE SUPPLY CHAIN</p> <ul style="list-style-type: none"> _ Developing a sustainable supply chain 		 <p>BIODIVERSITY – NfR</p> <ul style="list-style-type: none"> _ Zero breaches of regulations related to ballast water & released substances in our own fleet _ Operation of our own and chartered vessels to a uniformly high environmental standard as far as legally possible by 2024

1 EEOI = Energy Efficiency Operational Indicator
2 AER = Annual Efficiency Ratio

High internal environmental standards will continue to contribute to our differentiation in the market over the long term.

Our activities focus on reducing our energy consumption and thus the CO₂ emissions of our fleet. In 2021, we continued to drive these activities forward and aligned them with the new strategy. In this respect, the particular focus was on decarbonisation through the use of alternative fuel (such as biofuel). Other topics are alternative modes of propulsion and CO₂e-neutral fuels. – NfR

As part of the strategy's development, attention was also given to reducing the CO₂e emissions from air travel and in offices as well as to the respective compensation measures.

As part of our sustainability strategy, we also established a Sustainability Advisory Council as a strong sparring partner to implement the planned measures. By setting up an expert panel that meets on a regular basis, Hapag-Lloyd wants to obtain feedback from external representatives of the scientific and political communities, UN organisations and NGOs. The focus here is on exchanging ideas about current and future developments at national and



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international level in the area of sustainability and engaging in critical discussion about Hapag-Lloyd's sustainability performance. The advisory council comprises six external sustainability experts and four representatives of Hapag-Lloyd, including two members of the Executive Board. – NfR

In 2021, we implemented further measures that contribute to our decarbonisation targets:

- **LNG:** In 2020, Hapag-Lloyd became the first shipping company in the world to retrofit an existing large container ship (15,000 TEU), the "Brussels Express" (formerly "Sajir"), with dual-fuel propulsion. This can reduce emissions of sulphur oxide, nitrogen oxide, particulate matter and CO₂ emissions through the use of LNG (see LNG as a new mode of propulsion, p. 69). As part of our sustainability activities, we continued to pursue the topic and ordered a total of 12 dual-fuel propulsion ships in 2020 and 2021.
- **Biofuels:** We continued to test a blend of biofuels to power one of our ships, which would allow us to considerably reduce CO₂e emissions (see Biofuel propulsion, p. 70 et seq.). The use of biofuel for two ship classes (A19 and A15) was certified in 2021, meaning that a total of 16 ships can be powered by a biofuel blend. Since September 2021, we continuously bunker ships in the A19 class with a blend of biofuel (B30). – NfR

We also implement various preventive measures in order to protect people, the environment, cargo, and property, plant and equipment. These include certification according to ISO standards, the implementation of the safety management system (SMS) on all our ships and the inclusion of environmental protection in the emergency manual (see Climate and environmental protection, p. 63 et seq.). – NfR –102-11

The high standards that we set ourselves also apply to our suppliers and subcontractors. Since 2020, several evaluation criteria in the area of sustainability have been observed and the topic has been established for joint improvements with our suppliers as part of our supplier management activities (see Sustainable procurement, p. 59 et seq.).

We support the SDGs

Our analysis of the Sustainable Development Goals (SDGs) in 2018 revealed that with our activities we can contribute to six of the 17 United Nations Sustainable Development Goals, in particular:



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

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Conserve and sustainably use the oceans, seas and marine resources for sustainable development

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Promote lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all

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Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

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Take urgent action to combat climate change and its impact

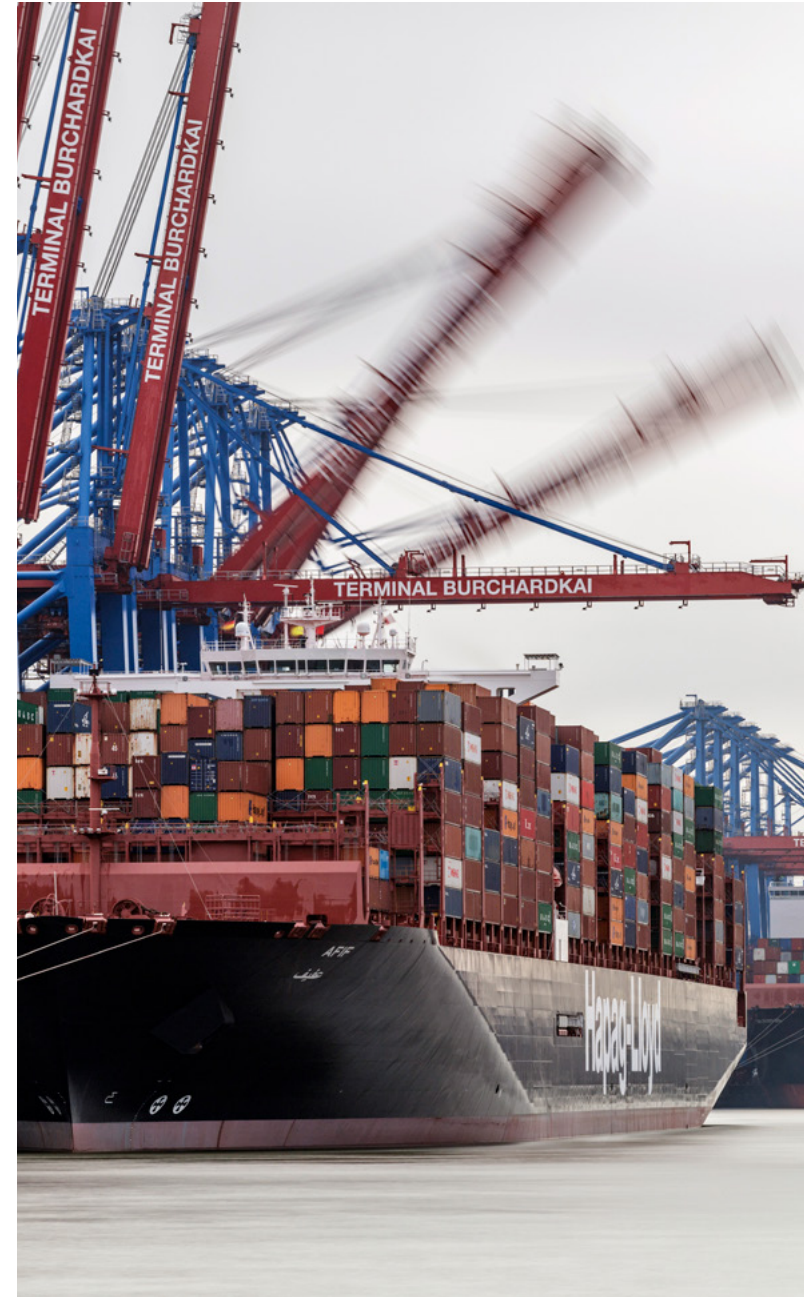
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Strengthen the means of implementation and revitalise the global partnership for sustainable development

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CERTIFIED QUALITY AND ENVIRONMENTAL MANAGEMENT

– 302/103, 303/103, 304/103, 305/103, 306/103

One major aspect of our sustainability management strategy is the quality and environmental management (QEM) system, which is certified in accordance with ISO 9001 (quality management) and ISO 14001 (environmental management). Certified organisational units are audited annually. – NfR

In 2021, we modified and reduced the external certificate framework. The new certificate includes the headquarters, all the regions and established Quality Service Centers (QSC) – 15 locations in total. The areas were removed from the certification due to the pooling of processes at the QSCs. The list of organisational units can be found in the current ISO certificate on our website [↗](#). We continue to rely on the established process and conduct yearly internal audits of our areas, regions, QSCs as well as the headquarters in relation to the fulfilment of ISO requirements. We use the results of the audits to continuously improve our processes. Due to the COVID-19 pandemic, we have increasingly switched to virtual audits. By using strategies such as screen transmission to view documents, we can continue to ensure the quality of the audits. In this way, we were able to maintain our QEM certificate in the reporting year. – NfR

As part of the requirements of ISO 9001, occupational safety, employee training, customer focus and the evaluation of service providers among other things will be evaluated with the help of a risk-based approach. The requirements of ISO 14001 include topics such as the efficient utilisation of resources and reduction of negative environmental influences as well as the observance of all



environmental laws and regulations. For some topics, we have defined cross-regional and regional QEM targets and packages of measures which are reviewed regularly. – NfR

In 2021, more than 180 (Hapag-Lloyd AG: around 100) internal and external audits were conducted worldwide. New regions, areas, locations and ships are prepared for potential inclusion in the QEM system via internal audits. Shore-based employees are trained in QEM via mandatory web-based training sessions, ensuring that they too meet our high quality and environmental standards.³ – NfR

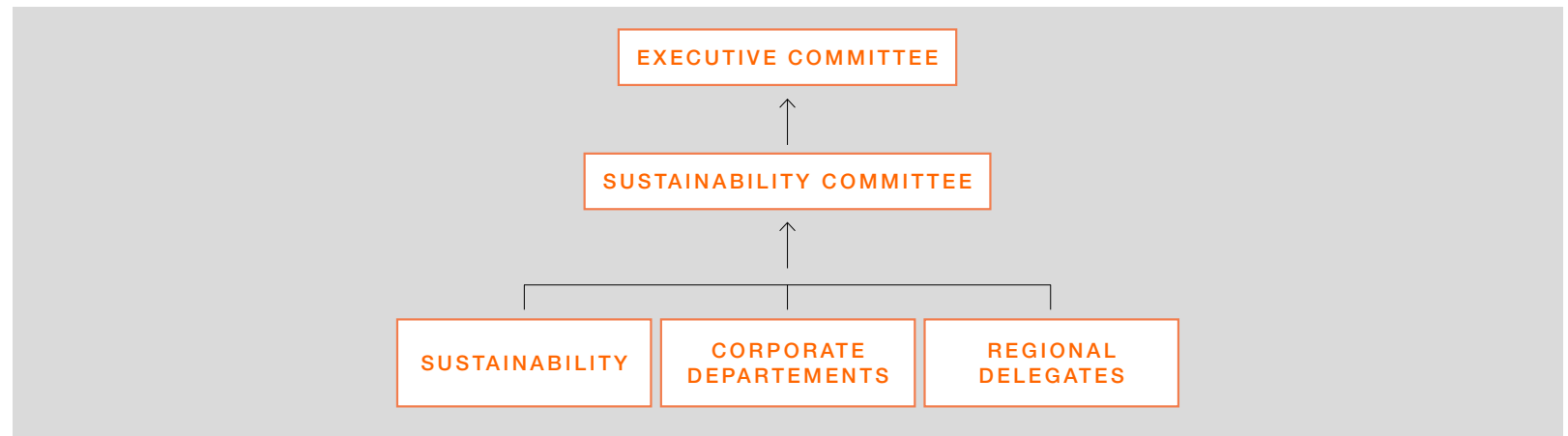
Organisation of sustainability management – 102-18

Sustainability is managed by the Sustainability Management department at Hapag-Lloyd. In October 2020, the department was transferred to the new Regulatory Affairs & Sustainability unit, which reports directly to the CEO. As part of the restructuring, Hapag-Lloyd's sustainability management will be further strengthened and staff numbers will be expanded. – NfR

The Regulatory Affairs & Sustainability unit coordinates and manages our sustainability activities across all departments, including environmental management for sea and land-based operations as part of our Group-wide QEM system. The Sustainability department is also in charge of preparing the Group's sustainability report, answers questions on sustainability-related topics, and cooperates in working groups on topics related to sustainability. – NfR

The Sustainability department informs the Sustainability Committee – which comprises divisional managers and regional representatives – about ongoing sustainability activities. The committee assists with efforts to identify sustainability opportunities and risks, promotes the sharing of information across divisions and is involved in coordinating sustainability-related measures. It reports directly to the Executive Committee, which the Executive Board is part of. The Sustainability Committee met in the spring of the reporting period. – NfR

³ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.



There are more than 140 QEM delegates active worldwide in the regions, areas and central departments, as well as on ships (Hapag-Lloyd AG: more than 60). They support the operational sustainability work of the Sustainability department by coordinating our sustainability activities and ensuring that the QEM system is implemented. The delegates also participate in annual QEM meetings in which the Sustainability department reports on the progress of external audits and any deviations, and on our sustainability report. In 2021, we changed the name of the yearly meeting to “Sustainability Conference”. In doing so, we want to promote our sustainability activities beyond the QEM in the future. The new sustainability strategy was presented at the conference, and there was a discussion with the participants regarding all the topics related to it. – NfR

Awards and ratings

In 2021, Hapag-Lloyd was again evaluated by EcoVadis and received the silver award. We will use this repeated good result on the part of our sustainability management as an opportunity to implement further measures and expand our current activities, for example as part of our sustainability strategy. Furthermore,

we participated in a CDP rating for the first time in 2021 and received a “B” rating for our climate change management. This good rating is both recognition of our achievements so far and an incentive to further expand our activities in the area of climate protection.

Continued development of sustainability management

We aim to ensure the continued development of sustainability management at Hapag-Lloyd. In the reporting year, our core efforts were in the development of the sustainability strategy which will allow us to pursue specific sustainability targets in line with Strategy 2023. To achieve this, we will continue to work on defining measures and projects for the implementation of the strategy in 2022. This way, we want to further embed the topic of sustainability in our organisation and our activities. – NfR

Material topics and risks

Hapag-Lloyd is a global service provider whose business and day-to-day decisions are heavily influenced by developments in society, the environment and the global economy. We are part of a network of stakeholders who communicate their concerns to us in a variety of ways. We carefully analyse which topics and associated risks are of particular significance and their potential opportunities for our corporate governance and focus our work on them. – NfR

MATERIAL TOPICS – 102-43, 102-46

In late 2019, we carried out a materiality analysis in order to obtain a current overview of the most relevant sustainability-related topics for our company and our stakeholders. The analysis included an anonymous online stakeholder survey on which more than 230 international external and internal stakeholders could evaluate the relevance of the topics to Hapag-Lloyd's business activities. The materiality analysis is repeated every three years and will thus be carried out again in 2022. – NfR

In this Sustainability Report (SR), we report in particular on the topics identified as material. – NfR

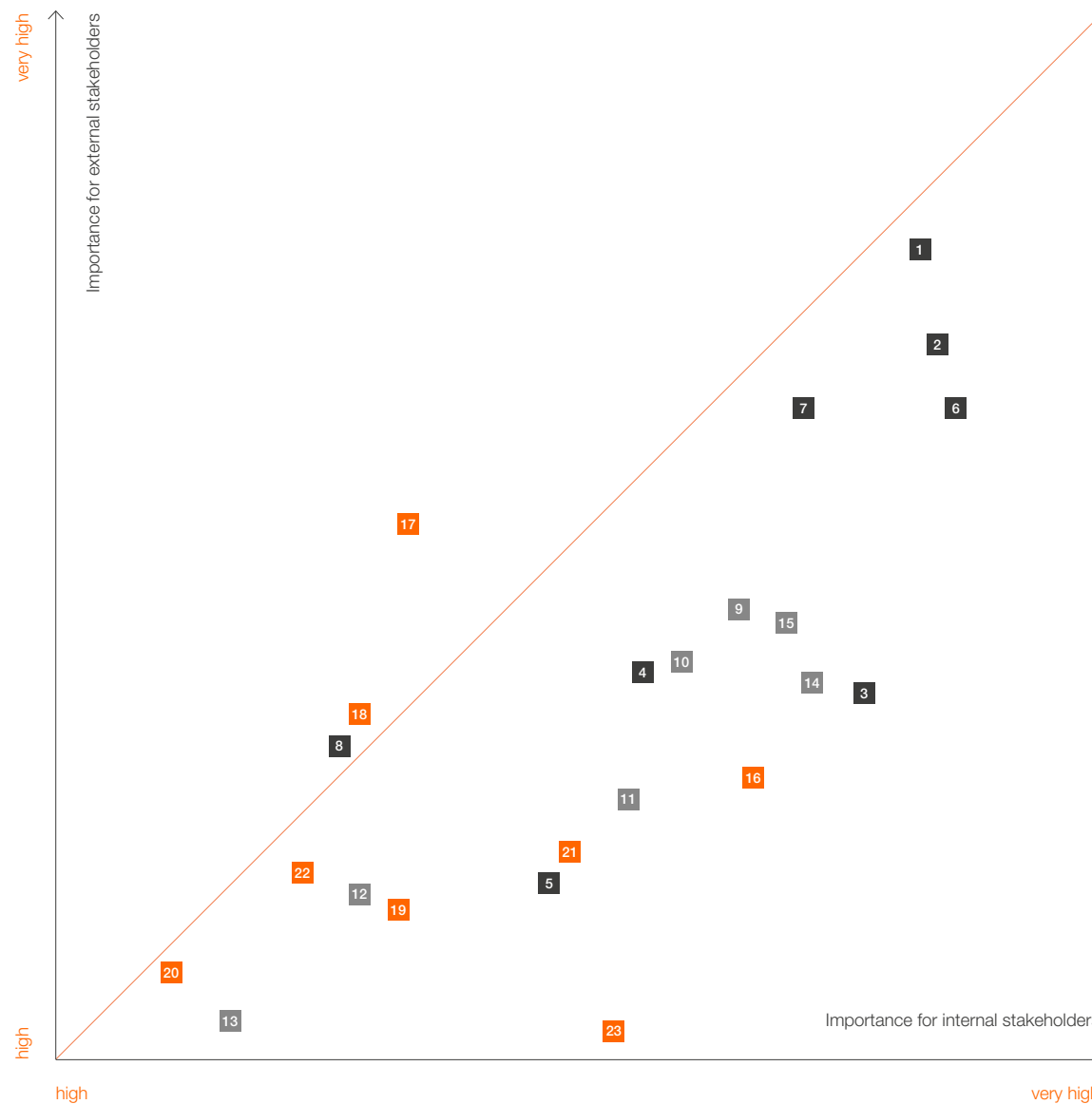
CONNECTING
THE WORLD
ACROSS
OCEANS –
SUSTAINABLY



Hapag-Lloyd wants to make a fair contribution towards society and is active in a variety of associations, working groups and institutions. For example, we are active members of Clean Cargo and the Ship Recycling Transparency Initiative.



MATERIALITY MATRIX – 102-44, 102-47



ECONOMY

- 1 Compliance – NfR
- 2 Data protection and IT security – NfR
- 3 Digitalisation
- 4 Business strategy considering both sustainability opportunities and risks – NfR
- 5 Innovation and research
- 6 Customer satisfaction – NfR
- 7 Service/process quality – NfR
- 8 Tax policy/transparency

ENVIRONMENT

- 9 Emissions: greenhouse gases – NfR
- 10 Emissions: air pollutants – NfR
- 11 Energy use – NfR
- 12 Disposal of waste and effluents
- 13 Sustainable materials and recycling
- 14 Protection of the sea and marine biodiversity – NfR
- 15 Environmentally friendly transport chains

SOCIAL

- 16 Training and further education – NfR
- 17 Occupational health and safety – NfR
- 18 Labour standards and human rights in the supply chain
- 19 Diversity and equal opportunities
- 20 Corporate citizenship
- 21 Human rights in our own operations – NfR
- 22 Social benefits
- 23 Work-life balance

Categorisation of the topics in the matrix is based on the stakeholder survey and should be regarded as independent of the CSR-RUG.

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OCEANS –
SUSTAINABLY**

The material topics under the CSR Guideline Implementation Act (CSR-RUG) were identified by Sustainability Management on the basis of this information. In the process, criteria were taken into account which dealt with the impact of business activities on non-financial aspects and their relevance to Hapag-Lloyd's business activities. The identified topics were categorised according to the following relevant aspects: environment, employees, combating corruption and bribery and observance of human rights. These are included in Hapag-Lloyd's non-financial report (NfR). – NfR

The topics "Business strategy considering both sustainability opportunities and risks", "Service/process quality", "Data protection and IT security" and "Customer satisfaction" are each addressed directly within the NfR sections when relevant (see Index on the non-financial report, p. 16).¹ – NfR

The social requirements under CSR-RUG are of major importance to Hapag-Lloyd but do not fulfil the materiality criteria of CSR-RUG. Beyond the NfR itself, this sustainability report also reports on our diverse activities in the social arena, for example (see Corporate citizenship, p. 107 et seq.) – NfR

RISK MANAGEMENT

Awareness of sustainable action is a fixed component of our corporate policy and thus also our risk management. The prerequisite for our lasting success is the integrity of our corporate and risk strategy, which ensures early identification and proactive management of the risks and opportunities that result from our business operations. Relevant risks are identified² via a net risk analysis as part of our Group-wide risk management system in which all risks are recorded, assessed, managed and monitored in a systematic process. – NfR

¹ Sections containing topics which require reporting under CSR-RUG are marked NfR.

² Risks are deemed to be relevant if they are associated with Hapag-Lloyd's business activities, business relationships, products or services; they are deemed very likely to occur; and they have serious negative effects on areas such as the environment or social involvement, for example. Other topics that are relevant for the risk analysis include employee matters, the observance of human rights and efforts to combat corruption and bribery.

