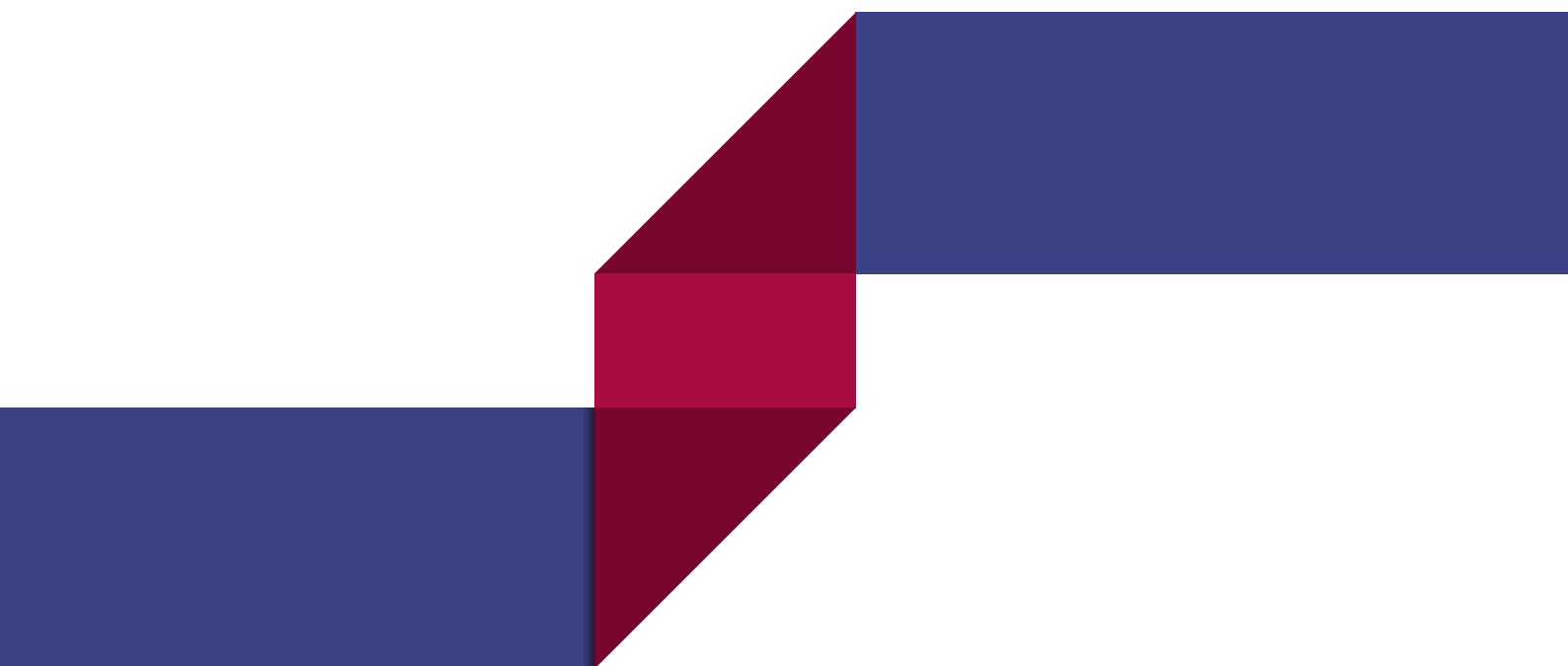




GATEWAY TO THE
FUTURE

NON-FINANCIAL REPORT

2019 HAMBURGER HAFEN UND LOGISTIK
AKTIENGESELLSCHAFT



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 CO₂ 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
Ecology	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 ₂ emissions through energy efficiency and innovation.
	Environmental and resource protection	We reduce our environmental impact and conserve natural resources.
Society	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.
Economy	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.
Governance	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

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

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

Business model	Business Model as per CSR-RUG
Environmental aspects	Ecology / Land Conservation Ecology: Climate protection and energy efficiency
Employee aspects	Working world / Headcount Occupational health and safety
Social aspects	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). Materiality Analysis / Reconciliation of Key Issues with the German Commercial Code
Respecting human rights	
Combating bribery and corruption	Governance: Combating Bribery and Corruption

