

Dear shareholders,

In the 2020 financial year, the Supervisory Board dutifully fulfilled the responsibilities entrusted to it by law, the company's articles of association and rules of procedure, and the German Corporate Governance Code (GCGC) with the necessary diligence. We continuously monitored the Executive Board's management of business, provided advice on the company's further strategic development as well as on important individual measures, and concluded that the management of the company and its risk management process is lawful, proper and appropriate.

Cooperation with the Executive Board

The Supervisory Board was involved in all decisions of major significance for the company. The Executive Board provided us with regular, prompt and comprehensive information on all major developments, especially the situation of the company and the Group, corporate planning, fundamental issues of company policy and strategy, investment plans and personnel. All measures for which the approval of the Supervisory Board or one of its committees was required by law, the articles of association or the Executive Board's rules of procedure were submitted on time. After conducting their own examination and discussions with the Executive Board, the Supervisory Board or Supervisory Board committees approved all such measures. As chairman of the Supervisory Board, I was also regularly in touch with the Executive Board between meetings and was informed about planning and strategy, the current business situation, significant transactions, the risk position, risk management and compliance.

The work of the Supervisory Board

The Supervisory Board held four routine meetings and two special meetings in the 2020 financial year. At routine meetings, we regularly look at the current revenue, earnings and liquidity trend and the current business situation of the company and the individual segments, including the risk position, risk management and compliance. During the meetings, the Executive Board informed the Supervisory Board about the economic, financial and strategic position of the company and the Group, the company's strategy, as well as significant developments and events. During the 2020 financial year, we also continually examined the impact of the COVID-19 pandemic on business operations, the Group's results of operations, net assets and financial position. The other focal points of the meetings during the reporting period can be summarised as follows:

The **financial statements meeting** held on **23 March 2020** focused as scheduled on the auditing and approval of HHLA's Annual Financial Statements, including the individual divisional financial statements for the A and S divisions, the Consolidated Financial Statements including the subgroup financial statements, the Combined Management Report of HHLA and the

Group, the Supervisory Board report, the reports on transactions with related parties and on the relationship between the A and S divisions and the separate non-financial report, each for the 2019 financial year, as well as the agenda for the 2020 Annual General Meeting, including the Executive Board's proposal on the appropriation of profit and the candidates proposed for the election of the auditor for the 2020 financial year. Representatives of the auditor were present at the meeting. They reported on the main results of their audit and were available to answer questions. During this meeting, following the detailed discussion of two pertinent agreements, we also approved the further expansion of O'Swaldkai in connection with the planned urban development of the Grasbrook district. One of these agreements was an addendum to the existing lease with the Hamburg Port Authority, which stipulates in particular the early return of sub-areas and the simultaneous extension of the lease for the remaining areas until 2049. The other agreement is with the Hamburg Port Authority and the Free and Hanseatic City of Hamburg and regulates a financial settlement made by the Free and Hanseatic City of Hamburg to HHLA for the described early return of sub-areas and the necessary modification measures. The agreements were concluded on 28 December 2020.

At our second regular meeting on **29 May 2020**, we discussed the impact of the COVID-19 pandemic and the development of our intermodal business in Ukraine. We also discussed ongoing projects and approved two guarantees to the Federal Railway Authority in Germany in connection with the facilitation of expansion measures.

At the special meeting on **2 July 2020**, we were mainly concerned with the acquisition of stock in Piattaforma Logistica Trieste s.r.l. (now HHLA PLT Italy s.r.l.) and approved this following extensive discussion. In this meeting, we approved the decision to hold the Annual General Meeting in a virtual format due to the COVID-19 pandemic, as well as to conclude a precautionary credit line of € 50 million in order to protect our general liquidity. We also agreed, together with the Executive Board, to propose to the Annual General Meeting on 20 August 2020 the option for Class A shareholders to receive their dividend either in cash or as new Class A shares on a pro rata basis (scrip or stock dividends). In addition, we adopted the candidate proposed to the Annual General Meeting for the election of a successor to Dr. Sevecke.

