Non-financial report

HHLA reports on the Group and HHLA AG in the form of a combined separate non-financial report, the contents of which are integrated into the Sustainability section. The non-financial report is also available as a separate PDF from the download centre for the online Annual Report: report.hhla.de/non-financial-report

Employees

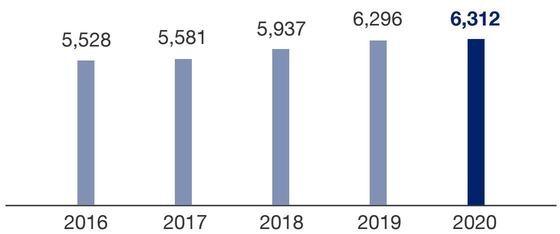
Development of headcount

A strategic plan for the HR department with five identified areas of action was drawn up and adopted by the Executive Board in the reporting period. Strategic planning is geared towards the future development of the various departments and aims to help HHLA react more swiftly in future to qualitative and quantitative manpower requirements. The main focus areas of the “Employer of Choice” action field, for example, are the optimisation of recruitment and the further development of the HHLA employer brand.

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

Employees at the HHLA Group

as of 31.12



HHLA had a total of 6,312 employees at the end of 2020. This figure rose by 16, or 0.3 %, compared to the previous year. In addition, HHLA used an annual average of 549 employees of Gesamthafenbetriebs-Gesellschaft (previous year: 753).

Employees by segment

In the Container segment, the number of employees fell to 3,132 as of 31 December 2020. Total headcount was down by 54 year-on-year in the reporting period (previous year: 3,186). This represents a decline of 1.7 %. Due to the expansion of services and the increase in vertical integration, headcount in the Intermodal segment rose by a further 36 employees in total to 2,279 (previous year: 2,243). Employee numbers in the Logistics segment also increased to 186 in the reporting period (previous year: 167). This represents an increase of 11.4 % and is partly due to the development of further business fields and the associated inclusion of additional companies in the consolidated group. The number of employees at the strategic management holding company increased by 2.6 % to 628 (previous year: 612). In the Real Estate segment, headcount amounted to 87 as of 31 December 2020 (previous year: 88). This figure includes employees from the management holding company who are assigned to the Real Estate segment.

Employees

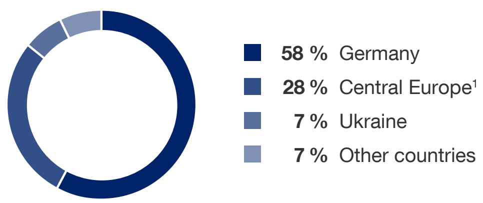
by segments	**2020**	2019	Change
Container	3,132	3,186	- 1.7 %
Intermodal	2,279	2,243	1.6 %
Holding/Others	628	612	2.6 %
Logistics	186	167	11.4 %
Real Estate	87	88	- 1.1 %
HHLA Group	**6,312**	**6,296**	**0.3 %**

Employees by region

In geographical terms, the workforce was concentrated mainly in Germany, with 3,632 employees (previous year: 3,597), the majority of whom worked in Hamburg. This corresponds to a share of 57.5 % (previous year: 57.1 %) and is due to the development of further business fields in Germany and a simultaneous slight decrease in the number of staff employed abroad of 0.7 % to 2,680 (previous year: 2,699). In Central Europe, headcount remained unchanged at 1,752 (previous year: 1,752), while the number of employees in Estonia decreased to 224 (previous year: 271). In Ukraine, the number of employees rose by 2.0 % to 469 (previous year: 460).

Employees by region

as of 31.12.2020



1 Czech Republic, Slovakia, Hungary, Slovenia

Recruitment

Of the 174 new employees who had not previously worked for HHLA in Germany, for example via Gesamthafenbetriebs-Gesellschaft mbH Hamburg (GHB), 41 % were under 30 years of age.

Recruitments

	Total	thereof females	thereof females
< 30 years	71	16	22.5 %
30 – 50 years	81	18	22.2 %
> 50 years	22	10	45.5 %
HHLA Germany	**174**	**44**	**25.3 %**

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

267 employees were hired by HHLA's foreign subsidiaries during the reporting period. 92 % of new hires were in the Intermodal segment. Of these 246 new hires, the proportion of women was just under 32 %, while the proportion of under-30s was just under 30 %.

At 4.8 %, the **fluctuation rate** (excluding internal transfers within the Group) in Germany increased slightly year-on-year (previous year: 4.7 %). Of the 173 people who left the company, 42.2 % were retirees (previous year: 40.8 %).

The fluctuation rate at our foreign subsidiaries was 11.1 % in the reporting period. The proportion of people leaving the company as retirees was relatively low at 2.7 %.

Personnel structure

The majority of jobs at HHLA are in a segment of the labour market in which men are traditionally employed and women are under-represented. The ratio of women employed by HHLA in Germany (incl. apprentices) amounted to 15.2 % (previous year: 15.3 %). During the reporting period, the proportion of women working at the foreign subsidiaries was 22.2 % on average. At the container terminal in Estonia, the proportion was 30.4 %.

