

Report on the GSCA

(German Supply Chain Act)

Reporting period from
01.01.2023 to 31.12.2023

Name of the organisation: Hapag-Lloyd AG

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NOTE: THE ENGLISH TRANSLATION IS FOR INFORMATIONAL PURPOSES ONLY.
IN THE EVENT OF DIFFERENCES, THE ORIGINAL GERMAN VERSION SHALL PREVAIL.

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A. Strategy & anchoring

A1. Monitoring risk management & the responsibilities of the senior management

What responsibilities for monitoring risk management were defined during the reporting period?

To monitor risk management, the Executive Board of Hapag-Lloyd has decided to assign the Senior Managing Director Global Procurement to also serve as the Human Rights Officer. During the reporting period, this position was held by Michael Pradel. The Human Rights Officer monitors and reviews all aspects of risk management and informs the Executive Board on a regular basis – but at least once a year – about his work.

In addition, the Corporate Audit department audits how risk management is being implemented and monitored as part of its regular internal auditing processes.

Has the senior management established a reporting process that ensures that it is regularly informed – at least once a year – about the work of the individual responsible for monitoring risk management?

It is confirmed that the senior management has established a reporting process that ensures that it is regularly informed – at least once a year – about the work of the individual responsible for monitoring risk management in accordance with Section 4 (3) GSCA.

- Confirmed

Describe the process that ensures reporting to senior management on risk management on a regular basis but at least once a year.

The Human Rights Officer reports to the senior management in writing on the fulfilment of his or her duties as Human Rights Officer and the results of the monitoring on an ad hoc basis, but at least once a year, in each case by 31 December at the latest. In addition, the Human Rights Officer immediately informs the Executive Board if risk management is not implemented or is not implemented properly in accordance with Section 4 (1) sentence 1 GSCA.

A. Strategy & anchoring

A2. Policy statement on the human rights strategy

Is there a policy statement that has been prepared or updated based on the risk analysis carried out during the reporting period?

The Policy Statement has been uploaded

<https://www.hapag-lloyd.com/en/company/responsibility/compliance/policy-statement-on-social-responsibility-and-human-rights.html#tabnav>

Has the policy statement for the reporting period been communicated?

It is confirmed that the policy statement has been communicated to employees, the Works Council (if applicable), the public and the direct suppliers for whom a risk was identified in the risk analysis.

- Confirmed

Please describe how the policy statement was communicated to each of the relevant target groups.

The Policy Statement is available to all employees on the company's intranet. The Policy Statement is publicly available on the company's website www.hapag-lloyd.com/human-rights). Hapag-Lloyd's Supplier Code of Conduct (version October 2023, available at www.hapag-lloyd.com/code-of-conduct) makes reference to the Policy Statement. In November 2023, Hapag-Lloyd AG started implementing a communication concept aimed at getting its suppliers to sign the current Code of Conduct.

What elements does the policy statement comprise?

- Establishment of a risk management system
- Annual risk analysis
- Anchoring of preventive measures in own business area, vis-à-vis direct suppliers and, if applicable, vis-à-vis indirect suppliers and their effectiveness review
- Remedial action in own business area, vis-à-vis direct suppliers and, if applicable, vis-à-vis indirect suppliers as well as their effectiveness review
- Provision of a complaints procedure in own business area and with suppliers as well as their effectiveness review
- Documentation and reporting obligations
- Description of identified prioritised risks
- Description of human rights- and environment-related expectations of own employees and of suppliers

Describe any possible updates during the reporting period and the reasons behind them.

The Policy Statement was first published in February 2023. In December 2023, it was thoroughly revised and updated to reflect the results of the annual risk analysis and the adjustments subsequently made to relevant processes and responsibilities.

A. Strategy & anchoring

A3. Anchoring the human rights strategy within own organisation

Which departments/business processes were responsible for anchoring the human rights strategy during the reporting period?

- Personnel/HR
- Occupational Safety and Health
- Communications/Corporate Affairs
- Procurement/Purchasing
- Supplier Management
- CSR/Sustainability
- Legal/Compliance
- Corporate Audit

Describe how responsibility for implementing the strategy is allotted among the various departments/business processes.

The Human Rights Office, which is part of the Global Procurement department, is responsible for coordinating the implementation of the human rights strategy.

Responsibilities for implementing the human rights strategy in our own business area are assigned to various departments as described below:

- Human Resources and Occupational Safety & Health: human rights-related risks according to Section 2 (2) No. 1 - 8 GSCA;
- Sustainability: human rights-related risks according to Section 2 (2) No. 9 GSCA; environment-related risks according to Section 2 (3) No. 4 - 5 GSCA
- Business Administration: human rights-related risks according to Section 2 (2) No. 9 - 11 GSCA;
- Procurement: human rights risks-related according to Section 2 (2) No. 10 GSCA;
- Dangerous Goods: environment-related risks according to Section 2 (3) No. 1 - 8 GSCA.