Besides discussing the latest business developments and various internal measures and projects, the main areas addressed in the regular meeting on **19 August 2020** were the preparations for the Annual General Meeting, including the resolutions and documents for the implementation of the scrip or stock dividend. During this meeting we also discussed the planned expansion of one of the METRANS Group's intermodal terminals near Berlin.

At this year's strategy meeting on **11 September 2020**, we primarily dealt with the Container segment – specifically, with the planned measures to strengthen our competitive edge in this segment.

At our final regular meeting on **11 December 2020**, we routinely dealt with the budget for 2021, the medium-term planning for 2022 to 2025 for the Group and for the two subgroups, the findings of the risk and opportunity inventory and the declaration of compliance with the GCGC. As a result of the revision of the GCGC, we also adjusted the Supervisory Board's rules of procedure, the requirement profile for the Supervisory Board and the diversity concept for the Executive Board. During this meeting, we also approved the acquisition of an 80 % stake in iSAM AG and extended Dr. Lappin's mandate by a further five years.

As a general rule, regular meetings are attended by all members of the Supervisory Board and the members of the Executive Board, although the Supervisory Board also meets regularly without the Executive Board, particularly when Executive Board matters or internal Supervisory Board topics are to be discussed. The average attendance at the meetings of the Supervisory Board and its committees in the reporting period was approximately 88.3 %. Please see the end of this report for the individual participation ratios.

With the exception of the above-mentioned discussion of the agreements relating to O'Swaldkai, where Supervisory Board members Dr. Niklas, Dr. Roggencamp and Dr. Sevecke were prohibited from voting under Section 111b (2) of the German Stock Corporation Act (AktG) due to their professional involvement with the majority shareholder, and also did not take part in the discussions as a precautionary measure, no conflicts of interest regarding members of the Executive Board or the Supervisory Board arose in the reporting period. The Supervisory Board does not include any former members of the company's Executive Board.

Committee work

The Supervisory Board has set up a total of six committees: the Finance Committee, the Audit Committee, the Real Estate Committee, the Personnel Committee, the Nomination Committee and the Arbitration Committee. Following any committee work, the chairs report to the Supervisory Board about the committees' activities. With the exception of the Nomination Committee, all of the committees include an equal number of shareholder and employee representatives. **Corporate governance**

The **Finance Committee** held five meetings during the 2020 financial year. At each regular meeting, the committee deals with the Group's financial performance and its general financial and earnings position. Furthermore, as in the December meet-



Prof. Dr. Rüdiger Grube
Chairman of the
Supervisory Board

ing, it is also concerned with the preliminary review of the budget for the coming year and relevant medium-term planning. In addition, the Finance Committee is responsible for the preliminary review of major financing, investment and participation plans. The areas of focus during the reporting period were, firstly, the impact of the COVID-19 pandemic on the company's net assets, financial position and results of operations and, secondly, the various investment projects, particularly the acquisition of stock in Piattaforma Logistica Trieste s.r.l. (now HHLA PLT Italy s.r.l.) and in iSAM AG.

The **Audit Committee** held five meetings in the reporting period. Its work regularly focuses on monitoring accounting and overseeing the accounting process and the audit. This includes monitoring the effectiveness of the audit, the internal control system, the risk management system, the internal audit system and compliance, along with the compliance management system. The committee oversees the selection of the auditor and the auditor's qualifications, efficiency and independent status, and the admissibility of any additional services provided by the auditor (known as non-audit services). To do this, the Audit Committee has adopted a catalogue of basic approved non-audit services by type and scope. The Audit Committee also decides on the external review of non-financial declarations and reports. Key issues during the reporting period included, as scheduled, the discussion and audit of HHLA's Annual Report, Consolidated Financial Statements and the Combined Management Report for the 2019 financial year, the 2020 six-monthly financial report and the interim reports for the first and third quarters of 2020, the work performed by Internal Audit, the determination of key issues for the audit of the Annual Report and Consolidated Financial Statements for the 2020 financial year, the findings of the 2020 risk and opportunity inventory, the plans for the 2021 audit and the preparation of the declaration of compliance with the GCGC. The Audit Committee also continuously monitored the company's liquidity situation during the reporting period with regard to the COVID-19 pandemic. In addition to the representatives of the Executive Board, HHLA's compliance officer also regularly attends the meetings of the Audit Committee, where he speaks about his role and keeps the committee abreast of current