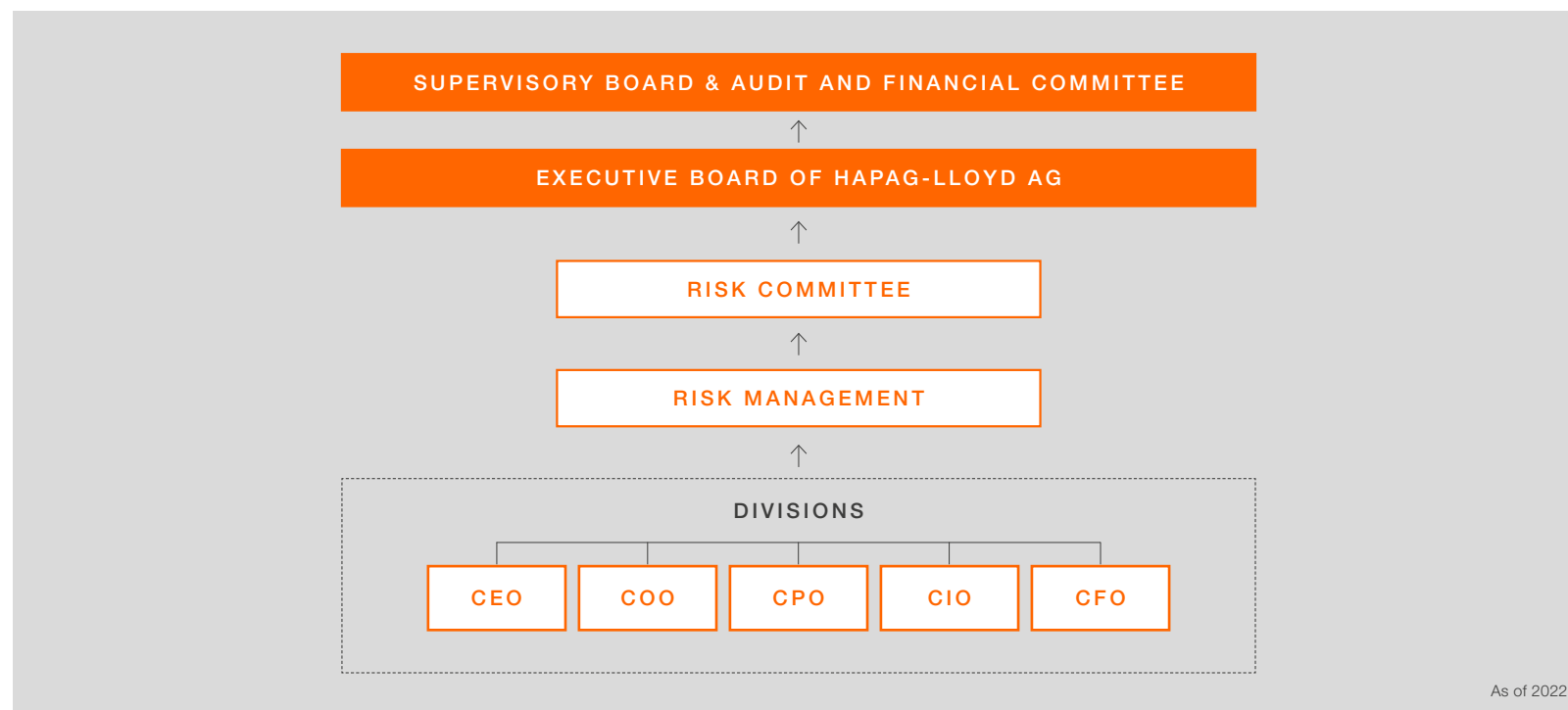
The risk management system

Our risk management system is an important tool to transparently and effectively manage increasingly complex financial and non-financial causes and consequences of risks and to secure and further increase the value of the company. – NfR

The risk management system has a multi-level structure and is derived from the risk management standards of the Committee of the Sponsoring Organizations of the Treadway Commission (COSO). Separating the responsibilities within the risk management process ensures that control and monitoring roles remain independent from operational business. – NfR

The risk managers in the regions and specialist departments are experts in their respective areas, and their awareness goes beyond the operational and financial impacts of risks to include social and ecological aspects such as the use of legal fuel sources, ship recycling and training and further education. Risk managers consolidate the risk information and continually monitor it or initiate risk mitigation measures. – NfR

The material risks and analysis of the risk portfolio are compiled by the risk manager in the central Accounting department. This serves the Risk Committee as the basis for monitoring the overall risk situation. The Risk Committee reports quarterly — and on an ad-hoc basis where required — to the Executive Board, which is responsible for ensuring the efficacy of the risk management system. The Audit Committee monitors risk management at the highest level and reports to the Supervisory Board. – NfR



Systematic recording and evaluation of non-financial risks

– 407/103, 408/103, 409/103

Organisational units covered by the QEM ISO certificate and areas that are audited internally are required to list relevant non-financial risks or risks that exceed USD 100,000 net from the areas of environment, social commitment, human rights, employees, corruption as well as data protection and IT security, customer satisfaction and quality in a register for QEM risks. This describes both risks that are relevant for Hapag-Lloyd (outside-in) and risks that our business activities have on our environment (inside-out). In the process, an ongoing dialogue is maintained with Central Risk Management in order to establish consistent processes, and also to create synergies. – NfR

In this year's risk assessment, no non-financial risks subject to a reporting obligation were identified which were associated with our own business activities, business relationships, products or services or were deemed very likely to have serious negative effects on the non-financial matters, either now or in the future. The consideration of COVID-19 and the current situation in Ukraine, which carries a high degree of uncertainty, did not change this assessment.

– NfR

STAKEHOLDER DIALOGUE – 102-40, 102-42, 102-43, 102-44

As a transparent company, we maintain active dialogue with relevant stakeholders. We use numerous formats to regularly communicate with them so we can discover their expectations and perceptions and hear their comments and ideas, then identify areas for improvement and translate them into concrete actions for our corporate governance.

Dialogue with our shareholders and the financial market

The Executive Board and Investor Relations team regularly inform shareholders, analysts and potential investors about the development and direction of the company, as well as current potential risks. They do this by publishing annual and interim reports and other important information, and in personal discussions at events or at the Annual General Meeting.

We currently see an increasing demand for ESG topics on the part of investors, and political developments such as the EU Green Deal are placing a greater focus on sustainable finance. We hold one-on-one conversations with investors and analysts on these topics. The key issues are CO₂ and sulphur dioxide emissions, ballast water and contaminant leaks, IMO targets, governance and, increasingly, cybersecurity.

The ESG trend on the capital market continues and thus the requirements from investors and creditors for climate-friendly investments have increased. In January 2021, Hapag-Lloyd published its Green Finance Framework. It details our concept for issuing financing instruments with a green purpose. Since then, Hapag-Lloyd has entered into three green financing arrangements for twelve new 23,500+ TEU dual-fuel LNG ships that are subject to the requirements of the Green Finance Framework.

To further substantiate its sustainability targets, Hapag-Lloyd also issued a bond with a sustainability dimension (sustainability-linked bond) whereby the amount of the interest coupon depends on the achievement of ambitious sustainability targets. The bond was subscribed several times over, resulting in a coupon of 2.5% (more than 50% below the previous bond).

With the first sustainability-linked bond in July 2021, Hapag-Lloyd successfully placed a forward-looking green corporate bond on the market. The conditions of the bond with a volume of EUR 300 million are connected to the achievements of one of Hapag-Lloyd's sustainability goals – concretely, to the considerable reduction of the CO₂ intensity of our own fleet (reduction of the Average Efficiency Ratio (AER) by 60% in 2030; base year 2008). We intend to have our progress relative to the AER value independently verified every year and to document and publish the results.

Dialogue with our employees³

We want to reduce perceived hierarchies within the company while increasing employee identification with the company and a feeling of solidarity. One approach we take is annual employee meetings (Global Staff Dialogue, see Further education and talent development on land, p. 91 et. seq.). In the reporting year, we also informed our employees in virtual townhalls at a regional and area level about the current challenges. In a new format, employees who joined the company in 2020 were asked during a conversation with an Executive Board member about their experiences with the onboarding process and their first year at Hapag-Lloyd.

We also communicate key topics and interesting activities, for example via the intranet and via Logbook, our employee magazine. The Executive Board is also engaged in regular dialogue with the Works Council.

We presented the new corporate values to our employees at the end of 2020. The Executive Board decided that, starting in 2021, the second day of every December will be "Values Day", during which the corporate values will be discussed with employees on an area level and at global headquarters (see Diversity and inclusion, p. 93 et seq.).

³ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

Dialogue with customers and business partners

In addition to information about cargo and data security for example, our customers are increasingly interested in topics related to sustainability — particularly the environmental impact and CO₂e emissions. The information requested may extend from a calculation of our CO₂e footprint to answering questionnaires about emissions. In the reporting period, we carried out our Customer Experience Survey twice. It dealt with the overall satisfaction of our customers, the convenience of the order handling, their experiences at the contact points and how we compare with the competition (See Customer focus and digitalisation, p. 25 et seq.).

We engage in dialogue with our suppliers in the course of shared projects such as terminal partnering. Supplier meetings also took place virtually this year (see Sustainable procurement, p. 59 et seq.).

Dialogue with non-governmental organisations

In communicating with non-governmental organisations (NGOs), we aim to facilitate mutual understanding of important and critical topics and to actively contribute our expertise in order to work on solutions together. We do this through personal discussions, participation in conferences and collaboration with committees. The focus is primarily on the topics of ship recycling, emissions, and the transportation of controversial goods as well as the protection of the waters that we navigate (see Climate and environmental protection, p. 63 et seq.).

In 2021, we entered into a partnership with UNICEF with an initial duration of three years (see Corporate social responsibility, p. 107 et seq.).

Dialogue with policymakers

As an international container liner shipping company, we place particular importance on continuous dialogue with political actors. In order to make our political involvement within the EU clear and comprehensible, we are listed in the Transparency Register of the European Commission.

In 2021, we again held a parliamentary evening with delegates from the Hamburg Parliament. We also met for talks with representatives of the German Department of Transportation and several members of the German parliament. In addition to that, the Chief Executive Officer met for talks with delegates from the Hamburg and European Parliament.

At the EU level, we are actively involved in the political decision-making process, for example with the formation of sustainable environmental legislation. In doing so, we want to ensure that our investment in more efficient and environmentally friendly ships does not put us at a competitive disadvantage. In this area, we collaborate in the “Sustainable Alternative Power and Ship Efficiency” sub-group of the ESSF (European Sustainable Shipping Forum), among others.

At a state and municipal level, we conduct frequent discussions with the City of Hamburg, which is part owner of Hapag-Lloyd and a central stakeholder. As part of our accountability obligations, we regularly provide the city with information about the company’s economic performance and Hapag-Lloyd’s strategic objectives. We regularly seek out dialogue with the various political parties. The members of our Executive Board are also frequently invited as speakers at political events or those held by politically active associations. We also publish the political newsletter “Hapag-Lloyd Insight” three times a year and send it to around 3,000 recipients in politics as well as various associations and chambers. — 102-5

Dialogue with the local community

As a traditional Hamburg company, maintaining dialogue with our local citizens is close to our hearts. We regularly open our doors to interested Hamburg citizens as part of the Supply Chain Day (Tag der Logistik) and the Heritage Day (Tag des offenen Denkmals) and invite them to public cultural and informational events. Events were only possible to a limited extent due to the COVID-19 pandemic. We were able to support the Filmfest Hamburg and the Harbour Front Festival by providing spaces for public events.

Memberships and commitments — 102-12, 102-13

Hapag-Lloyd is a member of various associations, working groups and institutions, and is committed to shaping and working on various topics. Due to the pandemic, the organisation of events focused on the digital space.

EXAMPLES OF OUR MEMBERSHIPS AND COMMITMENTS

ORGANISATION



Clean Cargo Initiative

International initiative to improve the environmental impact of container transport and to promote responsible shipping.



EcoTransIT World Initiative (EWI)

Calculation of environmental impacts in the transport sector and ongoing development of the EcoTransIT World (ETW) method.



Global Logistics Emissions Council (GLEC)

The goal is the consistent and transparent method for calculating emissions in the global transport chain.



Maritime Anti-Corruption Network (MACN)

International network to work for corruption-free trade in the maritime industry.



Maritime Platform

International platform for the reduction of emissions such as SOx, NOx, CO₂ and particulate matter, and for the exploration of alternative fuel sources with the aim of achieving cleaner and more cost-effective maritime and inland shipping.



Ship Recycling Transparency Initiative (SRTI)

Exchange of information on ship recycling in order to promote responsible practices.



UmweltPartnerschaft

German campaign and central platform for voluntary environmental protection and dialogue on environmental economic policy.

ORGANISATION



World Shipping Council

International association for liner shipping companies.



BIMCO

International organisation for improving standards and harmonising rules and laws in the shipping industry.



The Conference Board

European platform enabling senior executives to exchange expertise and experience in CSR management.



Getting to Zero Coalition

Multi-stakeholder initiative for the development and use of climate-neutral ships by 2030.



IMO Glofouling Working Group

Working group to further develop international biofouling standards.



Diversity Charter

Employer initiative to promote diversity in companies and institutions.

CONNECTING
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Sustainable procurement

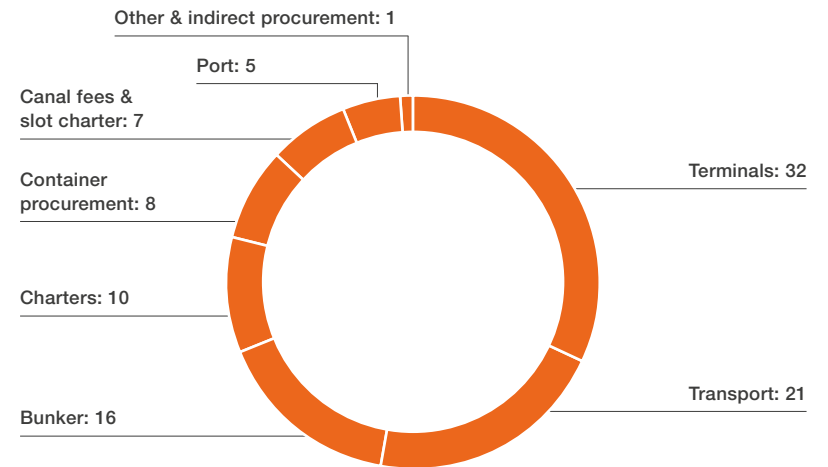
In order to be able to provide our customers with the best possible results and to safeguard our operations, we procure a wide variety of goods and services from suppliers around the world. Due to the significant financial and material scope of these purchases, the professionalism of our procurement management is a major factor in Hapag-Lloyd's success.

MANAGEMENT APPROACH¹ – 102-9

Hapag-Lloyd procures a wide range of goods and services. The majority of our procurement costs are attributable to services. The procurement of goods (excluding bunker) accounts for only a small percentage of the total volume. The portfolio of services procured includes shipments, terminal handling, repairs and maintenance, as well as training and consultancy services. The procurement portfolio also covers a wide range of products such as bunker, containers and container ships, replacement parts for ships and office materials.

¹ By the end of 2022, the full integration of the NileDutch Group into the operational processes and standards of Hapag-Lloyd is to be achieved. The sum of procured goods and services, the listing of procurement costs by usage and the following descriptions of the subchapter therefore only apply to a limited extent to companies of the NileDutch Group.

PROCUREMENT COSTS BY USAGE (IN %)



In 2021, we procured goods and services worth approximately EUR 12 billion.²

The basis for every purchasing decision is, on the one hand, the prevailing demand and market structures, as well as availability, quality and prices. On the other hand, with every procurement process we pay particular attention to the valid legal requirements, and particularly those specified by our Global Code of Ethics. [🔗](#)

² Excluding companies in charge of the maintenance and repair of containers, annual spend calculated in EUR using average foreign exchange rate

The significance of global supply chains in achieving a sustainability transformation has increasingly become the focus of our customers, NGOs and the legislature in recent years. This development has found its current peak in the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG). The law was passed during the reporting period by the German Bundestag and will mainly come into force in 2023. As part of a coalition of more than 60 German companies who have expressed support for legally mandated due diligence, we welcome this development.

Now that the content of the LkSG has been clearly defined, Hapag-Lloyd is currently preparing to ensure compliance with it across all departments by the time the law comes into force in 2023. Furthermore, sustainable supply chain management is fundamentally becoming the focus of our procurement activities and will continue to keep us busy in the coming year. In addition to increased cooperation within the company, Hapag-Lloyd also engages in dialogue with companies from other industries as a result of its membership in the Responsible Sourcing Council of the initiative “The Conference Board”. This platform has already hosted several virtual council meetings on topics such as science-based targets, human rights and supply chain legislation.

Procurement organisation

Hapag-Lloyd’s central Global Procurement organisation enables us to manage procurement optimally. Among other things, it is responsible for harmonising our global procurement processes and for training Procurement staff in modern procurement methods and systems, as well as in sustainability-related aspects of procurement. Activities relating to the maintenance and repair of containers are currently organised decentrally and are therefore not integrated into central supplier management.

Since the previous year, supplier management has been the responsibility of Global Procurement, which defines general supplier management processes. This ensures a consistent approach to supplier management. The specialist department also records supplier performance by means of continuous measurement and evaluation while taking into account various CSR criteria such as human and employee rights, safety standards, sustainability and environmental objectives.

Sustainable supplier management³

– 308/103, 406/103, 407/103, 408/103, 409/103, 414/103

Our goal is centrally managed, comprehensive and globally synchronised supplier management that is based on trusting and long-term relationships with our suppliers. Major factors in our approach include our Global Ethics Policy and our Supplier Code of Conduct, the QEM (Quality and Environmental Management) Manual and our Procurement Guidelines. Our QEM Manual establishes a standardised global approach for managing our suppliers in terms of quality and environmental protection. This enables us to create a consistent understanding among our suppliers of the basic values of our partnership. Practical measures aimed at increasing the sustainability performance of our supplier base include our structured selection and evaluation process, the development of suppliers, and the consideration of risks in the supply chain. Supplier evaluation is a major component of the active management of our supplier base.

Our supplier management strategy takes the following aspects into account:

- Compliance with human and employee rights
- Quality management
- Environmental management and sustainability
- Legal compliance
- Employee health and safety
- Subcontractors
- Data protection
- Operational aspects

Our supplier code of conduct covers aspects such as the environment, employee rights, compliance with human rights and combating corruption and bribery. Potential and active suppliers who participate in tendering processes, submit self-assessments or conclude framework agreements with Hapag-Lloyd are required to sign the code. This allows us to ensure that our active supplier base signs the supplier code of conduct.

³ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

Furthermore, a tool was introduced in 2021 to facilitate the ongoing monitoring of our suppliers. If there is an indication of human rights violations in the supply chain, this is clarified with the supplier. If necessary, an action plan is created to remove the risk to human rights. If this does not effect the required change, the supplier is blocked. We primarily base the assessment of our suppliers on self-disclosures from the suppliers as well as information from external sources. For approximately 500 of our largest suppliers, which represent 80% of the relevant procurement volume, we require a self-disclosure to be submitted every two years. This asks questions about subjects such as quality, compliance, employee aspects, the use of subcontractors, IT security and the environment. Hapag-Lloyd conducts supplier audits in alternating years, although neither its own nor external supplier audits could take place in 2021 due to the COVID-19 pandemic. For all other suppliers, the audits and self-assessments are optional.⁴ – 308-2, 414-2

Regular meetings with suppliers are also a fixed component of supplier management. After introducing virtual supplier meetings in 2020 due to the pandemic, we continued this format in 2021.

Our service providers regularly inform our Procurement team about how they tackle the environmental and social challenges within their field of business and distinguish themselves from the competition in terms of these topics. Port and terminal operators, for example, report on how they lower the diesel consumption of cranes, produce electricity in a resource-friendly way or reduce truck waiting times.

We have already achieved a very high degree of transparency with regard to CO₂ emissions for a number of suppliers and will continue to expand this in 2022 through our sustainability activities. The aim is to achieve seamless transparency as the basis for ongoing reductions in emissions. This information is used as part of the supplier assessment process.

Every year, we update our Approved Supplier List (ASL), which includes suppliers that fulfil our requirements. If discrepancies occur, we record them along with the relevant remedial measures. We provide suggestions for potential improvements in feedback discussions and create programmes for sustainable improvement in partnership with the suppliers. If these measures are not satisfactorily implemented, we reserve the right to terminate the contract.

We have implemented concrete internal requirements that go beyond this for individual procurement categories, taking into account sustainability criteria.