All departments with purchasing responsibility are responsible for implementing the part of the human rights strategy relating to the supply chain.

The Compliance department is responsible for the complaints procedure according to Section 8 GSCA. The Corporate Communications department supports internal and external communication efforts associated with implementing the human rights strategy.

The Corporate Audit department reviews the implementation of the GSCA as part of its established role.

The Legal department provides support in several areas, such as drafting contractual texts relevant to the implementation of due diligence obligations.

A. Strategy & anchoring

A3. Anchoring the human rights strategy within own organisation

Describe how the strategy is integrated into operational processes and procedures.

Compliance with ethical corporate standards is anchored in the Policy Statement, in the Global Code of Ethics for our employees, in the Supplier Code of Conduct and in our contracts for business relationships with suppliers, and in the Procurement Guideline for selecting suppliers. Internal and external training programmes for employees (particularly in procurement) as well as for suppliers have been implemented or prepared. A process has been defined for reports via the complaints procedure that ensures and checks how they are handled in the relevant departments. The risk management systems in place are regularly adapted while taking into account social and environmental requirements as well as internal and external reports.

Describe the resources and expertise provided to facilitate implementation.

Using additional human and financial resources, a Human Rights Office exclusively responsible for implementing the GSCA was established to serve as a central coordination unit. The relevant specialist departments (particularly in Procurement, Human Resources, Dangerous Goods, Compliance, Sustainability, Legal and Corporate Communications) contribute with their expertise as required for implementing the GSCA. At the regional level, managers from the Procurement departments have been appointed to implement the relevant risk management processes locally in consultation with the Human Rights Office based in the company headquarters.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Was a regular (annual) risk analysis carried out during the reporting period to identify, weight and prioritise human rights- and environment-related risks?

- Yes, for the company's own business area
- Yes, for direct suppliers

Describe the period in which the annual risk analysis was carried out.

June to December 2023.

Describe the risk analysis procedure.

First, a systematic abstract analysis of industry- and country-specific risks was carried out by analysing qualitative and quantitative data for the company's own business area and for its direct suppliers. As a result, locations and regions with an elevated risk disposition were identified both for the company's own business area as well as for the level of direct suppliers. Based on the results of the abstract risk analysis, human rights- and environment-related risks at locations with an elevated risk disposition were specifically identified in a second step, as follows:

a) In the company's own business area

Quantitative data was subsequently collected on the risks in accordance with Section 2 (2) and (3) GSCA as well as on the measures already in place for prevention and, if necessary, remedial action related to locations and ships at or on which Hapag-Lloyd employees were working during the reporting period. Part of the risk analysis involved the participation of relevant departments and stakeholders in the form of interviews.

b) Vis-à-vis direct suppliers

A specific risk analysis was carried out for direct suppliers for whom an elevated risk disposition had to be assumed based on the results of the abstract risk analysis. The selected suppliers were asked to fill out a supplier self-assessment questionnaire (SSAQ) specially developed for the implementation of the GSCA at Hapag-Lloyd. The aim was to be able to determine the degree of risk and the mitigation measures in place at the level of individual suppliers. The questionnaire covered human rights- and environment-related risks in accordance with Section 2 (2) and (3) GSCA as well as basic questions on the composition of the supplier's workforce. The responses were analysed using a detailed methodology and combined with the country-related risk data on hand. The results were also weighted while taking into account the appropriateness criteria in accordance with Section 3 (2) GSCA, with the focus being on the expected severity of possible violations and the probability of the risk occurrence.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were risk analyses also carried out on an ad hoc basis during the reporting period?

- Yes, due to other events: internal reports and the complaints procedure.

Describe the specific events.

The specific events resulted from media reports of possible human rights violations at direct suppliers as well as information reported via Hapag-Lloyd's complaints procedure (Speak Up Line).

Describe what findings the analysis has led to with regard to a materially changed and/or increased risk situation.

Based on the risk analyses carried out on an ad hoc basis, no significant change and/or increase in the risk situation was identified.

Describe the extent to which findings from the processing of reports/complaints have been incorporated.

Reports and complaints are documented on an ongoing basis. This documentation is evaluated and taken into account as part of the regular risk analysis in accordance with Section 5 (1) sentence 1 GSCA.

Results of the risk assessment

What risks were identified in the risk analysis/analyses in the company's own business area?