Individual attendance at meetings of the members of the Supervisory Board in 2020

	Supervisory Board	Finance Committee	Audit Committee	Real Estate Committee	Personnel Committee	Nomination Committee	Total
Prof. Dr. Rüdiger Grube	6 / 6	–	–	–	4 / 4	1 / 1	100 %
Berthold Bose	6 / 6	–	–	–	4 / 4	–	100 %
Dr. Norbert Kloppenburg	5 / 6	4 / 5	5 / 5	–	–	–	88 %
Thomas Lütje	6 / 6	–	–	2 / 2	–	–	100 %
Thomas Mendrzik	5 / 6	4 / 5	4 / 5	0 / 2	2 / 4	–	68 %
Dr. Isabella Niklas	6 / 6	–	4 / 5	2 / 2	–	–	92 %
Norbert Paulsen	5 / 6	5 / 5	5 / 5	2 / 2	2 / 4	–	86 %
Sonja Petersen	5 / 6	3 / 5	4 / 5	–	–	–	75 %
Andreas Rieckhof (since 20 August 2020)	2 / 2	–	–	–	2 / 2	0 / 0	100 %
Dr. Sibylle Roggencamp	6 / 6	5 / 5	–	1 / 2	4 / 4	1 / 1	94 %
Prof. Dr. Burkhard Schwenker	5 / 6	5 / 5	5 / 5	2 / 2	–	–	94 %
Maya Schwiengershausen-Güth	6 / 6	–	–	–	–	–	100 %
Dr. Torsten Sevecke (until 20 August 2020)	4 / 4	–	–	–	1 / 2	1 / 1	86 %

developments. Other participants, such as representatives from the auditors or Internal Audit, attend meetings as necessary. The chairperson of the committee is also regularly in touch with the auditor and the chief financial officer between meetings.

The **Real Estate Committee** held two meetings in the reporting period. It focused on the general development of business and the discussion and audit of HHLA's Annual Financial Statements including the separate financial statements of the S division, the Consolidated Financial Statements and the Combined Management Report for the 2019 financial year (March meeting). The committee also dealt with the budget for the 2021 financial year and medium-term planning for 2022 to 2025 (December meeting). In each case, its deliberations related to the Real Estate subgroup (S division).

The **Personnel Committee** held four meetings in the reporting period. In addition to preparing for the upcoming staffing decisions – notably, the extension of Dr. Lappin's mandate – the Personnel Committee focused during the reporting period on the remuneration system for the Executive Board and Supervisory Board with regard to the revision of the AktG and the new version of the GCGC.

The **Nomination Committee** met once during the 2020 financial year in order to prepare for the election of a successor to Dr. Sevecke on the Supervisory Board at the Annual General Meeting on 20 August 2020.

As in previous years, there was no cause for the **Arbitration Committee** to meet during the reporting period.

Corporate governance

The declaration of compliance with the GCGC in accordance with Section 161 AktG was prepared together with the Executive Board at the **Audit Committee meeting on 9 November 2020** and adopted by the Supervisory Board at its **meeting on 11 December 2020**. The current declaration of compliance and further information about corporate governance can be found in the declaration on corporate governance in the Management Report. **Corporate governance** The current declaration and the declarations relating to previous years can also be viewed on HHLA's website at www.hhla.de/corporate-governance .

