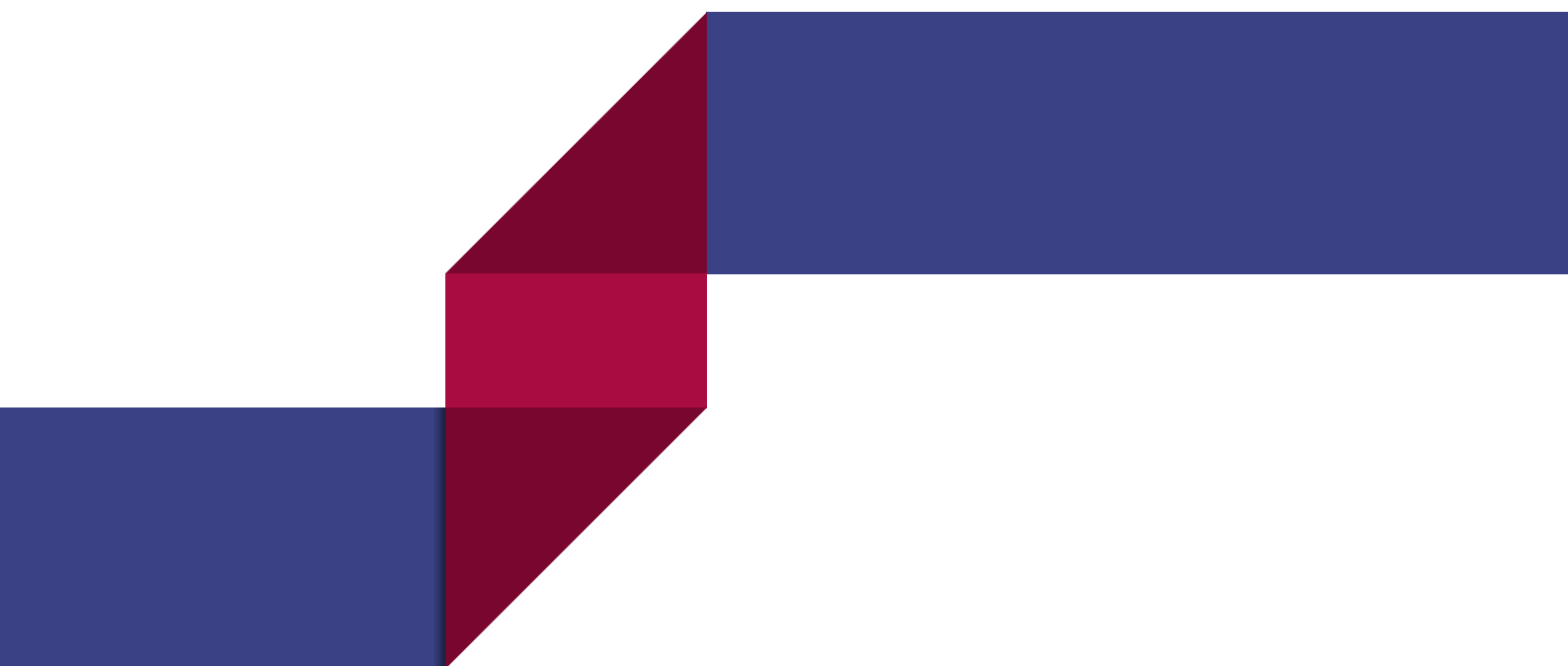




GATEWAY TO THE  
**FUTURE**

# SUSTAINABILITY REPORT

**2019** HAMBURGER HAFEN UND LOGISTIK  
AKTIENGESELLSCHAFT



# Key figures

	HHLA Group		
	2019	2018	Change
<b>Ecology</b>			
CO <sub>2</sub> emissions in thousands tonnes taking into account electricity from renewable energies	167.2	170.3	- 1.9 %
Direct CO <sub>2</sub> emissions	83.6	82.3	1.6 %
Indirect CO <sub>2</sub> emissions (without traction current)	41.1	42.3	- 2.8 %
thereof compensated by renewable energies	23.8	22.8	4.4 %
Indirect CO <sub>2</sub> emissions by traction current	66.3	68.6	- 3.3 %
Diesel, petrol and heating oil in million l	28.0	28.4	- 1.4 %
Natural <sup>1</sup> gas in million m <sup>3</sup>	8.0	4.4	+ 81.8 %
Electricity <sup>2</sup> in million kWh	123.2	135.9	- 9.3 %
thereof from renewable energies	78.7	78.9	- 0.3 %
Traction <sup>1</sup> current in million kWh	185.0	181.4	2.0 %
District heating in million kWh	3.6	3.7	- 2.7 %
District heating feed into the public network from a highly efficient CHP plant <sup>3</sup> in million kWh	33.3	10.9	205 %
Water consumption <sup>4</sup> in m <sup>3</sup>	98,895	97,344	1.6 %
Volumes of waste <sup>5</sup> in tonnes	8,328	9,221	- 9.7 %
thereof non-hazardous waste	6,828	7,326	- 6.8 %
thereof hazardous waste	1,500	1,895	- 20.8 %
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>Change</b>
<b>Human Resources</b>			
Number of employees	6,296	5,937	6.0 %
Number of recruitments	204	121	68.6 %
Average employment period in years	15.3	15.5	- 1.3 %
Fluctuation rate <sup>5</sup> in %	4.7	4.2	0.5 pp
Expenditure on educating and training in € million	4.6	4.6	1.3 %
Number of notifiable accidents <sup>4</sup> (excluding accidents when commuting)	77	83	- 7.2 %
	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Economy</b>			
Value added in € million	715.8	676.0	5.9 %

1 Consumption of natural gas and traction current partly estimated

2 Without traction current

3 Combined heat and power generation plant

4 Germany, Estonia, Poland, the Czech Republic, Slovakia and Ukraine

5 In Germany

This Sustainability Report is an excerpt of the significant sustainability-related topics from the HHLA 2019 Annual Report. The Sustainability Report also serves to fulfil the statutory requirements arising for HHLA for the first time as of 2017 in connection with the Act to Strengthen Companies' Non-Financial Disclosure in their Management Reports and Group Management Reports. All sections marked with an asterisk in the **detailed index** on page 18 form part of the non-financial report. A summary of all content relevant to the non-financial report is also available as a separate PDF from the **download centre** for the online Annual Report.

The full report including the GRI index will be published solely online: [report.hhla.de/annual-report-2019](https://report.hhla.de/annual-report-2019)

Ladies and gentlemen,

Sustainable business practices have been part of the DNA of Hamburger Hafen und Logistik AG for many years now. This 2019 Sustainability Report clearly describes our efforts and what we have achieved so far. As a leading port and logistics Group based in Hamburg with sites across Europe, we are very aware of our responsibility for humanity, nature and the environment. And we therefore set ourselves correspondingly ambitious targets. Whether we're discussing innovations for our core business fields – container handling and inter-modal – or investments in digital business fields of the future, our decisions are always guided by both the environmental and economic benefit. We have created the Balanced Logistics sustainability brand to use in those areas which demonstrate "this is where HHLA is implementing its sustainability strategy". Balanced Logistics means we find the right balance between economic success, good working conditions, social responsibility, and environmental and climate protection. All four of these elements are equally important to us. Each is a prerequisite for the others: we will only have the means to invest in our most important resource, our employees, and meet our responsibilities for society and the environment if we also have economic success.

Anyone familiar with HHLA knows that we do not simply rest on our laurels. However, we only set ourselves targets that are realistic and measurable. Our climate is not going to improve by announcing future plans, but by acting wisely in the here and now. Furthermore, we need to overcome the "non-communication" between climate change deniers and those demanding immediate, radical action. HHLA actively engages with environmental associations, organisations and initiatives. We listen carefully to understand where we can improve. At the same time, however, we try to ensure a proper assessment of our capabilities and resources. Sharing experience and cooperating with partners is just as important for us when it comes to climate protection as it is for other topics. For example, we actively support the alliance between the Senate of the Free and Hanseatic City of Hamburg and the Hamburg Federation of Industry, which aims to improve conditions for companies in Hamburg, to strengthen partnerships between research and industry, and to promote the technological development of climate-friendly production methods. HHLA will support this package of measures with its initiatives of its own. In doing so, we can draw on a wealth of experience and projects that we have already successfully implemented. By investing in environmentally friendly technologies and optimising our processes, we have been able to reduce our specific CO<sub>2</sub> emissions by 38.7 percent since 2008.



**Angela Titzrath**  
Chairwoman  
of the Executive Board

After carefully evaluating our options and accounting for expected technical innovations, we believe it is possible for the entire HHLA Group to become climate-neutral by 2040. We have therefore made this our goal. By 2030, we want to halve our absolute CO<sub>2</sub> emissions on the basis of the 2018 figures.

The successful growth of HHLA is based on its ability to identify trends in good time and to develop the relevant solutions. With this in mind, we are also stepping up the implementation of our sustainability strategy in order to raise the energy efficiency of our processes, conserve resources and steadily reduce emissions.

Yours,

A handwritten signature in blue ink that reads "A. Titzrath".

Angela Titzrath  
Chairwoman of the Executive Board



## Balanced Logistics — for sustainable solutions

As a company that takes its responsibilities seriously, HHLA's sustainability programme stands for Balanced Logistics – a firm commitment to be both economically successful as well as socially and ecologically responsible.

With the implementation of its Balanced Logistics sustainability strategy, HHLA is demonstrating its commitment to reconciling environmental, social and economic responsibility. Each is a prerequisite for the others: economic success provides the company with the means and opportunity to invest in its employees and climate-friendly technologies, while at the same time maintaining its responsibility to society and the environment.

HHLA regards innovation and process efficiency as crucial elements for developing sustainable solutions, acting in an environmentally responsible manner and operating successfully in line with its self-image as the "Gateway to the Future". In order to systematically implement its goals, HHLA pools its initiatives in nine different fields of activity with their own guidelines and targets.

Open dialogue with our stakeholders is essential for reconciling different interests and developing a mutual understanding. Sustainable growth in logistics requires inspiration and constructive contributions from many different sides.

### **HHLA has set itself the goal of becoming a climate-neutral Group by 2040.**

For example, the field of climate-friendly logistics chains goes beyond optimising our own processes and technology. In particular, networking with other logistics players offers further potential for joint solutions. HHLA pursues this path, for example, by integrating various stakeholders along the supply chains, by exchanging data, and by undertaking joint research projects with manufacturers, the scientific community and other companies.



## HHLA's fields of activity and its contribution to the 17 United Nations sustainability goals

In September 2015, the United Nations passed its Agenda 2030. It formulated 17 goals for sustainable global development which will shape economic development while taking into account social justice and the earth's environmental limits. Within the framework of its sustainability strategy, HHLA supports all goals that correspond to its business activities. These include in particular quality education (SDG 4), affordable and clean energy (SDG 7), decent work and economic growth (SDG 8), industry, innovation and infrastructure (SDG 9) and climate action (SDG 13).



For more information about the latest HHLA initiatives and sustainability projects, please visit:

<https://report.hhla.de/balanced-logistics>



Environmentally friendly logistics chains

## HHLA shifts containers to the rails with the aid of subsidiary METRANS

HHLA optimises all stages of intelligent container logistics – and does not stop at the quayside. HHLA subsidiary METRANS, for example, provides frequent rail links between the seaports of the North Sea and the Adriatic. The METRANS Group is the market leader for seaport-hinterland container traffic with Central, Eastern and South-Eastern Europe. 16 own inland terminals, special locomotives and environmentally friendly container transport wagons enable flexible and climate-friendly transportation.

With the aid of METRANS, HHLA ensures that more and more container transports are transferred from road to rail. The HHLA subsidiary thus makes a significant contribution towards creating environmentally and climate-friendly logistics chains. As a result, the proportion of containers transported by rail in the Port of Hamburg's hinterland has increased by over 25 % in the past ten years.

Transport-related CO<sub>2</sub> emissions account for around one-fifth of global greenhouse gas emissions. Rail transport is seen as the most environmentally sustainable mode of hinterland transport. By connecting the port terminals with the European hinterland, HHLA offers a climate-friendly logistics network.

METRANS also uses energy-efficient electric trains and CO<sub>2</sub> optimised lightweight flat wagons, which can transport more containers with the same train length. This reduces energy consumption and minimises noise emissions.

### 30% lighter

than the average rolling material in Europe is the total weight of a container carrier designed by HHLA.

With HHLA Pure, the company has also developed a product that not only offers its customers climate-neutral container handling in the Port of Hamburg but also climate-neutral transport from Hamburg to the European hinterland.

HHLA successfully recruited logistics company Jakob Weets and transport specialist cargo-partner as pilot customers. METRANS now manages container transports for both companies from the Port of Hamburg to Central and Eastern Europe.



If, for instance, the handling and rail transport of a 20-foot container from Container Terminal Altenwerder to Prague, roughly 700 kilometres away, generates a CO<sub>2</sub> footprint of approximately 80 kg per standard container (TEU) this certified value can be offset with HHLA Pure.

## HHLA demonstrates that climate-friendly transport chains are already possible today.

Greenhouse gas emissions that cannot yet be technologically prevented are offset by certified development projects that meet the highest international standards. The climate-neutral status of the container transport is certified by TÜV Nord and confirmed for customers that use HHLA Pure.