- Prohibition of the hiring or use of private or public security forces that could lead to impairments due to a lack of instruction or control
- Disregard for occupational safety and work-related health hazards
- Destruction of the basis of the livelihood of individuals through environmental pollution
- Disregard for the freedom of association – the rights to join trade unions and to collective bargaining
- Unlawful infringement of land rights
- Prohibition of the employment of persons in forced labour and of all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labour
- Prohibition of withholding an adequate living wage
- Prohibition of the production and/or use of substances within the scope of the Stockholm Convention (POPs Convention) and of the non-environmentally sound handling of waste containing persistent organic pollutants (POPs)
- Prohibition of importing/exporting hazardous waste within the meaning of the Basel Convention
- Prohibition of the manufacture, use and/or disposal of mercury (Minamata Convention)

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk assessment

What risks were identified in the risk analysis/analyses for direct suppliers?

- Prohibition of the hiring or use of private or public security forces that could lead to impairments due to a lack of instruction or control
- Disregard for occupational safety and work-related health hazards
- Destruction of the basis of the livelihood of individuals through environmental pollution
- Disregard for the freedom of association – the rights to join trade unions and to collective bargaining
- Unlawful infringement of land rights
- Prohibition of the employment of persons in forced labour and of all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labour
- Prohibition of withholding an adequate living wage
- Prohibition of the production and/or use of substances within the scope of the Stockholm Convention (POPs Convention) and of the non-environmentally sound handling of waste containing persistent organic pollutants (POPs)
- Prohibition of importing/exporting hazardous waste within the meaning of the Basel Convention
- Prohibition of the manufacture, use and/or disposal of mercury (Minamata Convention)

What risks were identified as part of the risk analysis/analyses for indirect suppliers?

- Prohibition of the hiring or use of private or public security forces that could lead to impairments due to a lack of instruction or control
- Disregard for occupational safety and work-related health hazards
- Destruction of the basis of the livelihood of individuals through environmental pollution
- Disregard for the freedom of association – the rights to join trade unions and to collective bargaining
- Unlawful infringement of land rights
- Prohibition of the employment of persons in forced labour and of all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labour
- Prohibition of withholding an adequate living wage
- Prohibition of the production and/or use of substances within the scope of the Stockholm Convention (POPs Convention) and of the non-environmentally sound handling of waste containing persistent organic pollutants (POPs)
- Prohibition of importing/exporting hazardous waste within the meaning of the Basel Convention
- Prohibition of the manufacture, use and/or disposal of mercury (Minamata Convention)

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were the risks identified in the reporting period weighted and, if applicable, prioritised and, if so, on the basis of what appropriateness criteria?

- Yes, based on the expected severity of the violation in terms of degree, the number of people affected, and its irreversibility
- Yes, based on the company's ability to influence
- Yes, on the basis of the probability of the occurrence of a violation
- Yes, based on the nature and scope of the company's business activities
- Yes, based on the nature of the causal contribution of the company to the risk

Describe in more detail how the weighting and, if necessary, the prioritisation process were carried out and what considerations were made.

The results of the supplier self-assessment questionnaires (SSAQs) for the concrete risk analysis were weighted per supplier and topic using the methodology summarised along the following lines. The approach took into account the individual supplier's responses to the SSAQ and the country assessment from the abstract risk analysis for the human rights- or environment-related risk in question. The weighting reflected a number of overarching considerations:

- 1.** The concrete risk score is largely based on SSAQ response data. Since this data could only be verified or checked for plausibility to a limited extent, the concrete risk score was given a lower weighting than the abstract risk score.
- 2.** Concrete risk score:
 - 2.1.** For suppliers who did not answer the SSAQ, the highest risk level was assumed in order to reflect the lack of information for the specific risk assessment.
 - 2.2.** The severity criterion was weighted higher than the probability of occurrence to reflect the OECD Due Diligence Guidance for Responsible Business Conduct and the fact that the SSAQ could only assess the existence – but not the effectiveness – of the preventive and remedial actions in place.
- 3.** Abstract risk score: If no country-specific risk data was available, a medium risk level was assigned.

More specifically, the appropriateness criteria were taken into account in the risk analysis as follows: For each procurement category, the direct suppliers with which Hapag-Lloyd has the highest revenue were selected (based on expenditure data for the 2022 financial year). The capacity to influence was therefore rated as "high" for all selected suppliers and risk topics.

The number of people potentially affected was taken into account in order to estimate the expected severity of the violation. The irreversibility of possible violations was assessed based on the nature of the risk; for example, irreversibility was classified as "high" for the risk discussed in Section 2 (2) No. 3 GSCA (forced labour). The probability of a violation occurring was assessed by the existence of preventive measures.

Since all selected suppliers are direct suppliers, the type of contribution to causation was categorised as "contribution".

B. Risk analysis and preventive measures

B2. Preventive measures in own business area

What preventive measures were implemented for the reporting period to prevent and minimise the priority risks in the company's own business area?

- Implementation of training courses in relevant business areas
- Implementation of risk-based control measures
- Other/additional measures: Targets and guidelines

Implementation of training courses in relevant business areas

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/geographical scope of application).

