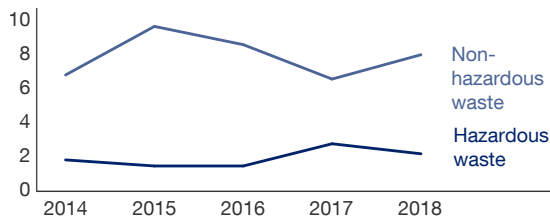


Paper and cardboard packaging rose by 39.5 % to 799 tonnes, while there was a moderate increase of 18.4 % in scrap wood and building timber to 415 tonnes.

Developments in the volume of waste

in thousand tonnes



HHLA's efforts to conserve resources at its terminals were also reflected in the use of a total of 21,310 tonnes (previous year: 18,881 tonnes) of recycled building materials to maintain its terminal areas during 2018. At 9,765 tonnes, the majority of this was asphalt recycling. 8,610 tonnes of slag from waste incineration plants was used for the sustainable resurfacing of the Container Terminal Altenwerder (CTA). A further 1,600 tonnes of electric furnace slag was used during the renovation of the container rail terminal at the Container Terminal Burchardkai (CTB). Electric furnace slag is produced when steel scrap and mineral additives are melted in electric arc furnaces. It is reused as aggregate at the terminal sites. 1,335 tonnes of slag from waste incineration plants bonded with cement were also used during the renovation of the CTB rail terminal.

Human resources

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 permeability between different career paths are the central aims of our personnel 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.

Development of headcount

HHLA had a total of 5,937 employees at the end of 2018. Compared with the previous year's total, the number of employees increased by 356, or 6.4 %. In addition, HHLA used an annual average of 760 employees of Gesamthafenbetriebs-Gesellschaft (previous year: 710).

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 from its locations in Hamburg in 2018 (previous year: € 4.2 million).

As of 31 December 2018, 59 apprentices and 13 students were receiving training in Germany in six different professions and seven dual study courses. 33 % of the 72 apprentices and students were female. The ratio of female students in 2018 was 54 % (previous year: 58 %).

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.

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 630 events lasting one or more days were held in the reporting period. These included more than 550 internal vocational courses conducted by HHLA's own trainers over 2,673 training days. In addition, more than 80 one- to several-day events with over 960 participant days were organised as part of the company's cross-segment seminar programme. 36 % of the participants were women (previous year: 31 %).

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 2018, the company participated in twelve 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 concept developed as part of the AvM Dual pilot project launched in 2016 to prepare immigrants from the Hamburger Ausbildungszentrum e.V. (HAZ) for vocational training was successfully implemented in 2018. Five of the twelve young immigrants taking part were directly offered the prospect of an apprenticeship as a result. Another third will continue to receive support with job entry or career qualifications.

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, as well as promoting their personal development and their understanding of other cultures.

Occupational safety and health promotion

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 2018, there were 83 notifiable accidents (excluding accidents when commuting) at the companies in Hamburg in which HHLA owns a stake of over 50 % (previous year: 97). This represents a decline of 14.4 %.

Health promotion

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 collaboration with universities and other companies as part of the “GESIOP” project funded by the German Federal Ministry of Education and Research is being continued. It focuses on measures and recommendations for the healthy workplace of the future. Following the successful completion of the pilot phase on the risk assessment of psychological stress and the resulting measures, the HHLA Group is driving the implementation of standardised and yet individually adjustable measures while monitoring their effectiveness. At the same time, HHLA also highlights best practice examples within the association and related publications in order to help other companies implement similar topics. By participating in scientific events and conferences such as the Work Research Conference (Arbeitsforschungstagung) held by the Fraunhofer Institute, we also support interdisciplinary dialogue on the topic at the highest level.

HHLA offers social counselling for employees and managers at its Hamburg location to provide professional support during stressful periods in their professional and personal lives. The aim of this is to offer a fast, tailored solution to health problems, personal crises, conflicts and stress in the workplace. By offering comprehensive on-site advisory services and forging links with local professionals, counselling centres and treatment facilities, the company ensures that staff can access a broad-based support system. For example, HHLA has been collaborating with the MENTO project run by the training organisation DGB Bildungswerk and the debt advisory service operated by Verbraucherzentrale Hamburg for a number of years.

HHLA also holds regular health events. In 2018, employees from a wide variety of company departments once again sought advice on various topics relating to maintaining and improving their health.

The three-year average of the annual trend in sick pay minus expenditure for preventive measures 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.

Contracts, remuneration and additional benefits

Collective labour agreements

Collective labour agreements govern pay and working conditions for 88.9 % of employees in Germany (previous year: 89.3 %).

In May 2018, 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 3.0 % from 1 June 2018 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.

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.

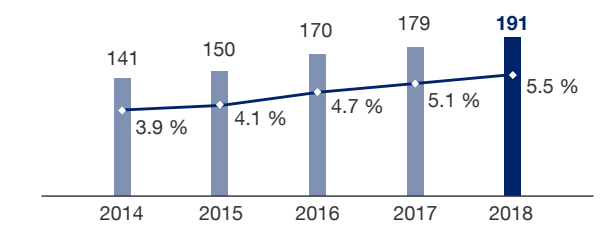
ROCE – the return on capital employed – is also a significant parameter for determining variable remuneration components for executives and employees not covered by labour agreements. Performance-related remuneration components at executive level are calculated over a period of several years. This further 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 2018, a total of 191 employees were in part-time employment positions (previous year: 179) – 12 more than in 2017. At the end of 2018, the ratio of part-time workers at HHLA in Germany increased to 5.5 % (31 December 2017: 5.1 %). The percentage of men in part-time employment rose to 30.9 % (previous year: 29.6 %). At the holding company, where most roles are clerical, the ratio of part-time workers (excluding apprentices) was 16.8 % (previous year: 16.2 %).

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 the first year alone, around one third of entitled employees benefited from this new pension system.

More detailed information about the workforce can be found in the **Employees** section of the combined group management report.

Society

Regional Responsibility

In addition to its commitment to social responsibility, staff development and the occupational health and safety of employees are among HHLA's key fields of activity. **Employees, Occupational Safety and Health Promotion**

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 area. 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. **Report Profile** 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 successfully 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 education project.

In addition to this education project, HHLA also organised an event with high-profile experts entitled: “What will join the container? Transport Flows in the Digital Transformation.

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 Governance Report 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 .

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.