Introduction of a central software solution⁵ – 308-2, 414-2

We launched our eProcurement software in 2019, which is currently helping to expand the supplier assessment process by a 360-degree assessment. The software supplements our suppliers' self-disclosures with audit results and assessments by various internal stakeholders. This enables us to ensure an ongoing supplier assessment process that considers all parties involved.

The software covers the entire life cycle of a supplier relationship, from award of the contract and contract management to supplier management. All these processes can now be managed consistently worldwide via the software. It also helps with the definition and standardisation of quality, environmental and social aspects as procurement criteria. Additionally, it simplifies risk management by systematically recording and evaluating supply chain risks. The software also helps us to conclude contracts with more suppliers, thus significantly increasing commitment to our supplier code of conduct. In addition, the software assists with the implementation of a standardised requirement to provide a self-assessment or conduct an audit at the start of a business relationship, and helps improve partnerships with suppliers.

⁴ Refers to terminal, transport and port in the context of Global Procurement.

⁵ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

In order to further increase the transparency of our suppliers and to establish monitoring or evaluation of suppliers on a stable basis, new software was launched that facilitates global, AI-based web crawling for relevant news and information. We currently use the tool to track the latest developments of more than 1,000 high-volume suppliers, including with regard to sustainability. More than 140 employees have been trained in how to use the tool and use it regularly. In addition to detailed supplier profiles, daily emails with news or updates about suppliers represent an enormous gain.

Other developments in 2021 include the establishment of unified processes and criteria for supplier qualification, performance assessment and the monitoring of sustainability topics, increased optimisation of the operational partnership with suppliers (such as through terminal partnering) and the development of standard contracts for all major procurement categories. A comprehensive and system-based catalogue of requirement criteria with a more specific questionnaire was also created with regard to supplier self-disclosures. To verify self-disclosures and monitor compliance with contractual agreements, a standardised process was developed for supplier audits.

Our primary objective for 2022 is to make it possible to record and document all relevant processes via our eProcurement System in preparation for the Supply Chain Due Diligence Act (LkSG). In addition to existing tools such as self-disclosures, supplier assessments and audit questionnaires, the escalation process and action plan will also be depicted and documented via the system.

Sustainability standards in container procurement

Depending on the type of cargo, we offer our customers various types of containers: standard containers, containers for special cargo and reefer containers. As with our ships, we own our own containers (58%), and some are leased (42%). The containers we buy are generally manufactured in China in accordance with our specifications (including with regard to material used in the floors; see Subchapter Responsible use of resources) and quality requirements. From the second half of 2021, the painting lines in the factories that build reefer containers switched to using more environmentally friendly, water-based paints – just as dry containers switched over in 2018. This led to a shortage in production capacities for reefer containers, which we countered by placing orders early. We maintain a partnership with the manufacturers of our containers. This can involve visits by the technical team to the production facilities. We also require the container leasing companies to sign our supplier code of conduct and to provide regularly updated self-assessments.





CLIMATE AND ENVIRONMENTAL PROTECTION

Chapter contents

In the reporting year we sent the world's first large container ship retrofitted with a liquefied natural gas (LNG) propulsion system on a test run. The ship's motto "Shipping for a cleaner future!" symbolises the path we are taking in the area of climate and environmental protection. [More >](#)

Management approach – 301/103, 302/103, 303/103, 304/103, 305/103, 306/103

We see it as our responsibility to keep our environmental footprint as small as possible and to do our part towards protecting the climate and the environment. We do this through the implementation of high environmental and quality standards, as well as the introduction of more sustainable resources, such as liquefied natural gas (LNG) or bio-fuels. – NfR

Our actions are guided by our new sustainability strategy, which outlines our path towards achieving our goals in terms of environmental and climate protection. Shipping is currently the lowest-emission way of transporting goods globally. At the same time, it is our aim to use all possible means to minimise our CO₂e footprint even further and to make our contribution towards achieving the aims of the Paris Agreement. Within our sustainability strategy, we have defined the key aims and measures in the core areas of climate protection and reduction of emissions, protecting the environment and our seas, as well as the responsible use of resources. – NfR

EXTERNAL REGULATIONS (SELECTION) – 307/103

- **International Marine Organization (IMO):** Specifications on CO₂ emissions and sulphur content of bunker
- **International laws** on the prevention of greenhouse gases, such as the Montreal Protocol and the EU regulation on fluorinated greenhouse gases
- **Mandatory requirements for ships: EEDI¹** certification for energy efficiency, certifications on the prevention of oil, water and air pollution (including IOPP², ISPP and IAPP)
- **National requirements** regarding the use of onshore power in ports
- **EU MRV Maritime Regulation:** Serves to record, report and verify CO₂ emissions of ships with a gross tonnage of over 5,000 on journeys to and from ports in the European Union

Increasing efficiency in terms of energy use is of major significance with regard to climate change. However, we also see economic potential in the relevant innovative measures because higher efficiency also facilitates higher cost savings, which is highly advantageous in such a price-sensitive sector as shipping. The relevant regulatory requirements in terms of energy efficiency and emissions are also getting more stringent and could result in additional costs in the event of non-compliance, which we want to avoid. – NfR

1 EEDI = Energy Efficiency Design Index

2 IOPP = International Oil Pollution Prevention Certificate

The use of material resources plays a major role in shipping. This applies in particular to using the proper means for ship recycling, which is why we are a founding member of the Ship Recycling Transparency Initiative. The necessity of appropriate material use also applies in particular to containers.

Because our business activities take place primarily at sea, they influence marine biodiversity – particularly along our shipping routes and in our ports of call. – NfR

Nearly all of our ship management companies for our own ships are certified in line with the global environmental and quality management standards ISO 9001 and ISO 14001. For measures that we adopt at our certified sites and on board our own ships, we fulfil the relevant requirements and monitor their compliance within the context of globally defined processes and audits. – NfR

The responsibility for environmental management at sea and the relevant sites on land lies with the Regulatory Affairs and Sustainability unit (see Sustainability management, p. 46 et. seq.). – NfR



OUR COMMITMENTS – 102-12, 102-13

Beyond its own operational activities, Hapag-Lloyd is committed to a significant reduction in emissions and is a member of several organisations to this end, including the Clean Cargo Initiative, the Global Logistics Emissions Council (GLEC) and the EcoTransIT World Initiative (EWI) (see Sustainability management, p. 46 et seq.). – NfR

Furthermore, we support the objectives of the International Chamber of Shipping (ICS) and the Baltic and International Maritime Council (BIMCO) to reduce CO₂ emissions as part of the current negotiations by the IMO and the World Climate Conference. A member of the World Shipping Council (WSC) for many years, Hapag-Lloyd is represented by our CEO in its Management Committee. In addition, we also contribute our expertise to the committees of the European Community Shipowners' Association (ECSA) via the German Shipowners' Association. – NfR

Hapag-Lloyd is active in both the Annual General Meeting and in working groups that are investigating alternative propulsion technologies and issues relating to ship efficiency in the European Commission's European Sustainable Shipping Forum (ESSF). The ESSF discusses many topics with a view to further optimisation of the environmental impacts of commercial shipping. – NfR

Since mid-2020, we have also been a member of the EU Waterborne Initiative's Green Shipping Expert Group, which pursues the vision of climate-neutral maritime shipping. – NfR

We continue to actively engage with our memberships even during the pandemic, usually in the form of in-person and virtual meetings.

Climate protection and reduction of emissions



Reduce the CO₂e intensity (EEOI) of entire fleet by 30% by 2030 as compared with 2019

One major influencing factor in terms of climate protection is the operation of our fleet. Here, we pursue the aim of tangibly reducing our emissions through the efficient use of energy. Our long-term focus is on decarbonising shipping. – NfR

ENERGY USE AND ENERGY EFFICIENCY IN FLEET OPERATIONS – 302/103, 302-4, 305/103, 307/103

In order to make fleet operations as efficient as possible, we invest continually in energy efficiency, improvements to the network, and the optimal utilisation of ship capacity. The measures we have taken to improve our ships' consumption are reflected in their long useful lives. – NfR

POTENTIAL MEASURES FOR REDUCTION OF EMISSIONS

LOGISTICS & DIGITALISATION	HYDRODYNAMICS	FACILITIES	FUELS & ENERGY SOURCES
<ul style="list-style-type: none"> _ Ship size _ Capacity _ Port and terminal efficiency _ Network design 	<ul style="list-style-type: none"> _ Optimisation of hull design and propellers and rudders _ Hull coating _ Cleaning 	<ul style="list-style-type: none"> _ Engine improvements _ Waste heat utilisation and efficient energy generation on board _ Onshore power 	<ul style="list-style-type: none"> _ LNG _ Biofuel _ Power-to-X

CONNECTING THE WORLD ACROSS OCEANS – SUSTAINABLY

A look at the bunker consumption data provides evidence of the efficiency of our fleet: specific bunker consumption amounted to 2.4 t per slot in 2021 (previous year: 2.4 t per slot). Clear guidelines in the Ship Energy Efficiency Management Plan (SEEMP) ensure that our bunker consumption is kept as low as possible. We continually monitor compliance with these guidelines and communicate relevant changes to our ship management team in a timely manner. – NFR – 302-3

We make sure that our crews receive regular training. Training at sea ensures smooth processes and thus makes an additional important contribution towards increased efficiency. In 2021, we trained around 50 senior crew members in energy efficiency. We also provide our crews with training in other specific topics such as fleet monitoring, speed control, trim optimisation and reporting. – NFR

By continually monitoring the data from our ship operations, we are able to identify potential for improvement in the capacity utilisation of our fleet and can thus use energy more efficiently. We analyse the capacity of our fleet using various indicators including ship size, capacity utilisation rate and operational restrictions. This ensures that we make optimal use of the available capacity. By filling the additionally gained space with empty containers, we are also in a position to avoid “empty loaders”. These are ships that redistribute empty containers but do not transport cargo. Another step we took to ensure optimal use of on-board space was the improvement of unloading operations by means of additional software solutions and process optimisation. These actions also helped optimise energy consumption. – NFR

Our modern software solution allows us to provide standardised reporting for the entire fleet. We use this software to record fuel-related data such as quality, bunker supplies, daily consumption and event-related information such as arrival, departure, waiting times at sea and bunker processes. The software is accompanied by our digital route monitoring system, which helps us optimise route planning and keep our environmental impact and the amount of energy we require to a minimum. In order to record even more precise data, we retrieve information via high-frequency sensors and evaluate it appropriately. This data helps us operate the machinery that controls propulsion and energy generation in an energy-efficient manner. We aspire to apply this data more widely, also in



order to reduce the effort and error potential associated with manual data collection. – NFR

In 2021, we launched the “Feedback Dashboard” on board of all ships in the fleet. This enables the ship’s crew to monitor its consumption and performance in an interactive way. They can also compare the performance of their own ship with that of its affiliated vessels anonymously. This will increase transparency in shipping in the future and improve fuel efficiency because the entire fleet is covered by the tool. – NFR

Another opportunity to increase energy efficiency is afforded by reduction of the engine power required for propulsion. We achieve this by optimising the hydrodynamic design of the bulbous bow and propellers and by preventing fouling on ships’ hulls. To this end, we draw up ship-specific biofouling management plans and monitor fouling digitally so that swift action can be taken. In 2021, we were able to lower our fuel usage by approximately 13% just by removing the fouling on affected ships. Correspondingly, 25 ships were cleaned during the reporting period. – NFR

Repainting the ships can also increase their energy efficiency; this is done regularly, every five years. In 2021, we repainted 13 of our own ships and two chartered vessels. We always use coatings that comply with international regulations. – NfR

Specifications for newbuilds and modernisations

When building new ships or modernising existing vessels, we are guided by the latest technical efficiency and environmental standards. The Energy Efficiency Design Index is an internationally recognised method of evaluating and comparing the efficiency of newbuilds. The index puts the CO₂ emissions resulting from the power and specific fuel consumption of the engines in relation to the capacity and speed of the ship. Our newbuilds have always performed very well in the past; however, no new ships went into service in 2021. – NfR

In the course of 2022, we will subject our existing fleet of ships built before 2013 to certification for the newly introduced EEXI (Energy Efficiency Existing Ship Index), which will be mandatory for corresponding ships from 2023. On the basis of this certification, we will adopt measures to ensure that our ships comply with the requirements in 2023. – NfR

85 of our ships are also registered in the Environmental Ship Index (ESI), which evaluates a ship's environmental impact with particular regard to its emissions. Ships with an ESI score that is at least 20 points higher than the one specified by the local port authorities benefit from reduced port charges. The ships' performance is re-evaluated every six months. – NfR

Energy use in fleet operations

In fleet operations, bunker provides us with the most leverage for increasing energy efficiency. Bunker includes marine distillates and residual oils, with certain approved classes of ships also permitted to receive residual oils with internationally certified sustainable organic admixtures. Since 2021, liquefied natural gas (LNG) has been part of the Hapag-Lloyd bunker portfolio as standard. Given that the bunker types differ in their heating values, for example, we ensure that the fuels we procure have the highest possible energy content within a framework of strict technical and statutory selection criteria. This minimises costs and emissions (see Reduction in emissions, p. 71 et. seq.). – NfR

The COVID-19 pandemic, however, often negated any gains made in terms of efficiency during the reporting year. For example, being forced to make longer

stops in ports, or delays, which had to be countered with ships travelling at faster speeds. Many ports operated on a first come, first served basis, which also made planning much more difficult. – NfR

BUNKER CONSUMPTION (IN TONNES) – NfR – 302-1

	2021	2020
MFO (high sulphur)	349,278	247,933
MDO, MFO (low sulphur)	3,843,212	3,860,733
LNG	2,551	–
Total bunker consumption	4,195,041	4,108,666

EMISSIONS OF THE CONTAINER SHIP FLEET (1,000 TONNES CO₂e)* – NfR – 305-1, 305-3

Scope 1	Container ships	around 13,405
Scope 3	Upstream chain of procured fuels	around 2,273
Total		15,678

*based on bunker consumption, excl. land power

In order to calculate the emissions for producing and supplying fuels and also to take other greenhouse gases into consideration this year, a new set of emissions factors was used.

INNOVATIVE FUELS AND PROPULSION TECHNOLOGIES

– 302/103, 305/103

In order to achieve our objectives in terms of reducing emissions, we are increasingly relying on more sustainable fuels, such as liquefied natural gas (LNG). Biofuels also play an important role at Hapag-Lloyd as alternative fuel sources (Biofuels, see p. 70).

We cooperate with industry partners in the testing and development of our LNG systems. We also work with partners from the field of research and development – for example, with Kühne Logistics University in order to test and develop innovative forms of propulsion such as fuel cells (see Sustainability management, p. 46). We also share our experience and findings with research institutes such as the Hamburg University of Technology, Kiel University of Applied Sciences and other partners from industry. Finally, we also actively contribute to forums and technical committees, such as the STG (German Society for Maritime Technology) and the SGMF (the Society for Gas as a Marine Fuel). – NfR

LNG as a new mode of propulsion

After the relevant retrofits were completed in late 2020, the LNG propulsion on board the “Brussels Express” started as a pilot project during the reporting period. We benefit from the experiences made during the retrofit and during operations in order to continually improve LNG technology. To do this, we work with industrial partners such as MAN ES.

By using LNG as a fuel, we can reduce emissions of sulphur oxide, nitrogen oxide, particulate matter and CO₂. Our 15,000-TEU vessel the “Brussels Express” is the first container ship of this size in the world to be retrofitted to run on LNG. We expect this to reduce CO₂ emissions by 15 to 25% and to significantly reduce sulphur oxide and particulate matter emissions. – NfR

LNG is the subject of critical discussion due to “methane slip” (where methane escapes into the atmosphere). In order to minimise methane emissions on board, the main engine was equipped with a high-pressure gas injection system that enables the diesel motor to operate without significant methane emissions. To date, this technology is the only option available on the market for reducing methane slip during operations to this extent. This applies to the reporting period. – NfR

Due to its characteristic as a fossil fuel, we primarily consider LNG a bridging fuel. Nevertheless, liquefied gas is still a viable future propulsion technology because ships powered by LNG can operate on synthetic or biological methane in the medium term. Depending on how they are generated, these fuels can significantly reduce emissions to the point of even being climate-neutral over their life cycle. This includes the manufacturing process and their subsequent use on board. These fuels are, however, not available on a large scale and this is why we have not yet used them. We are therefore currently monitoring developments in this area with regard to a possible application for our activities.

– NfR

As in the previous year, we continued to use dual-fuel vessels for LNG in 2021. In 2023 and 2024, 12 newbuilds are set to go into operation with 23,500+ TEU in capacity each. Because the main engine will be equipped with a high-pressure gas injection system, the methane slip from the main engine can be reduced to practically zero. – NfR

Biofuel propulsion

We have been testing the use of biofuels since 2020. These are based on a biological raw material, such as used cooking oil, which is used to manufacture a fatty acid methyl ester (FAME), which is mixed with varying proportions of VLSFO.¹ In comparison to standard fuels, greenhouse gas emissions for biofuel are over 80% lower.² – NfR

Since 2021, our A19 class vessels are refuelled with biofuels in Rotterdam and we are evaluating how we can expand this refuelling method by considering additional ship classes and ports. One challenge, however, continues to be the procurement of biofuels. Because the global demand for biofuel is still very low in the maritime shipping industry, a constant supply of biofuel is currently only available at very few bunker ports. The complex requirements for small amounts of biofuel and completely segregated fuelling and supply chains for these sustainable fuels represent a considerable logistical challenge and higher costs for the suppliers. This has a significant impact on the purchase prices of biofuel, hampering the global competitiveness and availability of these sustainable fuels. Standard biofuels are also not yet available, meaning that a separate certification is required for each class of machine. Scalability is also limited; since cooking oils are finite resources, they cannot be used throughout the fleet.

We are striving to offer our customers transportation with biofuel as a commercial product from 2022 onwards.

¹ VLSFO = Very low sulphur fuel oil

² Upstream greenhouse gas emissions are taken into account

BIOFUELS INFO BOX – 302-1

- The fuel is a blend of VLSFO³ and FAME. Standard mixture ratios are 70:30 and 80:20.
- In 2021, we bunkered around 18,500 t of biofuels.
- The fuel is currently only available in a sufficient quantity at four ports: Rotterdam, Singapore, Fujairah and Jebel Ali.
- We only purchase biofuels with an ISCC certificate (International Sustainability and Carbon Certification). This ensures the reliable origin of the secondary raw material and its quality, while avoiding accounting for emissions twice.
- In 2021, two ship classes were certified for the use of specific biofuels. This means that 16 ships can now run in biofuel mode. In the next stage, we will strive for the certification of additional ship classes and parts of our charter fleet.
- We would like to have the process for determining the corresponding reduction in CO₂e emissions externally audited with limited audit assurance from the beginning of 2022.



³ VLSFO = Very low sulphur fuel oil

REDUCTION IN EMISSIONS – 305/103

The amount of bunker used and bunker quality have a major influence on emission levels later. – NFR


Greenhouse gas emissions – 305-4

In 2016, we set ourselves the aim of reducing specific CO₂ emissions per TEU-kilometre by 20% by 2020.⁴ With a reduction of 19%, we missed our target. Nevertheless, we believe that this reduction is significant in the period from 2016 to 2020. – NFR

According to the 2019 update to the Clean Cargo Initiative's calculation method, the specific CO₂e emissions for the entire fleet amounted to 62.25 g CO₂e per TEU-kilometre in 2020.⁵ According to the new method, we achieved a reduction of 2.6% between 2019 and 2020. – NFR

In this context, we determined new long-term goals for reducing the emissions of our fleet in our new sustainability strategy:

- Reducing CO₂e intensity (EEOI)⁶ of the entire fleet by 30% by 2030 compared with 2019; consistent with a 60% reduction for our own fleet according to AER⁷ by 2030 as compared with 2008⁸
- Net zero greenhouse gas emissions for the entire fleet by 2045 by using alternative fuel sources – NFR

In order to meet our customers' requirements for more transparency throughout the supply chain, we provide the free EcoCalc tool  for their use on our website. It provides an insight into emissions values along the transport chains.

4 Based on the calculation method of the Clean Cargo (CC) Initiative using absolute tank-to-wheel CO₂ emissions factors with a nominal tradelane capacity of 100%.

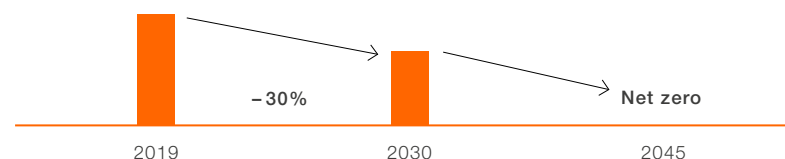
5 The specific CO₂ equivalent emissions based on the CC method relate to 2020. From 2019 onwards, Clean Cargo transitioned from using absolute tank-to-wheel CO₂ emissions factors to well-to-wheel CO₂ equivalent emission factors for all fuels, changing from a nominal tradelane capacity of 100% to an average of 70% for all carriers and tradelanes. As a result, the new emissions values are higher. The value for 2021 was not yet available at the copy deadline, as the external calculation was conducted downstream.