- * During the standardised onboarding process, all employees undergo mandatory training on the corporate culture as well as on compliance with legal requirements and company guidelines.
- * As a general measure to prevent violations of human rights- and environment-related due diligence obligations, several training sessions and workshops were held with the relevant departments.
- * A global communication campaign was carried out to raise awareness of the complaints procedure "Speak Up Line".
- * The intranet was also used to disseminate information about human rights-related risks.
- * In summer 2023, a workshop was developed on the issue of "Sexual harassment on board". The workshop aims to raise awareness of this issue among all trainees and to provide guidance and support for those affected.
- * The intended increase in the proportion of women in management positions and Hapag-Lloyd's advancement programmes are being supported by the newly established "Women@Hapag-Lloyd" working group, which held five networking events at the company's headquarters in 2023.
- * In addition to a collective agreement on or contractual regulation of working hours and permissible overtime, new employees receive training on the importance of keeping their working hours within the permitted limits.

Describe the extent to which the trainings to prevent and minimise the priority risks are appropriate and effective.

Trainings and courses help to raise participants' awareness of the prioritised risks. Participants learn about possible courses of action, such as using the complaints procedure to prevent human rights violations. Trainings are meant to be an effective general preventive measure for avoiding human rights violations.

B. Risk analysis and preventive measures

B2. Preventive measures in own business area

Implementation of risk-based control measures

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/geographical scope of application).

- * Working hours are recorded at on-shore locations and on ships. While some Hapag-Lloyd locations record working hours manually, the vast majority of the company's locations have a system for recording working hours electronically.
- * Depending on the system used to record working hours, employees receive an email alert 30 minutes before reaching the maximum permitted working time. If the permitted working hours are exceeded, the line managers of the employees in question receive a notification.

Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.

The measures taken are adequate. The measures take into account the type of contribution to the cause and the associated maximum degree of influence in the company's own business area. The measures reduce the probability of a violation occurring by directly involving the potentially affected employees.

The measures taken are effective because they aim to identify and minimise the priority risks (e.g. by means of time-recording methods/equipment and the alerts and notifications described above).

Other/additional measures

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/geographical scope of application).

- * Even before the Executive Board of Hapag-Lloyd increased the visibility of the importance of the priority risks by defining a human rights strategy within the Policy Statement in accordance with Section 6 (2) GSCA, the prioritised risks had already been identified and the appropriate measures had been taken.
- * The Global Code of Ethics stipulates that respect for human rights, including the prohibition of any form of discrimination, is a mandatory value for all employees. Violations of the Global Code of Ethics are face disciplinary sanctions.
- * The principle of equal treatment applies when filling new positions. Selection processes are supported by Human Resources staff to ensure that this principle is upheld.

B. Risk analysis and preventive measures

B2. Preventive measures in own business area

- * In the application process for marine professions, more attention is also being paid to inviting suitable female candidates to assessment centres and/or interviews. In addition, the manning agencies with which Hapag-Lloyd works were invited to nominate female candidates in 2023.
- * Hapag-Lloyd has set itself the goal of increasing the proportion of women in marine professions. The proportion of female trainees in this field increased from 14.8% to 20.6% between January and December 2023.
The following measures have made a contribution to these efforts: numerous visits to trade fairs organised by the Berufsbildungsstelle Seeschifffahrt e.V. (BBS) – an organisation responsible for monitoring the vocational training of ship mechanics and for providing advice on training opportunities in the German shipping sector – accompanied by marine trainees, often from Hapag-Lloyd and increasingly also female marine trainees; another means of recruiting young talent is the Holiday Voyager Programme of the German Shipowners' Association (VDR), which also appeals to young women in secondary school; Hapag-Lloyd also supported the Girls' Day at the German Port Museum in 2023, to which only young women in secondary school were invited.
- * Hapag-Lloyd has set itself the target of increasing the proportion of female employees in the talent development and management trainee programme to 50% by 2023.
- * Hapag-Lloyd has set itself the goal of significantly increasing the proportion of female managers at the top four levels to 50% by 2030.

Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.

The measures taken are appropriate and effective because they specifically address general human rights-related due diligence obligations and the prioritised risk of unequal treatment in employment. In addition, they have led to measurable improvements (e.g. the proportion of female trainees in marine professions) or are working towards them (e.g. by pursuing the goal of increasing the proportion of women).

B. Risk analysis and preventive measures

B3. Preventive measures among direct suppliers

Which risks were prioritised for direct suppliers during the reporting period?

- Disregard for occupational safety and work-related health hazards

What specific risk is involved?

The risk of disregarding the occupational safety and health obligations applicable under the law of the place of employment was prioritised, in particular due to the lack of measures to prevent excessive physical and mental fatigue caused by unsuitable organisation of the work in terms of working hours and rest breaks.

