

## FOREWORD OF THE EXECUTIVE BOARD

At Hapag-Lloyd, our customers entrust us with a wide variety of goods every day. Our mission and our passion is to safely get our customers' cargo to its destination – whether it is raw materials, medical equipment, food or furniture, to name just a few examples.

However, the responsibility that we embrace extends far beyond the cargo entrusted to us and its transportation, as it affects people and their environment both in our own sphere of business and along our entire value chain. This conviction is reflected in our corporate values – “We care. We move. We deliver.” – which guide us in our day-to-day business activities.

With this Policy Statement, we are reaffirming our commitment to safeguarding human rights and respecting our planet. We are guided by ambitious social and ecological standards and goals in everything we do. On this basis, together with our customers and business partners, we are following the path of good corporate governance to a sustainable future. Our very special thanks go out to everyone who is supporting us in these efforts.

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# Our Responsibility Towards People and the Environment

Policy Statement on Social Responsibility and Human Rights (Sec. 6 (2) GSCA)

## 1. Our Commitment to Protecting People and the Planet

Hapag-Lloyd is one of the world's leading container liner shipping companies and has a service portfolio that includes pre- and onward carriage by inland waterway, rail and road, which enables us to offer door-to-door transports worldwide. In this way, we are able to offer our customers the best possible service and establish lasting business relationships.

Hapag-Lloyd is conscious of its responsibility to respect human rights, both within our Group and along our value chains. We ensure that working conditions are of an appropriate standard and that we treat each other with respect. The well-being of all the people involved and the protection of our planet are of great importance to us. With this in mind, we are committed to our corporate values – “We care. We move. We deliver.” – to comply with the following standards in particular:

- International Bill of Human Rights<sup>1</sup>
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights and the ILO core conventions<sup>2</sup>
- ILO Maritime Labour Convention (MLC)
- International Convention for the Safety of Life at Sea (SOLAS 1974)
- UN Guiding Principles on Business and Human Rights
- Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD)
- Minamata Convention on Mercury
- Stockholm Convention on Persistent Organic Pollutants
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
- International Convention for the Prevention of Pollution from Ships (MARPOL Convention)

The purpose of this Policy Statement Regarding Our Responsibility Towards People and the Environment (“Policy Statement”) is to confirm our ongoing commitment to fulfilling our due diligence obligations related to human rights and the environment in our business activities and in relation to our value chain as well as to describe our related activities.

Our Policy Statement clarifies our approach to identifying all types of behaviour that could jeopardise the protection of human rights or the environment. In addition, it is intended to establish monitoring, due diligence, training, communication and complaint mechanisms to promote and protect human rights and the environment.

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<sup>1</sup> Consisting of the United Nations Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights (ICCPR), and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

<sup>2</sup> Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29) and the associated protocol of 2014; Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

Our Policy Statement applies to Hapag-Lloyd companies and enterprises worldwide that are directly or indirectly majority-owned by Hapag-Lloyd as well as to all affiliated companies managed by Hapag-Lloyd (“Hapag-Lloyd”). Affiliated companies in which Hapag-Lloyd does not hold the majority of voting rights shall be informed of this Policy Statement and must adhere to its contents. The Policy Statement was adopted by the Executive Board of Hapag-Lloyd. It will be reviewed on an ongoing basis and updated if there are any significant changes relating to risks, processes and/or measures.

### *Our approach to human rights and the environment*

Our due diligence processes are designed to promote ongoing improvements within our value chain. We are conscious of our responsibility and committed to fulfilling our due diligence obligations in order to identify, prevent, mitigate and remedy any negative impacts on human rights and the environment. We strive to continuously enhance our processes and mechanisms in order to best serve the interests of our stakeholders.

### *Together with our employees*

Our employees play an important role in achieving our goals and upholding our standards. They are committed to our [Global Code of Ethics](#) and the fundamental values stipulated in it, such as respect for human rights. In addition, our employees are able to contribute to the continuous improvement of our processes and measures, such as by engaging in dialogue with the relevant departments or by using our complaint mechanism (“[Speak Up Line](#)”).

### *Together with our business partners*

We expect our business partners, including our suppliers, to fulfil the social and environmental responsibilities associated with their business activities. This includes respecting human rights and upholding environmental standards.

Together with this Policy Statement, our [Supplier Code of Conduct \(SCoC\)](#) sets out Hapag-Lloyd’s expectations of its suppliers and its entire value chain. We insist that all business be conducted in accordance with our SCoC. Hapag-Lloyd encourages its suppliers to strive for continuous improvement in all areas beyond the minimum requirements stipulated in the SCoC, such as by developing and putting in place a management system covering human rights, environmental, quality and compliance issues. At the same time, we respect the principle of proportionality with regard to our suppliers’ responsibility to respect human rights and the environment by taking into account various factors, such as the size of our suppliers and the structures and particularities of the industry in question.