### Environmentally friendly logistics chains

Rail transport is considered the most environmentally advantageous mode of transport on land. By linking environmentally friendly modes of transport in Hamburg with Central and Eastern Europe, HHLA makes its most important contribution towards sustainability and protection of the environment. The linkage of ocean-going vessels with feeders, inland waterway ships, barges and rail requires nothing less than the organisation of ideal multimodal transport chains. These transport chains save energy while causing comparatively little noise and fewer accidents. Added to this is Hamburg's location advantage deep in the hinterland, thanks to the river Elbe as an environmentally friendly transport route.

**We create climate- and environmentally friendly logistics chains.** In doing so, HHLA contributes towards achieving the following SDGs:





## Area optimisation

# Intelligent terminal layout for more efficient use of space

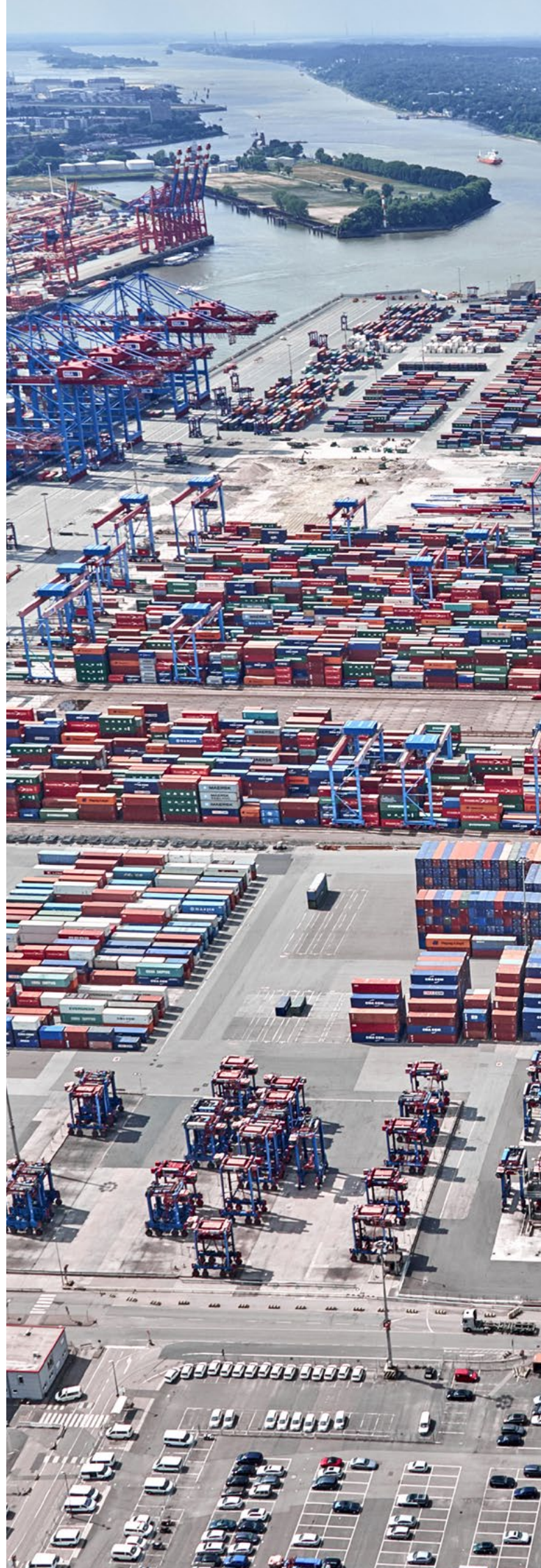
According to the German government's Climate Action Plan and the European Union's Resources Strategy, the transition to circular land use is to be completed by 2050 at the latest. The aim is to stop the increasing use of land, as its allocation for transport, work and residential purposes has a major impact on the environment.

**The increase in capacity is an essential measure to cope with rising handling volumes and peak load situations.**

Land is a valuable, but limited, resource. This is even more the case for harbour areas that can handle ocean-going vessels. Efficient land usage and capacity planning at the terminals with minimal use of space are core issues for HHLA. The efficient planning of infrastructure and suprastructure plays a major role in these efforts, as evidenced by the expansion programme at the HHLA Container Terminal Burchardkai (CTB), the largest terminal in the Port of Hamburg.

**By a factor of 2**  
the storage capacity is increased thanks to an automated storage crane system

Until 2009, the horizontal transport of containers at CTB was handled exclusively by straddle carriers. In this set-up, containers being stacked in the onshore yard by straddle carriers required lanes on either side of the container, which take up space. The height of the straddle carrier also limits the maximum height of a stack of containers. In 2009, HHLA started work on the expansion of an automated storage crane system, which comprises three portal cranes per block. On the one hand, this means that access lanes are no longer necessary and the space required for storing the containers is significantly condensed. The containers can also be stacked to greater heights. The result is much more efficient use of the available space.







These changes mean that the storage capacity for the same space has doubled. The distance travelled between the container gantry cranes and the yard is also shorter. Horizontal and vertical transport in the block storage area is also operated by a system that runs on green electricity

## Higher and denser

**A considerable compression and higher stacking of the containers leads to a more efficient use of space**

In addition to other efficiency-boosting measures, the increased storage capacity is a prerequisite for the management of increasing throughput and peak workloads. At the same time, the amount of space available is being used even more efficiently.

### Area optimisation

The ever-growing use of land for transport, work and residential purposes has one of the biggest impacts on the environment, not just in Germany. Impermeable surfaces can barely support natural life and increase the risk of flooding as persistent rain and downpours cannot seep into the ground. The indirect consequences are even more problematic: for example, each new container terminal built on a greenfield site requires full infrastructure links and often extends transport routes. Compact container terminals such as those planned and built by HHLA make particularly efficient use of the space due to the highly condensed nature of the container storage areas.

**We use the limited space available for port and logistics areas as efficiently as possible.** In doing so, HHLA contributes towards achieving the following SDGs:





Climate protection and energy efficiency

# The world's first climate-neutral container terminal

One of the key focus areas of HHLA's sustainability strategy is the creation of climate-friendly logistics chains from the Port of Hamburg to the European hinterland via rail. The Container Terminal Altenwerder (CTA) is one of the world's most technologically advanced and efficient terminals. It has undergone continuous development since it first went into operation in 2002. Operations at CTA are now primarily powered by green electricity. Terminal processes still emitting CO<sub>2</sub> today are being gradually electrified, or their transition to electrical power is being field-tested. 14 electric container gantry cranes powered 100 % by green energy are used for the seaborne handling process.

## The HHLA Container Terminal Altenwerder is the world's first container handling facility to be certified climate-neutral.

One hundred automated guided vehicles (AGVs) transport the containers to and from the block storage area. Around 50 % of the AGVs are already operated solely using green electricity. By 2022, all AGVs will have been converted to fast-charging lithium-ion batteries.

Within the all-electric block storage areas, 52 gantry cranes are used to move the containers around. All cranes are powered 100 % by green electricity. The 90-degree angle between the cranes and the quay wall keeps the distances between the container gantry cranes and the storage blocks short. Operated on rails, the gantry cranes can pick up and deposit containers on both sides of a block, where up to five containers can be stacked on top of one another and ten next to each other. In comparison to yards where straddle carriers move the containers – requiring lanes to be kept clear for them – the capacity of the same space is doubled. CTA's intelligent container logistics system therefore not only facilitates low-emission handling but also ensures more efficient use of land for container storage.

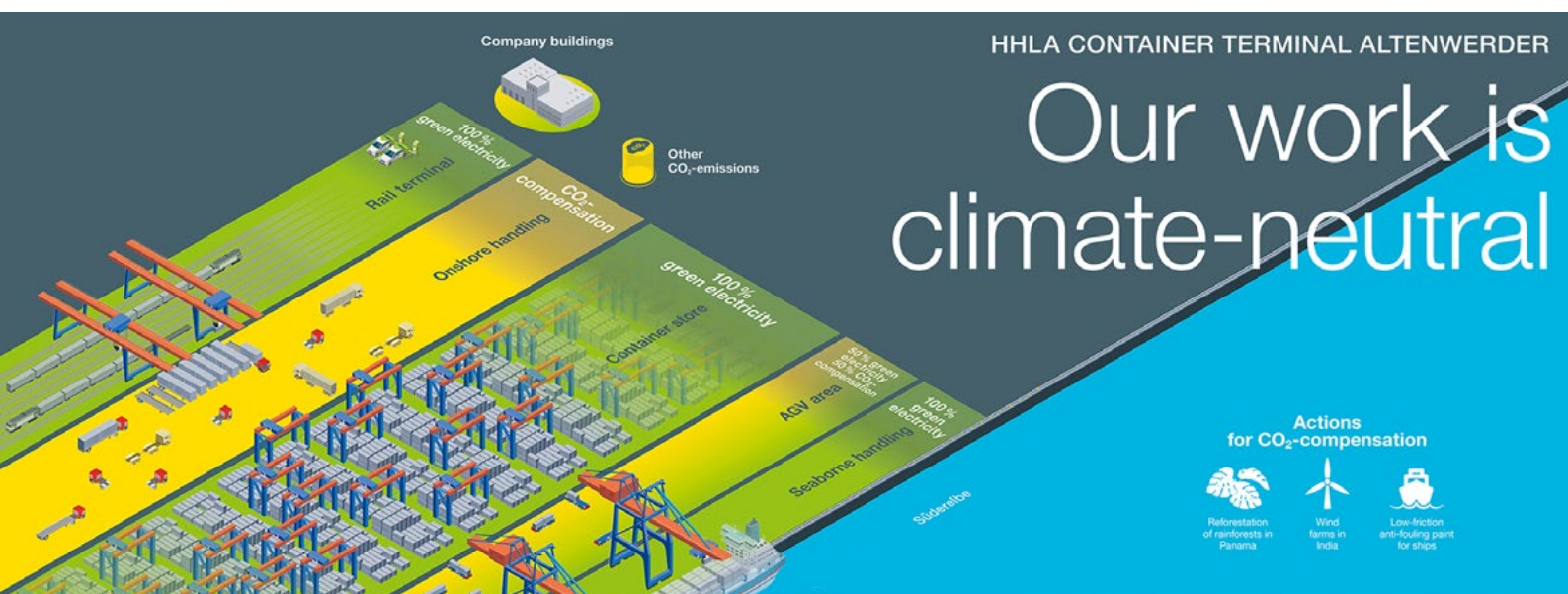
In terms of onshore handling, we are currently conducting prototype tests with battery-powered locomotives between block storage and rail terminal. The rail terminal comprises four electric rail gantry cranes and a fleet of electric cars that are used as monitoring vehicles at the terminal and powered 100 percent by green electricity.

Any remaining CO<sub>2</sub> emissions are offset via emission reduction certificates. In its offsetting activities, HHLA supports climate-friendly projects that are certified according to the highest Gold Standard of Voluntary Emission Reduction (VER), including wind farms in India, low-friction anti-fouling paint for ship hulls and the reforestation of rainforests in Panama.

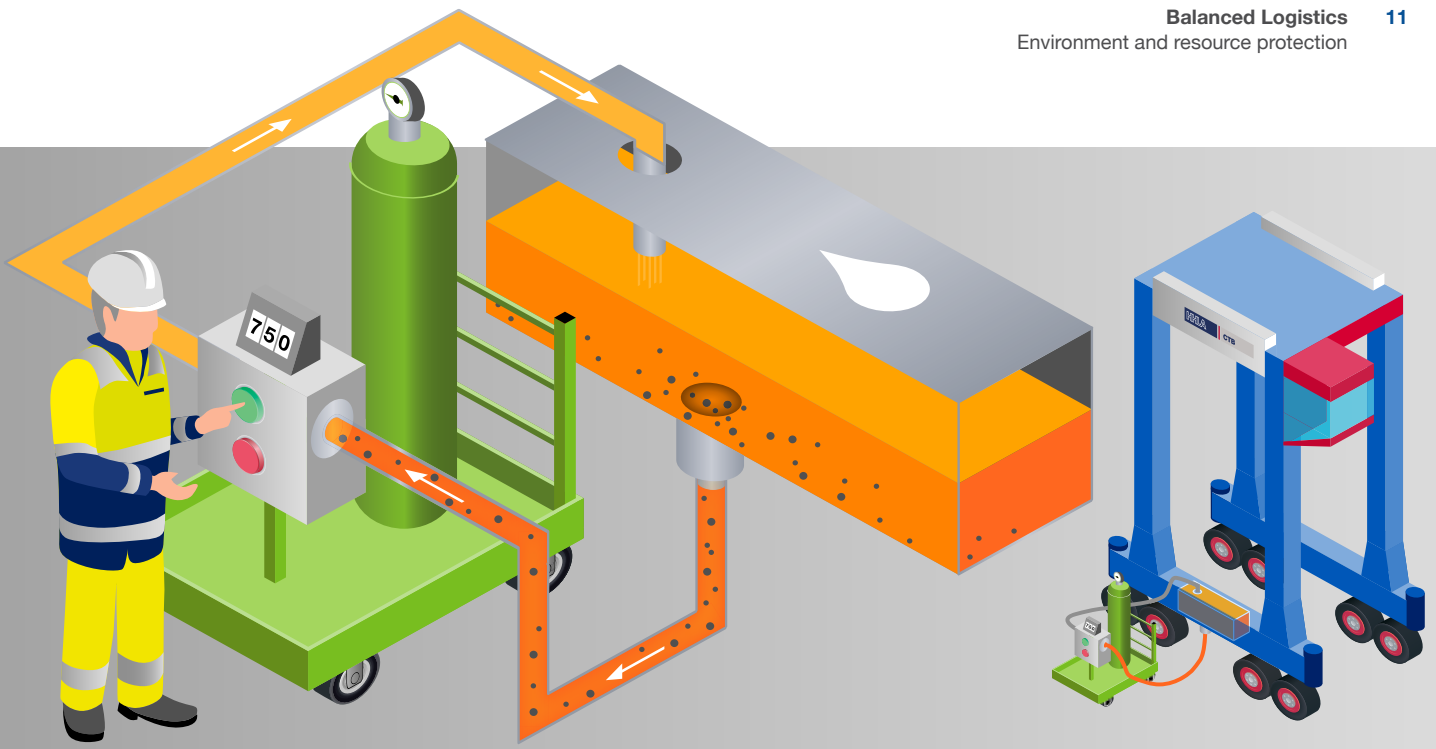
### Climate protection and energy efficiency

According to scientific evidence, global climate change resulting from greenhouse gas emissions is directly associated with the use of fossil fuels to generate energy. Reducing energy consumption both from the major fuel sources used by HHLA, diesel and electricity, as well as from the consumption of gas and oil support HHLA's economic aims.

