Employees

Development of Headcount

HHLA aligns headcount planning with the economic development of its companies. It aims to provide the majority of its services using in-house staff. Employees of Gesamthafenbetriebs-Gesellschaft (GHB) are used by the container handling firms in Hamburg to cover peaks in operating manpower requirements. The recruitment processes used by the individual companies of HHLA AG are monitored by the HHLA manpower planning team. Proposals to create additional jobs are examined for their consideration of economic planning and operational necessity, as well as other options for filling positions internally or taking alternative action. This ensures that recruitment does not exceed the HR planning for individual companies approved by the Executive Board and can be synchronised with headcount trends at the affiliated companies with the possibility of synergy effects.

HHLA had a total of 5,581 employees at the end of 2017. Compared with the previous year's total, the number of employees increased by 53, or 1.0 %. In addition, HHLA used an annual average of 710 employees of Gesamthafenbetriebs-Gesellschaft (previous year: 558).

Employees by Segment

In the Container segment, the number of employees fell to 2,909 as of 31 December 2017. Total headcount was down by 36 year-on-year in the reporting period (previous year: 2,945). By contrast, total headcount in the Intermodal segment rose strongly again by 185 or 11.0 % to 1,872 employees (previous year: 1,687). This was due to the expansion of services and an increase in vertical integration. Headcount at the other segments decreased. The number of staff employed at the strategic management holding company declined by 2.3 % to 636 (previous year: 651). In the Real Estate segment, headcount remained virtually unchanged at 30 as of 31 December 2017 (previous year: 31). Employee numbers in the Logistics segment decreased to 134 in the reporting period (previous year: 214). This was mainly due to the discontinuation of operating activities in project and contract logistics.

Employees

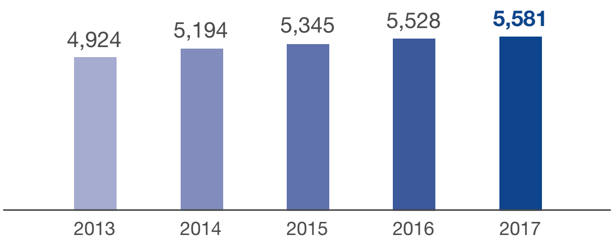
by segments	2017	2016	Change
Container	2,909	2,945	- 1.2 %
Intermodal	1,872	1,687	11.0 %
Holding/Others	636	651	- 2.3 %
Logistics	134	214	- 37.4 %
Real Estate	30	31	- 3.2 %
HHLA Group	5,581	5,528	1.0 %

Employees by Region

In geographical terms, the workforce was concentrated mainly in Germany, with 3,479 staff members (previous year: 3,625), the majority of whom worked in Hamburg. This corresponds to a share of 62.3 % (previous year: 65.6 %). The number of staff employed abroad rose by 10.5 % to 2,102 (previous year: 1,903). This was primarily due to increased staffing levels at the Intermodal companies in the Czech Republic, Slovakia, Hungary and Slovenia, where headcount grew by 14.3 % to 1,465 (previous year: 1,282). In Ukraine, the number of employees rose by 4.1 % to 458 (previous year: 440). The remaining 179 employees (previous year: 181) are spread across subsidiaries in Austria, Poland, Georgia and Turkey.

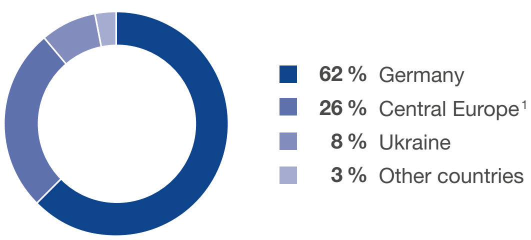
Development of Employees

HHLA Group as of 31.12.



Employees by Region

as of 31.12.2017



1 Czech Republic, Slovakia, Hungary, Slovenia

Recruitment

Women accounted for 31.4 % of the 86 new employees who had not previously worked for HHLA in Germany, for example via Gesamthafenbetriebs-Gesellschaft mbH Hamburg (GHB). More than 34 % of new hires were aged between 30 and 50.

Recruitments 2017

	Total	Females	Females in %
< 30 years	37	11	29.7
30 – 50 years	41	14	34.1
> 50 years	8	2	25.0
HHLA Group	86	27	31.4

Since 2013, HHLA has been employing a self-developed **selection process** (assessment centre) that not only considers the applicant's personal and professional suitability, but also diversity aspects. These processes have been used for all blue-collar roles since the end of 2013 and at the holding company and all container terminals in Hamburg since 2014. Members of the company's staff selection panels receive special training. In addition, the selection panel must include at least one woman for all selection processes in which the pool of applicants includes women.

At 4.7 %, the **fluctuation rate** (excluding internal transfers within the Group) in Germany was virtually unchanged year-on-year (previous year: 4.8 %). Of the 164 people who left the company, 40.2 % were retirees (previous year: 41.7 %).

Personnel Structure

The majority of jobs at HHLA are in a segment of the labour market in which men are traditionally employed and women are proportionately less represented. However, the positive trend seen in the previous years continued in 2017 and the ratio of women employed by HHLA in Germany increased once again (including apprentices). At 15.5 %, the ratio of women employed by the company was 0.1 percentage points higher than in the previous year (15.4 %).