The risk analysis was assessed for each of Hapag-Lloyd's regional locations and shows that there is an elevated risk in the Asia, Latin America and Middle East & Africa regions. The selection question "Where does the risk occur?" was therefore answered using the locations of the central regional offices for Asia (Singapore), Latin America (Chile) and the Middle East & Africa (United Arab Emirates) as a proxy.

Where does the risk occur?

- Chile
- Singapore
- United Arab Emirates

What preventive measures were implemented for the reporting period to prevent and minimise the priority risks among direct suppliers?

- Development and implementation of appropriate procurement strategies and purchasing practices
- Integration of expectations into the supplier selection process
- Obtaining contractual assurances for compliance with and fulfilment of expectations along the supply chain
- Other/additional measures: Internal awareness-raising

Other categories:

Selected:

- Integration of expectations into the supplier selection process
- Obtaining contractual assurances for compliance with and fulfilment of expectations along the supply chain
- Other/additional measures

Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.

The measures taken in 2023 make it possible to identify human rights- and environment-related risks at an early stage. In addition, the measures set standards in the business relationship with suppliers for a collaboration that is based on engagement, transparency, embracing change, and cooperation.

B. Risk analysis and preventive measures

B3. Preventive measures among direct suppliers

Category: Procurement strategy & purchasing practices

Selected:

- Development and implementation of appropriate procurement strategies and purchasing practices

Describe the measures implemented and the extent to which the definition of delivery times, purchase prices or the duration of contractual relationships have been adjusted.

Hapag-Lloyd has put in place a media monitoring tool to proactively and continuously identify (potential) human rights- and environment-related risks in accordance with Section 2 (2) and (3) GSCA. In addition, this tool has been further developed to process identified risks as cases.

Hapag-Lloyd has published a Supplier Code of Conduct (version October 2023 – www.hapag-lloyd.com/code-of-conduct), which sets out the expectations and requirements for human rights as well as environmental and ethical standards for suppliers and for Hapag-Lloyd while taking into account the principles of appropriateness and effectiveness. This Code of Conduct provides information about the Policy Statement in accordance with Section 6 (2) GSCA and the existence of the Speak Up Line (Hapag-Lloyd's complaints procedure in accordance with Section 8 GSCA) as well as about the possibility of using it. The Supplier Code of Conduct provides the option for suppliers to demonstrate the existence of their own equivalent code of conduct instead of adopting Hapag-Lloyd's Code of Conduct. A process for assessing equivalence has been established.

A thorough analysis of Hapag-Lloyd's model contracts for suppliers was carried out with the support of the Responsible Contracting Project in order to identify any potential need to adapt them to the legal requirements in accordance with Section 6 (4) Nos. 2 and 4 GSCA. The resulting risk-based adjustment of the standard contracts will continue in 2024.

Employees involved in purchasing activities have received training on human rights- and environment-related due diligence obligations along the supply chain.

In 2023, a process was launched to expand the internal purchasing guidelines to incorporate new sustainability issues and objectives relating to responsible procurement. Additional measures were planned for implementation in 2024.

Describe the extent to which adjustments to your own procurement strategy and purchasing practices are designed to help prevent and minimise the priority risks.

The development and implementation of appropriate procurement strategies and purchasing practices in accordance with Section 6 (3) No. 2 GSCA began in 2023 with an analysis of the purchasing categories with regard to their sector-specific risks. For example, it was determined which purchasing categories have an elevated risk of withholding an adequate living wage and should therefore be the focus of particular attention. The process of developing and implementing appropriate procurement strategies and purchasing practices will continue in 2024.

B. Risk analysis and preventive measures

B4. Preventive measures among indirect suppliers

Which risks were prioritised based on the risk analysis on an ad hoc basis for indirect suppliers?

- Disregard for occupational safety and work-related health hazards

What specific risk is involved?

Occupational safety and health at sea.

The risk arises for indirect suppliers in the global shipping sector, i.e. worldwide. For this reason, Germany was selected as an alternative answer for the question “Where does the risk occur?”.

Where does the risk occur?

- Germany

What preventive measures were implemented for the reporting period to prevent and minimise the priority risks among indirect suppliers?

- Other/additional measures: Implementation of a Code of Conduct

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/geographical scope of application).

Hapag-Lloyd presented the Supplier Code of Conduct for acceptance to indirect suppliers selected based on risk. The Supplier Code of Conduct sets out the expectations and requirements for human rights as well as environmental and ethical standards for suppliers and for Hapag-Lloyd while taking into account the principles of appropriateness and effectiveness. By adopting the Code of Conduct, the suppliers selected based on risk are made aware of, among other things, the Policy Statement in accordance with Section 6 (2) GSCA and of the Speak Up Line (Hapag-Lloyd’s complaints procedure in accordance with Section 8 GSCA) as well as about the possibility of using it.