**We are reducing our CO<sub>2</sub> emissions through energy efficiency and innovation.** In doing so, HHLA contributes towards achieving the following SDGs:







## Environment and resource protection

# Smart diesel-cleaning technology conserves resources

They dominate the landscape of the HHLA Container Terminal Burchardkai (CTB): long-legged container transporters, which move the boxes between ship, yard and rail terminal. In the Port of Hamburg, these manned systems are known as straddle carriers.

Straddle carriers are powered by diesel and electricity. Because the tank is never completely emptied, impurities may form in the fuel and settle on the floor of the tank over time. These impurities increase the wear on the vehicle because they build up in injection nozzles and fuel pumps in particular and can block them. To prevent this, the impure fuel must be regularly emptied out of the tank and disposed of properly.

In order to reduce diesel consumption and at the same time minimise the amount of impure diesel to be disposed of, HHLA operates a fine filtration unit at Burchardkai. The mobile fine filtration unit is connected to the straddle carrier's storage tank in order to clean the impure portion. During the filtration process, water is reliably separated from solids, ensuring the purity of the fuel. The cleaned diesel is then fed back into the tank.

Since the filtration unit has been in operation, between 50,000 and 100,000 litres of impure diesel have been cleaned directly in the straddle carriers every year. Because this amount is almost completely fed back into the straddle carrier tanks as purified fuel, only around one cubic metre of impure fuel per year now requires special disposal – previously, this amount was up

to 100,000 litres per year. The measure also pays off from an economic point of view: diesel procurement and disposal costs have decreased demonstrably.

## Environment and resource protection

Protecting the environment is more than just climate protection and land conservation. Climate and resource protection also involves additional environmental topics. These include light and noise prevention, water protection, wastewater disposal, the sparing use of raw materials, the reduction of harmful emissions of all kinds and modern waste management.

**We reduce our environmental impact and protect natural resources.** In doing so, HHLA contributes to the achievement of the following SDGs:



## Health and occupational safety

# “The framework of port work has undergone a major change.”

Interview with Norbert Smietanka, head of HHLA's occupational safety management team

**Mr Smietanka, you have headed HHLA's occupational safety management team for 12 years. How have the requirements of an effective occupational health and safety management system changed during this time?**

The framework of port work has undergone a major change. We've experienced an enormous increase in throughput, which has concentrated the work. HHLA has had to respond to this. As an employer, HHLA has a responsibility towards its employees. The company must ensure that health and safety adapt to the changing work environment. Entire processes are constantly being reorganised. The increase in throughput has led to more vehicles moving around the terminals at certain times of peak workload, for example, which increases the risk of accidents. In order to be able to process this volume of traffic efficiently, HHLA has introduced its slot-booking process. There is now a specific processing window assigned to each heavy goods vehicle. This reduces truck bottlenecks and peak traffic periods and minimises the risk of accidents.

**“We train our employees and raise awareness to firmly establish safety-conscious behaviour in their minds.”**

**What are the main risks with port work, and what does HHLA do to minimise them?**

We see a general risk in cargo handling. We therefore investigate to find out at which sites the accidents or near misses occurred. Risk analyses and risk assessments help us develop specific measures to reduce the overall risk. This starts with facility specifications. One example: in order to minimise musculoskeletal disorders resulting from the use of handling equipment – also by older workers – driver seats and cabins are constantly being redesigned and specifications are taken into account when we procure new equipment.

**Are there terminals where safeguarding health and safety is particularly challenging due to the conditions there?**

No. There are challenges everywhere, at every terminal. Our facilities differ primarily with regard to their degree of automation. In general, one can say that automation reduces many risks but cannot completely eliminate them.

**What consequences does increased automation in container handling have on health and safety at the terminals?**

Automation creates terminal processes where people are less directly involved with the actual handling of cargo and instead direct activities from a control centre, for example. This naturally reduces risks. Accidents where people are injured will become rarer. But automated facilities also have to be maintained and repaired, which results in new risks.

**To what extent are HHLA's efforts having an impact on accident statistics?**

Accident numbers have continually declined over the years. However, there will come a point when they can hardly be reduced any more. This also has to do with human behaviour. These days, people sometimes trip on the stairs because they are looking at their smartphone. That didn't happen twelve years ago. It simply wasn't typical for someone to have an accident because they were leafing through a folder while climbing the stairs.

### Health and occupational safety

Working with heavy machinery and heavy loads in all kinds of weather round the clock and 360 days a year (there are five port holidays), the working conditions at HHLA's terminals and facilities place high demands on every employee. And yet even repetitive office work or a multitude of personal limitations – from illness and disability to addictions – can restrict or endanger health.

**We ensure safe and fair working conditions and promote health-conscious behaviour.** In doing so, HHLA contributes to the achievement of the following SDGs:







## Working world

# HHLA trains the Pilots of the Future

The logistics industry is rapidly changing. Digitalisation is fundamentally altering the industry: automated container throughput, self-driving cars, drone technology and 3D printing are just a few striking examples. One of HHLA's answers to this rapid rate of change and the increased complexity of these forward-looking topics is its new Pilots of the Future training programme. This course teaches employees the skills needed to drive forward and implement the company's digital transformation. The programme is a major pillar in HHLA's strategy to promote the knowledge and skills of its employees. In 2019, for example, HHLA invested €4.6 million in employee training in Hamburg alone.

The Pilots of the Future programme focuses on learning agile project management methods and developing an empathetic leadership style, which is essential for successful digital transformation. In 2019, 18 senior executives, young managers and project managers were the first to start their training as Pilots of the Future.

The first Pilots of the Future will attend four one-week courses in the period up to September 2020. The training programme focuses on container processes in the digital revolution; agile management methods such as scrum and design thinking; and current innovation models, such as for decision-making processes and strategy development. Another area of focus is collaboration in complex organisations. The participants work on the content in small teams using practical examples.

With the skills they learn, the Pilots of the Future will play a major role in shaping HHLA's digital transformation and thus promoting the sustainable growth of the company. With the aid of modern project management and leadership methods, they will be able to implement the projects needed for the digital transformation more quickly and efficiently while providing their colleagues with the best possible support.

## Working world

One of HHLA's greatest strengths is the high level of its employees' skills. Vocational education and training in industrial, commercial and academic professions, as well as ongoing staff development, are extremely important to HHLA and are being continually expanded.

**We invest in vocational education and training with tailored staff development programmes.** In doing so, HHLA contributes to the achievement of the following SDGs:





#### Social responsibility

## “Hafen-Scouts” explore maritime logistics

Hamburg is a port. And its harbour has long shaped the development of the metropolis on the river Elbe, giving it its nickname “The gateway to the world”. The port is the economic heart of a metropolitan region, the biggest commercial hub of the export nation Germany, and the region’s most important employer. It is part of the city’s DNA.

As a high-performance hub for freight from around the world, Hamburg’s container terminals handle millions of steel boxes with the aid of cutting-edge information technology. The goods delivered in containers – bikes, soft toys, bananas and jeans – also end up in the homes of Hamburg’s primary school pupils. As “Hafen-Scouts” (or port scouts), the pupils learn about the journeys these goods have made, how the port works and what careers Hamburg’s logistics hub offers.

### Exploring trip between history and the present

The “Hafen-Scouts” project was initiated by HHLA, the Hafenmuseum Hamburg (port museum) and the State Institute for Teacher Training and School Development in 2015. It offers children in their final year of primary education the chance to embark on a one-day educational trip around the Port of Hamburg as the highlight of an instructive module on maritime logistics. The content of the educational trip forms part of the syllabus for the participating classes and is prepared for and followed up intensively in class. All teachers who sign up their classes for the trip take part in a port induction course beforehand.

The pupils’ journey of exploration begins in the port museum, where they are taken on a tour of the Port of Hamburg as it was in the past and is today: How has work at the port changed? Why do container ships keep getting bigger? How do bananas make it to my table? The port museum allows the pupils to discover answers to questions like these in an entertaining way. Touching and experimenting is most certainly desired. The “Hafen-Scouts” discover how the job of a docker has changed over the decades and what ship planners and container gantry crane operators actually do. The highlight of this journey of discovery through the museum is a special container modified by HHLA. It showcases the diverse range and volume of goods transported around the world in these standardised boxes. Inside the box, pupils learn that many products of their daily lives arrive in Germany by container every day. The young adventurers then have to guess how many objects fit in a container and learn how far the different goods travel by ship to Hamburg.

The journey of discovery ends with the pupils visiting the world’s first certified climate-neutral container terminal: the highly automated HHLA Container Terminal Altenwerder (CTA). After already discovering in the museum which stations a container passes through at the terminal, pupils can then marvel at them on site. In addition to the container ships at the quay wall, the children are especially fascinated by the automated transport vehicles (ATVs) that move the containers around the terminal as if by magic.



# More than 6,000 schoolchildren

have already visited the Port of Hamburg as part of this educational project.

Experiencing modern container handling up close makes a big impression on the young port experts, and experience shows that this day of adventure stays with them for many years. In 2019, a total of 66 classes embarked on this journey of discovery in the Port of Hamburg, with nearly 1,500 "Hafen-Scouts" taking part in 33 excursions. Since the project was launched in 2015, 6,000 schoolchildren have already visited the Port of Hamburg as part of this educational project.

## Social responsibility

Companies have social responsibilities and rely on social acceptance. As a major port and logistics company at the heart of the north German economy, HHLA is frequently in the public eye, particularly in the greater Hamburg region. On the other hand, HHLA requires political and public support for its operations and investment programmes, as well as for the necessary expansion of infrastructure.

**We engage in dialogue with the public to discuss and provide information on topics related to port logistics.** In doing so, HHLA contributes to the achievement of the following SDGs:



## Business partners

# “At HHLA, sustainability and compliance go hand in hand”

Interview with Dr. John Maurer, Compliance Officer at HHLA

**Dr. Maurer, as our Compliance Officer, you are responsible for the Group-wide compliance management system of Hamburger Hafen und Logistik AG. Which criteria does HHLA use to decide with whom it works?**

At HHLA, our business relationships are not left to chance. We are currently launching a business partner screening system for the Group which enables us to evaluate existing and potential business partners from a risk-based perspective. This screening process allows us to get a better idea of who we are working with. The system uses criteria such as integrity in business operations, political affiliations and information from law enforcement authorities.

It also draws on public information from databases. This helps us find out whether potential business partners are included on sanction lists. All information from the screening process is then fed into a risk-based evaluation.

### How exactly does this evaluation work?

We primarily look to see whether the information indicates a concrete risk for the business relationship. This evaluation is condensed into a kind of extended traffic light system: if a business relationship presents no risk, or a very low risk, it is rated “green”, while higher risks are given a “red” rating. Unacceptable risks, such as those posed by companies on EU sanction lists, get a “black” rating. This rules out a business relationship as in such cases the risk would be too high for HHLA.

### What does HHLA do, apart from business partner screening, to minimise the risks associated with business partners?

HHLA expects its suppliers to comply with standards such as those we have set ourselves in our Code of Conduct.

During risk assessment, it is important to bear in mind that our supplier structure is of course quite different from that of a manufacturing company. If a textile company buys cotton from Uzbekistan and manufactures textiles in Bangladesh or Pakistan, for example, their view of supplier risk is quite different to ours. HHLA shapes logistics processes.

Nevertheless, we believe that our responsibility extends far beyond the quayside in the Port of Hamburg. We therefore require that our business partners align themselves with our standards and are currently introducing a Supplier Code of Conduct throughout the Group.

### How do you evaluate new business fields, such as 3D printing, with regard to compliance?

The risk structure can change with new business fields. With 3D printing for example, we are involved in manufacturing. This means HHLA now has new requirements and must deal with such aspects as product liability and marketing risks. The profile is also changing in terms of our suppliers: the sourcing of raw materials, for example, alters the risk analysis.

