Society

Working world

Strategic HR management

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 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.

HR strategy

During the reporting period, strategic plans were drawn up for five identified areas of action in the HR department and adopted by the Executive Board. The strategic objectives include, for example, developing new recruitment strategies and enhancing HHLA as an employer brand. Moreover, existing resources in the field of HR are to be aligned more effectively in future with the aid of innovative technologies, methods and concepts, and the range of services offered is to be continuously expanded. Participation-oriented co-determination processes are also to be further refined in cooperation with the co-determination partners, managers and employees, in order to shape the future-proof conditions for HHLA's entrepreneurial success. In addition to cultivating existing potential and creating an effective learning culture within the company, staff development also plays a key role in developing the organisation and corporate culture. Another major component of strategic planning is therefore the targeted promotion of digital networking and cooperation between all those involved within the Group. In this way, staff are encouraged to exchange knowledge, thus helping to drive the long-term development of corporate culture.

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 6,312 employees at the end of 2020. Compared with the previous year's total, the number of employees increased by 16, or 0.3 %. In addition, HHLA used the services of an annual average of 549 employees of Gesamthafenbetriebs-Gesellschaft (previous year: 753).

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 € 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 %).

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)

In 2020, staff development at HHLA in Germany focused on the development of new formats as well as on the adaptation of existing and new training formats in response to the coronavirus pandemic.

In total, over 691 events lasting one or more days were held in the reporting period, some of which were in digital format as a result of the coronavirus pandemic. Of the training and education measures available, over 540 internal vocational courses were 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, 35 % of participants were female.

The continuation of successfully implemented training opportunities for developing specialist staff and managers, for agile project management and for developing new focus areas in training and education with regard to future skills required at HHLA remain the key strategic aims for the current and future years.

Closely accompanying the change processes of several digital transformation projects was a focal point of staff development and the promotion of more network-oriented and cross-functional cooperation within the HHLA Group. This is illustrated by the following examples.

The introduction of the latest generation of **Microsoft products** aims to make cooperation more efficient, more transparent and of better quality.

The **SAP-S4/HANA launch project**, which involves HHLA delivery processes being reviewed and, if necessary, redeveloped as part of an "end-to-end" approach, is aimed at making responsibility for successful change management part of staff development right from the start.

Prior to the launch of the new terminal operating software NAVIS N4, 54 employees are being trained to become multipliers as part of the **Fit4Future Pilots** scheme. This training measure was certified and supported by the Agentur für Arbeit (Federal Employment Agency) on the basis of the Qualification Opportunities Act. In four one-week modules, employees are trained to become points of contact to help guide their colleagues on site through the changes to processes brought about by the digital transformation.

The first intake of the **"Future Pilots"** internal training programme launched in late 2019 in partnership with the Maritime Competence Centre (ma-co) successfully graduated in 2020 and a second group has already started. In the course of various modules, specialist staff and managers were specifically trained in handling innovation processes and the digital transformation of the HHLA Group.

During the reporting period, the **"Future Workshop"** project was also launched at the Container Terminal Altenwerder (CTA). Together with those responsible in operations and members of the works council, the aim is to come up with ideas for the future of work at the port. In an unbiased and innovative atmosphere, this format will hopefully address issues that will lead to a shared outlook for the future.

Vocational training and studying

HHLA offers a **range of apprenticeships and dual study courses** based on human resource planning at the companies in Hamburg. While vocational training focuses on technical and commercial occupations, dual study courses offer qualifications in business administration, as well as in technical subjects and IT.

Existing partnerships with vocational colleges, specialised grammar schools and secondary schools were used again in 2020 to recruit suitable candidates for the so-called **STEM professions** (science, technology, engineering and mathematics). To further increase the proportion of female apprentices in STEM professions, 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. Since many on-site visits were not possible due to restrictions resulting from the coronavirus pandemic, many events were held digitally. This enabled the company to participate in five fairs in the Hamburg Metropolitan Region in 2020.

Training is enhanced by supplementary offerings to prepare for future demands within HHLA's operating environment. Apprentices and dual study course students take responsibility in various projects, enabling them to expand their **project and digital skills**. In cross-functional teams, they help design the company's employer branding and social media presence of the careers website for their own target group. During a dedicated training week, dual study course students carried out a digital design thinking workshop to address the question of how they could contribute to the innovative strength and creative power of HHLA.

Contracts, remuneration and additional benefits

Collective bargaining agreements

Collective bargaining agreements govern pay and working conditions for 86.4 % of employees in **Germany** (previous year: 87.2 %). The proportion of employment contracts of indefinite duration (excluding apprenticeship contracts) was 96.4 % (previous year: 96.1 %).

In November 2020, the parties to the collective bargaining 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 1.0 % from 1 October 2020 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.