Training and professional development

HHLA supports the members of the Supervisory Board upon their appointment and in terms of training and professional development. When taking up a post, the candidate is generally trained in the work of the Supervisory Board, its tasks and the rights and obligations of its members. If required, further introductions or training sessions are provided to cover HHLA's business activities or other relevant topics. During the course of its work, the Supervisory Board is kept informed of relevant topics such as new legal requirements or accounting standards. During the reporting period, this primarily affected the new tasks resulting from the Implementation of the Second Shareholder Rights Directive and the revised version of the GCGC.

Audit of financial statements

In line with the Audit Committee's recommendation and the Supervisory Board's nomination, the Annual General Meeting on 20 August 2020 elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg (PwC), to conduct the audit of the Annual and Consolidated Financial Statements for the 2020 financial year. In line with the legal requirements

and the recommendations of the GCGC – especially those relating to the auditor's independence – the Audit Committee then assigned the audit and defined its focus areas.

The auditor carried out an audit of HHLA's Annual Financial Statements for the 2020 financial year as provided by the Executive Board, including the divisional financial statements for the A division (Port Logistics subgroup) and the S division (Real Estate subgroup) presented as part of the notes, in line with the provisions of the German Commercial Code (HGB), the Consolidated Financial Statements for the 2020 financial year including the subgroup financial statements for the A and S divisions in accordance with the International Financial Reporting Standards (IFRS) that apply in the European Union and the additional requirements of German commercial law pursuant to Section 315e HGB, and the Combined Management Report for HHLA and the Group for the 2020 financial year. The auditor issued an unqualified opinion with respect to each of the foregoing.

The auditor also audited the report prepared by the Executive Board of HHLA on company transactions with related parties for the 2020 financial year in line with Section 312 AktG, delivered a written report on the audit findings and, having no objections to make, gave the report the following unqualified opinion:

"On the basis of our audit and in our professional opinion we confirm that (1) the factual statements in the report are correct, (2) the consideration paid by the company for the transactions mentioned in the report was not inappropriately high, and (3) the measures detailed in the report give us no grounds to reach a substantially different opinion to that of the Executive Board."

The auditor also audited the report prepared by the Executive Board in line with Article 4 (5) of the articles of association applied analogously to Section 312 AktG on the relationship between the A and the S divisions for the 2020 financial year, delivered a written report on the audit findings and, having no objections to make, gave the report the following unqualified opinion:

"On the basis of our audit and in our professional opinion we confirm that (1) the factual statements in the report are correct, (2) the consideration paid by the company for the transactions mentioned in the report was not inappropriately high."

Finally, the auditor reviewed the combined separate non-financial report in line with Section 289b et seqq. and Section 315b et seq. HGB to achieve a limited degree of certainty, reported the review findings and issued an unqualified opinion.

Each of the above-mentioned financial statements and reports along with the corresponding audit reports was made available to all members of the Supervisory Board as soon as it had been

produced and checked. The documents were subsequently discussed in detail at the meetings of the Audit and Real Estate Committees on 19 March 2021 and at the Supervisory Board's financial statements meeting held on 22 March 2021. Representatives of the auditor took part in the meetings, where they reported on the scope, focal points and key findings of the audit and were available to answer questions. They paid particular attention to the key audit matters described in the certificate along with the audit procedures used and the conclusions regarding the accounting-related internal control and risk management system. Finally, they also reported on the nature and extent of the other services provided by the auditor.