**“Compliance management is a ‘living’ system that is constantly evolving and which also comprises relationships with our business partners.”**

### What is HHLA aiming to achieve with its compliance management system?

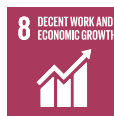
Compliance is closely tied to a company’s corporate culture. Integrity, fairness, responsibility and sustainability are key values that shape our day-to-day working lives at HHLA.

HHLA is the “gateway to the future” and our compliance management system helps us shape business relationships on the basis of our values, together with partners who are a good fit for us and our philosophy.

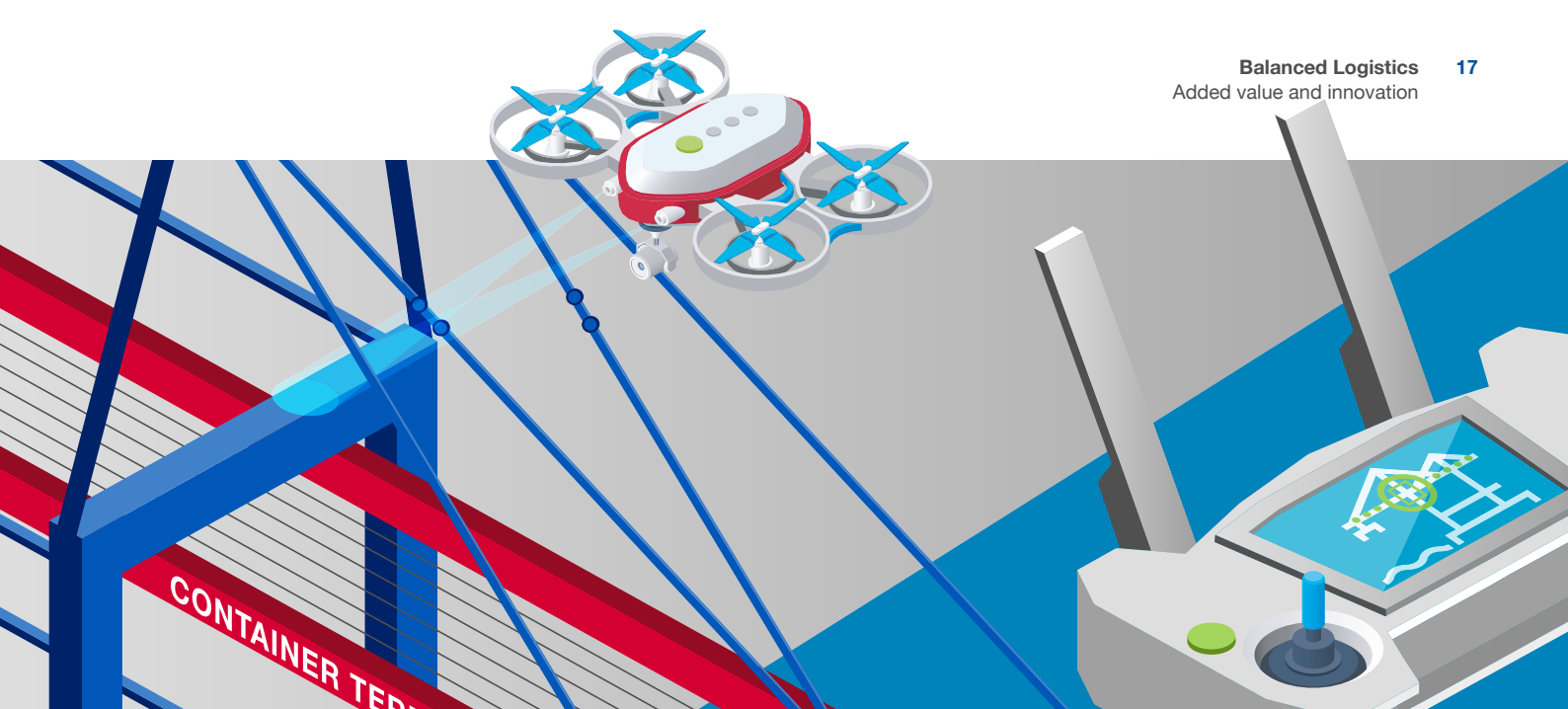
### Business partners

The fair treatment of all business partners, whether they are customers, suppliers, investors or creditors, is a prerequisite for any company that wants to compete successfully on the market today. Compliance with sustainability standards is also increasingly important. Omissions and errors in this area can quickly translate into substantial business risks and disadvantages.

**We offer customised solutions and work responsibly with our suppliers.** In doing so, HHLA contributes to the achievement of the following SDGs:







## Added value and innovation

# Drones inspect container gantry cranes at Container Terminal Tollerort

Container gantry cranes define the skyline of the Port of Hamburg. Positioned on the quay wall, they form the interface with the terminals and are the first stop for the gigantic container ships after weeks at sea.

The container gantry cranes at Container Terminal Tollerort (CTT) even handle ultra large container vessels with a capacity of up to 20,000 standard containers (TEU) – and one 20-foot container can weigh as much as 30 tonnes. The gantry cranes are subjected to constant stress as they load and unload these maritime giants.

They are therefore regularly inspected to ensure they work seamlessly and to prevent potential accidents. Instead of sending an industrial climber up the 93-metre-high crane, however, HHLA now uses drones to inspect the container gantry cranes at CTT. The remote-controlled drone checks whether the giant steel structures show any signs of fatigue along their weld seams or any other areas subject to heavy use. The gantry crane's condition is no longer checked from on high but can be done conveniently and safely on a screen. Depending on which type of container gantry crane is being inspected and the manufacturer's inspection specifications, the container gantry cranes are checked by drones up to four times a year. The data from the inspection flights is saved, allowing for subsequent reconstruction of how a container gantry crane ages over time.

Drone inspections offer HHLA several advantages: for one thing, they present a much lower risk than inspection by a climber. And for another thing, drone inspections require much less time, so the container gantry crane is back in action faster and can get back to work handling containers.

## Added value and innovation

“Added value” is the economic value created by a company. Specifically, this includes all wages and salaries, taxes, dividends and interest that the company generates. The added value of a company therefore describes the contribution it makes towards the overall creation of economic value. The higher the added value, the more important the company is to the prosperity of the region and the economy.

**We make an ongoing and significant contribution to added value and thus increase prosperity at all locations.** In doing so, HHLA contributes to the achievement of the following SDGs:



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\*Part of the non-financial report



## Sustainability strategy\*

Sustainable business practices are an integral part of HHLA's business model. As a leading European logistics company, HHLA links port terminals with hinterland networks to create climate-friendly logistics chains. These links facilitate the environmentally beneficial transportation of significant freight volumes while achieving economic added value for HHLA as a company. The implementation of HHLA's sustainability strategy under the **Balanced Logistics**, HHLA is highlighting its commitment to reconciling environmental, social and economic responsibility. [Group overview, business activities](#) 

Responsible corporate governance forms the basis for implementing our areas for action. The sustainability strategy is applied to nine fields of activity. In addition to climate-friendly logistics chains, the main focus is on area optimisation, climate protection and energy efficiency – all reflected in the company's targets. HHLA wants to halve its absolute CO<sub>2</sub> emissions by 2030 and achieve climate neutrality by 2040. The base year is 2018.

Compliance, data privacy, respecting human rights, and combating corruption and bribery are seen as the fundamental requirements for sustainable business activities.

## Sustainability organisation and dialogue\*

At Group level, the sustainability team reports directly to the Chairwoman of the Executive Board. Persons are appointed to be responsible for the individual topics. These are coordinated across all departments by the sustainability team. Prof. Schaltegger from the Leuphana University of Lüneburg supports HHLA in an advisory capacity. Various working groups provide a forum for discussing and approving sustainability issues and measures across the Group, as well as for regularly evaluating and updating the existing stakeholder structure.

HHLA engages in regular dialogue with its stakeholders, including customers (e.g. shipping companies), customers' customers (e.g. forwarders), employees, suppliers, potential and existing shareholders and investors, associations and institutions, research institutes, political decision makers, NGOs, local residents close to the terminals and interested members of the public. The Annual Report is an established medium that supplements this regular dialogue and takes the stakeholder groups' interests into account. [Materiality analysis](#)

### Sustainability strategy "Balanced Logistics"

	Fields of activity	Guidelines
<b>Ecology</b>	Climate-friendly logistics chains	We create climate- and environmentally friendly logistics chains.
	Area optimisation	We use the port and logistics areas as efficiently as possible.
	Climate protection and energy efficiency	We reduce our CO <sub>2</sub> emissions through energy efficiency and innovation.
	Environmental and resource protection	We reduce our environmental impact and conserve natural resources.
<b>Society</b>	Working world	We invest in vocational education and training with tailored staff development programmes.
	Health and occupational safety	We ensure safe and fair working conditions and promote health-conscious behaviour.
	Social commitment	We engage in dialogue with society to discuss and provide information on topics related to port logistics.
<b>Economy</b>	Added value and innovation	We make an ongoing and significant contribution to added value and thus raise prosperity at all locations.
	Business partners	We offer tailor-made solutions and work responsibly with our suppliers.
<b>Governance</b>	A company can only achieve sustainable success if it behaves in a responsible and legally compliant manner. Compliance, data privacy, respecting human rights, and combating corruption and bribery are seen as the fundamental requirements for sustainable corporate governance.	

## Principles and reporting standards

HHLA's commitment to sustainability is binding, transparent, measurable and comparable. The Sustainability Report documents the ecological, social and economic performance of the company. It also highlights how sustainability contributes to the company's long-term success and which values HHLA creates for its customers, employees, shareholders, business partners and the public.

### Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals (SDGs) adopted by the United Nations are championed by HHLA. The following Sustainable Development Goals correspond most closely to our business activities and contribute towards solving global challenges:

- SDG 4: Quality education
- SDG 7: Affordable and clean energy
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 13: Climate action

HHLA's business activities affect the following SDGs to a limited degree:

- SDG 3: Good health and well-being
- SDG 5: Gender equality
- SDG 6: Clean water and sanitation
- SDG 10: Reduced inequalities
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible consumption and production
- SDG 15: Life on land
- SDG 16: Peace and justice
- SDG 17: Partnerships for the goals

The SDGs not listed here are also supported by HHLA, but its business activities have little impact on these goals.

### Notes on GRI reporting

HHLA applies the Global Reporting Initiative (GRI) standards on sustainability reporting, the most commonly used standards of their kind in the world. In doing so, HHLA also facilitates comparison at an international level. This report was prepared in accordance with the "Comprehensive" reporting option.

## Defining the content for this report

The Sustainability Report is part of the HHLA Annual Report, whose structure is regulated by the disclosure obligation for public limited companies as defined by the German Commercial Code (HGB). The concept of an integrated report includes annual financial and sustainability reporting. It illustrates the interaction between economic, environmental and social factors and their relevance to the company's long-term success.


In order to determine the material sustainability topics, HHLA once again conducted a materiality analysis in December 2018 in the form of an international online survey for stakeholders.

### Materiality analysis

The key issues for sustainability reporting were validated using the results of this survey. In the course of refining the sustainability strategy, adjustments were made to the previous fields of activity. HHLA has also formulated new goals for its contribution towards conserving resources and protecting the climate. The amended sustainability strategy will now be implemented under the heading Balanced Logistics. Our sustainability reporting is based on the fields of activity of this strategy. [Sustainability strategy](#)

## Data collection and calculation methods

### Financial statements and reports

All data and information was collected from the respective units responsible for such information using representative methods for the reporting period. HHLA prepares its consolidated financial statements and its Interim Reports in accordance with International Financial Reporting Standards (IFRS). This Annual Report provides further information on IFRS in the notes to the consolidated financial statements. [Notes to the consolidated financial statements, no. 2 Consolidation principles](#) 

The separate financial statements HHLA AG are prepared in line with the accounting regulations of the German Commercial Code (HGB). The appropriation of profits is based solely on the separate financial statements.

### Sustainability performance indicators

Sustainability-relevant key figures are fed into the internal management information system on a monthly basis and analysed. The Executive Board receives a corresponding report. The sustainability performance indicators are calculated every year and published in the Management Report section of the Annual Report, having been signed off by the auditors. This ensures the reliability of the data. Data comparability and consistency is guaranteed by complying with widely used international reporting standards (e.g. Greenhouse Gas Protocol).

[Sustainability performance indicators](#) 



## Risk and opportunity management

Opportunities and risks are analysed using a comprehensive risk management system. Compliance with corporate guidelines as well as with relevant and recognised national and international industry standards is regarded as an essential part of corporate governance at HHLA. Workflows and processes are structured in line with these regulations. External audits at various HHLA companies (including ISO 14001, ISO 9001, ISO 50001 and CTQI [Container Terminal Quality Indicator]) confirm compliance with recognised international standards. **Management of risk and opportunities** [↗](#)

## Forward-looking statements

Unless otherwise stated, the key figures and information in this report concern the entire Group including associated companies in which the company has a majority holding. Some sections contain forward-looking statements. These estimates and statements were made to the best of our knowledge and in good faith. Future global economic conditions, legislation, market conditions, competitors' activities and other factors are not within the control of HHLA.

## External audit

The combined management report of the HHLA Group and HHLA AG, as well as the consolidated financial statements and notes, were audited by PricewaterhouseCoopers. **Audit opinion**

The sections of the Sustainability Report which form part of the non-financial report were also audited.