Gender distribution on the Executive Board and the two management levels below the Executive Board is governed by the German Act on the Equal Participation of Women and Men in Leadership Positions and by the targets agreed by the Supervisory Board and where applicable, the Executive Board. ▶ see Corporate Governance/Corporate Governance Report, page 46

Age Structure

The average age of staff in Germany in the reporting period was 44.2 (previous year: 43.8). Male employees had an average age of 44.7, while female employees were 41.0 years old on average. Over half of all employees are aged between 30 and 50.

Age Structure of Employment

in %	31.12.2017	Thereof females	31.12.2016	Thereof females
< 30 years	10.9	27.3	12.0	27.5
30 – 50 years	53.5	16.2	53.1	16.0
> 50 years	35.6	10.8	34.9	10.1
HHLA Group	100.0	15.5	100.0	15.4

As in the two previous years, the average length of service with the company in Germany was approximately 15 years.

Average Employment Period

in years	31.12.2017	31.12.2016
< 30 years	5.1	4.9
30 – 50 years	11.3	10.9
> 50 years	24.1	24.7
HHLA Group	15.2	15.0

The percentage of employees with a severe disability (including persons of an equivalent status) was 8.8 % at the end of the reporting period (previous year: 8.7 %).

Staff Development

HHLA invested a total of € 4.2 million in educating and training staff from its locations in Hamburg in 2017 (previous year: € 4.5 million).

As of 31 December 2017, 67 apprentices and 12 students were receiving training in Germany in eight different professions and eight dual study courses. 29 % of the 79 apprentices and students were female. The share of female students in 2017 was 58 % (previous year: 50 %).

All of the 25 apprentices (of whom eight were on dual study courses) who successfully completed their training in the course of the year were given permanent employment contracts. A total of 17 new apprentices were taken on at the company's Hamburg facilities in 2017, approximately 41 % of whom were women. At the start of the 2017 academic year, 50 % of blue-collar apprentices were women (previous year: 30 %).

As in the previous year, over 700 events lasting one or more days were held in the reporting period. These included more than 650 internal vocational courses conducted by HHLA's own trainers over 3,089 training days. In addition, more than 70 one- to multi- day events with over 870 participant days were organised as part of the company's cross-segment seminar programme. 31 % of the participants were female.

Detailed workforce-related information on strategic HR management, staff development, occupational safety and health promotion, as well as contracts, remuneration and additional benefits can be found in the "Sustainability" section of the report. ▶ see also Sustainability/Employees, page 170.

Economic Environment

Macroeconomic Development

The global economy was on a strong upward trajectory in 2017 with estimates by the International Monetary Fund (IMF) putting year-on-year growth at 3.7 %. This is the most rapid increase since 2010. Despite uncertainty surrounding the future geopolitical and economic environment, macroeconomic growth picked up pace markedly. The most recent economic indicators signalled a significant increase in Germany's GDP of 2.5 %. According to the German Federal Statistical Office, exports rose strongly by 6.3 % year-on-year in 2017. There was also considerable growth in imports of 8.3 %. The Central and Eastern European economies experienced a noticeable upswing. Based on the data currently available, the IMF therefore expects economic output in Europe's emerging countries to rise strongly by 5.2 % in 2017. There was a slight upturn in the Russian economy again in 2017 but sanctions continued to prevent any significant momentum. Nevertheless, Russia's total economic output returned to growth for the first time with an increase of 1.8 %. China maintained its stable growth trajectory and even exceeded its government's own 6.5 % target slightly with growth of 6.8 % for the full year 2017. This economic upturn was also reflected in global trade volumes, which experts believe expanded by 4.7 % in 2017.

Development of Gross Domestic Product (GDP)

in %	2017	2016
World	3.7	3.2
Advanced economies	2.3	1.7
USA	2.3	1.5
Emerging economies	4.7	4.4
China	6.8	6.7
Russia	1.8	- 0.2
Eurozone	2.4	1.8
Central and Eastern Europe (emerging european economies)	5.2	3.2
Germany	2.5	1.9
World trade	4.7	2.5

Source: International Monetary Fund (IMF), January 2018

Sector Development

Given the persistently difficult conditions for container shipping in 2016, there was a surprisingly positive trend in global container throughput in 2017. According to recent estimates by Drewry, throughput increased by 6.0 % worldwide in the past year. This faster rate of throughput growth was mirrored by almost all shipping regions, albeit to different extents. In Europe, the ports in Scandinavia and the Baltic region, the Eastern Mediterranean and the Black Sea benefited most from the upturn. Nevertheless, volume growth at the Scandinavian and Baltic ports was less pronounced than expected as recently as October (forecast from Q3 2017: 8.4 %). Growth of 5.9 % was still slightly stronger than in the previous year, however. Although the strong upturn at the north-western European ports slowed somewhat in the course of the year, Drewry anticipates growth of approximately 4.2 % in the reporting period based on the figures currently available.

Development of Container Throughput by Region

in %	2017	2016
World	6.0	2.5
Europe as a whole	5.0	3.3
North-West Europe	4.2	1.8
Scandinavia and the Baltic region	5.9	5.5
Western Mediterranean	3.7	4.2
Eastern Mediterranean and the Black Sea	7.6	4.8

Source: Drewry Maritime Research, December 2017

The **trend among the major container ports of the North Range**, as well as the largest ports of the western Baltic Sea, was mixed. Hamburg recorded a slight loss in the period under review, with container throughput declining by 1.0 % to 8.8 million TEU. Europe's largest container port, Rotterdam, handled 13.7 million TEU, 10.9 % more than in the previous year. Container throughput in Antwerp was up 4.1 % year-on-year to 10.5 million TEU, thus bolstering the Belgian port's