Collective bargaining agreements govern pay and working conditions for 26.3 % of employees in the **foreign subsidiaries**. 92.6 % of all employment contracts are of indefinite duration.

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 bargaining agreements, comprise variable remuneration components and are linked with training requirements for the company and staff.

The **management assessment system** at HHLA was realigned during the reporting period. In addition to existing components of remuneration such as ROCE (return on capital employed) and EBIT, segment and company-specific paramet-

ers were adopted as new target categories. The assessment of the individual performance of executives was also expanded to include newly defined leadership principles.

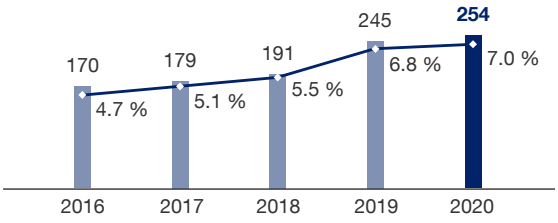
The aim of the realignment of the **variable remuneration system** is to promote cross-functional cooperation alongside increased networking and interdepartmental process orientation in order to provide long-term support for the cultural shift at HHLA.

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.

HHLA employees working part-time in Germany

as of 31.12, part-time share in %



In 2020, a total of 254 employees took up the option of working part-time (previous year: 245). At the end of 2020, the **ratio of part-time workers** at HHLA in Germany increased to 7.0 % (31 December 2019: 6.8 %). The percentage of men in part-time employment rose to 35.8 % (previous year: 33.5 %). At the holding company, where most roles are clerical, the ratio of part-time workers (excluding apprentices) was 17.8 % (previous year: 18.6 %). At HHLA's foreign subsidiaries, the ratio of part-time work was 1 % during the reporting period.

Company pension scheme

Since the complete reorganisation and development of **company pension schemes** in 2018, employees in Germany now 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 2020, 60 % of entitled employees were already benefiting 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.

HHLA uses modern technologies to achieve constant improvements in occupational safety: for example, a software-based occupational safety management system is used to monitor all targets and measures and a greater focus is put on e-learning systems.

In order to strengthen the perception of occupational safety as a management task, a pilot project was launched during the reporting period to raise safety awareness and develop a behavioural safety culture at one of the Hamburg container terminals. In workshops, managers are trained how to show appreciation and recognition in order to actively integrate occupational safety into management practices and communication with employees. The aim is to sustainably reduce lost working days and the number of accidents at work.

Regular occupational safety campaigns dealing with topics such as fire prevention, hazardous substances and ergonomics continue to be carried out at the HHLA company sites. In order to compile 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 2020, there were 79 notifiable accidents (excluding accidents when commuting) at the companies in Hamburg in which HHLA owns a stake of over 50 % (previous year: 77). This represents an increase of 2.6 %.

Occupational health

As part of its health promotion efforts, HHLA strives to develop a workable occupational health management system which reflects everyday needs and to systematically integrate these measures into company processes.

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.

In addition, the coronavirus pandemic posed particular challenges for HHLA's occupational safety strategy in 2020. In order to address this, a coronavirus crisis team was established under the leadership of the Executive Board with a coronavirus task force based at the management holding company. Their jointly developed hygiene concept includes, for example, classic social distancing and hygiene regulations, mandatory mask-wearing and a one-way system on all access routes at HHLA. Cleaning intervals were also increased and cleaning materials were provided in the case of hot desking.

Furthermore, measures were adopted that were tailored to the specific characteristics of the different working environments at HHLA. In order to keep the number of contacts to a minimum, the concept for blue-collar activities, for example, ensured that there were no more shift overlaps and that employees worked in fixed groups and smaller teams than before. In addition, quarantine managers were installed at all sites in Germany to conduct contact tracing quickly and directly in the event of an infection.

The rules regarding working from home put in place in late 2019, and thus before the start of the coronavirus pandemic, served as a basis for quickly and consistently implementing further remote working regulations during the pandemic.

As a result of the swift and consistent implementation of coronavirus measures, beyond the legal requirements, the incidence of infections at all HHLA divisions in Germany was kept to a minimum and HHLA's facilities remained fully operational throughout both lockdowns. This underlines the efficacy of the package of measures.

The coronavirus task force also worked with the Group works council to define rules regarding the timing of time-off entitlements in order to be able to assign time off during quieter operational phases. In addition to the rules regarding working from home, multi-shift work was also made possible in administrative areas such as the management holding company.

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. During the reporting period, this project could only be held to a limited extent due to the coronavirus pandemic. The project recorded a total of 482 participants in 2020.

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 greater 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 decreased during the 2020 financial year as a result of the pandemic and fell 8.3 % year-on-year to € 656.0 million (previous year: € 715.6 million). At 49.0 %, the added value ratio was slightly down year-on-year (previous year: 50.7 %).