6 EEOI = energy efficiency operational indicator

7 AER = annual efficiency ratio

8 According to the definition in the Hapag-Lloyd Sustainability Linked Bond Framework (<https://www.hapag-loyd.com/en/company/ir/creditor-relations/green-finance.html>).

PLANNED REDUCTION OF CO₂e INTENSITY



Air pollutants – 305/103, 303/103, 303-2

Fuel combustion by the fleet releases air pollutants, particularly nitrogen oxides (NOx) and sulphur oxides (SOx). Hapag-Lloyd aims to reduce these emissions and complies with the legal requirements, such as the IMO's threshold of 0.5% or 0.1% sulphur content in bunker. We primarily meet these legal requirements by procuring bunker with a low sulphur content. Other measures include, where possible, retrofitting ships for dual-fuel propulsion, as well as equipping our vessels with exhaust gas cleaning systems, known as scrubbers. – NFR

14 of Hapag-Lloyd's own ships currently have hybrid-ready scrubbers. By opting for quickly convertible hybrid-ready systems, we are countering the increasing number of national and regional bans on the currently predominant open-loop technology, which we also use. In open-loop operation, the scrubbers release the wash water at sea. This complies with the pH and residue levels stipulated in IMO's MARPOL Annex V.⁹ We maintain a constantly updated list of territories in which open-loop operations are banned. – NFR

Laboratory analyses in 2021 determined an average weighted sulphur content of around 0.6% for around 99% of our fuel delivery (previous year: 0.5%). – NFR

The percentage of bunker consumed with a low sulfur content (MFO low sulphur 0.1% and 0.5% MDO) and Liquefied Natural Gas (LNG) decreased slightly from around 94% in 2020 to 92% in the 2021 reporting year. – NFR

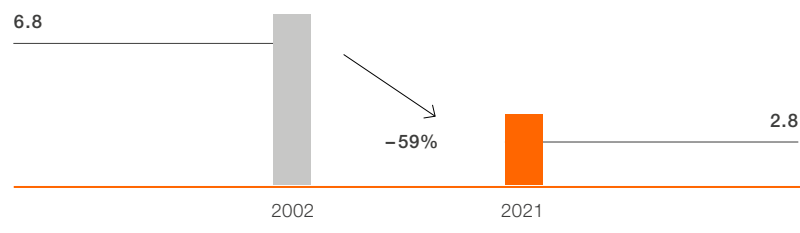
9 International Convention for the Prevention of Marine Pollution from Ships

MORE SUSTAINABLE REEFER CONTAINERS – 302/103

Cooled goods are transported in reefer containers, which are equipped with an electrical unit that can keep the container at a steady temperature of between –30 °C and +30 °C. Hapag-Lloyd has a reefer fleet comprising a total of around 278,950 TEU (2020: 233,200 TEU). – NfR

We have only been using units with high energy efficiency ratings for many years now. By continually modernising our reefer fleet with extremely energy-efficient units, we have been able to continually reduce energy consumption. We conduct our own efficiency tests to determine the energy consumption of individual reefer units. As a result, the average energy consumption per 40-foot reefer container has decreased in the last 19 years, from 6.8 kWh/unit (2002) to 2.8 kWh/unit in the reporting year. – NfR

AVERAGE ENERGY CONSUMPTION PER 40-FOOT REEFER CONTAINER (IN KWH/UNIT) – NfR



We are also boosting our energy savings with software solutions that enable us to optimise temperature logging, for example. Because its use currently still poses a risk to the cargo, however, we have not yet been able to roll out these solutions comprehensively, but we are in constant contact with the manufacturers.

ENERGY SUPPLY WHILE SHIPS ARE DOCKED – 302/103, 305/103

Docked ships generally use bunker fuel to cover their energy requirements. Wherever it is possible on board and on land, we use onshore power instead of bunker. This helps to reduce local emissions of air pollutants in the ports.

In California, 80% of the energy supply has had to be covered by onshore power since 2020, and from 2023, this figure will rise to 100%. This regulation has led to significant improvement in the local air quality. There has also been an obligation in place since 2019 in China for ships with the relevant infrastructure to use onshore power.

In order to meet these requirements, we are gradually retrofitting our ships for the use of onshore power. In the reporting year, 11 of our own ships and ten charter ships were compatible with onshore power and operated on routes with Californian ports. – NfR

ENERGY SUPPLY AT OUR SITES – 302/103, 305/103

We set ourselves site-specific targets throughout the world, such as minimising absolute or specific energy consumption in order to generally reduce our energy use and emissions locally. At our Hamburg headquarters, 100% of our electricity comes from renewable energy sources.

Marine biodiversity

– 102-11, 303/103, 303-1, 303-2, 304/103, 304-2

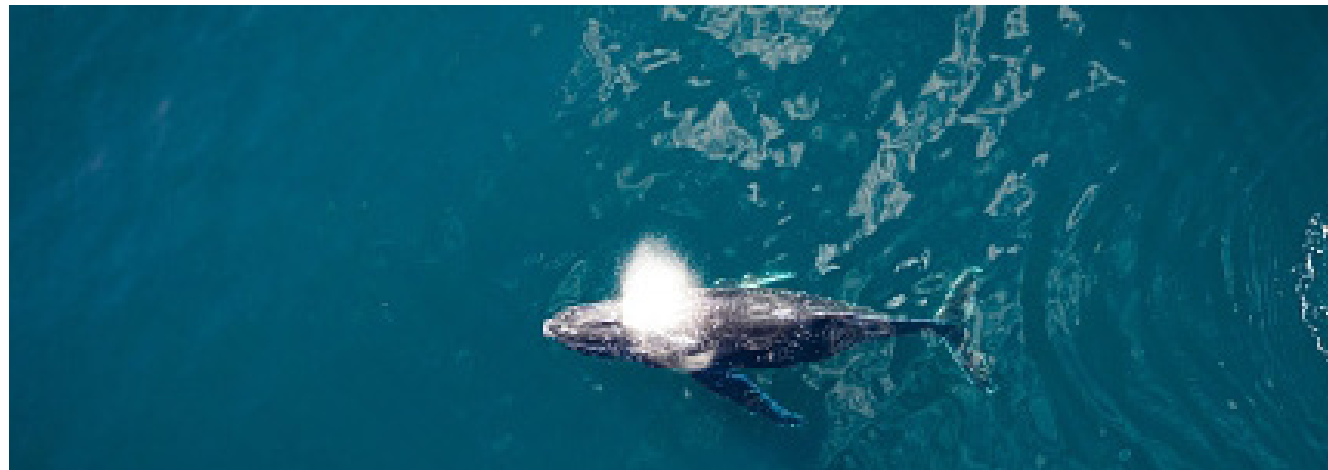
As a global liner shipping company, we have an impact on marine ecosystems. We want to keep this impact as low as possible and protect life under water and on land to the best of our ability. – NfR

We have anchored our aims to help protect marine ecosystems in our new sustainability strategy:

- No breaches of the convention on damage from ballast water and the substances released by our fleet
 - Our own ships and charter vessels are to operate at consistently high environmental standards as far as legally possible
- NfR

PROTECTION OF WATER AND MARINE BIODIVERSITY – 307/103

Our business activities have an impact on marine biodiversity in a variety of ways. These include the emission of air pollutants, greenhouse gases and noise, and the disturbance of marine mammals. The main areas affected are along our routes and in the ports. Our goal is to protect the waters we navigate as effectively as possible, and to comply with international regulations on water protection through specific measures and our cooperation with industry members, authorities and NGOs. – NfR



Hapag-Lloyd takes responsibility for protecting the waters it navigates and has implemented water protection management systems. Our internal “no garbage into the sea” policy serves as a guideline. The objectives of our sustainability strategy also contribute to this SDG.

EXTERNAL REGULATIONS (SELECTION) – 307/103

- **International Maritime Organization (IMO):**
Ballast Water Management Convention and the MARPOL Convention for the Prevention of Pollution from Ships
- **US Coast Guard (USCG):**
Regulations for the protection of American waters

We have implemented water protection management systems on board of our ships. They comply with the requirements of the International Convention for the Prevention of Pollution from Ships (MARPOL) and the regulations on ballast water management. – NfR

A multi-layered regulatory set comprising international and national laws provides the legal framework to prevent substances up to and including invasive species from being introduced via ballast water. This broad framework covers MARPOL such as oil discharges up to and including the international ballast water convention, in turn including national laws. A regime to monitor compliance with the laws involves globally established port state controls, as well as our internal auditing system. This includes controls of documents like the oil waste log, ballast water documentation and the ship's waste log. – NfR

At the end of 2021, an incident occurred in Rotterdam where a barrel of hydraulic oil fell between the ship and the pier, smashed on a fender and spilled its contents. The spilled oil was removed from the surface of the water by an external service provider. The clean-up operation was monitored and controlled by the port authorities. – NfR

Prevention of the spread of invasive species

One side effect of releasing ballast water is the spread of invasive species far from their native regions. This may throw marine ecosystems off balance. The International Maritime Organization's (IMO) Ballast Water Management Convention is one of the most important regulatory frameworks helping to prevent the spread of invasive species via ballast water. The convention requires the implementation of a specific ballast water management – a requirement that the

entire Hapag-Lloyd fleet meets in full. In addition, a ballast water treatment system to purify ballast water must be installed on every ship within a mandatory time period. – NfR

Regulations for the protection of native waters vary from region to region. One of the strictest regulatory frameworks falls under the sovereignty of the US Coast Guard (USCG). We are working towards being able to meet the stricter requirements on board of our ships by 2023. During the reporting period, we retrofitted a total of 28 ships to the high USCG standard. – NfR

We also continued our dialogue as part of the GloFouling project of the IMO, the United Nations Development Programme (UNDP) and the Global Environment Facility (GEF) in the reporting year. The joint objective is to reduce the spread of invasive aquatic species. – NfR

PROTECTING MARINE MAMMALS – 102-12, 102-44, 304-4

We are involved in a large number of partnerships and projects that aim to protect maritime biodiversity (see Memberships and commitments, p. 58 et seq.):

In order to prevent collisions with whales, we adhere to the binding regulations on speed limits and "Areas to be Avoided" (ATBAs). – NfR

Hapag-Lloyd is active in the World Shipping Council (WSC) and commits to establishing the traffic separation scheme off Sri Lanka's southern coast in order to protect blue whales on their migration routes. We also support the "Protecting Blue Whales and Blue Skies" programme and the ECHO Program in the Haro Strait (USA/Canada) for the protection of orcas. The projects are being scientifically supported by the National Oceanic and Atmospheric Administration (NOAA). – NfR

Protecting Blue Whales and Blue Skies programme

For the fifth year in a row, we have taken part in this programme, which advocates the reduction of air pollution along the California coast and the protection of endangered blue, humpback and fin whales. Reducing sailing speeds from May to November helps to reduce air pollutants in the San Francisco Bay and the Santa Barbara Channel and helps prevent potential collisions with whales.

– NfR

ECHO Program

This research project is dedicated to reducing underwater noise pollution. We are supporting it by providing operational data and technical information. This is analysed for underwater sounds and then used to help develop guidelines for the construction of propellers. – NfR

OTHER PARTNERSHIPS FOR THE PROTECTION OF THE MARINE ENVIRONMENT – 102-12, 102-44, 304-4

Arctic Shipping Corporate Pledge

In October 2019, Hapag-Lloyd was one of the first signatories of the voluntary commitment created by the Nike sportswear manufacturer and the Ocean Conservancy environmental organisation to avoid Arctic shipping routes. We pledge to avoid the use of Arctic shipping routes so long as serious negative impacts on its unique ecosystem cannot be ruled out. – NfR

During the reporting period, we also participated in the Shenzhen Green Ports Program (China), the EcoAction Program in Vancouver (Canada), the Voluntary Vessel Speed Reduction Program in Los Angeles (USA) and the Green Flag Incentive Program in Long Beach (USA). – NfR

**CONNECTING
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ACROSS
OCEANS –
SUSTAINABLY**



The responsible use of resources

– 301/103, 306/103, 306-1

76 Responsible use of resources

The use of resources and materials plays a decisive role particularly with regard to the circular economy and the relevant recycling processes. We have enshrined the topic of resource protection in our sustainability strategy. As a result, we will specifically monitor the efficient use of resources, waste avoidance and recycling in future.

Various materials are required for marine operations. Materials such as steel and non-ferrous metals are of particular relevance to us because they are used to construct a large proportion of our ships and containers. However, materials such as ropes, cables and food waste, as well as how we use water and handle effluents, are also highly significant.

Our containers are made from a variety of materials, such as wood, bamboo and steel – often in combination. The smallest proportion of container floors are made of pure bamboo, while the majority are hybrid floors combining bamboo and wood. However, in our view, hybrid floors are a transitional technology due to their shorter durability, relatively high weight, and costly disposal. We prefer to use our own internally developed containers with steel floors. They offer many advantages compared with conventional floors such as greater stability, lower weight, greater storage space and more security options for the cargo. They can also be

recycled easily. As a result of the impact the pandemic had on supply chains, as well as the general increase in demand for containers, it was not possible to procure standard containers with steel bases in 2021. However, 5,100 TEU special containers with steel floors were constructed and delivered in 2021. The containers purchased in 2021 increased the volume to a total of 62,600 TEU with steel floors, which corresponds to around 2% of containers that can be fitted with steel floors. – 301-1

Our cables are made from plastic and are fed back in to the materials cycle at the end of their useful lives. Food waste from our crews on board are kept to a minimum thanks to careful planning when procuring provisions and economical food preparation.

Resource conservation – 306-2, 307/103

As part of our sustainability strategy, we have also defined measures for the efficient use of resources and/or reducing waste and for recycling. This is already anchored in the tradition of ship's operations. The principle of "make do and mend" applies here and we strive to achieve the longest possible useful lives for materials and components – it goes without saying that safety and seamless operations come first.

CONNECTING
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SUSTAINABLY

EXTERNAL REGULATIONS (SELECTION) – 307/103

- **EU SRR (Ship Recycling Regulation):**
Requirements for the recycling of ships
- **IHM (Inventory of Hazardous Materials):** An inventory of hazardous materials that must be kept on board every ship

According to the IHM (Inventory of Hazardous Materials), it has been mandatory since 2021 for all ships to maintain a list of any hazardous materials used, including any materials already installed. In order to guarantee compliance with this regulation, we have had our fleet audited and certified by an external service provider.

RECYCLING AND WASTE DISPOSAL – 304/103, 306-2

The use of materials and recycling are key topics for us with regard to our fleet. In terms of ship recycling, but also regarding other waste, we always comply with legal requirements in terms of disposal.

Ship recycling

We take responsibility for our ships – from their construction to their recycling. Our Hapag-Lloyd Ship Recycling Policy requires an Inventory of Hazardous Materials (IHM) in line with applicable EU law, with which each newly built ship at Hapag-Lloyd must be equipped. In this way, we want to minimise the effects on society and the environment when it comes to recycling our ships as well. We also comply with the requirements for ship recycling as set out in MARPOL.

Hapag-Lloyd is a founding member of the Ship Recycling Transparency Initiative (SRTI), which calls for environmentally friendly ship recycling under safe working conditions. In order to increase the scope of the initiative, we are also active in its steering committee. – 102-12

We did not recycle any of our ships in 2021. If a ship is to be recycled, we strive to select shipyards that fulfil the requirements of the EU Ship Recycling Regulation (SRR).

Handling water and effluents

Both fresh water and drinking water are required on board ships. Fresh water is obtained using sea water evaporators and used for purposes such as cleaning, while drinking water for the crew must be procured. Waste water disposal complies with MARPOL Annex IV on board and with local legal requirements on land.

– NFR

Disposal and recycling of other waste at sea

Hapag-Lloyd's "No garbage into the sea" policy has been a reality for decades since preventing waste from entering the world's oceans is a major topic for the shipping industry. As such, all waste generated on board our ships is collected, separated and handed over for environmentally friendly disposal in the port. According to the legal stipulations of MARPOL, only kitchen waste generated on board may be shredded and disposed of at sea.

The handing over of waste to the companies responsible for this in the ports is documented on board. However, local requirements may prevent proper disposal. For example, separated recyclable waste often cannot be handed over for recycling in EU ports because it would be classed as waste from non-Member States. We find this regrettable and hope that the relevant regulations can be improved.



All waste on board is logged by category every day. There are special oil waste logs for used oil. This data is not currently pooled centrally but this is in the pipeline for the entire fleet.

– 306-3

We are always searching for ways to reduce waste on board, for example when it comes to packaging. However, this often conflicts with hygiene requirements, which is why we have not yet been able to implement any water dispensers for drinking water, for example. We are currently checking the benefits of using larger water containers. We are also committed to globally practical solutions in order to avoid plastic waste on board (particularly plastic bottles) through the BIMCO.¹

Disposal and recycling of other waste on land

After the end of their useful lives, containers are sold for other uses, such as for transportation or storage.

We are also working towards avoiding waste at our sites to the extent possible. Corresponding measures are site-specific and the disposal of waste is in compliance with local laws. When it comes to the responsible use of resources, we are also in dialogue with stakeholders and held discussions during the reporting period with suppliers about the potential for reducing packaging waste – of course with the proviso that quality assurance for the goods to be transported, such as provisions or replacement parts, could be maintained.

¹ Baltic and International Maritime Council



EMPLOYEES

Chapter contents

Providing our employees with an attractive work environment is important to us. We want to ensure that we continue to do so in an increasingly agile and digital workplace – and for this reason we are continuously developing as an employer. [More >](#)

Management approach – 401/103

It is important to us to act in a way befitting a responsible and attractive global employer. In doing so, our priority is ensuring a healthy, safe working environment for our employees. We continually evolve and set ourselves new targets, which we have set out in Strategy 2023. Digitalisation is a decisive factor for Human Resources in order to satisfy the requirements of increasingly complex employee issues – from hybrid working and virtual training sessions to the digital documentation of feedback meetings.¹ – NfR

Together with our employees around the world, we want to embody a positive, mutually beneficial corporate culture. This is what guides us in our day-to-day work so that we can give our all for our customers. We continue to refine our corporate culture through Strategy 2023. This includes investing specifically in the training and further education of our skilled workers and managers, as well as in the professional and personal development of young talent. Key elements of Strategy 2023 are also digitalisation and agility. Hapag-Lloyd wants to efficiently drive growth, development and employee management through the use of digital processes. In 2020, the HR department developed a global strategy with six core topics pertaining to personnel: HR Digitalisation, Dialogue and Engagement, Future Way of Working, Change Management, Global Employer Branding and Future Leadership.² – NfR



In 2021, the ongoing pandemic situation and the associated requirements and restrictions have continued to keep the whole company and its employees on edge. Our sites were affected to varying degrees. In some countries, almost all of our employees are working from outside the office. For example, in Germany, office attendance at Hapag-Lloyd AG was close to a mere 15% at the end of the reporting period. In our Global Service Center in India, almost all of our employees were also working remotely during the second and third waves of COVID-19. – NfR

1, 2 The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

Flexibility and innovation have been essential for us to respond effectively to the challenges posed by the pandemic – particularly with digital solutions. IT-supported communication tools help to ensure a safe partnership, whether it's in the office or from home. We are continually working towards digitalising our advanced training measures.³ – NfR

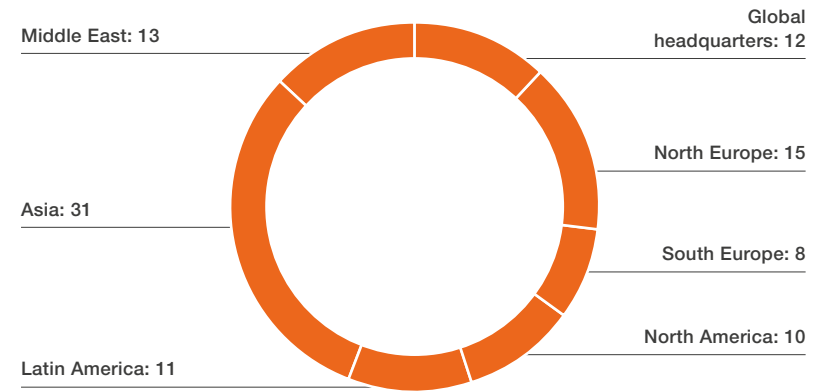
During the reporting year, our marine personnel were once again affected by the measures to contain the coronavirus pandemic. Crew changes proved particularly challenging. Thanks to the commitment of our employees, however, they were able to take place more regularly than in the previous year. One major hurdle continues to be the wide regional variations in travel restrictions, for example, the differences in quarantine requirements. The replacement of our Indian and Filipino crew members was particularly difficult, partly resulting in some psychological strain. With regular weekly updates on the pandemic situation and the planned crew changes, we were able to actively counter this and strengthen the crews' confidence with regard to the replacement process. The replacement of our European crew members was carried out on schedule. – NfR

HUMAN RESOURCES MANGEMENT ORGANISATION

The Global Human Resources (Global HR) division manages our shore-based personnel from the company headquarters. It supports the regional units' own HR activities and ensures that there are globally uniform standards for employee issues to the extent possible. In close partnership with Global HR, these standards are implemented wherever it makes sense and is necessary from a strategic or operational point of view – for example, when it comes to developing new young employees. Human resources management instruments are also consistent. This includes regular dialogue with our employees, which follows the same structure in every country. In order to ensure a fundamental, global understanding of consistent structures for employee issues, there are also binding remuneration principles, level structures, our Global Mobility Policy and our company-wide Code of Ethics.⁴ – NfR

The area of Marine Human Resources and Ship Management Dubai are responsible for the majority of our marine personnel. Marine Human Resources manages ships under the German flag. Both units conduct training and further education for their employees. – NfR

DISTRIBUTION OF SHORE-BASED PERSONNEL BY REGION* (IN %)
– 102-8



* As at 31 December 2021 – excluding apprentices

As part of our global HR strategy, which was published in 2020, we are developing our human resources management for shore-based personnel. As such, Global HR takes part in regular internal and external audits in order to identify and implement potential improvements.⁵

3, 4, 5 The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

The results of a 2020 survey of major internal customers and on-shore employees from the specialist departments enabled us to identify further topics in 2021, which we are currently working through. The main focus is on our digitalisation initiative, the Future Way of Working@Hapag-Lloyd project and our performance management. Key projects helped us record our first successes during the reporting period. For example, we launched a global hybrid working model, taking into account the regional epidemic situation. The Global Staff Dialogue annual meeting was also adapted technically and in terms of content and will be updated this coming year.⁶ – NfR

STAFF STRUCTURE – 102-8

In 2021, Hapag-Lloyd employed around 14,100 people (2020: around 13,100 people), 12,142 on land and 1,964 at sea. 12% of our employees on land⁷ are based in the global headquarters, 15% in North Europe, 8% in South Europe, 10% in North America, 11% in Latin America, 31% in Asia and 13% in

the Middle East. For structural reasons, Africa also falls under Region Middle East.

