

Sustainability

Angela Titzrath
Chairwoman of the
Executive Board



Our actions are guided by entrepreneurial vision, social responsibility and the sustainable use of resources.

Ladies and Gentlemen,

Change has been a constant at Hamburger Hafen und Logistik AG (HHLA) ever since it was established 132 years ago. It has always been viewed as an opportunity to strengthen the company's future viability and creative power. And it is in this same spirit that we now approach the rapid change which digitisation brings. Instead of standing on the sidelines, we are actively involved in shaping this process. Our actions are guided by entrepreneurial vision, social responsibility and the sustainable use of resources. They are based on our sustainable **business model**, which we are successfully implementing even under changing external conditions. In 2017, for example, HHLA was named Best Green Container Terminal Operator by Asia Cargo News, an industry publication with a wide readership in the Asian region. The fact that our commitment to sustainable business practices is attracting international attention and recognition is further motivation for us to continue this approach.

As water is a productivity factor that affects HHLA's economic success, and its facilities are very close to the city of Hamburg due to the port's location, we constantly strive to make careful and moderate use of natural resources. In order to do this, HHLA's **sustainability strategy** is implemented in ten fields of activity. This entails developing processes which are both economically efficient and ecologically beneficial. The success of values-based corporate governance does not rest solely on the use of state-of-the-art technology: working conditions which effectively protect the health and safety of our staff are just as important.

Using our own trains to link ocean-going vessels with a rail transport network stretching into the hinterland is a key element of our sustainable business strategy. We maintain a consistently high level of capital expenditure in our Intermodal segment. During the reporting period, our rail company Metrans opened its fourth hub terminal. The cutting-edge container hub in Budapest is the ideal interface between the North European seaports, the Adriatic, and Central, Eastern and South-Eastern Europe. As well as expanding our network of hinterland terminals, we are making ongoing investments in eco-friendly, multi-system electric locomotives, hybrid shunters and quiet container wagons. The success of our rail companies is not only measured by their growing contribution to HHLA's operating result, but equally by their efforts to move freight traffic off the road and onto more ecological railway lines.

Rail transportation is our most effective lever for achieving climate-friendly and ecological logistics chains. At the same time, we aim to reduce the impact on people and nature by further optimising the logistics processes at our terminals and on the way to them. Switching to state-of-the-art, partially automated and electrified processes and machines is yielding tangible results. However, our efforts go well beyond HHLA's terminal facilities. As we take a holistic view of the logistics chain, we also consider other stakeholders in a process aligned with the principles of sustainability. In the past financial year, for example, we successfully rolled out a slot-booking process for trucks at our three container terminals in Hamburg. The aim is to improve traffic flow management at the port, thus reducing vehicle emissions. Another example of how we are using digitisation to reduce traffic and protect the environment is the driver app launched by the HHLA subsidiary Container-Transport-Dienst (CTD). This significantly reduces the distance travelled for administrative reasons when transferring containers at the Port of Hamburg, reducing diesel consumption by more than 100,000 litres a year.

We measure our commitment to climate protection against our target of reducing **CO₂ emissions** per container handled by at least 30 percent, based on our 2008 figures. To achieve this objective, we are replacing diesel-powered devices and equipment with electric technology. We use electricity from renewable sources to drive this technology, thereby cutting CO₂ emissions. At the end of 2017, we had almost achieved our own target with a reduction of 28.9 percent. In 2017, we largely completed our preparations at the Container Terminal Altenwerder for the switch from diesel-powered automated guided vehicles (AGVs) to battery-operated AGVs. The electrification of our vehicle fleet is not only an effective means of lowering CO₂ emissions, it also reduces air-polluting nitrogen oxide emissions. HHLA embraced electromobility a long time ago.

Our vehicle fleet now includes 79 electric cars – more than at any other port. When we renewed our straddle carrier fleet at the Container Terminal Burchardkai in 2017, we acquired a total of 16 new straddle carriers with state-of-the-art exhaust technology. This further reduces local emissions of harmful substances – particularly important in view of the terminal's proximity to residential areas.

HHLA takes social responsibility by supporting education projects that focus on maritime and environmental topics at schools in Hamburg. In the year under review, more than 1,000 schoolchildren were given access to additional learning opportunities in this way.

Our energy management system (certified according to DIN EN ISO 50001) makes an effective and measurable contribution towards enhancing energy efficiency and thus reducing CO₂ emissions. All HHLA companies in Germany and Poland with significant energy consumption used the system in the reporting year.

The high added value ratio at our sites once again made a considerable contribution to the respective local economies in the financial year just ended. HHLA's added value contribution rose by 3 percent to € 623 million.

I would like to say a special thank you to HHLA's 5,500-plus employees, about a third of whom work outside Germany. Our business performance relies on the dedication and skills of our staff. HHLA takes social responsibility for its employees by offering extensive social benefits and maintaining the highest standards of **occupational safety**. The measures to protect the long-term health of our employees also take into account the impact of demographic change on our company. They include a wide range of activities such as 'health days', courses to help staff stop smoking, and financial support for the purchase of electric bikes. We continuously develop the skills of our employees by offering **vocational training and professional development programmes**. Both external and internal seminars and programmes are used to share extensive knowledge. The HR Management team offers numerous services to help staff members reconcile their professional and family commitments. HHLA also takes diversity criteria into account, thus underlining the company's commitment to creating a corporate culture in which all genders and generations are treated equally.

Yours,



Angela Titzrath
Chairwoman of the Executive Board