## GRI Content Index

The 2019 Annual Report was prepared in accordance with the international guidelines of the Global Reporting Initiative (GRI) according to GRI Standards: "Comprehensive" option.

Within the scope of the GRI Content Index Service, GRI Services checked whether the GRI Content Index was presented clearly and coherently and that the references for all disclosures contained were consistent with the corresponding sections of the report. The GRI Content Index refers to parts in this Annual Report or sections of the HHLA website that provide information about individual GRI disclosures. The index is available exclusively online at <https://report.hhla.de/gri> [↗](#).

## Information about the non-financial report\*

### Report framework

HHLA reports on the HHLA Group and HHLA AG in the form of a combined separate non-financial report (hereinafter "non-financial report"), the contents of which are embedded in the Sustainability Report. The non-financial report serves to fulfil the statutory requirements arising for HHLA in connection with the Act to Strengthen Companies' Non-Financial Disclosure in their Management Reports and Group Management Reports (known as the CSR Directive Implementation Act for short, hereinafter CSR-RUG).

The following sections are compulsory parts of the non-financial report which are relevant for audit purposes:

- Sustainability strategy
- Sustainability organisation and dialogue
- Principles and reporting standards / information about the non-financial report
- Materiality analysis
- Ecology: Area optimisation
- Ecology: Climate protection and energy efficiency
- Society: Working world / staffing levels
- Society: Working world / staff development
- Society: Health and occupational safety
- Governance: Combating bribery and corruption

The compulsory sections of the non-financial report are also labelled as "Part of the non-financial report" in the online Annual Report. A summary of all content relevant to the non-financial report is also available as a PDF document from the download centre of the online Annual Report: <https://report.hhla.de/non-financial-report> [↗](#)

[https://report.hhla.de/annual-report-2018/servicepages/downloads/files/HHLA\\_AR18\\_Non-financial-report.pdf](https://report.hhla.de/annual-report-2018/servicepages/downloads/files/HHLA_AR18_Non-financial-report.pdf)

The reporting period is the 2019 financial year (1 January to 31 December 2019). The data presented generally refers to this period or the facts and figures at the end of the reporting period. If information refers to a different period of time, this is explicitly stated. The report is published once a year. The last Sustainability Report was published on 27 March 2019 as part of the Annual Report. Unless otherwise stated, the key figures and information in this report concern the entire group of consolidated companies.

## Application of frameworks

For the purposes of the non-financial report, HHLA prepared its materiality analysis in line with the requirements of the GRI Standards.

## Determining the content of the non-financial report

HHLA regularly carries out a materiality analysis to determine the most important sustainability topics. This was conducted by means of an international online survey of stakeholders in December 2018. The results of this survey were used to determine the key issues for sustainability reporting in 2019. It includes all topics identified as material. [Materiality analysis](#)

For the purpose of preparing the non-financial report in compliance with CSR-RUG, the material fields of activity identified in accordance with GRI were aligned with the requirements of the German Commercial Code (HGB). The table below reconciles the five reportable minimum aspects with the fields of activity which are material for HHLA.

### Reconciliation of the reportable minimum aspects with the material aspects and issues of relevance to HHLA

<b>Business model</b>	<a href="#">Business Model as per CSR-RUG</a>
<b>Environmental aspects</b>	<a href="#">Ecology / Land Conservation</a> <a href="#">Ecology: Climate protection and energy efficiency</a>
<b>Employee aspects</b>	<a href="#">Working world / Headcount</a> <a href="#">Occupational health and safety</a>
<b>Social aspects</b>	HHLA takes its responsibility in dealing with social aspects that concern business partners, shareholders and the general public very seriously. However, all of the topics relating to these aspects were excluded due to a lack of commercial relevance based on double materiality considerations as defined in Section 289c (3) of the German Commercial Code (HGB).
<b>Respecting human rights</b>	<a href="#">Materiality Analysis / Reconciliation of Key Issues with the German Commercial Code</a>
<b>Combating bribery and corruption</b>	<a href="#">Governance: Combating Bribery and Corruption</a>

As a port and transport logistics company, HHLA acts as a service provider within the transport chains of its clients. HHLA's own supply chains are limited to procuring capital and consumer goods (e.g. locomotives and port handling equipment), which largely originate from countries within Europe. [Purchasing and materials management](#)

## Business model in accordance with CSR-RUG

Hamburger Hafen und Logistik AG is a leading European port and transport logistics company. It operates container terminals in the ports of Hamburg, Tallinn (Muuga) and Odessa. The Intermodal companies of HHLA provide efficient transport systems and have their own terminals in the hinterland of the ports. The Logistics segment comprises an extensive array of port and consultancy services. [Group overview / business activities](#)

## Reportable risks in accordance with CSR-RUG

HHLA has a comprehensive risk management system and an internal control system. [Risk and opportunity report / risk and opportunity management](#)

After applying the net method to identify reportable risks in accordance with CSR-RUG, HHLA is not aware of any reportable risks that are highly likely to have serious negative consequences for the reportable aspects now or in the future.

## Connections with the figures stated in the annual and consolidated financial statements

No fundamental connections were identified with the figures stated in the annual and consolidated financial statements which would be needed to understand the data.

## External audit of the non-financial report

This non-financial report was the subject of a limited assurance engagement according to ISAE 3000 (Revised) by the independent auditing firm PricewaterhouseCoopers (PwC), which issued an unqualified opinion. [Auditor's report](#)

## References

References to details not contained in the combined management report serve to provide further information and do not form part of the non-financial report.

## Materiality analysis\*

The nature of HHLA's business means it has a large number of stakeholders with a variety of expectations and demands. In order to understand these expectations and demands more fully, HHLA once again conducted a materiality analysis in winter 2018, in which sustainability topics of potential relevance to its internal and external stakeholders were examined. The collection and evaluation of the data was based on the Global Reporting Initiative (GRI) guidelines.

### The stakeholder survey process

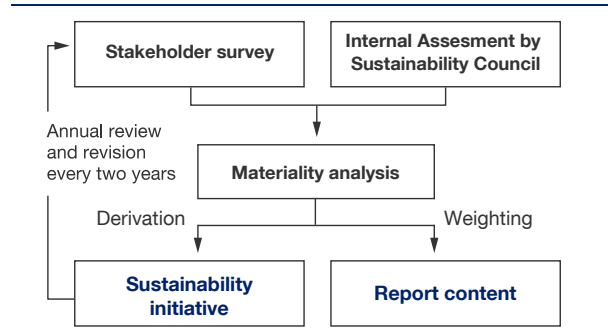
At a meeting of the Sustainability Council, HHLA's most significant stakeholders were first identified. This was initially based on internal sources, such as a list of key customers. The main stakeholders identified were customers (e.g. shipping companies), customers' customers (e.g. forwarders), employees, business partners and suppliers, the media, potential and existing shareholders, associations and institutions, research institutes, political decision makers, NGOs, and local residents close to the terminals.

Secondly, a list of topics known to be relevant to both internal and external stakeholders was drawn up and structured in accordance with the central fields of activity of HHLA's sustainability strategy. [Sustainability strategy](#)

A two-week online survey using a standard questionnaire was then carried out worldwide. External stakeholders from all of the groups identified, as well as managers from a number of different divisions, took part in the survey.

In total, approximately 100 people rated topics of potential relevance to HHLA, particularly customers, business partners, suppliers and HHLA staff. All stakeholder groups participated in the survey. Stakeholders also had the chance to rate the importance of topics, as well as add to them or make comments on them. The results of the stakeholder survey were checked internally and presented to the Executive Board. They were also used to refine HHLA's sustainability strategy under the Balanced Logistics heading and to define the fields of activity.

### The materiality analysis process



### Results of the stakeholder survey

The materiality matrix shows the ranking of all relevant sustainability topics. The assessments provided by external stakeholders are combined with those of internal stakeholders in the matrix. The result is a prioritisation of the topics. Key aspects are considered material if they are relevant from the point of view of internal and/or external stakeholders.

The long-term alignment of the corporate strategy, the long-term increase in enterprise value and prudent business practices were all rated as very material. Compliance with competition law, high occupational safety standards for employees and business partners, ensuring a high level of data protection, establishing a code of conduct which ensures non-discriminatory behaviour amongst staff and towards third parties, continual improvements in process and service quality, energy efficiency, waste avoidance and environmentally appropriate disposal, area optimisation, climate-friendly logistics chains, continuous improvement, minimising resource consumption and setting technological standards were all rated as highly material. With a clear majority, the main reasons stated for HHLA's sustainable approach were long-term, stable economic development and a reduction of environmental effects. The majority of those surveyed considered themselves generally well informed regarding sustainability topics.

The results of the most recent stakeholder survey largely correspond with the results of the previous stakeholder survey. Due to the high correlation of external and internal stakeholders' ratings of potentially relevant topics, only slight adjustments had to be made to the weighting of topics compared with the previous results. None of the potentially relevant topics were rated as immaterial or less material. The results were integrated into those fields of activity of HHLA's sustainability strategy which are defined as being most relevant.



## Results of the materiality analysis

In line with the guidelines of the Global Reporting Initiative (GRI), a comprehensive materiality analysis was carried out in December 2018.

The results are displayed in the following table. The topics have been assigned to the fields of activity determined by HHLA's Balanced Logistics sustainability strategy. The topics "minimising light emission", "stable dividend distribution" and "importance of sustainability for investors" were rated as "only material to a certain extent". None of the potentially relevant topics covered were rated as immaterial or not very material.

## Reconciliation of material topics with the German Commercial Code (HGB)

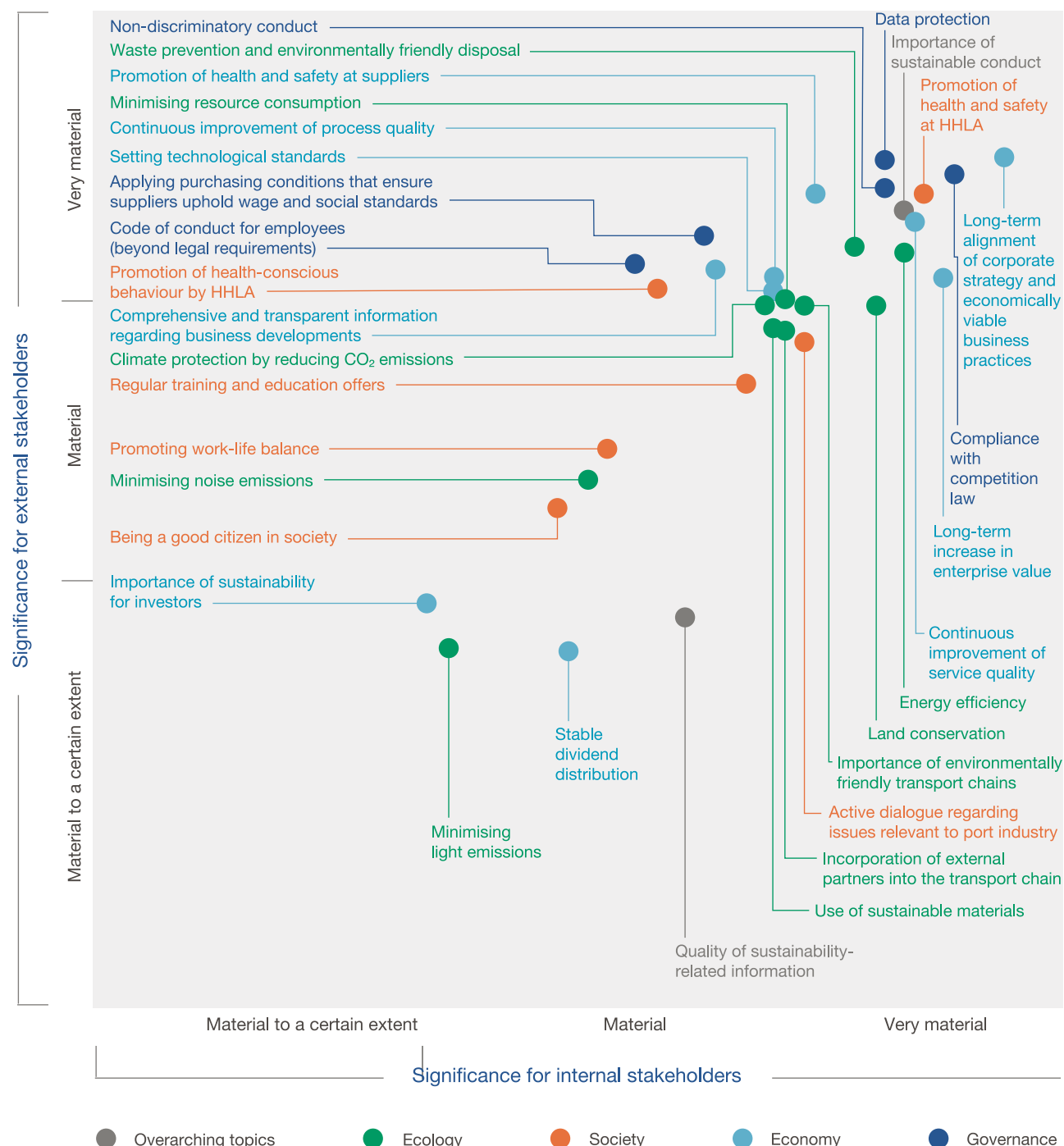
For the preparation of the non-financial report in accordance with CSR-RUG, the issues identified as material or very material in the HHLA materiality analysis were checked for commercial relevance and degree of impact by a specialist body and prioritised in line with the double materiality clause set out in Section 289c (3) HGB. As a result, some issues which were rated as very material in the stakeholder survey are considered non-reportable due to a lack of commercial relevance under CSR-RUG. [Information about the non-financial report, determining the content of the non-financial report](#)

