# HHLA



HAMBURGER HAFEN UND LOGISTIK AKTIENGESELLSCHAFT Sustainability Report 2014

# Sustainability

HHLA's actions have always been guided by economic considerations and a sense of responsibility towards its employees, the environment and society as a whole. Due to high levels of capital intensity and long useful lives, those who build and operate port and hinterland terminals, intermodal networks and logistics centres are compelled to take a wider view and gear their business operations towards longterm success spanning several economic cycles. Ever since it was established, the Group has therefore attached the utmost importance to sustainable business practices.

HHLA's business model aims to provide an ecolog-

ically sound link between global goods flows at

port terminals on the one hand and hinterland net-

works and logistics centres on the other. Ecological

transport chains are therefore central to HHLA's sustainability strategy. By extending its facilities and networks, HHLA is paving the way for a disproportionately high increase in the percentage of hinterland transport accounted for by rail.

#### Strategy

HHLA's sustainability strategy is based on three pillars: the environment, society and the economy. Ten fields of activity and guidelines have been defined and implemented within these areas. This puts HHLA in a position to take a leading role in the area of sustainability. The fields of activity focus on environmentally friendly transport chains, climate protection and efficient land use.

#### Organisation

For six years now, HHLA has had a Sustainability Council headed by the Chairman of the Executive Board. Its members include an external expert, Prof. Schaltegger from the Leuphana University of Lüneburg. Its members meet regularly with HHLA's stakeholder groups – especially customers, staff, investors, suppliers, non-governmental organisations and the general public – to discuss key sustainability issues of relevance to HHLA. At Group level, the sustainability team reports directly to the Chairman of the Executive Board.

#### **Principles and Reporting Standards**

HHLA's commitment to sustainability is binding, transparent, measurable and comparable. The company applies the Global Reporting Initiative (GRI 3.1 standard) guidelines on sustainability reporting, the most commonly used standard of its kind in the world. In doing so, HHLA also facilities comparison



LEVEL

APPLICATION

A Hamburg-Sued container ship on the river Elbe

#### Sustainability Initiative

	Fields of activity	Guidelines	
Ecology	Ecological transport chains	Actively liaise with other logistics operators and create sustainable, environmentally friendly transport chains	
	Land conservation	Increase the efficient use of port and logistics areas	
	Nature protection	Minimize impact on nature and actively protect natural habitats	
	Climate protection	Utilise technically feasible and economically viable methods to reduce $\mathrm{CO}_2$	
Society	Occupational safety/health promotion	Safety, appropriate working conditions and promotion of health-conscious behaviour	
	Staff development	Vocational education, training and CPD as well as tailored staff development programmes	
	Social responsibility	Intensify dialogue with society; information and discussions regarding port logistics	
Economy	Added value	Make an ongoing and significant contribution to added value and thus raise prosperity at all locations	
	Business partners	Tailor-made customer solutions and reliable cooperation with suppliers	
	Shareholders	Long-term increase in enterprise value and transparency for investors	

at an international level. Furthermore, HHLA was the first maritime company to issue a declaration of compliance with the German Sustainability Code (GSC). This declaration of compliance is available at www.nachhaltigkeitsrat.de. By publishing this declaration, HHLA has made a firm commitment to its sustainable business model. The GSC lists 20 different criteria relating to environmental, social and corporate governance aspects, each with up to two performance indicators. Issues such as the usage of resources, compliance, equal opportunities and health protection for employees play an important role in the code. Companies are also expected to provide clear sustainability targets.

#### Ecology

#### Emissions and Energy

HHLA has published its carbon footprint regularly since 2008 as part of the international Carbon Disclosure Project (CDP). The CDP is a non-profit initiative which manages one of the world's largest databases of corporate greenhouse gas emissions on behalf of institutional investors and makes this information available to the public.

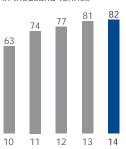
HHLA calculates its  $CO_2$  emissions on the basis of the Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard, revised edition), a global standard for recording greenhouse gas emissions. Within the HHLA Group, air pollution largely consists of  $CO_2$  emissions. These are primarily influenced by

throughput and transport volumes, traction services provided by the Group's own locomotives and the use of electricity from renewable sources. In line with the Greenhouse Gas Protocol, electricity procured separately from renewable sources was classified as carbon-neutral. The power needed by a terminal depends largely on the number of seaborne containers it handles and the number of containers transported overland by rail and truck. HHLA uses seaborne and overland throughput as an effective indicator to determine specific CO<sub>2</sub> emissions in line with the recommendations of the European Economics Environment Group (EEEG).