Additional measures were prepared for 2024 during the reporting year. For example, one of these planned measures involves entering into a dialogue with indirect suppliers to identify suitable measures that are effective in accordance with Section 4 (2) GSCA.

Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.

By adopting the Supplier Code of Conduct, standards for collaboration based on engagement, transparency, a willingness to change, and cooperation were established with indirect suppliers selected based on risk. Going forward, this can serve as a basis for cooperation regarding human rights- and environment-related risks.

B. Risk analysis and preventive measures

B5. Communicating the results

Were the results of the risk analysis/analyses for the reporting period communicated internally to relevant decision-makers?

It is confirmed that the results of the risk analysis/analyses for the reporting period were communicated internally to the relevant decision-makers, such as the Executive Board, the senior management or the Procurement department, in accordance with Section 5 (3) GSCA.

- Confirmed

B6. Change in risk disposition

What changes have occurred with regard to priority risks compared to the previous reporting period?

Since this is the first reporting period, no comparative figures are available.

C. Identification of violations and remedial actions

C1. Identification of violations and remedial actions in own business area

Were any violations identified in your own business area during the reporting period?

- Yes, both in Germany and abroad

Please specify: For which issues were violations identified in your own business area?

- Prohibition of unequal treatment in employment

Enter the number

7

Describe the appropriate remedial action(s) you took.

In the event of violations in the company's own business area, appropriate and suitable disciplinary measures were taken, including termination of employment.

In cases where violations could not be stopped, describe where they occurred.

It was possible to stop all cases involving violations.

Describe what long-term remedial actions (e.g. follow-up concepts) have been taken and what considerations were made with regard to the selection and design of measures to stop or further minimise violations.

Long-term remedial actions were not necessary due to the characteristics of the specific violations.

Describe how the effectiveness of the remedial action(s) is verified.

The complaints procedure pursuant to Section 8 (1) sentence 1 GSCA applies to all (potential) violations in the company's own business area. For this reason, the effectiveness of the remedial action(s) is reviewed at least once a year as part of the review of the effectiveness of the complaints procedure in accordance with Section 8 (5) sentence 1 GSCA.

There are also plans for Hapag-Lloyd's Human Rights Office to play an advisory role in all cases involving human rights- or environment-related risks in accordance with Section 2 (2) and (3) GSCA in order to continuously review the effectiveness of remedial actions.

Have the remedial actions led to the cessation of the violation?

- Yes

Explain.

In the identified cases of violation, disciplinary measures were taken that led to the cessation of the violation.

C. Identification of violations and remedial actions

C1. Identification of violations and remedial actions in own business area

Have you analysed to what extent the identified violation is an indication of a possible need to adapt/supplement the preventive measures already in place? Please describe the process, results and impact of your analysis.

The identified violations are analysed at the end of the reporting year. The analysis aims to identify risks to which the identified violations could point. If risks are identified, putting preventive measures in place will be considered.

C2. Identification of violations and remedial actions among direct suppliers

Were any violations identified among direct suppliers during the reporting period?

- Yes

Describe the basis on which the identified violations were weighted and prioritised as well as what considerations were made in the process.

The violations identified were treated with the highest priority. The ability to influence direct suppliers was taken into account, not as a weighting factor, but as a basis for the strategic decision on the involvement of Hapag-Lloyd employees at a high hierarchical level in order to elicit a response from direct suppliers. As a general rule, all identified violations are treated equally. Since the number of violations identified among direct suppliers was low in the reporting year, it was not necessary to prioritise them.

In which areas were violations identified among direct suppliers?

- Prohibition of unequal treatment in employment
- Prohibition of withholding an adequate living wage

Prohibition of unequal treatment in employment

Enter the number

1

Prohibition of withholding an adequate living wage

Enter the number

1

C. Identification of violations and remedial actions

C2. Identification of violations and remedial actions among direct suppliers

Describe the appropriate remedial action(s) you took.

In both cases, a constructive dialogue was held with the supplier in question. In the process, it was determined that both suppliers had already taken remedial actions that had led to the cessation of the violation. Hapag-Lloyd requested and reviewed proof of these remedial actions.

Describe which considerations are made with regard to the selection and design of the measures as part of the corresponding follow-up concepts for stopping and minimising violations.

It was not necessary to develop follow-up concepts. However, one of the suppliers introduced a concept for the prevention of future violations as part of its human rights-related due diligence in addition to providing Hapag-Lloyd with information about its contents.

Describe how the effectiveness of the remedial action(s) is verified.

It is examined whether the remedial actions are adequate for achieving the goal of ending the violation. A goal is formulated for each specific case for this purpose, and achieving this goal constitutes a corrective measure, including possible remediation. The extent to which the remedial action(s) can contribute to achieving this goal is then analysed.