Gender distribution on the Executive Board and in the two management levels below the Executive Board is governed by the German Act on the Equal Participation of Women and Men in Leadership Positions and by the targets agreed by the Supervisory Board and, where applicable, the Executive Board. Corporate governance, corporate governance report

Age structure

The average age of staff in Germany in the reporting period was 45.1 (previous year: 44.7). Male employees had an average age of 45.6, while female employees were 42.3 years old on average. Over half of all employees are aged between 30 and 50.

The average employee age at the foreign container companies was 46.9 years.

Age structure of employees

in %	31.12.2020	thereof females	31.12.2019	thereof females
< 30 years	10.6	26.0	10.6	28.4
30 – 50 years	51.6	15.0	52.3	15.4
> 50 years	37.8	12.4	37.1	11.5
HHLA Germany	**100.0**	**15.2**	**100.0**	**15.3**

The average length of service with the company in Germany is approximately 15.5 years.

Average employment period of employees

in years	31.12.2020	31.12.2019
< 30 years	4.8	4.9
30 – 50 years	11.8	11.5
> 50 years	23.4	23.5
HHLA Germany	**15.5**	**15.3**

The percentage of employees with a severe disability (including persons of an equivalent status) in Germany was 8.4 % at the end of the reporting period (previous year: 8.5 %).

Personnel development

HHLA invested a total of € 5.3 million in educating and training staff at its locations in Hamburg in 2020 (previous year: € 4.6 million).

As of 31 December 2020, 55 apprentices and 21 students were receiving training in Germany in six different professions and six dual study courses. 25 % of the 76 apprentices and students were female. The ratio of female students in 2020 was 33 % (previous year: 50 %).

25 of the 26 apprentices (of whom five were on dual study courses) who successfully completed their training in the course of the year were given permanent contracts. A total of 20 new apprentices were taken on at the company's Hamburg

facilities in 2020, of whom 20 % were women. At the start of the 2020 academic year, women accounted for 33 % of technical apprentices and 22 % of industrial apprentices.

In total, over 691 events lasting one or more days were held in the reporting period, some of which were held digitally as a result of the coronavirus pandemic. Of the training and education measures offered, over 540 were carried out as internal vocational courses conducted by HHLA's own trainers over 2,613 training days. In addition, 151 events lasting one or more days with over 2,400 participant days were organised as part of the company's cross-segment seminar programme. As in the previous year, 38 % of participants were women.

Detailed workforce-related information on strategic HR management, personnel development, occupational safety and health promotion, as well as contracts, remuneration and additional benefits can be found in the Sustainability section of the report.

Economic environment

Macroeconomic development

Global economic growth was hard hit by the coronavirus pandemic in 2020. The rapid spread of the virus and the subsequent sweeping restrictions imposed on social and economic activities to contain the pandemic led to a downturn of historic proportions in the early part of the year as a result of the first wave of infections. According to estimates of the International Monetary Fund (IMF), global growth for 2020 as a whole will fall to minus 3.5 %. This projection is 0.9 percentage points up on the previous forecast, reflecting the economic trend in the second half of 2020. Following the global economic downturn in the first half of the year, the global economy recovered more strongly than expected in the period up to autumn 2020. This economic upturn was then slowed by a second wave of infections, new mutations of the virus and renewed lockdown measures. Unlike in spring, however, there has been no major negative impact as yet on the manufacturing sector, international trade or commodity prices. Nevertheless, the 9.6 % drop in global trade volume for 2020 reflects the economic downturn brought about by the pandemic.

Development of gross domestic product (GDP)

in %	2020	2019
World	- 3.5	2.8
Advanced economies	- 4.9	1.6
USA	- 3.4	2.2
Emerging economies	- 2.4	3.6
China	2.3	6.0
Russia	- 3.6	1.3
Eurozone	- 7.2	1.3
Central and Eastern Europe (emerging european economies)	- 2.8	2.2
Germany	- 5.4	0.6
World trade	- 9.6	1.0

Source: International Monetary Fund (IMF), January 2021

The extent of the pandemic and the recovery from it varies significantly by region. The advanced economies were generally able to adopt expansive fiscal measures to support households and companies, thus mitigating the loss of income caused by the pandemic. The central banks supported these measures by expanding bond purchasing schemes and, in some cases, by lowering interest rates. The total economic performance of the industrialised nations decreased by 4.9 % in 2020. The US economy experienced its strongest downturn since the Second World War, although the 3.4 % decline in gross domestic product (GDP) was relatively modest by international standards. The considerable impact of the pandemic and the associated lockdown measures can be seen most clearly in Europe: the IMF expects a decline of 7.2 % for the eurozone economy.

The emerging economies were also slowed by the pandemic, but their growth contraction of 2.4 % was comparatively mild. This is primarily due to the early and effective action to contain the pandemic taken by China, where the coronavirus originated. In the world's second largest economy, activity already began to return to normal in large parts of the economy in the second half of the year, enabling it to regain some of the ground lost. The Chinese economy was the only economy to record positive growth for 2020 of 2.3 %.

By contrast, the Russian economy shrank by 3.6 % in 2020. In Ukraine, the economy is expected to contract by 7.2 % (IMF, October 2020). The Estonian economy is forecast to shrink by 5.2 % (IMF, October 2020). In Central and Eastern European member states of the European Union, where infection rates were relatively low in spring, the economy was hit by the dynamic growth in case numbers caused by the second pandemic wave. The nationwide restrictions to contain the pandemic are likely to result in an abrupt end to the upward trend in summer and to a decrease in GDP. As a result of the