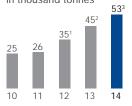
HHLA has set itself the following climate protection target: by 2020, the Group intends to reduce  $CO_2$  emissions by at least 30% for each container which it handles. 2008 figures serve as the baseline here. In the period from 2008 to 2014, the company already succeeded in reducing  $CO_2$  emissions by 25.5% per container handled. Specific  $CO_2$  emissions fell by 0.8% in the year under review.

Absolute  $CO_2$  emissions rose by 7.0% or 8,874 tonnes year on year to 134,988 tonnes in the reporting period. This was mainly due to investments in the company's own fleet of electric, environmentally friendly multi-system locomotives and the associated switch from external traction services – whose energy consumption is not included in HHLA's figures – to its own traction fleet. Traction-related

#### Direct CO<sub>2</sub> Emissions in thousand tonnes



Indirect CO<sub>2</sub> Emissions in thousand tonnes



- <sup>1</sup> Of which 10 thousand tonnes were traction current
- <sup>2</sup> Of which 21 thousand tonnes were traction current <sup>3</sup> Of which 28 thousand tonnes were
- traction current

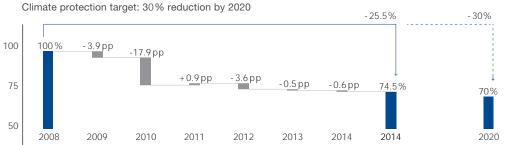
HHLA has 64 electric vehicles in operation



emissions increased by 37.8% or 7,802 tonnes to 28,464 tonnes as a result. Absolute electricity consumption for the reefer containers of our customers also rose strongly in the reporting period and led to higher CO<sub>2</sub> emissions of 1,436 tonnes.

A long-term increase in the percentage of electricity used within the Group's energy mix will enable the company to utilize more renewables and thereby substantially reduce its carbon footprint. To achieve this goal, HHLA is converting more and more of its equipment and machinery at the terminals to electricity. Such equipment and machinery produces fewer emissions and less noise and is also easier to service. The electricity required by all office buildings and workshops in Hamburg occupied by HHLA, the Container Terminal Altenwerder (CTA) and the all-electric yard crane system at the Container Terminal Burchardkai (CTB) comes from renewables. In the reporting period, these measures reduced CO<sub>2</sub> emissions by 26,645 tonnes (previous year: 24,712 tonnes).

In addition to using power from renewable sources, HHLA has implemented a number of CO<sub>2</sub> reduction projects at the Group's various affiliates to further reduce its carbon footprint. These included replacing another four diesel-powered automated guided vehicles (AGVs) at CTA with emission-free, battery electric AGVs in 2014. In the year under review, the fleet of all-electric cars more than doubled in size, from 27 to 64. Electric vehicles are now in use at all four seaport terminals in Hamburg. HHLA's car pool has also included electric vehicles since 2014. These use electricity from renewable sources and are emission-free, quiet and low-maintenance. The electric vehicles cover a distance of some 475,000 km each year and thus reduce CO<sub>2</sub> emissions by approximately 148 tonnes. Several projects were also initiated in the field of energy-efficient lighting. 24 yard cranes were switched to needs-based LED lighting at CTB. As well as reducing lighting emissions, this system cuts electricity consumption by around 588,000 kWh or some 90 %. Work also began to change the yard crane lighting at CTA, where 16 yard cranes were converted.



Reduction in specific  $CO_2$  emissions since 2008

#### Direct and Indirect Energy Consumption

	Diesel in million of litres	Heating oil in million of litres	Petrol in million of litres	Natural gas in million of m³	Electricity in million of kWh	
2010	21.4	0	0.1	2.4	135.0	5.6
2011	26.1	0	0.1	2.0	145.3 <sup>2</sup>	5.2
2012	26.6	16.9	0.1	2.1	139.9 <sup>3</sup>	4.6
2013	26.8	37.9	0.1	3.1	148.74	4.6
2014	28.5	51.7 <sup>1</sup>	0.1	1.8 <sup>1</sup>	<b>1</b> 54.4 <sup>5</sup>	3.7 1

<sup>1</sup> Consumption of natural gas, district heating and traction current in 2014 is based on measured and estimated figures.