We only employ a low number of temporary third-party workers. Our employees at sea include permanent employees in our own fleet who are supported by Ship Management Hamburg and Dubai as well as employees with fixed-term contracts who are hired by employment agencies. A small number of employees on Hapag-Lloyd's own ships are not covered by these types of employment contracts, such as service engineers or external apprentices who are gaining practical experience on board.

Globally, more shore-based personnel either handed in their notice or had their contracts terminated than in the previous year. There was also an increase in staffing numbers, among others due to the integration of former NileDutch employees.



⁶ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

⁷ Excluding apprentices

No contracts for marine personnel were terminated in 2021 as a result of the pandemic, nor were permanent European marine personnel subject to short-time working. In place of short-time working and to manage the challenges posed by the pandemic, Hapag-Lloyd AG in Germany made working hours even more flexible.

We offer shore-based apprenticeships and positions for combined vocational training and degree programmes. There have been slight increases due to the additional IT training schemes.

NUMBER OF EMPLOYEES (2021) – 102-8

ON LAND AND AT SEA

	Hapag-Lloyd Group	Hapag-Lloyd AG
On land	12,142	2,610
of which apprentices	145	106
At sea	1,964	1,238
of which apprentices	96	93
Total	14,106	3,848

As at 31 December 2021

NUMBER OF TEMPORARY THIRD-PARTY WORKERS (2021) – 102-8

	Hapag-Lloyd Group	Hapag-Lloyd AG
On land	346	120
At sea	0	0

As at 31 December 2021

EMPLOYEES BY DIVERSITY CRITERIA (2021)

BY GENDER ON LAND AND AT SEA (IN %) – 405-1

	Hapag-Lloyd Group	Hapag-Lloyd AG
On land		
Women	45	43
Men	55	57
At sea		
Women	1	2
Men	99	98

As at 31 December 2021 – excluding apprentices

BY AGE STRUCTURE (IN %) – 405-1

	Hapag-Lloyd Group	Hapag-Lloyd AG
Younger than 30 years of age	27	17
Between 30 and 50 years of age	57	60
Older than 50 years of age	16	23

As at 31 December 2021 – shore-based and marine personnel, excluding apprentices

Employee recruitment and retention

Hapag-Lloyd is a well-established and respected employer that has continued to reinvent itself throughout its company history. We counter current challenges, like the lack of qualified candidates, with attractive remuneration and an extensive employee benefit programme. We responded to the COVID-19 pandemic by creating a more flexible working environment so that we can also offer contemporary working models in this regard. Hybrid working is now firmly anchored in our HR strategy.¹

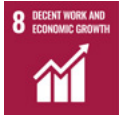
As an international company, we are committed to a range of regulations with regard to health and safety, security and employee remuneration.

You can find information about COVID-19-specific health and safety regulations in the Health and safety chapter (p. 96).

¹ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

EXTERNAL REGULATIONS (SELECTION) – 102-13

- **Maritime Labour Convention (MLC):** Regulations regarding working conditions and health and safety, for example
- **Guidelines of the International Transport Workers' Federation (ITF):** Specifications by the trade union with regard to working conditions, health and safety and remuneration (voluntary)
- **Collective bargaining and wage agreement** for the Hamburg Transport Industry (for German sites of Hapag-Lloyd AG)
- **Collective wage agreement and seafarers' collective bargaining agreement** (for German seafaring staff)
- **International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW)**



Hapag-Lloyd contributes towards SDG 8 with its attractive working conditions, such as fair remuneration and measures to reconcile career and family life. Through works councils and other forms of co-determination, employees are involved in key decision-making processes and contribute their own ideas and suggestions.

EMPLOYEE RECRUITMENT – 401/103, 404/103

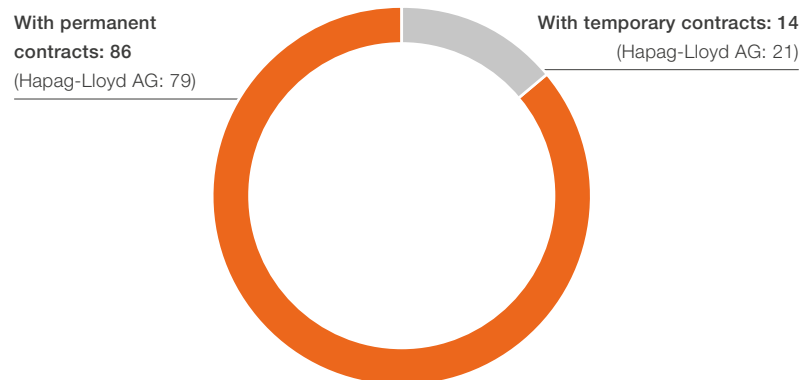
In terms of the recruitment of shore-based personnel, the shortage of specialists poses a major challenge for us. In many places, such as the US, Canada and Germany, it is becoming more and more difficult to find highly qualified staff. This primarily affects the areas of IT and the analytical professions. There are slight variations in the regional companies. For example, Europe is also seeing a shortage of qualified customer services staff.

Contract/takeover offers were made to the employees of NileDutch, most of whom accepted them. – NfR

EMPLOYEE RETENTION – 401/103

In addition to framework agreements such as collective bargaining agreements, we are boosting employee loyalty to Hapag-Lloyd through various measures that are explained below.

EMPLOYEES BY CONTRACT TYPE (IN %) – 102-8



As at 31 December 2021 – marine and shore-based personnel, excluding apprentices

Fair wages and salaries

Paying our staff a fair wage is anchored in our Global Code of Ethics² and is a matter of course for us (see Compliance, p. 30 et seq.). Remuneration is paid at market rates in line with employees' duties and performance, regardless of their gender or other characteristics. – 405/103

We are a member of the employers' association Hamburg Shipowners' Association (Verein Hamburger Rheder). This collective bargaining association concludes the collective bargaining agreements for employees of the Hamburg Transport Industry, i.e. the employees at our headquarters. Collective bargaining agreements for shore-based employees of Hapag-Lloyd AG in Germany include minimum requirements for working conditions and salaries. As per Section 5 (3) of the German Works Constitution Act (BetrVG), senior executives are not covered by these agreements. – 102-13

Our marine personnel are covered by independent pay agreements which we conclude through our membership in the collective bargaining association of the German Shipowners' Association (VDR) in coordination with the International Transport Workers' Federation (ITF). We also apply all regulations of the Maritime Labour Convention (MLC), thus going far beyond the legal minimum requirements. In Germany, the seafarers' collective bargaining agreement, which was increased in 2021, also applies to marine personnel on ships registered under the German flag. We also grant employees on ships registered under the German flag profit-sharing and anniversary bonuses.

Around 59% of all employees (Hapag-Lloyd AG: around 95%) are covered by collective bargaining agreements (as at 31 December 2021). – 102-41

Social benefits

Another important instrument for employee retention is attractive social benefits for our shore-based personnel – additional voluntary health and accident insurance as well as pension and life assurance options.

² The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

We also provide additional benefits for our marine personnel. Crews on ships registered under the German flag receive permanent contracts and are entitled to capital-forming benefits. Senior staff receive an employer contribution towards sick pay. For ships under non-German flags, the social benefits are arranged by the relevant company or agency responsible for ship management.

Hapag-Lloyd AG's staff in Germany benefit from capital-forming benefits and subsidised public transport tickets. We also provide paid leave in certain situations such as after the birth of a child or the death of a family member. Employees who find themselves in financial difficulties can rely on support from the Präsident-Achelis-Elisabeth-Wiegand Foundation.

There are additional extras for our employees in the regional companies, such as a cycle to work scheme or meal vouchers. Depending on the region, Hapag-Lloyd also contributes to pension schemes, private health insurance or offers free health check-ups. There are also sports courses and gym discounts for employees.

One of the pandemic-related services was a vaccination scheme, which we were able to offer to our employees and their family members in many regions of the world. A vaccination campaign is under way for our marine employees, which is partly organised by the ports – in the US, for example. In Hamburg, we successfully campaigned with the health authorities for our seafaring staff to receive a vaccine early. – 403-6

Work-life balance – 401/103

Helping our employees achieve a healthy balance between work life and home life is important to us. We offer the option of attractive working time arrangements if this is legally possible and compatible with work processes.

Due to the pandemic, hybrid working has become the new normal. It helps us to ensure the health and safety of our shore-based personnel. School closures and home schooling were a major source of stress to many families at the height of the pandemic. With more flexible working hours and mobile working, we were able to provide the necessary support here. New types of partnership, particularly in a virtual setting, are part of how we see ourselves as a modern, flexible employer.

The “Voioo” virtual childcare programme was tested by Hapag-Lloyd AG employees in Germany. Offered by an external service provider, this programme served to ease the pressure on parents and support them while they were working from home. The children were supervised in various group sizes and different age groups. In addition to supporting the children's education, a wide range of active and virtual services were available and could be used flexibly at different times of day. At the end of the reporting period, 125 employees had signed up for 900 services. Due to the positive feedback received, Hapag-Lloyd extended the “Voioo” contract for a further two years after the end of the reporting period.

Balancing family life and career is a long-term priority for Hapag-Lloyd and part of its HR strategy. Our Future Way of Working@Hapag-Lloyd project lays the foundations for a better work-life balance throughout the company. Our hybrid working model gives shore-based personnel the option of working from home up to twice a week. At the moment, the model is still being influenced by the requirements resulting from the pandemic. Over the long term, we want to live up to the changing requirements of our employees and create autonomy from the workplace.³

Part of the Future Way of Working@Hapag-Lloyd project is creating the necessary infrastructure. This includes modern IT equipment and modern office concepts that can gradually be integrated throughout the company.⁴

Despite our programmatic ambitions when it comes to making the workplace more flexible, we were delighted to be able to welcome our Hamburg-based employees back to our headquarters in person in the summer of 2021. During our “Welcome back to the office” days, we welcomed our team and used the time to discuss the issue of what the new normal could look like in a series of workshops. This dialogue continues to take place virtually. Colleagues from a range of areas share posts on how to optimise working from home, for example with the use of our seminars or digital communication with the team.

3, 4 The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

The working conditions of our marine crews differ from those of our shore-based personnel. Long absences, separation from families, irregular working hours, seven-day working weeks and limited leisure options: we try to counter these specific challenges, for example with shore leave, leisure opportunities on board and – where possible – internet access at sea. We voluntarily base our practices on Marine Labour Convention guidelines regarding minimum standards for working and resting periods, overtime, meal provision and shore leave. To support crew welfare among our marine personnel, we also organise events, provide bereavement assistance and ensure health care on board. In addition, family members of the crew, such as spouses, partners or children, are generally allowed to travel on board with them. During the reporting period, this was not possible due to changes in safety precautions resulting from the COVID-19 pandemic. Crew members on ships under the German flag were able to take special leave in order to help care for their children.

We introduced flexitime and relatively short deployment times on our ships under the German flag; Ship Management checks compliance here through the use of time accounts. Where possible, we also consider personal requests when drawing up our rosters.

During the reporting period, we launched other services to help support our crews during the COVID-19 pandemic as effectively as possible. In order to make the sometimes lengthy periods on board more interesting, additional events were organised. Each crew member was also able to use unlimited internet volume, for example for video calls. We introduced multimodal stress management tools for our employees back in 2020 as a way of helping them to deal with psychological stress. In the event of emergencies or traumatic experiences, our marine personnel are supported via post-emergency procedures with phone counselling in several languages – a topic that became even more significant as a result of the COVID-19 pandemic. As a result, we launched a process for addressing post-traumatic stress disorder in 2021, which comprises various points of contact and applies to our own entire fleet.

The guidelines for employees' potential deployment abroad is our Global Mobility Policy. Deployed staff are provided with professional support and advice during their placement abroad. We have high standards in terms of remuneration and social benefits, and provide adequate safeguards. Family members who will be joining the staff member are also taken into account via our Global Mobility Policy. We facilitate "look and see" trips so they can prepare for the placement.⁵

EMPLOYEES ON LAND AND AT SEA

EMPLOYMENT TYPE (IN %) – 102-8

	Hapag-Lloyd Group	Hapag-Lloyd AG
Full-time	96	89
Part-time	4	11

As at 31 December 2021 – excluding apprentices

ON PARENTAL LEAVE* – 401-3

	Hapag-Lloyd Group	Hapag-Lloyd AG
Women	238	54
Men	241	83
Total	479	137

* Availability and extent depends on local laws

⁵ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

Co-determination⁶ – 102-43

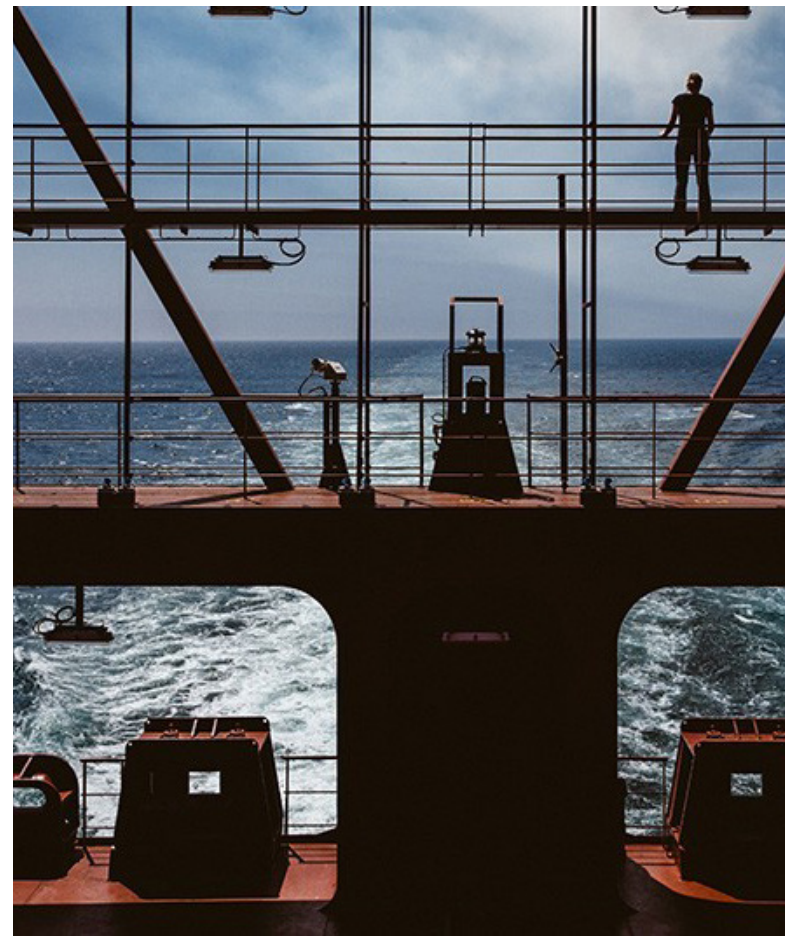
In accordance with the local legal situation, works councils and similar bodies in Germany and some other countries enable employee and employer representatives to communicate in a confidential and constructive manner. In addition, we also actively encourage our employees to do their bit towards shaping the company with their suggestions for improvements.

Our management staff work closely with the national works councils and the European Works Council. In Germany, the works council plays a significant role in the implementation of a wide range of topics, such as integration, restructuring and reorganisation, or setting up employee review systems. In other countries, works councils or similar bodies also usually have co-determination and/or information rights with regard to jobs in the company. The International Transport Workers' Federation (ITF) represents the employees in our entire fleet. All employees on our ships under the German flag are also represented by the marine works council (see Fair wages and salaries, p. 85).

Supporting marine personnel

Employees working on ships registered under the German flag are supported by our crew managers on land, most of whom have worked at sea and have a great deal of relevant experience. Similar structures exist on all of our own ships.

We also conduct one-on-one debriefing conversations with the captains following each voyage, and with any other employee upon request. In these sessions, we discuss the technical side of the journey, the performance of the employee and further deployment planning, accounting for social aspects such as the compatibility of career and family life. We look together at existing systems and processes in order to improve the working environment, regarding the increasing administrative burden, for example. – 102-44



⁶ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

Training and staff development

– 404/103

As a responsible employer, we want to promote existing talent, as well as offer up-and-coming talent appealing prospects. We are confident that long-term employee retention and financial success go hand in hand. In order to boost employee retention, we offer our employees a range of attractive training and further education opportunities throughout their careers at Hapag-Lloyd. Developing new young employees is particularly important to us. In 2021, we were able to attract 35 apprentices for land-based positions and 30 for marine positions.¹ – NfR

The fields of shipping and logistics, IT and data analysis in particular are experiencing a shortage of specialists. In order to be able to cover our requirements for qualified workers, we are relying on our training programmes and combined vocational training and degree programmes. We were unusually active in attracting new apprentices in 2021. This was necessary as a result of decreasing numbers of applicants for traditional apprenticeships on land, and as a result of the pandemic. We had to do away with well-established formats such as work experience

placements and career orientation events. We used digital formats in order to maintain contact with school-leavers and graduates, even if these alternatives were not as popular among young people as in-person introductory events.

Our partnerships remain very important to us. For example, we continue to work with the Hamburg School of Business Administration (HSBA) and the Nordakademie. At the HSBA, we are involved in the company working group, speed networking events and information days. At the Nordakademie, we are represented on the Employers' Advisory Council. In the reporting year, we provided a total of 15 places at the HSBA and Nordakademie. In addition, we offer four annual scholarships to IT students.

Apprenticeships on land

In Germany, Hapag-Lloyd AG offers training for shipping agents, office management clerks, forwarding and logistics clerks, and cooks. There is a particular need for shipping agents. We are also looking for trainees who want to combine vocational training with a degree programme in IT. – NfR

We also offer combined vocational training and degree programmes in International Business and Logistics Management.

– NfR



We offer our employees a range of training and further education measures including international staff development programmes such as the Agile Leadership Programme at Hapag-Lloyd (ALPHA) and the Talent Development Programme (TDP). Our employees can access training measures easily via our Learning Management System (LMS). As of this year, we are dedicating ourselves to developing an internal academy in order to ensure the long-term, high-quality training of our employees.

¹ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

In 2021, 35 new apprentices started their training with us. Their induction initially took place on site, taking hygiene regulations into account. Afterwards, the apprentices received equipment that will allow them to work from anywhere, where possible. – NfR

One of our standard formats is the three-week shared induction period for apprentices on land and at sea. In 2021, we unfortunately had to change our concept. However, the team building events cancelled the previous year could take place again in 2021 as a result of our carefully developed hygiene concept. For the coming year, we hope to be able to conduct our induction events as usual. – NfR

Outside Germany and the German apprenticeship system, onboarding of trainees takes place individually depending on the region, position, and employees' experience. – NfR

It is our general intention to offer each apprentice a position and to ensure their seamless transition into the Hapag-Lloyd team. In 2021, the proportion of those offered jobs at the end of their training was 73%,² down from 85% in 2020. One reason for this is that many apprentices aim to complete full-time studies following their apprenticeship. Some of them have the opportunity to continue working at Hapag-Lloyd during their studies and to start working for us again after they graduate.


