

MODERN SLAVERY STATEMENT



November 2022

The Hapag-Lloyd Statement on Modern Slavery sets out the steps we have taken to prevent modern slavery and human trafficking in our business and supply chains. It complies with the requirements of Section 54 of the UK Modern Slavery Act 2015 and The Australian Commonwealth Modern Slavery Act 2018. It should be regarded as complementary to the Hapag-Lloyd Global Code of Ethics.

Hapag-Lloyd is committed to ensuring that there is transparency in our own business and in our approach to tackling modern slavery, human trafficking, forced or bonded labor in our supply chains and in any part of our business. Business is conducted in a responsible and upright manner and human rights are respected in line with the company values: “We care. We move. We deliver.”

1. Hapag-Lloyd’s structure and supply chains

Hapag-Lloyd is one of the world’s leading container liner shipping companies which has a service portfolio that includes pre-carriage and on-carriage by inland waterway, rail and road; thus, enabling 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.

2. Policies in relation to slavery and human trafficking

The following accountability standards and procedures have been created for our management, employees and business partners to safeguard the consistence with our obligations under the Modern Slavery Act.

Hapag-Lloyd Global Code of Ethics

The Global Code of Ethics reflects our corporate philosophy, defining our basic values and the standards of conduct expected of managers and employees, internally and externally. The Global Code of Ethics sets out principles for the fair and respectful treatment of our co-workers, customers and business partners.

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.

Hapag-Lloyd Supplier Code of Conduct

We expect the same high standards of conduct from all our contractors, suppliers and other business partners. Therefore, the Hapag-Lloyd Supplier Code of Conduct has been created, based on the internal Hapag-Lloyd Global Code of Ethics. Our Supplier Code of Conduct covers aspects such as fair competition, the environment, employee rights, compliance with human rights and combating corruption and bribery.

Potential and active suppliers participating in tendering processes, submitting self-assessments or concluding framework agreements with Hapag-Lloyd are required to sign our Supplier Code of Conduct.

Whistleblower Hotline

It is Hapag-Lloyd's stated policy to comply with all laws and regulations as well as the principles of our Global Code of Ethics and other relevant guidelines. Hapag-Lloyd encourages its employees ashore and on board, its business partners as well as any other third party to support this approach by reporting any allegation or breach of conduct via different reporting channels such as the Whistleblower Hotline.

All reporting channels allow for anonymous reporting subject to local whistleblowing rules and regulations. The contact details are available on the HLAG website.

All reports are processed, investigated, and when justified, appropriate measures are taken.

Complaints procedure for marine personnel

Our marine personnel on our own and chartered vessels can report compliance violations, violations of marine labor law, disadvantages or unfair treatment via a defined complaints procedure. Reports can be made to their direct superior, their local Compliance Officers, the Head of Corporate Audit, the Human Resources department, the Chief Compliance Officer (the Global Compliance Team respectively) and through the Whistleblower Hotline or the ship's flag state. The Maritime Labor Convention provides the legal framework for this process and for the resolution of a conflict.

3. Supplier Due diligence processes

Hapag-Lloyd conducts due diligence activities such as audits, self-assessments, and monitoring. Moreover, we also expect our business partners to pursue our values and comply with our Supplier Code of Conduct or equivalent international standards. Our suppliers and the external managers of our ships are thus required to commit to the content of our Supplier Code of Conduct. Human rights risks are also safeguarded on charter ships through compliance with the Maritime Labor Convention.

If there is an indication of human rights violations in the supply chain, this is clarified with our supplier. If necessary, an action plan is created to remove the risk to human rights. If this does not result in the desired change, the supplier is blocked. We base the assessment of our suppliers on self-disclosures from the suppliers as well as information from external sources.

Hapag-Lloyd uses a supplier assessment process that supplements our suppliers' self-disclosures with audit results and assessments by various internal stakeholders. This enables us to ensure a 360-degree supplier evaluation. Additionally, it simplifies risk management by systematically recording and evaluating supply chain risks.

Every year, we update our Approved Supplier List, which includes suppliers that fulfil our requirements. If discrepancies occur, we record them along with the relevant remedial measures.

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.

The Hapag-Lloyd Ethics Committee, which comprises the heads of the Compliance, Corporate Audit and Human Resources departments will instruct Corporate Audit to investigate on reported violations. For serious suspected cases, for example of forced labour or child labour, the committee meets immediately.

4. Risk assessment and management

The risk of human rights violations is reviewed and assessed. It appears that the potentially significant ones are mainly in the supply chain. They are managed via robust management system. Based on findings, improvement measures are agreed upon and implemented.

Hapag-Lloyd procures a wide range of goods and services. In every procurement process we pay particular attention to the valid legal requirements, and particularly those specified by our Global Code of Ethics.

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

5. Key performance indicators to measure effectiveness of steps being taken

Acknowledgement of the Supplier Code of Conduct:

The proportion of charter owners and suppliers that signed the Hapag-Lloyd Supplier Code of Conduct is currently being determined.

Number of complaints through the MLC Complaint Procedure:

In 2021, eight complaints in relation to our own ships were received through the MLC Complaint Procedure. Two of them were substantiated.

6. Training on the Global Code of Ethics

New employees ashore and on board are familiarised with the Global Code of Ethics as part of the onboarding process and need to formally confirm that it has been read and understood. To ensure that the code can be clearly understood, it is available in German, English, Chinese, Portuguese and Spanish. The Senior Management is asked to actively promote the implementation of the Global Code of Ethics and to serve as a good example to other staff.

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.

Knowledge of the Global Code of Ethics is checked during internal quality and environmental management audits, as this is included in its audit catalogue.

7. Closing

This statement was approved by the board of Hapag-Lloyd in November 2022.