<sup>2</sup> Of which approx. 72 million kWh from renewable energies

<sup>3</sup> Of which 70.2 million kWh from renewable energies

 $^{\scriptscriptstyle 4}$  Of which 78.2 million kWh from renewable energies

 $^{\scriptscriptstyle 5}$  Of which 84.0 million kWh from renewable energies

Ten of the world's lowest-emission straddle carriers went into operation at CTB in the reporting year. With their extremely low level of harmful emissions, these modern diesel-electric vehicles make an important contribution towards reducing pollution at the container terminal. The latest-generation straddle carriers comply with the strict requirements of the European Union's emissions standard Euro 4.

As well as choosing highly energy-efficient, lowemission machinery and equipment, HHLA is actively stepping up its use of renewable energy. A photovoltaic system installed and operated by the energy supplier Hamburg Energie Solar on the roof of the Container Terminal Tollerort (CTT) produced 120,970 kWh of CO<sub>2</sub>-free electricity in the year under review.

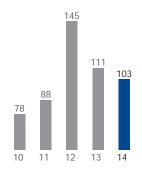
HHLA's subsidiary UNIKAI Lagerei- und Speditionsgesellschaft introduced an environmental management system certified in line with the DIN EN ISO 14001:2009 standard in 2014. This system certifies the company's ecological activities and serves to further improve its environmental performance. In addition, the computer-aided optimisation of container storage positions minimises the distance travelled by transport equipment, thereby reducing energy consumption and noise pollution. The use of retreaded tyres for various container handling machines also helps to improve the company's use of resources.

#### Water Consumption

Water is mostly used in the HHLA Group to clean large-scale equipment and containers and for employee hygiene. Compared to the previous year, the amount of water consumed by operations in Germany, Poland, Slovakia, the Czech Republic and Ukraine fell by 7.6 % to 102,664 m<sup>3</sup> in 2014 (previous year: 111,165 m<sup>3</sup>). The construction of a water treatment plant at CTB contributed towards this positive trend.

#### Water Consumption<sup>1</sup>

at HHLA's sites in Germany, Poland, the Czech Republic, Slovakia and Ukraine in m<sup>3</sup>



<sup>1</sup> Until 2012 excluding Poland the Czech Republic and Slovakia

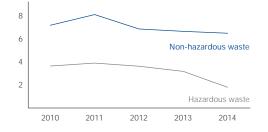


Locally zero emissions: an electric AGV at Container Terminal Altenwerder HHLA's facilities in Hamburg draw water from the public supply network.

#### Waste and Recycling

HHLA reduces refuse and separates rubbish for recycling wherever possible so that reusable waste can be fed back into the resource cycle. Excluding soil and building rubble, the amount of waste produced at the sites in Germany fell substantially in 2014 compared with the previous year, down 15.7 % to 7,408 tonnes (previous year: 8,790 tonnes). Hazardous waste decreased at an even faster rate: the volume shrank by 43.4 % to 1,609 tonnes (previous year: 2,845 tonnes).

Development in the Volume of Waste in thousands of tonnes



This very positive development was mainly attributable to the construction of a water treatment plant at CTB. Since 2014, the water used to clean large machinery has been treated at this plant before being reintroduced into the cleaning cycle. The process therefore helps to conserve resources in two ways: as well as substantially reducing fresh water use, it decreases the volume of waste classified as hazardous. This also has a positive effect on the amount of sludge from oil/water separators collected at the washing, fuelling

and parking spaces for straddle carriers and AGVs. The volume of waste in this category fell strongly by 61.2% year on year, taking it to 850 tonnes (previous year: 2,188 tonnes). As a result, its proportion of the annual waste volume went down from 24.9 % to 11.5%. The remaining mixture of sludge, oil and water is processed at a chemical water treatment plant operated by a specialist disposal company. Once it has been separated from the oil, the water passes through a biological waste water treatment plant. 3.6% less commercial waste was generated in the reporting period. At 1,862 tonnes, this type of refuse accounted for the largest volume of waste (previous year: 1,931 tonnes). The quantity of overripe bananas and other foodstuffs unsuitable for processing or consumption increased by 13.0% to 1,091 tonnes (previous year: 965 tonnes). More than 68 % of this food waste was recycled to generate biogas. Approximately 150,000 kWh of zero-carbon electricity was produced in this way in 2014. At 1,025 tonnes, scrap metal was down 4.4% year on year (previous year: 1,072 tonnes). All of this was recycled. Paper and cardboard packaging accounted for 580 tonnes of total waste (previous year: 536 tonnes), while scrap wood and building timber made up 578 tonnes (previous year: 600 tonnes).