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

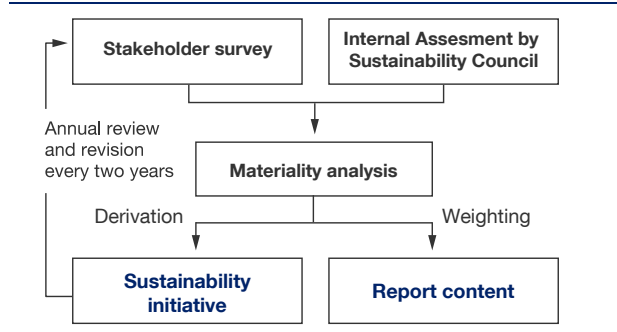
At a meeting of the Sustainability Council, HHLA's most significant stakeholders were first identified. This was initially based on internal sources, such as a list of key customers. The main stakeholders identified were customers (e.g. shipping companies), customers' customers (e.g. forwarders), employees, 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)

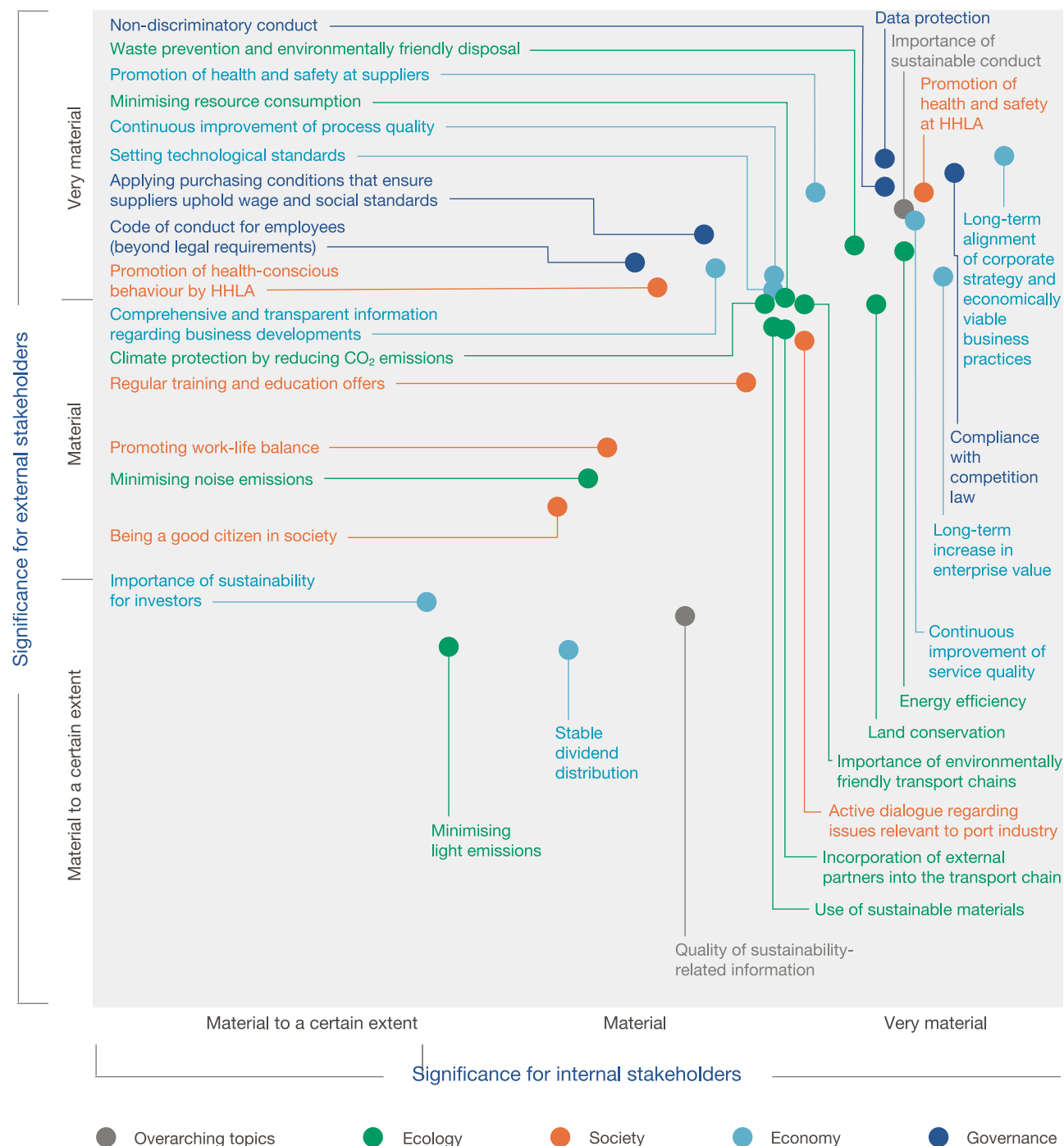
For the preparation of the non-financial report in accordance with CSR-RUG, the issues identified as material or very material in the HHLA materiality analysis were checked for commercial relevance and degree of impact by a specialist body and prioritised in line with the double materiality clause set 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
General		Quality of sustainability-related information	Importance of sustainable conduct
Ecology	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 ₂ emissions	Energy efficiency
	Environmental and resource protection	Use of sustainable material Minimising noise emission	Minimising resource consumption Waste prevention and environmentally appropriate disposal
Society	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	
Economy	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
Governance	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