In Chile, efforts are being made to expand an apprenticeship scheme for shipping agents based on the German model. We are currently evaluating how we can contribute to its development.

Apprenticeships at sea

For ships under the German flag, Hapag-Lloyd offers apprenticeships at sea for ship mechanics, nautical officer's assistants and technical officer's assistants. There is a particular need for apprentices in electrical engineering, for example for electrical engineering and automation technology assistants. – NfR

² The hiring rate for apprentices at sea cannot be provided because they generally switch to a degree programme following their apprenticeship.

In the maritime sector, we are generally not observing a decline in the number of trainees. This indicates that Hapag-Lloyd is still perceived as an appealing employer, even during the pandemic. – NfR

The content of the apprenticeships at sea is stipulated by the STCW convention.  Training of cadets on ships under the German flag is carried out by Ship Management and managed from Germany. This training is managed via external ship managers or crew managers for ships under other flags. – NfR

Our apprentices in Germany undergo group training lasting several months in a training centre and on our training ships. The focus is on team building and occupational safety. Shore leave, which was only possible to a limited degree in 2021, and leisure activities are also an important component of training. Various courses such as basic safety training or metal-working apprenticeships round off the group training. – NfR

In order to continue working at sea after the conclusion of their training, we require candidates on board our ships under the German flag to commence and conclude a course of study. We therefore only recruit nautical and technical officers if the number of graduates is too low to cover our staffing requirements. We cover our requirements for chief engineers and captains on ships under the German flag by promoting our own young professionals. On ships registered under other flags, we recruit young professionals with a nautical or technical degree. They must then complete a 12-month stint on board a Hapag-Lloyd ship.

73

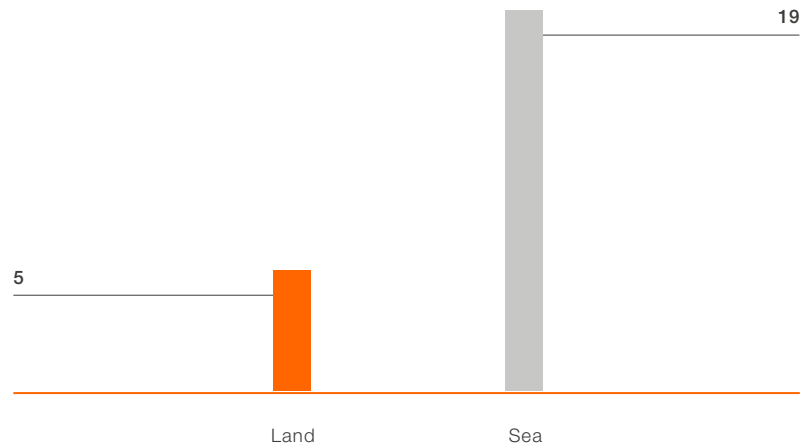
%

Proportion of shore-based apprentices in Germany offered positions

38

Students participating in a combined vocational training and degree programme in Germany

PERCENTAGE OF APPRENTICES* IN GERMANY (IN %) (ANNUAL AVERAGE) – NfR



* Percentage of apprentices: proportion of apprentices to permanent employees

FURTHER EDUCATION – 404-1

The further education of our employees is a key part of our Strategy 2023, with the focus on quality assurance. We foster the expertise of our employees through continual training – virtually in online classroom seminars and, where possible, through on-site events. – NfR

We generally had to continue to conduct our further education on land digitally in 2021 as a result of the pandemic. At sea, further education took place in person, once again in observance of the hygiene requirements. – NfR

In 2021, we invested a total of around EUR 4 million¹ globally (Hapag-Lloyd AG: around EUR 2 million²) in the training of our staff. This corresponds to a volume of around 17 hours (Hapag-Lloyd AG: around 12 hours) of training and further education per staff member. In addition to this, there were also locally organised training sessions and events. – NfR

1 Including travel costs
2 Including travel costs

Further education and talent development on land³ – 404-2, 404-3

In the Global Staff Dialogue (GSD), our shore-based personnel engage in a structured discussion with their supervisors once a year. It primarily serves to address performance, potential, development goals and suitable training measures. In 2021, we laid the foundations for updating the content and technology behind the GSD as part of our digitalisation drive in HR. The new module is scheduled for launch in the year 2022. It facilitates the automated documentation of the employee's performance, development and goals. The new module will also record experiences throughout the employee life cycle. Ongoing feedback as well as coaching throughout the financial year have a positive influence on cultural change within the organisation. – NfR

The experience garnered from this year's feedback discussions continue the trend from 2020. There is still a particular need for soft skills training, i.e. in topics such as communication, leadership and change management. In order to address this, we have started developing new leadership guidelines, which are due to come into effect from 2022 onwards. – NfR

We are also addressing the specific challenges posed by the pandemic in our further education – partly by launching training on the topic of "Remote Leadership and Cooperation" in addition to the established formats. Further measures to help support our employees and senior executives in this ongoing, challenging situation are currently being developed. – NfR

The Learning Management System (LMS) launched in 2020 is now firmly established and is undergoing further development on an ongoing basis. Our employees can choose from over 5,000 digital courses, which are available in 18 languages. We can now register over 10,000 users of the system, who have completed over 50,000 courses. In addition to the LMS courses, external training sessions are also being offered again. – NfR

3 The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

Employees with excellent performance and high potential for development can complete the three-year Talent Development Programme (TDP) at Hapag-Lloyd. The TDP includes mentoring by instructors from the areas of HR management and development, supervisors and internal mentors. The programme was completed by over 330 employees globally in 2021 (2020: 340). – NfR

The TDP largely took place in an online format once again in 2021 as a result of the pandemic. Seminars were digitalised and staff development meetings took place virtually. Programme participants are able to engage in a dialogue via a digital network; with international cooperation benefiting in particular. – NfR

Another component of our talent development strategy is the Agile Leadership Programme at Hapag-Lloyd (ALPHA). This is a three-year development programme for management staff working on land with an international focus. In 2021, it focussed on four core areas: leadership, entrepreneurship, change management and networking. The selection process and implementation of ALPHA took place digitally once again in 2021, which received positive feedback from the participants. A total of over 40 people took part in the leadership programme in the past year. – NfR

We want to pool our qualification activities within the new Hapag-Lloyd Academy. This is set to comprise various units. In addition to training sessions and workshops, it will also include coaching and mentoring, as well as a leadership academy. The various academies will be rolled out gradually. All departments will contribute their own strengths in order to anchor the project within the company. Because the project is based on the concept of lifelong learning, our Learning Management System will in future bear the name HL Learning Campus. The first pilot training sessions were rolled out at the Commercial Academy in May 2021 with more to follow in 2022.

Further education at sea – 404-2

Further education is also an important topic for our seafaring staff. To this end, we have implemented an expertise management system on ships registered under the German flag. In regular Staff Dialogues, the management and employee work out individual development goals and agree on suitable training measures. These are then conducted by external service providers at training centres. In order to ensure that all required certificates are kept up to date, regular mandatory training must be completed. – NfR

Our range of advanced training under the German flag includes the following formats: during shore leave, marine personnel take part in e-learning modules or multi-day courses on legislation, language courses, and training in the Electronic Chart Display and Information System (ECDIS). We cannot carry out web-based training at sea for technical reasons. – NfR

We were able to establish a certain degree of routine again in the implementation of our training measures in 2021. We only had to request temporary exemptions in very rare cases. As was the case in 2020, we carried out training in LNG (liquefied natural gas) during the reporting year in order to prepare our crews for the increased use of LNG on board our ships in the future. The refresher training sessions for certificates of competency (CoC) and certificates of proficiency (CoP) were carried out successfully during the reporting year. These sessions must take place every five years. – NfR

Personnel on our ships under the German flag are employed for an average of around seven years⁴. This shows that we are adopting the right measures for employee retention.

⁴ Excl. apprentices

Diversity and inclusion

We are active around the world and at home in Hamburg. Our actions are consistent with Hanseatic values and embrace cultural and social diversity. We are confident that this balance is what makes our corporate culture truly unique.

CORPORATE VALUES¹ – 102-16

As part of our implementation of Strategy 2023, we also subjected our own corporate culture to an intensive appraisal. This included revising our corporate values, which we published in November 2020 during a digital event. The publication was flanked by internal communication measures and workshops in order to anchor the new values within the company over the long term. We collected feedback from the staff through workshops in order to share it with the Executive Board and derive subsequent measures.

THE HAPAG-LLOYD MANAGEMENT CULTURE² – 401/103

Throughout the Group, a positive relationship between senior executives and employees is particularly important to us. We primarily facilitate this through flat hierarchies, efficient decision-making pathways and communication as equals. We also support a culture of open feedback because our employees should be



able to learn from mistakes. Our top management embodies an open-door leadership style, which means that any member of staff can approach any executive at any time. We implement this culture with events such as breakfast with the Executive Board and a weekly lunch with the management. As a result of the pandemic, these events have unfortunately had to be put on hold for now.

Development programmes such as ALPHA and TDP also serve as networking opportunities for senior executives and young professionals. Several digital options were added last year, including on topics such as our corporate values, corporate social responsibility and the Hapag-Lloyd leadership culture.

1, 2 The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

We promote dialogue between management and the crews at sea through formats such as the “Board Management Tables”, open forums and crew conferences. These have had to be put on hold due to the pandemic. However, dialogue between Fleet Management and the European officers on ships under the German flag took place in the form of two Feedback Tables in 2021.

Cooperation with external partners enables us to look beyond our own horizons with regard to employee management. While the partnerships were put on ice in the past financial year due to the pandemic, we still engaged in dialogue with other companies as a member of the Deutsche Gesellschaft für Personalführung e.V. (German Association for Personnel Management, DGFP).

DIVERSITY³ – 405/103, 406/103

Diversity is one of the pillars of our new sustainability strategy. This relates to how we see ourselves as a global company but also to our deep-seated conviction that our diverse workforce is a huge asset. Our employees bring various cultures, ways of thinking and ideas to our company. People of more than 100 nationalities work for us around the globe.

We have integrated the aim of making our company even more diverse in our strategy. We want to promote ethnic and intercultural diversity and to reflect this diversity within our own workforce. This applies in particular to the management level and our staff at our headquarters in Hamburg.

3, 4 The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

EQUAL OPPORTUNITY⁴ – 405/103, 406/103

We are expressly committed to the diversity recommendations of the Government Commission for the German Corporate Governance Code (GCGC). We have firmly incorporated the objectives of the Diversity Charter into our corporate culture.  We foster the talents of our employees irrespective of gender, nationality, ethnic origin, religion and ideology, disability, age, sexual orientation and identity. We hire new employees solely on the basis of their qualifications, social skills and their readiness and ability to perform the work. Our hiring processes are governed by country-specific regulations, such as the German General Act on Equal Treatment. The selection of our marine personnel is based on suitability for working at sea, flexibility and manual skills, for example.

We integrate employees with disabilities into our operational workflows and the social life of our company in the same way we do any employee.⁵

In order to make the diversity within our company something that people can experience for themselves, we initiated a series of interviews entitled “We are Hapag-Lloyd”. These interviews are conducted with people who either belong to minorities and/or who fight for equal rights. The events that led to the founding of the Black Lives Matter movement in the US have inspired us to declare our stance as a company and to champion the cause. As a result, we designed and conducted several training sessions on the topics of unconscious bias, diversity and equal opportunities.

5 Because we do not fulfil the mandated 5% German employment rate for severely disabled people, we paid the quota compensation levy in 2020, which applies to both our shore-based personnel and our employees at sea.

28
different nationalities
among our seafaring
staff

Women in management positions – 405-1

The advancement of women to management positions is one of Hapag-Lloyd's express aims. We have anchored this firmly in our new sustainability strategy:

- We want to significantly increase the proportion of women in management positions in the first four levels of our shore-based personnel by 2030. They currently account for 14%.
- By 2023, we aim to raise the proportion of women in management development programmes (TDP and ALPHA) to at least 50%.

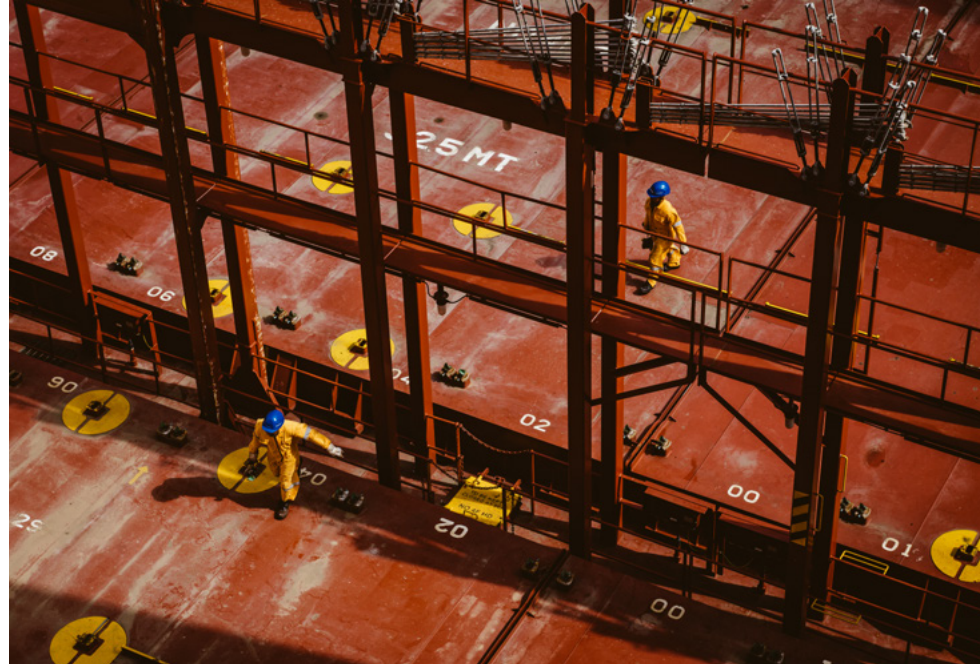
Of course, the principle of equal opportunities applies to the filling of new vacancies. However, we want to actively ensure that there is at least one female candidate, particularly when it comes to filling management positions. With a quota of at least 50%

women in programmes such as ALPHA and TDP, we aim to increase the size of the pool of female candidates by 2023. In TDP, the proportion of women is 47%, meaning we have almost reached parity. There is still a significant imbalance in ALPHA, however, with approx. 23% women. An internal working group is currently looking at developing recommendations for measures to bring about the relevant impetus within the company.

Current formats include the Women Business Club, a networking programme for women at Hapag-Lloyd, and various training sessions, such as self-marketing for women, which deal with the topic.

The Hapag-Lloyd Supervisory Board abides by the legally mandated goal of a gender quota of at least 30% (see 2021 Annual Report, p. 54 et seq.).





HEALTH AND SAFETY

Chapter contents

Health and safety on land and at sea must be ensured at all times. For this reason, we regularly review all work procedures and have our high safety standards verified through external audits. [More >](#)

Occupational health and safety on land

– 403-103



We contribute to SDG 8 through our health and safety measures and activities for our employees.

97 Occupational health and safety on land

Guaranteeing the health and safety of our employees at all times is our highest priority. In doing so, we observe the applicable laws and provisions of the respective country. Furthermore, 2021 was dominated by the COVID-19 pandemic and the associated measures for the protection of our workforce. – NfR

In 2021, we maintained our diligent approach to infection protection by communicating hygiene regulations and providing disinfectants and masks, for example. Even during temporary brief returns to our offices in some locations, we made it possible for employees to work from anywhere or relied on a hybrid work model, wherever applicable. However, at times there was no alternative to working remotely due to the development of the pandemic. – NfR

The local management is in charge of the health and safety of our shore-based personnel in the individual regions in cooperation with the responsible HR department. Throughout the Group, local managers are responsible for observing and implementing the relevant regulations.¹ – NfR

The field of work and location of our employees determine which preventive and corrective measures we adopt to ensure the health and safety of each individual member of our staff. The aim is always to maintain the long-term ability of our employees to work. – NfR

EXTERNAL REGULATIONS (SELECTION) – 403-1

- **EU directive on safety and health at work**
- **National legislation** in Germany, including the Occupational Health and Safety Act (ArbSchG) as the overriding standard; the Occupational Safety Act (ASiG) for company doctors, safety engineers and other occupational safety officers; the guidelines on substantiation of the German Social Accident Insurance's (DGUV) ASiG; and the Ordinance on Occupational Health Care (Arb-MedVV), which regulates compulsory, occupation-specific and optional preventive care.
- Particularly relevant at the moment are the “SARS-CoV-2 Occupational Safety and Health Standard” – a guide to prevention of the spread of SARS-CoV-2 by the Federal Ministry of Labour and Social Affairs; the substantiation of the SARS-CoV-2 Occupational Safety and Health Standard; and the COVID-19 regulations of the German states.

¹ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.

CONNECTING
THE WORLD
ACROSS
OCEANS –
SUSTAINABLY

OCCUPATIONAL SAFETY AT THE SITES² – 403-3, 403-5

The majority of our shore-based personnel works seated in offices, where there is a rather low risk of injury. The risk of injury is higher for employees whose activities take place in kitchens, warehouses, ports or depots. – NfR

We provide our employees with internal training sessions on occupational health and safety, which can be also viewed on the intranet. Furthermore, in Germany we offer regular talks with the occupational safety officer or company doctors. Employees at our global sites are integrated into safety-related topics in line with the relevant local legal requirements. – NfR

We offer specific travel safety training for employees on business trips, where we inform them about subjects such as safety risks in their country of destination. If necessary, a central emergency number is also available. – NfR

In 2021, we recorded around 2.1 workplace accidents per 1,000 shore-based employees (Hapag-Lloyd AG: around 0.8) and no fatal accidents. In the previous year, we recorded around 2.1 occupational accidents per 1,000 shore-based employees (Hapag-Lloyd AG: 0) and also no fatal accidents. – NfR

WORKPLACE ACCIDENTS ON LAND* – NfR – 403-9

2.1 per 1,000 employees (Hapag-Lloyd AG: 0.8)

For employees on land, accidents resulting in at least one day's absence are recorded.

*Excluding commuting accidents; including companies in charge of the maintenance and repair of containers.

2, 3 The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description. Contents pertaining to Germany relate to Hapag-Lloyd AG.

ORGANISATION OF OCCUPATIONAL HEALTH AND SAFETY³

– 403-4

In Germany, a Health and Safety Committee is responsible for protecting the health and safety of our shore-based personnel. The committee consists of the company management, a health and safety officer, the company doctor, the safety officers and members of the Works Council. – NfR

In Germany, Facility Management is handled by an external service provider, RGM Facility Management GmbH. The officers for fire protection and for health and safety are also provided as on-site contacts by this external service provider. Other branches partially rely on third parties to train first-aiders and fire protection officers from the workforce. – NfR

The occupational safety officer has a basic qualification as a safety officer and is also qualified as both a health and safety coordinator and as the internal auditor for health and safety management systems according to ISO 45001. – NfR

In Germany, regular basic and refresher courses for first-aiders which are attended by at least 5% of the staff are a legal requirement. We therefore offer such training sessions every two years in Hamburg as well as during the year at other locations. Company doctors are responsible for the organisation of first-aid courses; the occupational safety officer handles mandatory notices and monitors compliance with the respective requirements. However, the content of our training programmes could not be properly conveyed because of the restrictions due to the COVID-19 pandemic. Therefore, in 2021 we were unable to keep offering them as usual at the various locations. – NfR – 403-3, 403-5

Over the long-term, we want to establish a certified health and safety management system on land in Germany. This will involve combining existing individual solutions into an overall concept. – NfR

Ongoing improvements to fire protection – 403-5

The ongoing improvement of fire protection is one of our priorities. To facilitate this, we implemented various preventive maintenance measures at two sites in Hamburg in the reporting year. In order to promptly identify potential risks, we train employees as fire protection and evacuation assistants every year. – NfR

Because of the ongoing pandemic situation, employees at many sites were generally working from home. As a result, and due to pandemic-related requirements such as the limit on large gatherings, it was not possible to carry out the training of fire protection and evacuation assistants as usual. However, we plan to make up for this in 2022. – NfR

After their revision in 2020/21, new fire protection regulations came into force in April 2021. These include a concept for alerting department representatives which allows us to ensure the seamless handling of emergency situations. – NfR

HEALTH AND SAFETY ON LAND⁴ – 403-6

Among the greatest health risks for our shore-based personnel are lack of movement, postural damage, vision disorders and psychological stress. In order to counter these risks, we have developed a portfolio of measures to promote health and prevent illness. For example, at least once a year we organise exercise initiatives for all workers in Germany, as well as other preventive measures. In Hamburg, all employees are invited to participate in a wide range of options offered through our company sports club, supplemented by the option to make fee-based massage appointments. In 2021, we added virtual seminars on the topic of care to our offerings, which are accessible from any location. – NfR

Preventative healthcare on land – 403-3, 403-6

The legal requirements for preventive healthcare for employees in Germany are covered by the company doctor and the occupational safety officer (both external). Furthermore, employees in Hamburg can make use of the company doctor service, which is staffed full time by a medical assistant and offers a wide range of (generally free) services. This extends from first aid for acute symptoms and risk factor assessment by means of blood testing to various immunisations. Support services, which are provided by the company doctor or the occupational safety officer depending on the issue, are available to all employees in Germany. Outside Hamburg, this service is available by phone or online. – NfR

In Germany, targeted healthcare campaigns regularly take place, for example on the topics of exercise and nutrition. In 2021, we focused our efforts on supporting the vaccination campaign, which was initially planned for all sites. Due to the regional differences in prioritisation and the availability of public offerings, we ultimately carried out vaccination events only for employees at our Hamburg site. – NfR

In addition to internal measures to promote health, we cooperate with pronova BKK, an external service provider. Together, we develop customised offerings and preventative measures. These include intranet presentations on preventive healthcare topics.