HHLA strives to conserve resources at its terminals, e.g. by using a total of 40,200 tonnes of recycled building materials to maintain its terminal areas during 2014. Of this amount, electric furnace slag accounted for the largest share (19,000 tonnes). This results from the melting of steel scrap and mineral additives in electric arc furnaces which is now reused as aggregate at the terminals. The use of this recycled building material means that less natural stone needs to be mined, thus protecting the landscape. A further



Saves water: The new washing water reprocessing plant at Container Terminal Burchardkai



HHLA supports different education projects for scholars

9,800 tonnes of recycled asphalt, 7,900 tonnes of slag from waste incineration and 3,500 tonnes of concrete-mineral aggregates were used for terminal maintenance.

#### Society

In addition to its corporate social responsibility, HHLA's key fields of activity include providing staff training and ensuring occupational health and safety. ► see Employees, next chapter

#### **Regional Responsibility**

Approximately one in eight jobs in Hamburg has some connection with cargo handling at the Port of Hamburg. This means that the port and associated industries are major employers in the greater Hamburg metropolitan region. HHLA handles around three quarters of Hamburg's container throughput or more than half of the total throughput in tonnes. ► see Market Position, page 46 The company therefore sees itself as an integral part of economic developments in the greater Hamburg metropolitan area. It is well aware of its responsibility towards society both here and at all its other sites.

#### Social Dialogue

The company's dialogue with society focuses on raising awareness of port and logistics-related

issues. Its most important education project is the "Aqua-Agenten" initiative launched by the Michael Otto Foundation. This project has already received multiple awards (e.g. as an official project of the UN's World Decade "Education for Sustainable Development" and as a "Landmark in the Land of Ideas"). It takes a fun approach to teaching schoolchildren aged about eight or nine why water is important for people, nature and the economy. School classes learn about the significance of shipping and ports for world trade at HHLA's container terminals. In the reporting year, around 220 schoolchildren visited HHLA facilities as part of this education project. Since the project was launched in 2009, a total of 9,175 children have been taught about the importance of water and ports. HHLA also started developing the education project "Hafen-Scouts" in 2014, which teaches schoolchildren about modern port operations.

#### Compliance

Compliance with legal requirements and internal company guidelines is a key part of HHLA's corporate governance policy. HHLA's compliance system centres on a code of conduct which formulates overriding principles on relevant topics for compliance, such as conduct in the competitive environment, the prevention of corruption and conflicts of interest, and how to deal with sensitive corporate information.

#### Source of Added Value Production value €1,222 million = 100%



45% Added value
33% Cost of materials
12% Other expenses
10% Depreciation/ amortisation

#### Application of Added Value

Added value €552 million = 100%



- 75% Employees
- 16% Shareholders
- 7% Public authorities

2% Lenders

#### Economy

Net added value increased by 5.1% to  $\in$  552.1 million in 2014, primarily as a result of expenses. At 45.2%, the added value ratio remained on a par with the previous year. Net added value serves as an indicator of business activities' economic value creation. It is calculated by taking the value of production and deducting all intermediate inputs, depreciation and amortisation. Added value is shared between employees, shareholders, the state (taxes) and lenders. The largest proportion,  $\notin$  414.0 million or 75.0%, went to employees.

#### Added Value in the HHLA Group

in € million	2014	2013	Change	
Employees	414.0	400.6	3.3%	
Shareholders	90.6	80.4	12.6%	
Public authorities	39.5	36.7	7.6%	
Lenders	8.0	7.7	5.1%	
Total	552.1	525.4	5.1%	

The previous year's figures have been restated due to revised IFRS regulations for group accounting.

### Employees

#### Headcount

HHLA had a total of 5,194 employees at the end of 2014. Compared with the previous year's total, the number of employees increased by 270, or 5.5%.

In geographical terms, the workforce was concentrated mainly in Germany, with 3,591 staff members. This corresponds to a share of 69.1 %, of whom the majority worked in Hamburg. The 1,603 jobs at foreign sites consisted mainly of 982 workers (18.9 %) at the Intermodal companies in the Czech Republic and Slovakia and 451 employees (8.7 %) in Ukraine. The remaining 170 employees were spread across subsidiaries in Poland and Georgia.