### Materiality analysis

	Fields of activity	Relevance for the stakeholders asked	
		Material	Very material
<b>General</b>		Quality of sustainability-related information	Importance of sustainable conduct
<b>Ecology</b>	Climate-friendly logistics chains	Incorporation of external partners into the transport chain	Importance of climate-friendly logistics chains
	Land conservation		Land conservation
	Climate protection and energy efficiency	Climate protection by reducing CO <sub>2</sub> emissions	Energy efficiency
	Environmental and resource protection	Use of sustainable material Minimising noise emission	Minimising resource consumption Waste prevention and environmentally appropriate disposal
<b>Society</b>	Health and safety	Promotion of health-conscious behaviour by HHLA	Promotion of health and safety at HHLA
	Working environment	Promoting work-life balance Regular training and education offers	
	Social commitment	Active dialogue regarding issues relevant to port industry Being a good citizen in society	
<b>Economy</b>	Added value and innovation	Comprehensive and transparent communication regarding business developments	Long-term alignment of corporate strategy and economically viable business practices Setting technological standards Long-term increase in enterprise value
	Business partners		Continuous improvement of process quality Continuous improvement of service quality Promotion of health and safety at suppliers
<b>Governance</b>	Compliance	Code of conduct for employees (beyond legal requirements) Applying purchasing conditions that ensure suppliers uphold wage and social standards	Non-discriminatory dealings Data protection Competition compliant behavior

## Materiality matrix (outcome of the most recent stakeholder survey)

Evaluating the relevance of sustainability topics for HHLA



## Ecology

### Climate friendly logistic chains

The reduction of transport-related CO<sub>2</sub> emissions is a major global challenge as transport volumes are rising and thus in most cases also the CO<sub>2</sub> emissions. Of these emissions, a comparatively low 2.7 % is attributable to seaborne transport, which accounts for over 90 % of the global trade in goods. As a result of their enormous capacity, seagoing vessels offer the best carbon footprint per tonne of goods transported. Rail transport is considered the most environmentally advantageous mode of transport on land. HHLA's business model of linking the two most environmentally advantageous modes of transport, ships and trains, to create climate-friendly logistics chains is its most important contribution towards sustainability and environmental protection. This involves linking the Northern European and Adriatic ports with Central and Eastern Europe via a highly efficient intermodal network. The linkage of ocean-going vessels with feeders, inland waterway ships, barges and rail requires nothing less than the organisation of ideal multimodal transport chains. These transport chains save energy and the infrastructure while causing comparatively little noise and fewer accidents. Added to this is Hamburg's location advantage deep in the hinterland, thanks to the river Elbe as an environmentally friendly transport route.

HHLA also integrates other stakeholders into its creation of climate-friendly logistics chains. As the central, neutral and industry-wide coordination point for mega-ship, feeder and inland vessel traffic in the Port of Hamburg, the Hamburg Vessel Coordination Center (HVCC) offers terminals and shipping companies operational coordination services to optimise the emissions of arriving and departing ships.

With its HHLA Pure product, HHLA offers its customers certified, climate-neutral container transport and container handling for most routes in the METRANS network.

### Area optimisation\*

The use of land for transport and housing has one of the biggest environmental impacts as land is a valuable, but limited, resource. The efficient use of port and logistics areas through high land usage productivity and increased storage capacity on existing space are therefore measures that HHLA uses to reduce the use of land for transport and building developments. When investing in the demand-oriented expansion of its port terminals, HHLA is guided by its commitment to using scarce port and logistics areas as efficiently as possible. With regard to the efficient use of port areas, HHLA focuses on expanding storage capacity and boosting its quayside handling capacity.

At the Container Terminal Burchardkai, for example, storage capacity is being increased by the space-conserving expansion of the yard crane system. By condensing the container storage areas, the storage capacity of the existing space can be significantly increased in line with demand.

As well as increasing storage capacity by more concentrated storage, thus optimising land usage, the expansion of quayside handling capacity is an important element for the efficient use of space at the terminals. HHLA has significantly increased its quayside efficiency by means of an extensive expansion programme, including the use of state-of-the-art tandem container gantry cranes which can move up to four 20-foot containers simultaneously. Enhancing quay-wall productivity in this way without using additional space enables the company to handle a larger number of containers.

In addition to space-saving yard crane systems and efficient handling equipment, effective processes also make a key contribution towards increasing the efficiency of the existing areas. This combination of increased storage capacity with efficient equipment and processes makes it possible to cope with peak workloads in the existing areas.

For its network between the seaports and the Eastern European and South-Eastern European inland terminals, HHLA subsidiary METRANS uses wagons specially designed for maritime logistics. These 80-foot wagons offer the ideal combination of wagon/train length and carrying capacity. As a result, a block train operating a shuttle service can transport as many as 100 standard containers – more than would be possible with comparable wagons. This high carrying capacity per train makes optimum use of the existing infrastructure at the terminals and railway sidings.

### Climate protection and energy efficiency\*

HHLA has reported on its carbon footprint regularly since 2008 as part of the international Carbon Disclosure Project (CDP). The CDP is a non-profit initiative that 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<sub>2</sub> emissions** on the basis of the Greenhouse Gas Protocol Corporate Standard (Revised Edition), a global standard for recording greenhouse gas emissions. Within the HHLA Group, emissions mainly relate to CO<sub>2</sub>. 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 in the calculation of specific emissions. For the calculation of absolute emissions, the CO<sub>2</sub> emissions, which are

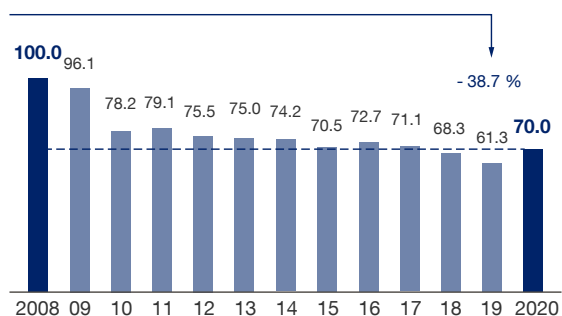


lower due to the use of electricity from renewable sources, are shown separately. The power needed by a terminal depends largely on the number of seaborne containers it handles and the number of containers transported over land by rail and truck. HHLA uses seaborne and onshore throughput in containers as an effective indicator to determine specific CO<sub>2</sub> emissions in line with the recommendations of the European Economics Environment Group (EEEG). The recommendations of the EEEG working group are also taken into account in the Global Logistics Emission Council (GLEC) Framework 2.0. HHLA set itself the **target** of reducing specific CO<sub>2</sub> emissions – the CO<sub>2</sub> emissions per container handled – **by at least 30 %** by 2020. The base year is 2008. This aim was surpassed significantly in 2019 with a value of 38.7 % (previous year: 31.7 %). Specific CO<sub>2</sub> emissions fell by 10.3 % in 2019 compared to the previous year.

HHLA set itself a new climate protection target in the reporting year: to reduce absolute CO<sub>2</sub> emissions by at least 50 % by 2030 and to become fully climate neutral by 2040. The base year is 2008.

### Specific CO<sub>2</sub> emissions since 2008

Climate protection target: 30 % or more reduction by 2020

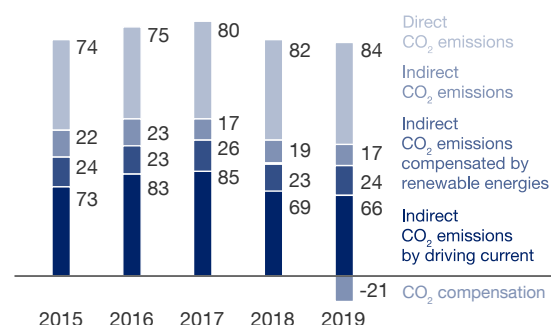


A three-year average showing annual trends in specific CO<sub>2</sub> emissions forms part of the targets agreed with the Executive Board. This is taken into account when determining Executive Board remuneration. Achieving the agreed target range triggers the payment of a corresponding bonus. [Corporate governance, remuneration report](#)

Including the use of electricity from renewable energy sources, which led to a 23,834 t reduction in CO<sub>2</sub> emissions, absolute CO<sub>2</sub> emissions decreased by 3,160 t from 170,346 t, or by 1.9 % (previous year: 167,186 t). This decrease in CO<sub>2</sub> emissions was achieved despite the rise in throughput and transport volumes and the use of our own traction fleet. Moreover, CO<sub>2</sub> emissions of the terminal operator HHLA TK in Estonia, acquired in the second half of 2018, were included in the calculations for the first time. The increased use of METRANS' own traction fleet of environmentally friendly electric multi-system locomotives is reflected in the 3.6 GWh increase of traction current consumption. Traction-related CO<sub>2</sub> emissions decreased year-on-year by 2,255 t. This was due in particular to the use of electricity from renewable energy sources for traction in Austria. Among the four purely container-based terminals operated by HHLA, CO<sub>2</sub> emissions were also lowered despite a slight increase in the volumes handled. At 63,936 t, CO<sub>2</sub> emissions were reduced year-on-year by 7.1 %, or 4,874 t, in the reporting period (previous year: 59,062 t). This already takes into account the use of electricity from renewable energy sources. Activities organised and carried out at our terminals by third parties that resulted in CO<sub>2</sub> emissions are not included in the statistics.

### Direct and indirect CO<sub>2</sub> emissions

in thousand tonnes



The Container Terminal Altenwerder (CTA) was the world's first container terminal to certified climate-neutral by TÜV Nord. To achieve climate neutrality, all unavoidable CO<sub>2</sub> emissions resulting from container throughput, amounting to 20,963 t and including Scope 3 emissions, are offset via Gold Standard projects.

Launched during the reporting period and certified by TÜV Nord, HHLA Pure offers customers climate-neutral container handling and transportation. For this product, the CO<sub>2</sub> emissions resulting from handling and transportation within the HHLA network are offset via compensation projects.

A wide range of projects to boost energy efficiency and thus lower CO<sub>2</sub> emissions were carried out by individual HHLA companies in the reporting period. This includes exchanging existing equipment, such as uninterruptible power supply systems, for more energy-efficient ones, temporarily switching off power-consuming components as required, and the training of employees.

#### Direct and indirect energy consumption and supply

	2015	2016	2017	2018	2019
Diesel, petrol and heating oil in million liter	26.3	26.6	27.4	28.4	28.0
Natural gas in million m <sup>3</sup>	2.3	2.4	3.6	4.4	8.0
Electricity <sup>1</sup> in million kWh	138.3	139.6	135.6	135.9	123.2
thereof from renewable energies	76.1	73.2	82.8	78.9	78.7
Traction current in million kWh	130.3	150.0	157.5	181.4	185.0
District heating in million kWh	3.2	3.6	3.6	3.7	3.6
District heating supply <sup>2</sup> in million kWh	–	–	–	10.9	33.3

Consumption of natural gas, traction current and district heating in 2019 is based on preliminary and estimated figures.

1 Electricity without traction current

2 Generated by a highly efficient combined heat and power generation plant (CHP) based on preliminary figures

A long-term increase in the percentage of electricity used within the Group's energy mix will enable the company to utilise more renewable energies and thereby substantially reduce its carbon footprint. HHLA is therefore 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 CTA, the all-electric yard crane system at the Container Terminal Burchardkai (CTB) and for the rail gantry cranes at the Container Terminal Burchardkai (CTB) and the Container Terminal Tollerort (CTT) comes from renewable energy sources. In the reporting year, additional quantities of renewable energies were procured, largely to compensate for CO<sub>2</sub> emissions from the operation of a CHP unit. During the reporting period, these measures reduced CO<sub>2</sub> emissions by 23,834 t tonnes (previous year: 22,812 t). At the Container Terminal Tollerort (CTT), a photovoltaic system installed and operated by the energy supplier Hamburg Energie Solar produced 108,280 kWh of CO<sub>2</sub>-free electricity in the reporting period.

Energy-efficient equipment, systems, machinery and processes not only reduce local emissions, but also have economic benefits. With this in mind, HHLA pays particular attention to the use of energy-efficient, low-emission machinery and equipment when it makes new and replacement investments. In 2019, the fleet of all-electric cars grew to 89 (previous year: 81). HHLA's electric vehicles are powered by renewable electricity and are a quiet, low-maintenance solution that do not generate any local emissions. The electric vehicles cover a distance of over 550,000 km each year and thus reduce CO<sub>2</sub> emissions by approximately 175 tonnes.