Have the remedial actions led to the cessation of the violation?

- Yes

Explain.

See above: In the dialogue with the suppliers, it was determined that both of them had already taken remedial actions that had led to the cessation of the violation. Hapag-Lloyd requested and reviewed proof of these remedial actions.

Have you analysed the extent to which the identified violation is an indication of a possible need to adapt/supplement the preventive measures already in place? Please describe the process, results and impacts of your analysis.

The findings from cases in the supply chain that constitute a violation are analysed. If necessary, this analysis is followed by supplementing the preventive measures already in place. For example, in the reporting year, the analysis led to a further contractual assurance from one of the suppliers.

C3. Identification of violations and remedial actions among indirect suppliers

Were any violations identified among indirect suppliers during the reporting period?

- No

D. Complaints procedure

D1. Establishment of or participation in a complaints procedure

In what form was a complaints procedure offered for the reporting period?

- Via the company's own complaints procedure

Describe the company's own process and/or the process in which your company participates.

Hapag-Lloyd's whistleblower channel is the online complaints procedure ("Speak Up Line") available worldwide and around the clock at <https://www.bkms-system.com/hapag-lloyd>, which is provided by an independent service provider. The reports are processed exclusively by Hapag-Lloyd in strict compliance with the following requirements:

- * Reports are handled confidentially.
- * Whistleblowers can remain anonymous by submitting a report without providing personal information. The Speak Up Line offers two options for doing this: Whistleblowers can either submit a report without any possibility of subsequent contact or set up a secure mailbox to communicate anonymously with the individual at Hapag-Lloyd responsible for the reviewing the case. The second option allows whistleblowers to receive information on the processing status of the case and to answer additional questions regarding their report.
- * Reports are processed in accordance with a standardised procedure. Once an investigation has been completed, the outcome directly related to the reported concern will be communicated to the whistleblower subject to the requirements of the applicable laws (e.g. data privacy and protection regulations).
- * Whistleblowers are protected from any kind of retaliation. Any form of, threat of or attempt at reprisal (whether direct or indirect) against whistleblowers is strictly prohibited by Hapag-Lloyd's internal Whistleblower and Non-Retaliation Policy.

Additional details about the complaints procedure can be found at

<https://www.hapag-lloyd.com/en/company/responsibility/compliance/whistleblower.html>.

Which potentially involved parties have access to the complaints procedure?

- Own employees
- Communities in the proximity of our locations
- Employees of suppliers
- External stakeholders (e.g. NGOs, labour unions, etc)

How is access to the complaints procedure ensured for the various groups of potentially involved parties?

- Publicly accessible rules of procedure in text form
- Information on accessibility
- Information on responsibility
- Information on the process
- All information is provided in a clear and comprehensible form
- All information is openly accessible

D. Complaints procedure

D1. Establishment of or participation in a complaints procedure

Publicly accessible rules of procedure in text form

Optional: Describe.

-

Information on accessibility

Optional: Describe.

-

Information on responsibility

Optional: Describe.

-

Information on the process

Optional: Describe.

-

All information is provided in a clear and comprehensible form

Optional: Describe.

-

All information is openly accessible

Optional: Describe.

-

Were the rules of procedure for the reporting period publicly available?

File was uploaded

The rules of procedure are accessible at:

https://www.hapag-lloyd.com/content/dam/website/downloads/pdf/Rules_of_Procedure_Speak_Up_Line_EN.pdf

D. Complaints procedure

D2. Requirements for the complaints procedure

Indicate the person(s) responsible for the procedure and their function(s).

Employees in the Global Compliance department are responsible for the process. The person(s) who will manage the case depends on the specific nature of the report. If a report is made in the company's own business area, the Ethics Committee – made up of the heads of the Corporate Audit, Compliance, Legal, Human Resources and Fleet departments – is responsible for managing the case. If it is a report relating to the supply chain, the Global Procurement department is responsible for managing the case.

There are also plans for Hapag-Lloyd's Human Rights Office to serve in an advisory role for the case managers.

The employees listed here agreed to an amendment to their contracts requiring them to comply with the stipulations listed in Section 8 (3) GSCA (guarantee of impartiality, independence, not being bound by instructions, being bound to secrecy).

It is confirmed that the criteria contained in Section 8 (3) GSCA is met by the responsible parties, i.e. that they guarantee impartial action, are independent, are not bound by instructions, and are obliged to maintain confidentiality.

- Confirmed

It is confirmed that precautions were taken during the reporting period to protect those potentially involved from being disadvantaged or penalised as a result of submitting a complaint.

- Confirmed

Describe what precautions have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.