#### Employees

by segment as of 31.12.

	2014	2013	Change
Container	3,022	2,921	3.5%
Intermodal	1,319	1,128	16.9%
Logistics	229	236	- 3.0%
Real Estate	36	35	2.9%
Holding/Other	588	604	- 2.6%
Total	5,194	4,924	5.5%

The previous year's figures have been restated due to revised IFRS regulations for group accounting.

In the Container segment, the number of employees rose by 3.5% to 3,022. Headcount increased more strongly in the Intermodal segment, where the number of staff increased by a total of 16.9% to 1,319. This growth is primarily due to the expansion of capacity in the Intermodal segment. By contrast, the Logistics segment's workforce declined by 3.0% to 229. The Real Estate segment employed 36 people – an increase of 2.9% on the previous year. The number of employees at the strategic management holding



In 2014 the number of employees increased by 5.5% to 5,194.

company – including operational IT staff and associated areas – fell by 2.6 % to 588.

The majority of jobs at HHLA are in a segment of the labour market in which men are traditionally employed and women are proportionately less represented. In 2014, the ratio of women employed by HHLA in Germany (including apprentices) was slightly higher than in the previous year at 14.8% (previous year: 14.6%). Women accounted for 15.2% of new employees who had not previously worked for HHLA, for example via general port operations.

The fluctuation rate in Germany (excluding reassignments within the Group) increased to 4.3 % (previous year: 3.8 %). As in the previous year, the average employee age was 43 (men: 44, women: 39).

#### Personnel Expenses

Personnel expenses rose by 3.4% year on year to €401.7 million (previous year: €388.6 million). This includes expenses for external staff totalling €62.9 million (previous year: €60.8 million). This rise was mainly attributable to higher union wage rates, increased manpower due to peak loads at the terminals and an increase in the number of employees in the Intermodal segment.

#### **Collective Labour Agreements**

Collective labour agreements govern pay and working conditions apply for approx. 89% of employees in Germany.

In May 2013, the parties to the labour agreement – the Association of German Seaport Operators (Zentralverband der deutschen Seehafenbetriebe e.V. or ZDS) and the trade union ver.di – agreed a 24-month period for wage table increases of 3.2 % from 1 June 2013 and 2.8 % from 1 June 2014 for port workers at companies which operate German seaports. Similar deals have been reached for further wage agreements of the HHLA Group.

#### Occupational Safety and Health Promotion

Numerous preventive measures and guidelines are in place to ensure that staff from both HHLA and external companies, customers, suppliers and visitors do not come to bodily harm, which is a key concern for HHLA. The company strives to continually improve health and safety in the workplace and considers this an important task for its managers. These measures are geared towards specific needs at the sites. The issues of all employees in Hamburg are discussed by occupational safety committees. Key measures are evaluated at the statutory meetings of these occupational safety committees, which are held four times a year. The occupational safety management team actively helps to develop initiatives and delivers information internally by means of in-house tuition, training and practical exercises focusing on emergency precautions, such as preventing fires and water pollution, advisory services as well as prevention and risk management programmes. The occupational safety authorities regularly check and assess the performance of HHLA's management system for occupational safety. These audits certified that occupational safety was exemplary at all sites. This is the best possible rating.

HHLA also uses modern technologies to achieve constant improvements. For example, HHLA uses an occupational safety management system to monitor the fulfilment of its goals. Since 2014, accidents at all HHLA companies in Hamburg which are not linked directly to container handling (e.g. in workshops) have also been taken into account and recorded using a standardised reporting system. The reasons for changes or fluctuations are carefully analysed and – where necessary – structured measures are initiated.

This log shows that there were 128 notifiable accidents (excluding accidents when commuting) at the companies in Hamburg in 2014 in which HHLA owns a stake of over 50%. There was also one fatal workplace accident involving an employee from an external company.

HHLA's health programme includes company doctors, help with addictions and social problems, an integration management programme for employees following a lengthy period of illness, representatives for the severely disabled and staff sporting activities. Preventive healthcare is also promoted via targeted measures, campaigns and schemes. HHLA also encourages staff to take part in a varied range of sporting activities, which are very well received.