For instance, since last year we have offered our employees in Germany the option to lease a bicycle through us as their employer. In doing so, we want to contribute not only to climate protection but also to the health of our employees.

Our digital offerings for apprentices are also developed in partnership with pronova BKK. In 2021, the focus was on “General dimensions of health”. Feedback from the apprentices will determine whether the programme will be continued in 2022, and what topics it should cover.

We continually adapt other health care measures to the needs and distinctive features of our regions, for example through regular questionnaires.

⁴ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description. Contents pertaining to Germany relate to Hapag-Lloyd AG.

Safe ship operations – 403/103



The safety management system (SMS) plays a key role in ensuring safety at sea and covers all occupational safety processes and measures on board our ships.

The safety of our employees at sea is our highest priority. Beyond the protection of our employees, safe workplaces mean smooth workflows on board. This in turn protects the environment from risks that arise from shipping and prevents risks to the ship and the cargo. In 2021, the COVID-19 pandemic ultimately ensured that the health of our ships' crews was our focus. – NfR

We were also in contact with the owners of the charter ships regarding necessary measures. – NfR

Through consistent testing and adherence to hygiene protocols, we recorded only six pertinent cases of COVID-19 on our ships in the reporting year. The infected people were immediately isolated. Further infections were prevented thanks to the early detection and documentation of these cases. – NfR

EXTERNAL REGULATIONS (SELECTION) – 403-1

- **Safety of Life at Sea Convention (SOLAS) of the International Maritime Organization (IMO):** Minimum standards for the construction, equipment and operation of ships. This includes regulations on workplace safety on ships in accordance with the International Safety Management (ISM) Code and the International Ship and Port Facility Security (ISPS) Code on the prevention of maritime security risks.
- **Occupational safety standards according to the 2006 Maritime Labour Convention (MLC) and the International Labor Organization (ILO):** Minimum standards for working and living conditions for seafaring staff including requirements regarding medical fitness, hiring conditions, accommodation, leisure options and meal provision, health protection, health care, social benefits and social security.
- **ISM cybersecurity guidelines (from 2021):** Starting with the first ISM office audit, a cybersecurity management system is mandatory.¹

As in the previous year, the biggest challenges of operating at sea in 2021 included the difficult crew changes (see Employees, p. 79) and the necessity of remaining as isolated as possible from the shore. In addition to regional regulations, our internal directives were the most important health protection guidelines on the ships. These include regulations regarding the necessary hygiene measures and regulations on board and on land, as well as for visits and the accommodation of third parties; requirements for provisions and pharmacy supplies; and topics such as handling potential infections and wearing appropriate protective clothing. We also expanded the regulatory framework to include testing possibilities on board, with the goal of making crew changes and the necessary operational contact with third parties even safer.

– NfR

The instructions apply to our 39 ships registered under the German flag, but they also serve as an example of the measures on board all Hapag-Lloyd ships that are subject to international safety standards and follow the relevant safety recommendations.

¹ The risks to Hapag-Lloyd's own ships are limited because their operational systems are only partially connected to the IT infrastructure (see Data protection and digital security, p. 34)

OCCUPATIONAL HEALTH AND SAFETY AT SEA – 403-1, 403-2, 403-8

The land-based ship management organisations are responsible for the safety of our employees at sea and for ship operations as a whole. Occupational health and safety standards are firmly integrated in the operational workflows of all ships in our fleet by means of safety management systems (SMS) which cover all health and safety processes and measures. The SMSs apply to all crew members and external persons on board. Each SMS on board our ships is verified and certified according to international requirements. Using risk assessments and review reports, risks are documented and the effectiveness of actions is recorded. All charter ships must also have an SMS. – NfR – 403-7

The safety management system – 403-4

The safety management system pursues various primary aims in the area of occupational health and safety. It ensures safe operational processes on board and defines processes for occupational health and safety. It also regulates the prevention of environmental damage that results from operating the ship as well as damage to the ship, cargo and property. – NfR

In addition to the SMS, ship managers follow three fundamental principles that must be adhered to without exception: saving and protecting human lives, protecting the environment and property, and maintaining our reputation. – NfR

Our Group-wide principles on safety and environmental protection determine our activities and form the basis for the successful implementation of the SMS at sea. Clear processes such as structured workflows, directives and reviews ensure that our employees are familiar with the objectives and principles of the SMS, and that they always apply all other standards and guidelines within their area of responsibility. In 2021, we sent a fleet circular to our marine personnel with the corresponding ship management guidelines. We request continuous feedback from the fleet in order to optimise the guidelines and promote the exchange of ideas. – NfR

In order to guarantee its effectiveness, the SMS is regularly reviewed and updated. In addition to any changes in the law, the review also includes incidents and near accidents. A causal analysis helps us to optimise operations on board and to prevent safety risks. In the reporting year, the SMS was expanded to include the area of maritime cybersecurity, which includes related risk assessments, protective measures and training. We also considered feedback from the ships during the review in order to optimise reporting procedures in the event of incidents. – NfR

Furthermore, we introduced additional preventive and corrective protective measures in the reporting year. Using a “bad practice” campaign with humorous depictions of situations, we expressly raised awareness of workplace safety among the crew in an effort to increase their ability to correctly identify risks.

In addition, our health and safety management system for ships registered under the German flag was once again successfully certified according to the ISO-45001 standard. – NfR

Additional inspections to verify compliance with the SMS on board include internal and external audits, flag state inspections, inspections by classification societies and port state controls (PSCs). This wide range of parties and authorities ensures that all guidelines are respected and complied with. Hapag-Lloyd only inspects charter ships in exceptional circumstances. These inspections are mostly carried out by authorities, including in the form of flag state inspections, inspections by classification societies and port state controls.

– NfR – 403-7

WORKPLACE ACCIDENTS AT SEA* – NfR – 403-9

0.25 accidents per ship (Hapag-Lloyd AG employees: 0.44)

For employees at sea, reportable accidents resulting in at least three days' absence are recorded.

*Excluding commuting accidents

In 2021, we recorded 0.25 accidents per ship on all of our own ships (Hapag-Lloyd AG employees: 0.44 accidents per ship). In 2020, 0.27 accidents per ship were reported on all owned ships (Hapag-Lloyd AG employees: 0.41 accidents per ship). – NfR

There was one fatal accident in 2021. The official investigation into the matter by the Federal Bureau of Maritime Casualty Investigation is ongoing. Therefore, we cannot provide further information at this time. – NfR – 403-9

Audits

We conduct internal and external audits in order to ensure that all statutory and internal requirements regarding occupational health and safety are met. Overall, more than 110 internal and 60 external audits were carried out in 2021. Internal audits take place on board our own ships every year and monitor compliance with the ISM and ISPS² codes as well as ISO requirements. Any deficiencies or potential areas for improvement are identified during the course of these audits. External ISM, ISPS and MLC audits are carried out on each one of our ships every two and a half years. ISO 9001 and ISO 14001 audits are carried out regularly on a set number of ships. – NfR

The basis of all contracts with external managers and charter companies is their guarantee of safety on board and compliance with occupational safety laws on the charter ships. The respective ship owners are responsible for this and for the associated audits. – NfR

Digital security is regulated by the ISM Code – also for charter ships. The compulsory measures associated with this have been in force since 2021. Because of the pandemic, we also had to adapt the methodology of internal and external audits. Many inspections took place in a contact-free setting and remotely. External audits were carried out in line with the duration of the certificates. It was also possible to extend their term due to the special circumstances. – NfR

During the reporting period, all management-relevant ship certificates, the Safety Management Certificates (SMCs) and International Ship Security Certificates (ISSCs), which confirm compliance with the ISM and ISPS codes, were issued for our ships in accordance with expectations. – NfR

In addition to the ships, the flag states or the classification societies commissioned by them also verify and certify the land-based ship management organisations every year. As was the case in previous years, all the ship management organisations of our ships were awarded the Document of Compliance (DOC) with no reservations at all. In addition, nearly all ship management companies are certified to ISO 9001:2015 and 14001:2015 standards. – NfR

Deviations from the requirements are documented in audit reports. Corrective measures must be implemented within a clearly defined time period and are then evaluated. – NfR

Port state control

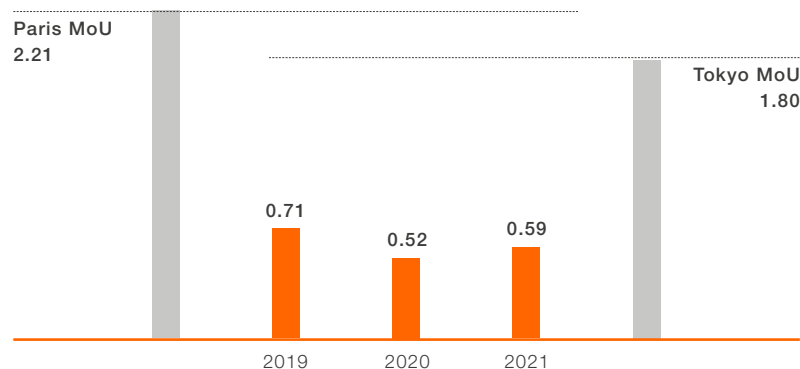
In port state controls (PSCs), port states are permitted to establish whether all ships comply with the applicable international agreements – or the occupational health and safety regulations which the port state has ratified – regarding their condition, their equipment and their proper operation. – NfR

Currently, countries in nine regions around the world have signed memoranda of understanding (MoU) regarding port state controls. They also conduct Concentrated Inspection Campaigns (CICs) on specific topics. In the reporting period, a majority of the regions carried out CICs on the subject of “stability in general”. – NfR

2 ISPS = International Ship and Port Facility Security

Since far fewer PCSs could be carried out than usual in 2020 due to the pandemic, they will resume in many regions during the reporting period. Overall, our ships underwent around 200 port state controls. The average number of deficiencies found was around 0.59.³ Comparison with average global deficiency rates – e.g. Paris MoU: 2.12 (2020) and Tokyo MoU: 1.80 (2020) – and our own deficiency rates in recent years both provide evidence of the success of our management systems. – NfR

AVERAGE DEFICIENCY RATE* – NfR



* Deficiency rate = deficiencies/PSCs

Accolade from US Coast Guard

As a result of the exceptional results of the PSCs carried out by the United States Coast Guard (USCG), ships under our German Fleet Management were included in the Qualship 21 programme back in 2018. The programme's high quality and safety requirements are met by fewer than 10% of all ships operating under foreign flags in US waters. The USCG audits ships that have achieved this status once every three years, rather than annually. We were again able to qualify for the programme in the 2021 reporting year.

³ The individual data on deficiency rates of the charter fleet are not recorded centrally.

Training on risks in ship operations – 403-5, 403-9

The operation of our ships is associated with specific health and safety risks for our employees, including those posed by large, heavy moving equipment, stress caused by noise, travel through different time zones and climates, the motion of the ship and bad weather. – NfR

We continually work towards improving safety on board. One key element in this is the regular training of marine personnel in safety-relevant topics, which are adapted to the size of the vessel and the equipment used. – NfR

Each crew member on our own ships is instructed in the safety features and procedures on board when they start work. Furthermore, there are training sessions on behaviour in the event of a fire or evacuation at least once a month during sea deployments. There is also training at least once a year on various ship accident situations (such as collisions or running aground). Regular training sessions are also carried out on land. For example, basic safety training takes place every five years over the course of several days and instructs staff in managing risks and hazards on board. This covers survival at sea, fire extinguishing, first aid and occupational safety training with a focus on PPE, access to separate areas, accident prevention and health protection. Furthermore, we developed cybersecurity training sessions last year and carried them out with all our seafaring staff. – NfR

After we had to cancel many on-board training sessions in 2020 due to the pandemic, we were able to resume training in 2021 – albeit to a lesser extent. Our training topics included the contents of the ISM manual and the briefing of crews at the start of voyages. This includes instructions in the use of rescue and fire-extinguishing equipment as well as general information on practices on board. Given that the training programme has not yet been fully resumed, temporary exemptions were again made in 2021. – NfR

SAFETY ON THE “BRUSSELS EXPRESS” – 403-5

LNG-powered ships such as the “Brussels Express” make completely new demands on our crews. Not only the technical equipment but also the handling of LNG calls for special instruction and specific safety training.

We were able to carry out training sessions during the pandemic, though with fewer crew members than planned. However, we have ordered additional LNG ships, which makes training even more relevant. We will thus make training a priority in 2022. In addition to in-person training, we have also developed an LNG manual that explains topics such as bunker processes and the safety concept. The manual takes current industry standards into account and has been integrated into our existing SMS.

HEALTH MANAGEMENT AT SEA – 403-3, 403-6

Health management at sea is a particular challenge that we manage with specific measures.

Fitness to work at sea in accordance with MLC requirements is essential for working on ships. For our seafaring staff, this is confirmed by certificates and is monitored continually. – NfR

In the event of health complaints on board our own ships, the Captain and the medical treatment officer are the initial contacts. They are trained for this specifically according to international requirements. When there is uncertainty or in complex cases, the Telemedical Maritime Assistance Service is available. Doctors can be consulted at the port at any point during berthing time. If necessary, medical emergencies can be supported by land-based medical centres. – NfR

Medical emergencies at sea are handled by the international rescue system. This ensures that consistent standards are upheld during emergency rescues at sea and Maritime Rescue Coordination Centres in all coastal states around the world provide appropriate rescue services. – NfR

Dealing with psychological stress – 403-2

Since 2019, we have applied the Risk Assessment Mental Stress (RAMS) on our ships registered under the German flag to assess risks with regard to psychological health. RAMS is a scientifically validated stress analysis. It is based on the EU directive on safety and health at work and the German Occupational Health and Safety Act. – NfR

In early 2021, we communicated RAMS on board our ships registered under the German flag over ISM and conducted virtual feedback sessions with the marine personnel. This forum took place twice in 2021 and included elements from other sessions on occupational health and safety. In order to strengthen the link between our personnel on shore and at sea, the session included the option of sharing information and experiences. Since the feedback from the participants was thoroughly positive, we will continue to hold events of this kind in 2022. – NfR

In 2021, we sent a fleet circular to our marine personnel with the corresponding ship management guidelines. We request continuous feedback from the fleet in order to optimise the guidelines and promote the exchange of ideas. – NfR

Our ships registered under other flags also fulfil similar standards in compliance with international law under IMO and MLC. A wider roll-out of measures that were identified by RAMS may take place in future in the form of specifications in the Owner’s Manual or thematic exchanges with the external managers of other ships. – NfR

The pandemic subjects the members of our crew to additional psychological stress, due for example to longer shifts or denial of shore leave. For this reason, we developed measures to strengthen psychological health on our ships registered under the German flag. For example, we made phone counselling available and enabled crew to have at least virtual contact with friends and family by providing an unlimited amount of data (see Employees, p. 79). These and other similar measures were implemented across a large portion of our fleet. – NfR

CRISIS MANAGEMENT – 403-2

In the event of a crisis, our Emergency Response Manual serves as a guide to avoiding or minimising harm to people, our ships and the company. We have established the following priorities in the manual:

1. Save lives
2. Save the ship
3. Protect the environment
4. Prevent damage to the company – NfR

Reporting based on these principles has largely been standardised for all of our own ships.

With representatives from all relevant Hapag-Lloyd departments and external institutions, we have a team of experts on hand to coordinate and provide assistance in the event of an incident in our fleet, as well as to support charter ships. The team is available around the clock. Clear responsibilities and reporting channels ensure that, in crisis situations, the Executive Board can be informed as quickly as possible. – NfR

PIRACY AND TERRORISM – 403-2

The risks from piracy and terrorism are evaluated differently by various flag states. For us, this means we have to consider each situation individually. Based on various national and international independent information sources, we make every effort to obtain the most comprehensive overview possible of potential risks in the waters we navigate. At the same time, we carry out individual and route-specific risk assessments for our ships. We review and update the risk assessments when necessary, but at least annually. This enables us to react quickly to changes in the situation. To provide the highest level of protection, we also comply with the guidelines on risk avoidance, such as the Best Management Practices to Deter Piracy and Enhance Maritime Security in the Red Sea, Gulf of Aden, Indian Ocean and Arabian Sea (BMP5). In 2021, we paid particularly close attention to the effects of the pandemic and the potential associated consequences for the security situation in ports and port states. There were no incidents of piracy and/or terrorism on our own ships. In the

reporting period, there was an incident involving a fatality and the kidnapping of part of the crew on a charter ship.

DEALING WITH DANGEROUS GOODS – 403-2

Some of the goods we transport are legally classified as dangerous goods. We only transport such goods if they meet all international, national and local laws and guidelines in full. Various aspects of a particular good are used to identify the potential danger that it exhibits, such as its physical and chemical properties, reactivity and stability, and toxicological and environmental information. We implement special measures to ensure that their transport is safe for our employees, the ship, the cargo and the environment. – NfR

EXTERNAL REGULATIONS (SELECTION)

- **International Maritime Dangerous Goods (IMDG) Code**
- **49 Code of Federal Regulations (CFR):** US requirements for the transportation of dangerous goods
- **German Ordinance on the Transport of Dangerous Goods by Sea (GGVSee)**
- **German Dangerous Goods Officer Ordinance (GbV)**

All aspects of dangerous goods transport are internationally regulated. All dangerous goods can be identified anywhere in the world by means of their dangerous goods class and UN number. These two parameters determine which specific requirements must be met in terms of transport. – NfR

In 2021, Hapag-Lloyd transported around 460,000 TEU of dangerous goods, accounting for around 4% of the entire transport volume. – NfR

Internal regulations and processes

Hapag-Lloyd has stringent internal regulations for the highly complex transport of dangerous goods that exceed statutory requirements. Following an extensive risk analysis, experts developed these guidelines in line with the “Rules of Good Seamanship”. They apply to the entire Hapag-Lloyd fleet. The guidelines include the provision that no dangerous goods may be stored in front of or behind the crew quarters in order to protect the crew and cargo. This also applies to the outsides of the ship, in order to protect the cargo from breaking waves and pirate attacks or in the event of a collision. – NfR

All regulations and work processes relating to dangerous goods are detailed in the Hapag-Lloyd Dangerous Goods Manual. This manual is used by our dangerous goods experts as well as by all relevant parties, such as ship planners and Port Terminal Operations. The manual features an exclusion list of all goods we refuse to transport following a risk assessment, though it would be legally permissible to do so. The risk assessments are updated daily. If there are any changes in the risk assessment due to current events or developments, the manual and/or the exclusion list is revised and all relevant offices are informed immediately. For instance, in 2021 the transport of smartphones made by a Chinese manufacturer was banned following a fire at the Hong Kong airport. The ban has since then been lifted because a new risk analysis did not show an increased risk compared to smartphones from other manufacturers. – NfR

Our dangerous goods experts are responsible for the proper and legally compliant handling of dangerous goods transportation, both in the ports and on the ships. They report regularly to the central Hapag-Lloyd dangerous goods officer. Shipments that are not declared as dangerous goods are reviewed by Cargo Patrol software, which was specially developed for our requirements. Searches for undeclared dangerous goods are performed systematically using key words. In 2021, we were able to identify around 3,100 cases of incorrect declarations. The transports were thereupon rejected. – NfR

There were no reportable accidents involving dangerous goods during the reporting year. – NfR

Dangerous goods training – 403-5

Employees on shore and at sea who deal with dangerous goods, for example captains and cargo officers, are regularly trained by the Hapag-Lloyd dangerous goods officer, in compliance with legal requirements under the IMDG code, the German Ordinance on the Transport of Dangerous Goods by Sea (GGVSee), and 49 CFR. These training sessions serve to inform people about the special requirements for the transport of dangerous goods, to describe the risks, and to help employees around the world recognise irregularities and causes for concern in as effective a way as possible. – NfR

Due to the pandemic, we had to modify the established training format once again in 2021 and relied on a combination of web-based and hybrid training. A total of more than 3,100 employees were trained via web-based courses.