In the course of switching to low-emission or locally emission-free machines and equipment, a total of 49 straddle carriers and automated guided vehicles (AGVs) were put into operation during the reporting year. Of the 49 vehicles, 37 are all-electric AGVs and 12 are low-emission straddle carriers. For the first time, the fleet of straddle carriers now includes several vehicles with innovative hybrid technology. These vehicles have a much smaller and more efficient combustion engine, combined with a large battery. Together with the electric wheel hub motors, this results in fuel savings of over 15 %. The all-electric AGVs are equipped with fast-charging lithium-ion batteries and replace the existing diesel-powered AGVs. In addition to switching to low-emission or locally emission-free machines and equipment at its port terminals, METRANS continued its fleet expansion by ordering ten multi-system locomotives for use in international freight traffic within Central and Eastern Europe. The locomotives, which are allowed to operate in Austria, the Czech Republic, Germany, Hungary, Poland and Slovakia, are in the process of being rolled out. One additional low-emission hybrid locomotive for heavy shunting has also been ordered.

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 equipment and the on-site cleaning and reuse of used oils also improve the utilisation of resources.

The existing energy management system, certified according to DIN ISO 50001 and covering all HHLA companies with measurable energy consumption in Germany and Poland, was audited with no objections during the reporting year.

## Environmental and resource protection

### Waste and recycling

HHLA's efforts to conserve resources is demonstrated by its waste management system and the use of recycled building materials for the maintenance of its terminal areas. With regard to waste management, HHLA reduces refuse and separates rubbish for recycling wherever possible so that reusable waste can be fed back into the resource cycle. Due to the fluctuation in throughput volumes at the various HHLA terminals, the quantities of each waste type can vary widely from one year to the next.

Excluding construction waste, the amount of waste produced at the German sites decreased by 9.7 % to 8,328 tonnes in the reporting period (previous year: 9,221 t). The amount of hazardous waste decreased at more than twice this rate, falling 20.8 % during the reporting period to 1,500 t (previous year: 1,895 t).

The biggest absolute decrease in waste volume was for fruit waste. This type of waste includes fruit – such as bananas or pineapple – no longer suitable for consumption or processing. HHLA has no influence on the amount of such waste, as it primarily includes goods that were already unfit for sale when they reached Hamburg. At 30.6 %, this type of waste accounts for the largest proportion of waste overall. Fruit waste decreased year-on-year by 826 t to 2,547 t (previous year: 3,373 t). The majority of this waste, 1,552 t, was used by an external biogas plant in order to generate electricity. Nearly 280,000 kWh of electricity were produced without CO<sub>2</sub> in this way in 2019.

With a slight 1.4 % increase to 1,112 t, the amount of commercial waste was virtually unchanged, as was the third largest type of waste, mixed metals, with a 1.2 % decrease to 1,044 t. This type of waste includes items such as steel cables from container gantry cranes or yard cranes that are not longer fit for use. This type of waste is fully recycled. Paper and cardboard packaging decreased year-on-year by 13.1 % to 695 t and represented the fourth largest type of waste.

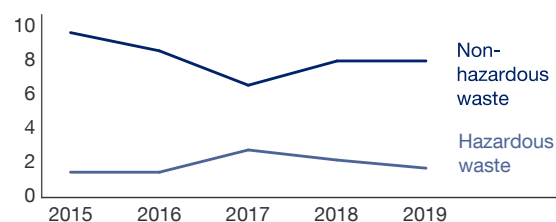
With regard to hazardous waste, the amount of sludge from oil/water separators amounted to 524 t (previous year: 1,065 t). This type of waste primarily results from the cleaning of straddle carriers and other large equipment with pressure washers and is the fifth-largest waste category. The significant decrease by nearly 51 % on last year is due to the increased use of a water treatment plant at the Container Terminal Burchardkai.

At 399 t, residual waste is for the sixth-largest type of waste. The amount of scrap wood and building timber for disposal decreased in the reporting year by 13 %, or 55 t, to 359 t.

After energy, the next largest direct material input at HHLA is construction materials. These are used in the form of recycled building materials to maintain existing terminal areas and to prepare other areas for different purposes. The use of recycled building materials increased year-on-year by 48 % to 31,566 t. The use of slag from waste incineration plants accounted for the largest percentage of this total – 35.5 % or 11,195 t. 10,222 t of recycled building materials were used for the sustainable resurfacing of the Container Terminal Altenwerder. At 34.1 % or 10,759 t, the second-largest share was accounted for by construction materials from asphalt recycling, followed by slag from waste incineration plants that was bonded with cement and used to expand the area used for the yard crane system. This accounted for 8,170 t or 25.9 % of the recycled building materials. A concrete-mineral aggregate accounted for 4.6 % or 1,442 t of total recycled building materials.

### Developments in the volume of waste

in thousand tonnes

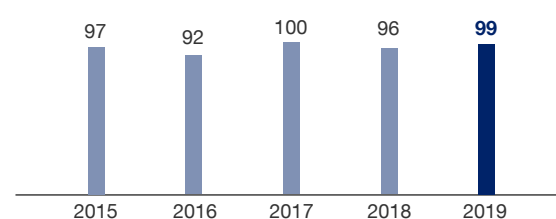


### Water consumption

Water is mostly used in the HHLA Group to clean large-scale equipment and containers, as well as for employee hygiene. Compared to the previous year, the amount of water consumed by operations in Germany, Estonia, Poland, Slovakia, the Czech Republic and Ukraine rose by 1.6 % to 98,895 m<sup>3</sup> in 2019 (previous year: 97,344 m<sup>3</sup>). This slight increase is primarily due to the fact that the terminal operator HHLA TK was included in the statistics for the first time in 2019. HHLA's facilities draw water from the public supply network.

### Water consumption

in dam<sup>3</sup>



HHLA locations: Germany, Estonia, Poland, the Czech Republic, Slovakia and Ukraine



## Society

### Working world

#### Strategic HR management

##### HR strategy

People and the organisation are at the heart of our personnel work. Highly competent and hard-working managers and employees form the foundation of our success. Long-term qualitative and quantitative personnel planning and development strategies for the entire company have been established in Hamburg. The ongoing development of specialist, management and project careers, and the permeability between different career paths are the central aims of our HR strategy. The numerous options to create a work-life balance according to the employee's current circumstances and the ongoing development of working-time systems form the cornerstone for long employee service at HHLA.

##### Organisation and control

HR management is established as a central division at Executive Board level. This organisational structure ensures that strategic HR guidelines can also be implemented throughout the Group. The specialist department provides suitable HR and organisational development programmes for staff on all career paths and at all levels of the hierarchy within the German companies. The performance of both specialist staff and managers is systematically enhanced and developed and continuously overseen by the HR management team. The same applies to all organisational development measures.

##### Diversity management


Diversity management has been an integral part of strategic HR management for many years now. HHLA believes that a balanced mix of cultures, genders and age groups forms the foundation for commercial success. The company strives to achieve such diversity in all of its companies. This applies in particular to temporary cross-company working and project groups.

##### Headcount

HHLA had a total of 6,296 employees at the end of 2019. Compared with the previous year's total, the number of employees increased by 359, or 6.0 %. In addition, HHLA employed an annual average of 753 people of Gesamthafenbetriebs-Gesellschaft (previous year: 760).

The three-year average headcount trend is one of the targets agreed with the Executive Board and is taken into account when determining Executive Board remuneration. Achieving the agreed target range triggers the payment of a corresponding bonus.


[Corporate governance, remuneration report](#) 


Further details on headcount development can be found in the management report. [Employees, staffing levels](#) 

### Personnel development

HHLA invested a total of € 4.6 million in educating and training staff at its locations in Hamburg in 2019 (previous year: € 4.6 million).

As of 31 December 2019, 66 apprentices and 18 students were receiving training in Germany in six different professions and seven dual study courses. 32 % of the 84 apprentices and students were female. The ratio of female students in 2019 was 50 % (previous year: 54 %).

Further details on the employee structure can be found in the management report. [Employees, employee structure](#) 

The three-year average of the annual trend in expenditure for initial training, in-company training and continuing professional development in relation to headcount is one of the targets agreed with the Executive Board and is taken into account when determining Executive Board remuneration. Achieving the agreed target range triggers the payment of a corresponding bonus. [Corporate governance, remuneration report](#) 

##### Continuing professional development (CPD)

All CPD activities at HHLA are designed to develop the professional, methodical and social skills of specialist staff and managers in line with demand. There is a particular focus on management training which, in turn, concentrates on providing the skills to manage increasingly complex systems. Agile methods and equipping staff to work on complex projects are at the heart of most offerings.

All internal seminars are open to staff from various departments and companies. These seminars also help foster an understanding of the diverse tasks, roles and functions in the Group's various business fields.

Based on the Qualification Opportunities Act, the "Pilots of the Future" in-house training programme was designed in cooperation with the Maritime Competence Centre (ma-co) to provide specific training for specialist staff and managers which will enable them to support innovation processes and digital transformation within the HHLA Group. 18 employees are among the first intake. The training programme will be systematically expanded in order to strengthen the ability of our workforce to adapt to change during the digital revolution.

The need for container handling operators is met via in-house training. Much of this training is delivered on a one-to-one basis using the handling equipment or live IT systems within operations. As the operational handling processes are constantly evolving, there is also an ongoing need for hands-on continuing professional development with practical relevance. The training

opportunities for operative managers are geared towards development within the organisation via a change in the leadership culture and teaching professional and methodical skills.

In total, over 641 events lasting one or more days were held in the reporting period. These included more than 509 internal vocational courses conducted by HHLA's own trainers over 2,899 training days. In addition, 132 events lasting one or more days with 1,075 participant days were organised as part of the company's cross-segment seminar programme. 38 % of the participants were women (previous year: 36 %).

### Vocational training and studying

HHLA offers a range of apprenticeships and dual study courses based on human resource planning at the companies in Hamburg. The focus is on technical and commercial occupations.

Cooperation agreements with vocational colleges, specialised grammar schools and secondary schools were further intensified to maintain a steady flow of suitable candidates for professions with a focus on mathematics, IT, science and technology. To further increase the proportion of female apprentices within these fields, technical internships were offered in particular to schoolgirls. The careers in which the company offers apprenticeships are presented at training fairs and schools by the respective departments with the aid of current apprentices. In 2019, the company participated in ten fairs in the greater Hamburg area.

Training is enhanced by supplementary offerings to prepare for future demands within HHLA's operating environment. In addition to subject-based instruction, apprentices and dual study course students learn about interdisciplinary collaboration right from the start of their training. In these supplementary courses, the apprentices and students take on responsibility and learn about solution-based work approaches. Digital expertise is also fostered as part of agile project management and by evaluating new technologies, such as augmented reality and 3D printing.

The "Intercultural skills in day-to-day work" seminar, designed in cooperation with the Maritime Competence Centre (ma-co), has now been firmly integrated into apprenticeships at HHLA. It aims to strengthen the social skills of apprentices and dual study course students, and to promote their personal development and their understanding of other cultures. Two dual study course students also did internships at the terminals in Odessa and Tallinn. Furthermore, eight apprentices and dual study course students took part in volunteering projects in various countries around the world organised by the international student organisation AIESEC.

## Contracts, remuneration and additional benefits

### Collective labour agreements

Collective labour agreements govern pay and working conditions for 87.2 % of employees in Germany (previous year: 88.9 %).

In May 2019, 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 wage table increases of 2.7 % from 1 June 2019 with a twelve-month term for port workers at companies that operate at German seaports. Similar deals have been reached for further wage agreements of the HHLA Group 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.

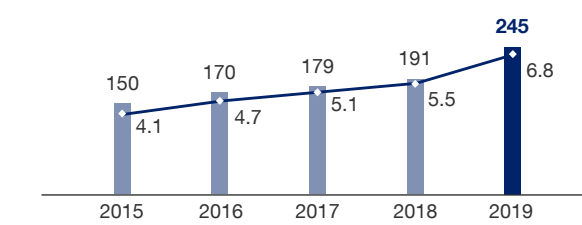
ROCE – return on capital employed – is also a significant parameter for determining variable remuneration components for executives and employees not covered by labour agreements. Performance-related remuneration components at executive level are calculated over a period of several years. This further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

### Flexible working models

A growing number of people across all employee groups and hierarchy levels in Germany 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 to reconcile their professional and family commitments, look after close relatives or do charity work. In 2019, a total of 245 employees took up the option of working part-time (previous year: 191) – 54 more than in 2018. At the end of 2019, the ratio of part-time workers at HHLA in Germany increased to 6.8 % (31 December 2019: 5.5 %). The percentage of men in part-time employment rose to 33.5 % (previous year: 30.9 %). At the holding company, where most roles are clerical, the ratio of part-time workers (excluding apprentices) was 18.6 % (previous year: 16.8 %).


### HHLA employees working part-time in Germany

as of 31.12 / part-time share in %



### Company pension scheme

With the signing of the labour agreement on company pension schemes under the HHLA capital plan, the HHLA company pension scheme has now been completely reorganised and further developed. Since the introduction of the new system in 2018, employees have even more flexibility in terms of shaping their working lifetimes. Both individual early retirement solutions and various options for lump-sum payouts upon retirement boost the appeal of company pension schemes for employees. Existing claims from models such as the working lifetime account and the so-called “port pension” have been transferred to the HHLA capital plan. By pooling these provisions within a single system, HHLA is also more closely aligned with rising employee needs with regard to transparency. In 2019, more than half of entitled employees benefited from this pension system.

More detailed information about the workforce can be found in the [Employees](#)  section of the combined Group management report.

### Occupational health and safety

#### Occupational safety

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 occupational safety in the workplace and considers this an important task for its managers. When examining early indicators that staff would benefit from health promotion measures, psychological stress is also taken into account.