As part of the preliminary review, the Audit and Real Estate Committees closely examined the course of the audit, the auditor's reports and the findings. Once they had completed their examination, they recommended that the Supervisory Board as a whole approve the financial statements and reports. Following a detailed plenary examination of the auditor's reports and findings and the findings of the committees' preliminary review, and based on our own review, we approved the findings of the audit. Following our review, we had no objections to make to the Annual Financial Statements including the divisional financial statements, the Consolidated Financial Statements including the subgroup financial statements, and the Combined Management Report for the 2020 financial year. Accordingly, we approved the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report at our **meeting on 22 March 2021**. HHLA's Annual Financial Statements for the 2020 financial year have therefore been adopted. Following our review, we also had no objections to make to the Executive Board's statements on related parties and on the relationship between the A and S divisions or to the combined separate non-financial report for the 2020 financial year.

The Executive Board's proposal for appropriation of the distributable profit was analysed in detail and discussed with the Executive Board at the meetings of the Audit Committee – for the A division – and the Real Estate Committee – for the S division – on 19 March 2021 and at the Supervisory Board's meeting on 22 March 2021. Following our own review, which paid particularly close attention to earning trends, financial planning and shareholders' interests, and with a view to protecting liquidity, we, alongside the Executive Board, will propose to the Annual General Meeting that a dividend of € 0.45 per dividend-entitled class A share and € 2.10 per dividend-entitled class S share be distributed from distributable profit for the 2020 financial year. There is also the intention this year, too, to give class A shareholders the option of having their dividend paid out either in cash or in new class A shares in the company on a pro rata basis (scrip or stock dividend).

Personnel changes

During the reporting period, the Executive Board extended Dr. Roland Lappin's term of office by five years. Dr. Sevecke stepped down from the Supervisory Board as of the end of the Annual General Meeting on 20 August 2020. In line with the Nomination Committee's recommendation and the candidate proposed by the Supervisory Board, the Annual General Meeting on 20 August 2020 appointed Mr. Andreas Rieckhof, State Secretary of the Hamburg Ministry for Economic and Labour Affairs, as Dr. Sevecke's successor for the remainder of his mandate on the Supervisory Board. In addition to the requirements of the German Stock Corporation Act, the GCGC and the Supervisory Board's rules of procedure, the Nomination Committee and Supervisory Board recommendations each took into account the specifications of the profile of requirements issued by the Supervisory Board. In the course of the personnel changes, Mr. Rieckhof was also appointed the successor to Dr. Sevecke on the Personnel, Nomination and Arbitration Committees. [Corporate governance](#)

Finally, on behalf of the Supervisory Board, I would like to take this opportunity to thank the members of the Executive Board and our employees for their hard work in the highly challenging 2020 financial year, and our shareholders and business partners for the trust they have placed in us.

Hamburg, 22 March 2021

The Supervisory Board



Prof. Dr. Rüdiger Grube
Chairman of the Supervisory Board

Members of the Supervisory Board

Prof. Dr. Rüdiger Grube

Chairman of the Supervisory Board

Managing Partner of Rüdiger Grube International Business Leadership GmbH

Berthold Bose

Vice Chairman

Head of ver.di Hamburg

Dr. Norbert Kloppenburg

International investments and financing consultant

Thomas Lutje

Director of Sales at HHLA

Thomas Mendrzik

Employee in the technical area at HHLA Container Terminal Altenwerder GmbH

Dr. Isabella Niklas

Spokeswoman for the management of the HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH

Norbert Paulsen

Chairman of the joint works council and the HHLA Group works council

Sonja Petersen

Clerical employee at CTB

Andreas Rieckhof (since 20 August 2020)

State Secretary of the Hamburg Ministry for Economic and Labour Affairs

Dr. Sibylle Roggencamp

Head of the Office for Asset and Investment Management at the Hamburg Ministry of Finance

Professor Burkhard Schwenker

Chairman of the Advisory Council of Roland Berger GmbH

Maya Schwiegershausen-Güth

Trade union secretary, ver.di

Dr. Torsten Sevecke (until 20 August 2020)

State Secretary at the Hamburg Ministry for the Economy, Transport and Innovation

For current and past members during the reporting period, as well as committee members, please also refer to the [Declaration on corporate governance](#).