– NfR

Initiatives and memberships – 102-13

The Cargo Incident Notification System (CINS) is a non-profit initiative of carriers, insurers and experts who joined forces back in 2011 to record and evaluate cargo or container accidents in a single database. The aim is to identify negative developments and those requiring critical action at an early stage, and to improve operational safety at all levels of transport. Hapag-Lloyd is a founder and an active Executive Board member of the CINS Initiative. – NfR

We continue to be an active member of the Association of German Shipowners (Verband Deutscher Reeder/VDR) and chair its Hazardous Goods committee. Hapag-Lloyd is also a member of BIMCO and an Executive Committee member of the International Vessel Operator Dangerous Goods Association (IVODGA).

– NfR

Due to the pandemic, all CINS and IVODGA meetings in 2021 took place virtually. The Hazardous Goods committee of the VDR did not convene in 2021.



CORPORATE CITIZENSHIP

Chapter contents

With our new sustainability strategy, we want to support the social engagement of our employees even further. In this reporting year, we were once again involved in a wide range of activities. [More >](#)

Social responsibility

As a company with its roots in Hamburg, Hanseatic values define how we see ourselves. Social engagement is a deep-seated tradition in Hamburg, and we particularly support projects that are linked to shipping. We see ourselves as a member of society and want to use our engagement to give something back – on a local, regional and global level. This commitment helps us bring our corporate value, “we care”, to life, and we use it as our guideline to continually build on our culture of corporate citizenship at Hapag-Lloyd.

In addition to the traditional activities, we have also developed the “Hapag-Lloyd Cares” programme as part of our new sustainability strategy. With this programme, each region and the Global Service Center receives a fixed budget to support regional organisations. Furthermore, employees receive one day off every year in order to take part in social projects or environmental campaigns. Focus areas are education programmes, humanitarian aid and marine protection – for example, through the collection of refuse on beaches. Our social engagement is also part of our sustainability strategy.

Part of our financial support is provided by the Hapag-Lloyd Stiftung, a charitable foundation. It is primarily active in cultural, scientific and social projects in Hamburg, where the company’s headquarters are located, and supports young talent in such fields as theatre, ballet and music. The foundation establishes projects and events on its own as well as in cooperation with long-term partners. The foundation is not part of the Group and acts independently.

ORGANISATIONAL STRUCTURES AND AWARD CRITERIA

Hapag-Lloyd’s corporate citizenship falls under the responsibility of Corporate Communications, the sustainability department and the Executive Board, who decide every year which projects and initiatives will be supported, and to what extent. The annual budget for donations is always also guided by our own economic success. A Group-wide policy regulates our donation activity.¹ For example, we do not make any donations to political parties, and Corporate Communications is informed about the amount of a donation before it is made.

¹ The companies specialised in the maintenance and repair of containers are not organised centrally and are currently not included in the description.



Wide-ranging commitment

Seafaring is our passion. It is therefore a matter close to our hearts to support projects with a maritime connection, such as seamen's missions and the Hamburger Duckdablen. In addition, we also support social projects as well as local sports and cultural events.

SOCIAL ENGAGEMENT

Our company supports a wide range of charitable projects around the world. Our employees are also invited to roll up their sleeves and get involved with social projects.

Help in times of crisis

We support organisations all over the world that assist people in conflict zones or in general emergencies. For example, during the reporting year, we assisted the flood victims in Rhineland-Palatinate with a monetary donation.

For five years, we have supported the church-led initiative Comedor 421 in Valparaíso, Chile, which distributes food parcels to people in need. The organisation actively distributed parcels of food and hygiene supplies during the COVID-19 pandemic. Our employees also demonstrated personal commitment in the 2021 pre-Christmas season by packing and distributing parcels. Moreover, Hapag-Lloyd Chile collects donations for the project every December.

Our employees in Chile also organised a donation drive for a local school. The pupils and teaching staff, who already had limited resources, were further affected by the COVID-19 pandemic because no devices were available to facilitate remote learning. The Hapag-Lloyd Chile team raised awareness of the school's emergency situation through emails, flyers and videos that called for monetary and material donations. With the proceeds, employees were able to acquire smartphones and tablets that were donated to the school.

In Hamburg, the Hanseatic Help charity provides non-bureaucratic assistance to people in emergency situations. In addition to unsheltered people, refugees and families, other people in need also receive support through clothing and hygiene donations. Since these people are often particularly affected by the COVID-19 pandemic, we once again provided active assistance during the reporting year. Our apprentices and young professionals helped pack bags with hygiene supplies, clothing and food. Since the start of the campaign in 2020, Hapag-Lloyd and other companies in northern Germany have not only donated but also packed more than 50,000 bags with products needed for daily life.

NEW SOCIAL COMMITMENT IN 2021

In autumn 2021, we entered into a new partnership with UNICEF, the United Nations Children's Fund. The partnership has initially been set up for three years and aims to give children better opportunities for a brighter future.

Hapag-Lloyd supports UNICEF's global work in the fields of health, child protection, nutrition and emergency aid. This flexible support is very important for UNICEF because it can be used in regions and emergency situations where children and families are in particularly urgent need of it.

Another area of focus for the partnership between Hapag-Lloyd and UNICEF is the promotion of education in Africa. To this end, Hapag-Lloyd supports the UNICEF "Schools for Africa" programme, with a focus on Ghana, Kenya and South Africa.

The "Schools for Africa" initiative, founded in 2004, is guided by Nelson Mandela's vision that education can change lives and help further society. Its aim is to give every child access to a good education. To date, "Schools for Africa" has helped more than 30 million children realise their dream of receiving an

education. From preschool and primary to secondary schooling, the initiative supports the development of the educational system and specifically promotes disadvantaged population groups.

In addition to the partnership's two main areas of focus, we want to deepen our collaboration with UNICEF by providing logistics for humanitarian aid. We want to expand our previous support over the next few years, for instance by transporting vaccination equipment.

ENVIRONMENTAL ACTION

In addition to our global commitment to the environment, we are also involved in various environmental projects at our sites around the world. Since 2015, we have been a member of UmweltPartnerschaft Hamburg and have championed efforts to promote voluntary environmental protection among companies in the city.

Our Global Service Center (GSC) in India aims to reduce greenhouse gases through a number of tree-planting initiatives. GSC India aims to contribute to ecological sustainability by planting 1,050 seedlings in Chennai and Mumbai. This project was initiated in 2019 in collaboration with a well-known planting organisation. Following a break due to the pandemic, we were able to achieve our target in March 2021. To guarantee the initiative's sustainability after the planting process, our local team members have committed to ensuring that the seedlings grow into healthy trees.

In addition to this target, GSC India has launched various other sustainability initiatives. For example, plastic water bottles for employees were replaced with steel and glass bottles, and electronic waste is now disposed of in an environmentally friendly manner.



Foto: ©UNICEF/Kokoroko



Sponsorship

Hapag-Lloyd and Boris Herrmann have signed an official five-year sponsorship agreement. The world-famous skipper and his organisation, which operates under the name Team Malizia, aim to raise awareness of climate change.

Team Malizia came to prominence in 2020 when Boris Herrmann took part in the Vendée Globe non-stop regatta, “A Race We Must Win” emblazoned on the sails of his yacht. During his sailing missions, Team Malizia collected valuable scientific data from the most remote regions of the planet. This data helps researchers understand the impact of climate change on the oceans.

“I am delighted to have the complete support of Hapag-Lloyd,” says Boris Herrmann. “We had already developed a close partnership over the last year and I can sense Hapag-Lloyd’s determination to be a pioneer in the field of decarbonisation. It will be a pleasure for me to bear the Hapag-Lloyd logo on the sail of my racing yacht.”



LOCAL ENVIRONMENTAL ACTION

Local clean-up days

The International Coastal Cleanup Day took place on 18 September. Many of our Hapag-Lloyd colleagues around the world took this opportunity to participate in clean-up initiatives to protect the marine ecosystem and the wider environment.

Participants rolled up their sleeves to collect waste and tidy up shores and beaches. As part of our “Hapag-Lloyd Cares” corporate citizenship programme, many employees used their volunteer day to clean up our coasts, riverbanks and water bodies.

Our Hamburg teams between the Alster and the Elbe


In order to make a contribution on our own doorstep, colleagues in Hamburg joined forces with the Hamburg charity “oclean”. Various teams got together on several days to clean up the city. From Ballindamm to the Alster lake and the river Elbe, several hundred kilos of waste were collected in just a short period of time.

Our global sustainability department, headquartered in Hamburg, got together with the charity “De Fleetenkieker” to clean up the largest local inland waterway, the Alster. In addition to drinks cans, plastic bags, glass bottles, old clothing and other waste, they even fished a real message in a bottle out of the water. The total amount of waste collected weighed over 30 kilograms.

Actively increasing environmental awareness in Area Turkey

Our staff in Turkey is dedicated to ensuring cleaner beaches. In order to preserve the beauty of nature, the team focussed on collecting waste from the beaches in Urla near Izmir, Sile near Istanbul and Mersin. They thus increased their own awareness, and that of others, of the importance of avoiding waste and disposing of it properly.

A family activity: collecting waste in Genoa

Many colleagues from Region South Europe got involved with an initiative at a beach in the heart of Genoa. They brought family members with them for support and joined forces with “The Black Bag”  , an organisation that helps raise awareness for the environment with clean-up campaigns.

During the reporting period, our teams dedicated their time to the environment and society in other regions as well. Whether with Dubai beach clean-ups, helping older people on the Iberian Peninsula or making donations to seafarers from Hamburg or Montreal, for us, taking responsibility is a matter of course.



RESEARCH AND EDUCATION

Promotion of and exchange with the academic community

We support the work of scientific institutions. For example, during the reporting period Hapag-Lloyd donated EUR 225,000 to the Hapag-Lloyd Center for Shipping and Global Logistics (CSGL) research centre at Kühne Logistics University. The research centre investigates topics such as digitalisation, sustainability and value creation in the shipping and logistics industry. The funding is primarily used for scientific equipment.

Promotion of vocational training and degree programmes

Hapag-Lloyd also finances three Hamburg scholarships which have been awarded by the Studierendenwerk Hamburg student association since 2018. These scholarships support refugees from conflict zones to complete a course with a strong IT focus.

SUPPORTING LOCAL PROJECTS IN HAMBURG

We are involved in a variety of cultural and sports activities in Hamburg. We have been the main sponsor of the first division handball team HSVH since mid-2021, and we also co-hosted the annual Harbour Front book festival in Hamburg. In addition, we continued our support of the Thalia Theater, for example with a podium discussion on the topic of democracy.

Hapag-Lloyd has been a partner of Filmfest Hamburg for several years and is the main sponsor of the premier league ice hockey team, the Hamburg Crocodiles. We also support the annual horse race in Hamburg's Horn district and promote events by local associations and initiatives.

INFORMATION

Chapter contents

GRI Content Index 2021 – 102-55

The basis for the information in the content index is the GRI Standards 2016, with the following exceptions of the topic-specific standards: GRI 207 (2019), GRI 303 (2018), GRI 306 (2020), GRI 403 (2018).

GRI STANDARD	DESCRIPTION OF INDICATOR	PAGE IN THE REPORT/COMMENT
GRI 101: FOUNDATION		
GRI 102: GENERAL DISCLOSURES		
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	16
102-2	Activities, brands, products, and services	20–23
102-3	Location of headquarters	20–21
102-4	Location of operations	20–23
102-5	Ownership and legal form	16, 29, 57
102-6	Markets served	20–23
102-7	Scale of the organisation	20–24
102-8	Information on employees and other workers	81–83, 85, 87
102-9	Supply chain	35–38
102-10	Significant changes to the organisation and its supply chain	17–18
102-11	Precautionary Principle or approach	48, 73–75
102-12	External initiatives	29, 33, 57–58, 65, 74–75, 77
102-13	Membership of associations	57–58, 65, 84–85, 106
STRATEGY		
102-14	Statement from senior decision-maker	14–15
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	30–31, 93

GRI STANDARD	DESCRIPTION OF INDICATOR	PAGE IN THE REPORT/COMMENT
GOVERNANCE		
102-18	Governance structure	29, 50
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	56–57
102-41	Collective bargaining agreements	85
102-42	Identifying and selecting stakeholders	56–57
102-43	Approach to stakeholder engagement	52, 56–57, 88
102-44	Key topics and concerns raised	53, 56–57, 74–75, 88
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	17–18
102-46	Defining report content and topic boundaries	52
102-47	List of material topics	53
102-48	Restatements of information	There were no restatements of information from previous reports.
102-49	Changes in reporting	There were no changes in reporting.
102-50	Reporting period	17
102-51	Date of most recent report	The last Sustainability Report was published on 27 April 2021.
102-52	Reporting cycle	17
102-53	Contact point for questions regarding the report	124
102-54	Claims of reporting in accordance with the GRI Standards	16
102-55	GRI content index	114–120
102-56	External assurance	16–17, 121–122
MATERIAL TOPICS		
GRI 201: ECONOMIC PERFORMANCE		
201/103	Management approach	23–24
201-1	Direct economic value generated and distributed	23, 39

GRI STANDARD	DESCRIPTION OF INDICATOR	PAGE IN THE REPORT/COMMENT
GRI 205: ANTI-CORRUPTION		
205/103	Management approach	30–33
205-2	Communication and training about anti-corruption policies and procedures	30–31, 33
205-3	Confirmed incidents of corruption and actions taken	32
GRI 206: ANTI-COMPETITIVE BEHAVIOUR		
206/103	Management approach	30–33
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	During the reporting period, there were no legal proceedings due to anti-competitive behaviour, cartel and monopoly formation.
GRI 207: TAX (2019)		
207/103	Management approach	37–39
207-1	Approach to tax	37–39
207-2	Tax governance, control, and risk management	38–39
207-3	Stakeholder engagement and management of concerns related to tax	38–39
207-4	Country-by-country-reporting	39
GRI 301: MATERIALS		
301/103	Management approach	64–65, 76–78
301-1	Materials used by weight or volume	76
301-2	Recycled input materials used	Our company's core business is services. For this reason, we do not calculate the percentage of renewable or recyclable materials for externally procured materials. If a ship in our fleet is recycled, all components are separated and either reused or disposed of properly within the scope of the prevailing regulations.
GRI 302: ENERGY		
302/103	Management approach	50, 64–70, 72
302-1	Energy consumption within the organisation	68, 70
302-3	Energy intensity	67
302-4	Reduction of energy consumption	66–68

GRI STANDARD	DESCRIPTION OF INDICATOR	PAGE IN THE REPORT/COMMENT
GRI 303: WATER AND EFFLUENTS (2018)		
303/103	Management approach	50, 64–65, 71, 73–75
303-1	Management approach: Interactions with water as a shared resource	73–75
303-2	Management approach: Management of water discharge-related impacts	71, 73–75
303-4	Water discharge	Solid and liquid waste that accrues on the ships is collected locally in accordance with MARPOL and disposed of appropriately in the respective destination ports. All waste disposal is documented on board in accordance with the applicable regulations and checked as part of port state inspections. Centralised tracking of waste and waste water figures would be associated with high administrative costs and therefore does not currently take place.
GRI 304: BIODIVERSITY		
304/103	Management approach	47, 50, 64–65, 73–75, 77–78
304-2	Significant impacts of activities, products, and services on biodiversity	73–75
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	74–75
GRI 305: EMISSIONS		
305/103	Management approach	47, 50, 64–72
305-1	Direct (Scope 1) GHG emissions	68
305-3	Other indirect (Scope 3) GHG emissions	68
305-4	GHG emissions intensity	71

GRI STANDARD	DESCRIPTION OF INDICATOR	PAGE IN THE REPORT/COMMENT
GRI 306: WASTE		
306/103	Management approach	47, 50, 64–65, 76–78
306-1	Management approach: Waste generation and significant waste-related impacts	76–78
		76–78 If a ship in our fleet is recycled, all components are separated and either reused or disposed of properly within the scope of the prevailing regulations.
306-2	Management approach: Management of significant waste-related impacts	78 Solid and liquid waste that accrues on the ships is collected locally in accordance with MARPOL and disposed of appropriately in the respective destination ports. All waste disposal is documented on board in accordance with the applicable regulations and checked as part of port state inspections. Centralised tracking of waste and waste water figures would be associated with high administrative costs and therefore does not currently take place.
306-3	Waste generated	
GRI 307: ENVIRONMENTAL COMPLIANCE		
307/103	Management approach	30–33, 64, 66–68, 73–74, 76–77
307-1	Non-compliance with environmental laws and regulations	In the reporting period, there was no case of non-compliance with of environmental protection laws and/or regulations.
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT		
308/103	Management approach	47, 60–61
308-2	Negative environmental impacts in the supply chain and actions taken	61–62
GRI 401: EMPLOYMENT		
401/103	Management approach	80–83, 85–88, 93
401-3	Parental leave	87

GRI STANDARD	DESCRIPTION OF INDICATOR	PAGE IN THE REPORT/COMMENT
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)		
403/103	Management approach	47, 97–106
403-1	Management approach: Occupational health and safety management system	97, 100–103
403-2	Management approach: Hazard identification, risk assessment, and incident investigation	101–106
403-3	Management approach: Occupational health services	98–99, 104
403-4	Management approach: Worker participation, consultation, and communication on occupational health and safety	98, 101
403-5	Management approach: Worker training on occupational health and safety	98, 99, 103–104, 106
403-6	Management approach: Promotion of worker health	86, 99, 104
403-7	Management approach: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	101
403-8	Workers covered by an occupational health and safety management system	101–103
403-9	Work-related injuries	98, 102–103
GRI 404: TRAINING AND EDUCATION		
404/103	Management approach	89–92
404-1	Average hours of training per year per employee	91
404-2	Programmes for upgrading employee skills and transition assistance programmes	28, 91–92
404-3	Percentage of employees receiving regular performance and career development reviews	91
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
405/103	Management approach	29, 47, 85, 94–95
405-1	Diversity of governance bodies and employees	83, 95
GRI 406: NON-DISCRIMINATION		
406/103	Management approach	30–33, 60–61, 94–95
406-1	Incidents of discrimination and corrective actions taken	32

GRI STANDARD	DESCRIPTION OF INDICATOR	PAGE IN THE REPORT/COMMENT
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
407/103	Management approach	30–33, 55, 60–61
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	31, 33
GRI 408: CHILD LABOUR		
408/103	Management approach	30–33, 55, 60–61
408-1	Operations and suppliers at significant risk of incidents of child labour	31, 33
GRI 409: FORCED OR COMPULSORY LABOUR		
409/103	Management approach	30–33, 55, 60–61
409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labour	31, 33
GRI 412: HUMAN RIGHTS ASSESSMENT		
412/103	Management approach	30–33
412-1	Operations that have been subject to human rights reviews or impact assessments	31
412-2	Employee training on human rights policies or procedures	31
GRI 414: SUPPLIER SOCIAL ASSESSMENT		
414/103	Management approach	47, 60–61
414-2	Negative social impacts in the supply chain and actions taken	61–62
GRI 418: CUSTOMER PRIVACY		
418/103	Management approach	34–36
418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	36
GRI 419: SOCIOECONOMIC COMPLIANCE		
419/103	Management approach	30–33
419-1	Non-compliance with laws and regulations in the social and economic area	33

Independent Practitioner's Report – 102-56

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING¹

To Hapag-Lloyd AG, Hamburg

We have performed a limited assurance engagement on the combined separate non-financial report of Hapag-Lloyd AG, Hamburg, (hereinafter the "Company") for the period from 1 January to 31 December 2021 (hereinafter the "Non-financial Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Non-financial Report, which are marked as unassured.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Non-financial Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section EU-Taxonomy-Regulation of the Non-financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for

such internal controls as the executive directors consider necessary to enable the preparation of a Non-financial Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section EU-Taxonomy-Regulation of the Non-financial Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the combined separate non-financial report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Non-financial Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Non-financial Report, other than the external sources of documentation or expert opinions mentioned in the Non-financial Report, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU-Taxonomy-Regulation of the Non-financial Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities :

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Non-financial Report about the preparation process, about the internal control system relating to this process and about disclosures in the Non-financial Report
- Identification of likely risks of material misstatement in the Non-financial Report
- Analytical procedures on selected disclosures in the Non-financial Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Non-financial Report
- Evaluation of the process to identify Taxonomy-eligible economic activities and the corresponding disclosures in the Non-financial Report

- Inquiries on the relevance of climate-risks

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Non-financial Report of the Company for the period from 1 January to 31 December 2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU-Taxonomy-Regulation of the Non-financial Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Non-financial Report, which are marked unassured.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 9 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke ppa. Meike Beenken
German public auditor

Contact and imprint

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