HHLA uses modern technologies to achieve constant improvements: for example, a software-based occupational safety management system is used to monitor all targets and measures.

With the aim of further reducing the risk of accidents and raising awareness of occupational safety among both employees and managers, occupational safety campaigns and workshops are regularly held at HHLA company sites. These cover issues such as fire prevention, hazardous substances and ergonomics. In order to create meaningful accident statistics, accidents at all HHLA companies in Hamburg are taken into account and recorded using a standardised reporting system. These also include accidents not directly linked to container handling (e.g. in workshops). The reasons for changes or fluctuations are carefully analysed in order to quickly initiate structured preventive measures.

In 2019, there were 77 notifiable accidents (excluding accidents when commuting) at the companies in Hamburg in which HHLA owns a stake of over 50 % (previous year: 83). This represents a decline of 7.2 %.

#### Occupational health

As part of its health promotion efforts, HHLA strives to develop an occupational health management system which reflects everyday needs and to systematically integrate these measures into company processes.

The collaborative project GESIOP (health management from an inter-organisational perspective) was completed in 2019. HHLA was actively involved as a partner in the MEgA project (“measures and recommendations for the healthy workplace of the future”), funded by the German Federal Ministry of Education and Research (BMBF). BMBF funding focuses on developing application-oriented approaches for preventive health-based workplace design and transferring these approaches into practice. As part of the GESIOP project, concepts and tools for gauging the quality of company health management systems are developed. Together with the other project partners and universities, HHLA was then involved in the active project work at the final conference and the final publication in order to share its learnings from the project with a wider public. During the project, HHLA implemented a Group-wide process for assessing the risk of psychological stress, followed by a method for testing the effectiveness of measures, which was reviewed in a pilot project. The findings were used to create binding, Group-wide procedural instructions that have been valid throughout the Group since 2019. Other partnerships with companies from the health care sector were also intensified as a result of the project.

A further example of how HHLA promotes good health is its partnership with the start-up 25ways, which has developed a digital mobility platform. By supporting this pilot project, HHLA is promoting the use of health-oriented and environmentally friendly modes of transport for commuters. A range of options, such as free trial periods for various types of bicycles, encourages employees to embrace new and healthier behaviour. The company also supports the “Cycle to Work” campaign of the German health insurer AOK.

Furthermore, with the aid of targeted communication and information strategies, HHLA actively promotes existing health care services, such as social counselling and flu vaccinations. This has led to increased awareness of these services among employees.

Already well-established at all company locations, HHLA's highly popular Health Days focus on different topics each year with new information and ideas to try out.



## Corporate citizenship

### Regional responsibility

Approximately one in ten 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 over three-quarters of Hamburg's container throughput or more than half of the total throughput in tonnes. The company therefore sees itself as an integral part of economic development in the greater Hamburg metropolitan region. It is well aware of its responsibility towards society both here and at all its other sites.

### Social dialogue

HHLA engages in regular dialogue with its stakeholders. **Sustainability strategy** The company also promotes a number of educational projects focusing on the port and logistics.

Recognising the link between the port, logistics and the water helps us understand the global division of labour and the importance of sustainable business activities. HHLA's support for educational projects focuses on the "Hafen-Scouts". This project was jointly initiated by HHLA, the Hafenmuseum Hamburg and the State Institute for Teacher Training and School Development in 2015. It teaches fourth-grade schoolchildren about the transportation of goods around the world, how the port works and what careers the port offers. In the reporting year, more than 1,400 schoolchildren visited HHLA facilities as part of this educational project.

In addition to this educational project, HHLA also organised an event with high-profile experts entitled: "What will join the container? Transport flows in the digital transformation."

## Economy

### Added value and innovation

As the largest port in Germany by far, the Port of Hamburg directly and indirectly employs over 165,000 people in the Hamburg Metropolitan Region. It is one of the most important economic factors of northern Germany and, as a hub of international trade, plays an extremely important role for Germany's entire economic system. HHLA wants to make a lasting contribution to the prosperity of those societies where its facilities are located.

### Added value

Net added value rose by 5.9 % to € 715.8 million in the 2019 financial year (previous year: € 676.0 million). At 50.7 %, the added value ratio was roughly on a par with the prior year (previous year: 50.8 %).

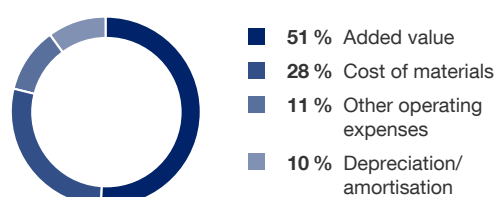
### Value added in the HHLA Group

in € million	2019	2018	Change
Employees	523.3	487.1	7.4 %
Shareholders	137.1	138.5	- 1.0 %
Public authorities	49.1	45.1	8.8 %
Lenders	6.3	5.3	17.7 %
<b>Total</b>	<b>715.8</b>	<b>676.0</b>	<b>5.9 %</b>

Net added value serves as an indicator of the economic value creation of a business activity. It is calculated by taking the production value and deducting all intermediate inputs, depreciation and amortisation. Added value is shared between employees, shareholders, the state (taxes) and lenders. The largest proportion, 73.1 % or € 523.3 million, went to employees.

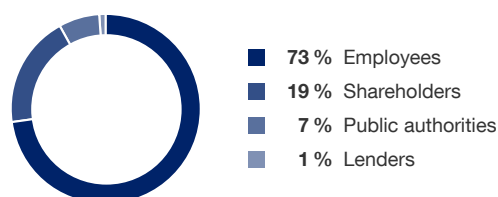
### Source of added value

Production value 2019: € 1,411 million = 100 %



### Application of added value

Net added value 2019: € 716 million = 100 %



### Innovation

HHLA has considered itself a start-up since it was founded in 1885. Without innovation and the drive to continually engage with new trends and technologies, HHLA's path would not have been successful. Today, the company is primarily concerned with the opportunities for modern logistics offered by automation and digitalisation. **Research and development**


### Business partners

In its relationships with business partners, HHLA strives for integrity, fairness, responsibility and sustainability. In order to minimise the risks that may occur at the start of, and during, a business relationship, HHLA implements a Group-wide business partner screening system. The system facilitates the recurring risk-based analysis and assessment of business relationships and possible measures to reduce risks. **Purchasing and materials management**


In particular, HHLA expects its suppliers to subscribe to a company policy in line with the above values and to comply with all applicable laws. In this context, HHLA is currently launching a Group-wide Supplier Code of Conduct that summarises the main principles of behaviour.

## Governance

### Combating corruption and bribery

A company can only achieve sustainable success if it behaves in a responsible and legally compliant manner. With this in mind, compliance with legal requirements and internal company guidelines is a key part of HHLA's corporate governance policy. **Corporate management declaration**  HHLA strives to achieve this prime objective by establishing, coordinating and constantly further enhancing its Group-wide compliance management system (CMS). It has also set itself the goal of identifying key compliance risks, assessing them on an ongoing basis, and minimising them by implementing suitable measures and processes. Furthermore, the CMS aims to raise awareness among HHLA Group employees regarding the need to comply with both the legal requirements relevant to their work and internal guidelines. By doing so, it sets out to foster an appropriate level of risk awareness within the workforce with a view to preventing compliance violations.

The functions of HHLA's CMS are carried out centrally by a Group Compliance Officer, who reports to the Executive Board member responsible for compliance – currently the Labour Director or Chief Human Resources Officer – and the Supervisory Board's Audit Committee, as well as decentrally by local compliance contact partners and officers, who report to the Group Compliance Officer.


HHLA's CMS centres on a Code of Conduct that goes beyond the statutory requirements by formulating overriding principles on relevant topics for compliance, such as fair conduct in the competitive environment and dealing with conflicts of interest or sensitive corporate information. The HHLA Code of Conduct can be accessed online at [www.hhla.de/compliance](http://www.hhla.de/compliance) .

Preventing corruption is another key issue addressed in the Code of Conduct. In the course of its activities, HHLA is constantly in contact with business partners and officials at different levels – especially in Germany, Central and Eastern Europe, and Asia. The aim of the in-depth anti-corruption guidelines is to help employees assess situations with potential corruption implications in their day-to-day work in order to effectively prevent corrupt behaviour and the associated consequences for both employees and the company. The anti-corruption guidelines provide staff with the necessary knowledge about granting or accepting benefits to or from business partners and officials. Practical examples are used by way of illustration.

The Code of Conduct obliges employees to pass on any information they may have about misconduct at the company. Third parties can also use the compliance hotline for whistle-blowing. All information received is treated confidentially and callers can choose to remain anonymous. Moreover, the anti-corruption guidelines state that staff must seek advice or report violations if they have any doubts or suspicions.

Training courses and internal corporate media constantly provide employees with information on important aspects of the Code of Conduct and associated issues, such as corruption prevention and how they are expected to behave in accordance with the anti-corruption guidelines. During the reporting period, training in anti-corruption topics was mostly provided to HHLA employees involved with international consultancy projects and in procurement.

The number of incidents is constantly documented and monitored as part of the CMS using an internal reporting system. This enables the company to adjust its risk assessment should there be an increase, for example, and to introduce appropriate measures, such as more communication and adapting processes in its internal control system.

The responsibility of each individual to comply with the provisions laid down by regulators, professional associations and the government, both within the company itself and in dealings with contractual partners, is also stated in HHLA's own in-house purchasing guidelines, in combination with HHLA's externally applicable purchasing guidelines. The focus here is on analysing and evaluating relationships with suppliers in terms of their reliability, quality, innovativeness, cost structures, economic stability, occupational safety, sustainability and compliance. Selecting suppliers on the basis of these criteria also helps to prevent corruption. **Purchasing and materials management** .

During the reporting period, the launch of an IT-based business partner screening system began. This will facilitate the risk-based assessment of HHLA's business partners, e.g. with regard to compliant behaviour in their international business dealings. **Business partners**

### Respect for human rights

Ensuring our employees act in a lawful fashion guided by integrity also means protecting human rights. HHLA only has sites in Europe and more than 95 % of HHLA's suppliers are based in the European Union, where human rights are a prime concern and enshrined in both local and European laws. Furthermore, the principles of the UN Global Compact are reflected in the Code of Conduct and HHLA's comprehensive guidelines, such as its health and safety guidelines. As an overarching set of rules, the Code of Conduct includes the following principles:

- integrity as a central value, a commitment to diversity and the rejection of all forms of discrimination in our interactions with one another;
- guidance on lawful behaviour, particularly to prevent corruption in dealings with business partners and officials;
- protecting the health and safety of employees in the workplace. Occupational safety is a priority for HHLA and we have set ourselves the goal of remaining a leader in this regard;
- protecting the environment and sustainable business practices, promoting environmental awareness and accelerating the development and acceptance of environmentally friendly technologies through the HHLA sustainability strategy. [Sustainability strategy](#)

Additionally, HHLA actively encourages worker co-determination and safeguards both the freedom of association and the right to collective bargaining.

The risk-oriented business partner screening system currently being introduced by HHLA in the field of third-party compliance also contributes towards the early detection of potential human rights risks. Equally, the Supplier Code of Conduct being rolled out specifically includes respect for human rights.

## Audit opinion

### Independent practitioner's report on a limited assurance engagement on non-financial reporting

#### To HHLA AG, Hamburg

We have performed a limited assurance engagement on the combined separate non-financial report (hereinafter "non-financial report") pursuant to Sections 289b (3) and 315b (3) HGB for the period from 1 January 2019 to 31 December 2019 of HHLA AG, Hamburg (hereinafter "the company").

#### Responsibilities of the executive directors

The executive directors of the company are responsible for the preparation of the non-financial report in accordance with Sections 315c in conjunction with 289c to 289e HGB.

This responsibility of the company's executive directors includes the selection and application of suitable methods of non-financial reporting, as well as making assumptions and estimates related to individual non-financial disclosures which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as they have considered necessary to enable the preparation of a non-financial report that is free from material misstatement, whether due to fraud or error.

#### Independence and quality control of the audit firm

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

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

### Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the non-financial report based on the assurance engagement we have performed.

Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the non-financial report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the company's non-financial report for the period 1 January 2019 to 31 December 2019 has not been prepared, in all material aspects, in accordance with Sections 315c in conjunction with 289c to 289e HGB.

In a limited assurance engagement, the assurance procedures are less in extent than for a reasonable assurance engagement, and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- || obtaining an understanding of the structure of the sustainability organisation and stakeholder engagement;
- || inquiries of personnel involved in the preparation of the non-financial report regarding the preparation process, the internal control system relating to this process and selected disclosures in the non-financial report;
- || identification of the likely risks of material misstatement of the non-financial report;
- || analytical evaluation of selected disclosures in the non-financial report;
- || comparison of selected disclosures with corresponding data in the consolidated financial statements and Group management report; and
- || evaluation of the presentation of the non-financial information.



**Assurance conclusion**

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the company's non-financial report for the period 1 January 2019 to 31 December 2019 has not been prepared, in all material aspects, in accordance with Sections 315c in conjunction with 289c to 289e HGB.

**Intended use of the assurance report**

We issue this report on the basis of the engagement agreed with the company. The assurance engagement has been performed for purposes of the company and the report is solely intended to inform the company about the results of the limited assurance engagement.

The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the company. We do not assume any responsibility towards third parties.

Frankfurt, 23 March 2020

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