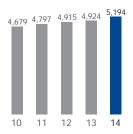
#### Strategic HR Management

HR management is established as a central division at Executive Board level. This organisational structure ensures that strategic HR guidelines are implemented throughout the Group.

#### HR and Organisational Development

All measures relating to HR and organisational development at HHLA are initiated and managed by the central HR management division in Germany. This guarantees that all development measures are of high quality and ensures that a coordinated approach is taken. The specialist department provides tailored programmes for staff on all career paths and at all levels of the hierarchy within the German companies. The performance of both professionals and managers is systematically enhanced and developed and continuously overseen by the HR Management team. The same applies to all organisational development measures.

#### Development of Employees HHLA Group as of 31.12.



For the purpose of comparison, the figure for the 2013 financial year has been restated due to revised IFRS regulations for group accounting.

Employees Breakdown by segment as of 31.12.



- **58%** Container
- 25% Intermodal
- 4% Logistics
- 1% Real Estate
- 12% Holding/Other

HHLA scored the 3<sup>rd</sup> place of logistics industry in the FOCUS Study of the best employer in Germany



#### Appraisal and Remuneration Systems

The appraisal systems at the German companies contain both bottom-up and top-down components. Some of them are laid out in collective labour agreements, comprise variable remuneration components and are linked with training requirements for the company and staff. A standardised feedback system was also introduced for apprentices in 2014 to make selfappraisals and performance reviews a fixed part of working life right from the start.

ROCE – the return on capital employed – is also a significant parameter for determining variable remuneration components for executives and employees not covered by collective labour agreements. Performance-related remuneration components at executive level are calculated over a period of several years. This further enhances the focus on sustainable, long-term targets.

## Research Partnership for Greater Innovative Strength

As a cooperation partner of Hamburg University of Applied Sciences (HAW), HHLA has also been involved in an international, EU-funded project since 2014. The partners are working together to develop instruments to identify and proactively enhance the innovative strength of employees, based on the example of dual study students at HHLA.

#### **Diversity Management**

Diversity management has been a firm part of our strategic HR management for several years now and is producing excellent results in many areas. HHLA believes that a mixture of perspectives, cultural backgrounds, experiences and values form the foundation for commercial success. Integrating diversity into all aspects of HR management is a key corporate objective.

With this in mind, structured selection procedures (assessment centres) have been developed for recruitment and training measures which give particular consideration to diversity issues in addition to the personal and professional suitability of candidates. These processes have been adopted for blue-collar positions since the end of 2013 and applied as standard for all container terminals in Hamburg since 2014. Members of the company's staff selection panels receive special training in diversity. In addition, the selection panel must include at least one woman for all selection processes in which the pool of applicants includes women. Women once again accounted for more than 20% of participants in the training exercise for blue-collar employees in the port handling segment in 2014. Suitable applicants over the age of 50 and candidates from migrant backgrounds also successfully completed the selection process and were permanently hired.

#### Development and Training

HHLA invested a total of  $\in$  5.4 million (previous year:  $\in$  5.2 million) in training and continuing professional development (CPD) for its staff in 2014.

#### Vocational Training and Studying

A total of 138 apprentices (previous year: 142) were receiving training in nine different professions as of 31 December 2014. 27 apprentices completed their training in the course of the year and were given permanent contracts. HHLA hired 22 new apprentices in mid 2014. In addition, the company supported 26 young people on dual study courses.

Cooperation agreements were signed with technical colleges and specialised grammar schools to maintain a steady flow of suitable candidates for professions with a focus on mathematics, IT, science and technology. Furthermore, the company stepped up its efforts to present professions in these fields at training fairs.

Approximately 42% of students were female in 2014, thus paving the way for the company to achieve its strategic goal of a considerably higher proportion of women among its specialist and managerial staff in future. Approximately 30% of all blue-collar apprentices who started their courses in 2014 were female. Female instructors are used intensively and with great success for technical equipment training in blue-collar professions.

#### Training and Qualification

A total of 850 training events lasting one or more days were held in the period under review, accounting for a total of 3,000 participant days. In terms of seminar attendance, women accounted for 35% of all participant days. A significantly large proportion of the training courses provided in 2014 were designed to enhance the social and methodological skills of specialists and managers in blue-collar professions.



