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.

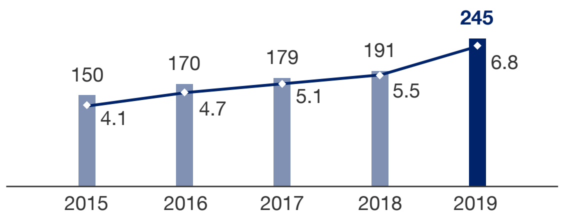
ROCE – return on capital employed – is also a significant parameter for determining variable remuneration components for executives and employees not covered by labour agreements. Performance-related remuneration components at executive level are calculated over a period of several years. This further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

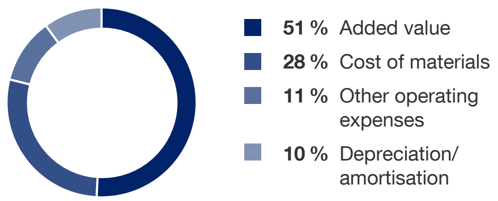
Value added in the HHLA Group

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 %
Total	**715.8**	**676.0**	**5.9 %**

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.

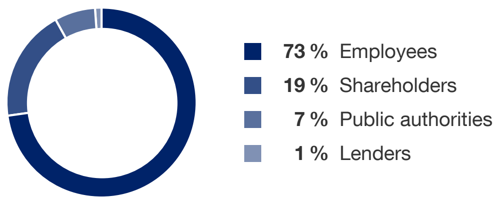
Source of added value

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