On the procedural level, the parties involved are protected in that all persons at Hapag-Lloyd entrusted with processing the reports act independently and impartially and are not bound by instructions on the basis of a corresponding contractual agreement. In addition, they are obliged to treat information in strict confidence and in compliance with the obligation of data secrecy as well as to not disclose it to any individuals either within or outside the company. Exceptions to this are permitted in order to comply with the due diligence obligations in accordance with Section 3 (1) GSCA as well as with Sections 5, 6 and 9 of the German Whistleblower Protection Act (HinSchG), but always only in compliance with data secrecy requirements. In addition, the group of people involved in processing the reports is kept as small as possible.

The protection of those involved is also guaranteed at the technical level. The operator of the system used for the Speak Up Line (i.e. BKMS) is obliged to ensure the safeguarding of anonymity by means of encryption and other special security programmes and, in particular, it confirms that it will comply with the statutory data privacy and protection regulations. Whistleblowers are requested to not enter any information that could be used to identify them personally. In addition, they are advised to not use any employer-provided devices to submit their report.

D. Complaints procedure

D2. Requirements for the complaints procedure

Describe what precautions have been taken, in particular what other measures are in place to protect whistleblowers.

Any form of, threat of or attempt at reprisal (whether direct or indirect) against a whistleblower is strictly prohibited at Hapag-Lloyd even if the report or complaint subsequently proves to be unfounded or unsubstantiated. Hapag-Lloyd is committed to protecting whistleblowers and will not tolerate retaliation against them in any form.

In order to fulfil these requirements, a systematic procedure has been put in place to prevent retaliation, which is also set out in the Whistleblowing and Non-Retaliation Policy. This policy specifies that the Compliance department is responsible for identifying potentially affected parties in connection with a submitted complaint or report as well as for informing them of any potential risk of retaliation. They are also informed that it is the company's responsibility to safeguard them against reprisals of any kind. The process for handling reports is communicated transparently in order to make it predictable and verifiable for those affected. A systematic follow-up process is foreseen to prevent any reprisals in the long term. This includes activities to check whether reprisals have been made or perceived.

D3. Implementation of the complaints procedure

Were any reports made in the reporting period via the complaints procedure?

- Yes

Give details of the number, content, duration and outcome of the related procedures.

The complaints procedure is open to reports of all kinds, including ones regarding human rights- and environment-related violations. During the reporting period, Hapag-Lloyd received a total of 57 reports of potential violations, 41 of which were received via the Speak Up Line and 16 via compliance officers. Of the 57 reports, 16 were categorised as GSCA-relevant. A violation was confirmed in seven cases. No violations were found in the remaining nine reports, for example because anonymous reports did not contain sufficient information and/or it was impossible to discuss them with the whistleblowers.

All reports were processed within three months.

On which topics have complaints been received?

- Prohibition of unequal treatment in employment

Describe the conclusions drawn from the complaints/reports received and the extent to which these findings have led to adjustments in risk management.

The reports confirmed the prioritisation of the risk of unequal treatment in employment. In addition, a process was initiated to provide regular support to case managers with the processing of GSCA-relevant reports received by the Human Rights Office.

E. Review of risk management

Is there a process in place to review the appropriateness and effectiveness of risk management across the board?

In which of the following areas of risk management is the appropriateness and effectiveness checked?

- Resources & expertise
- Risk analysis and prioritisation process
- Complaints procedure
- Documentation

Describe how this audit is carried out for the respective area and what results it has led to, in particular with regard to the prioritised risks.

The appropriateness and effectiveness of the resources and processes in place were reviewed as part of the project to implement the GSCA. This kind of audit was also carried out for the processes already in place for risk analysis and documentation as well as for the complaints procedure. As a result of the audits, a need to adjust resources and processes was identified. The necessary adjustments have now been made.

Are there processes or measures in place to ensure that the interests of your employees, of the employees within your supply chains, and of those in a protected legal position who may otherwise be directly affected by the economic activities of your company or by the economic activities of a company in your supply chains are adequately taken into account when establishing and implementing risk management?

In which areas of risk management are processes or measures in place to take into account the interests of those potentially affected?

- Resources & expertise
- Preventive measures
- Remedial actions
- Complaints procedure
- Other: Risk management system

Describe the processes and measures for the respective area of risk management.

The interests of potentially affected parties are taken into account in the following activities and due diligence obligations: risk analysis, preventive and remedial action, complaints procedure. The General Works Council of Hapag-Lloyd AG was involved in the risk analysis in its own business area in order to take into account as many perspectives as possible and to devise adequate measures. The General Works Council was also involved in designing the complaints procedure, and its consent was necessary for the introduction of the complaints procedure in accordance with Section 8 GSCA.

To further anchor corporate efforts to protect those potentially affected, a company-wide internal risk management system that requires the systematic identification of human rights- and environment-related risks has been developed (and is currently being put into place). This system also defines responsibilities and the scope of tasks.