 $\in$  5.4 Mio were invested for education and training

All internal seminars are open to staff from various departments and companies. Thanks to this approach, the seminars foster an understanding of different viewpoints, responsibilities, roles and positions of staff within the Group. A series of seminars developed in 2014 on the subject of container logistics was also based on this logic. It was aimed at specialists and managers from all segments and sectors of the Group. HHLA also maintained its continuous training and support schemes for container handling managers. Its aim remains to support managers in technical professions to evolve workflows and organisational processes, to involve them in change processes and to support them in their new roles.

#### **Basic Education Project**

The MENTO project was launched in 2014 in conjunction with the Network for Basic Education and Literacy. To this end, all staff who act as peer mentors were trained as learning advisers for basic education. The learning advisers provide peer-to-peer support for people with basic educational needs in reading and writing despite having attended school. The advisers can help people find suitable teaching and training which will enable them to meet the increasing technical demands of the working world.

#### **Employee Retention**

Flexible Working Models

A growing number of people across all employee groups and hierarchy levels are taking up the option of working part-time to tailor their working hours to different life stages. Offering part-time work is therefore an important way of retaining staff at the company. Allowing staff to adapt their working hours helps them reconcile their professional and family commitments, look after close relatives or do charity work. In the past, part-time positions were largely taken up by women. In 2014, however, 31 % of part-time workers were already male (previous year: 25 %). At the end of 2014, 3.9% of all employees at HHLA's facilities in Germany worked part-time (previous year: 2.9%). At the holding company, where most roles are clerical, the percentage of part-time workers (excluding apprentices) was just over 14% in 2014 (previous year: 10%). Moreover, due to the conclusion of a company agreement to encourage part-time working for blue-collar staff at a container terminal, the ratio of part-time employees increased from 3.5% to 4.1% in 2014.

#### Work-Life Balance

Helping staff to reconcile their professional and family commitments, providing opportunities for a flexible return from maternity or paternity leave and proactively increasing the proportion of women at the various levels of the company's hierarchy are integral components of HHLA's work culture.

#### Working Lifetime Accounts

As well as various company pension schemes, HHLA offers its employees working lifetime accounts. During negotiations to redesign the working lifetime account model as of 1 January 2014, it was agreed that a pension portal would be introduced. This was successfully completed on 1 September 2014. Since then, staff at CTA, KTH and SCA have been able to access a Web-based portal containing information about the company pension schemes available at HHLA and a simulation calculator for the working lifetime account. This gives them details of their current pension status.

#### HHLA Popular as an Employer

HHLA ranked third in the logistics industry in a broad-based study by FOCUS magazine to identify Germany's best employer. HHLA took an excellent 54th place in the overall league table of 2,000 companies with more than 500 employees. In total, almost 50,000 employees took part in the study via various online platforms.

### Research and Development

One of HHLA's strategic objectives is to continuously improve the efficiency of its operating systems, and consequently its competitiveness, by developing application-oriented technologies. The main focus of these activities is therefore on engineering and ITbased innovation projects. Due to close collaboration with technical universities, institutes, industry partners and government authorities, joint projects can be planned, managed and developed by task forces. A unique feature, however, is the largely proprietary software for terminal operations at the port.

In the 2014 financial year, HHLA mainly focused its resources and available capacity on continuing its research into battery-powered container vehicles.

#### **Battery-Powered Container Vehicles**

Researching and developing eco-friendly drive systems is a key aspect of HHLA's sustainable business model. In collaboration with Gottwald Port Technology, Vattenfall Europe Innovation and several research bodies, HHLA is pursuing its BESIC project (Battery Electric Heavy Goods Transports within an Intelligent Container Terminal), which is funded by the German Federal Ministry of Economics and Technology. It aims to use modern information and communication technology to improve the planning and management of charging cycles for battery-powered automated guided vehicles (AGVs) at CTA – particularly at times when there is a surplus of renewable power in the grid. The primary goal in the development of this battery management system and in testing innovative energy storage systems is to improve the level of flexibility for terminal operations and to increase the share of power provided by renewable energies.

#### Performance Certified

In order to document its performance, CTA once again received certification in accordance with the Container Terminal Quality Indicator (CTQI) in the reporting year. The standard, which was developed by the Global Institute of Logistics and Germanischer Lloyd, checks criteria such as the safety, performance level and efficiency of a terminal on both the water and onshore, as well as its links to pre- and onwardcarriage systems. With its successful certification, CTA proved once again that it is one of the most productive container terminals in the world.



The fully automated battery change station uses electricity from renewable sources

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