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*

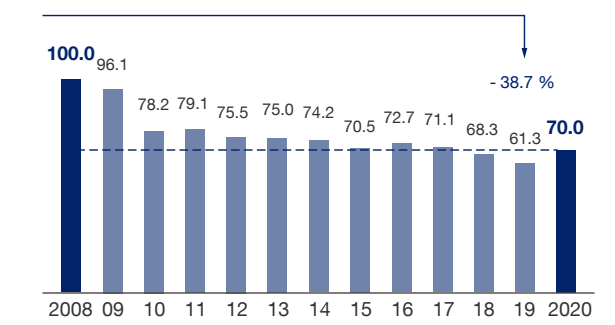
HHLA has reported on its carbon footprint regularly since 2008 as part of the international Carbon Disclosure Project (CDP). The CDP is a non-profit initiative that manages one of the world's largest databases of corporate greenhouse gas emissions on behalf of institutional investors and makes this information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

HHLA **calculates its CO₂ 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 CO₂. 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 CO₂ 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 CO₂ 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 CO₂ emissions – the CO₂ 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 CO₂ 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 CO₂ emissions by at least 50 % by 2030 and to become fully climate neutral by 2040. The base year is 2008.

Specific CO₂ emissions since 2008

Climate protection target: 30 % or more reduction by 2020

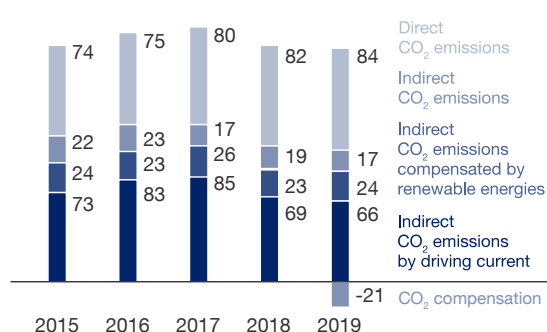


A three-year average showing annual trends in specific CO₂ emissions forms part of the targets agreed with the Executive Board. This is taken into account when determining Executive Board remuneration. Achieving the agreed target range triggers the payment of a corresponding bonus. **Corporate governance, remuneration report** [↗](#)

Including the use of electricity from renewable energy sources, which led to a 23,834 t reduction in CO₂ emissions, absolute CO₂ emissions decreased by 3,160 t from 170,346 t, or by 1.9 % (previous year: 167,186 t). This decrease in CO₂ emissions was achieved despite the rise in throughput and transport volumes and the use of our own traction fleet. Moreover, CO₂ 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 CO₂ 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, CO₂ emissions were also lowered despite a slight increase in the volumes handled. At 63,936 t, CO₂ 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 CO₂ emissions are not included in the statistics.

Direct and indirect CO₂ emissions

in thousand tonnes



The Container Terminal Altenwerder (CTA) was the world's first container terminal to be certified climate-neutral by TÜV Nord. To achieve climate neutrality, all unavoidable CO₂ 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 CO₂ 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 CO₂ 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 ³	2.3	2.4	3.6	4.4	8.0
Electricity ¹ 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 ² 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 CO₂ emissions from the operation of a CHP unit. During the reporting period, these measures reduced CO₂ 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 CO₂-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 CO₂ 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.

Society

Working world

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.

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.

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 .

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](#)

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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