We are committed to complying with our standards together with our direct suppliers, who we provide with targeted support in the form of information and trainings. Responsible procurement is a matter of the utmost importance to us. In addition, we encourage our suppliers to introduce our standards into their own upstream value chain. We aim for our relationships with suppliers to be long-term, healthy and sustainable so that both sides can grow and develop in tandem. We are convinced that we can make a bigger positive contribution to humanity, society and the environment if we act in concert with our suppliers.

## 2. Our Standards Related to Human Rights and the Environment

Hapag-Lloyd is particularly committed to protecting human rights, maintaining good working conditions and protecting the environment. We work with clear definitions of the standards we have for our employees and suppliers as well as the expectations we have of them.

### *Prohibition of child and forced labour, slavery and human trafficking*

We reject any form of forced or child labour<sup>3</sup> without exception and are expressly committed to the prohibition of modern slavery and human trafficking.<sup>4</sup>

### *Diversity and inclusion*

We ensure equal opportunities and do not tolerate any discrimination based on, for example, national and ethnic background, social origins, health status, disability, sexual orientation, age, gender, political opinions, religion or ideology.

### *Freedom of association and collective bargaining*

We respect the right of all employees to join and form works councils, trade unions and other forms of employee representation without fear of discrimination or reprisals. Furthermore, we support and initiate intensive dialogues with the respective representatives chosen by our employees.

### *Occupational health and safety*

In addition to complying with the applicable laws and regulations on occupational health and safety worldwide, we also implement our own health and safety standards in accordance with these laws and regulations at all our shore-based locations and on all our vessels. This includes psychological safety in the workplace as well as protection from and prohibition of sexual harassment.

### *Fair working conditions and adequate compensation*

We ensure fair working conditions and adequate wages as well as working hours and employee benefits that comply with the applicable national and international regulations. Our commitment to adequate wages is about making it possible for our employees to earn a decent living while taking into account the respective country-specific circumstances, but at least to fulfil the respective legal requirements regarding a minimum wage.

### *Prohibition of unlawful forced evictions*

Within our value chain, we respect the rights of local communities and indigenous peoples, including the right to self-determination and cultural development. We reject all forms of land grabbing and illegal forced evictions from land, forests and bodies of water.

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<sup>3</sup> Hapag-Lloyd follows the definition of child labour included in the ILO's Minimum Age Convention (No. 138), which stipulates that the minimum age for admission to employment must not be below the age at which compulsory schooling is complete – but in any case not below 15 years old or, for work at sea, 16 years old.

<sup>4</sup> See our [Modern Slavery Statement](#).

### *Prohibition of violence by security staff*

The security staff hired to protect our sites and our employees are bound by the Company's internal guidelines and obligated to respect human rights. Corresponding requirements also apply to our suppliers.

### *Protection of the environment and natural resources*

We are committed to reducing the impacts of our business activities on the environment by striving to conserve our natural resources and to find solutions that help protect the environment. We address this issue in detail in our [Sustainability Report](#).

We attach great importance to complying with the aforementioned international environmental conventions and to rigorously fulfilling our due diligence obligations related to the environment. We therefore strictly adhere to the prohibition of causing harmful soil degradation, water pollution, air pollution, harmful noise emissions or excessive water consumption, as well as any human rights violations resulting from environmental degradation.

Our aim is to continuously lower our environmental and energy footprints on the global level. Our [Sustainability Strategy](#) reflects our commitment to operating in an environmentally friendly manner and using resources sparingly in order to keep negative environmental impacts to a minimum. Our ambitious goal is to achieve net-zero emissions by 2045. By then, all of our vessels are to be operated using carbon-neutral fuels. We firmly believe that this goal can only be achieved through the concerted efforts of all stakeholders and by adopting innovative approaches. In the process, it will be essential to have an open dialogue about alternative technologies.

In addition to our goals for our fleet of vessels, we would also like to introduce environmental standards throughout our entire transport chain. Most importantly, this includes transparency regarding our greenhouse gas emissions. We strive to work closely with our global business partners to jointly come up with ideas and targets related to decarbonisation. In addition, we set clear environmental-protection standards and targets for our office buildings. Among other things, all of our offices are to become waste-free by 2030.

### *Handling of hazardous materials*

In addition to the SOLAS and MARPOL conventions and their stipulations as supplemented by the International Maritime Dangerous Goods Code (IMDG Code), we are particularly committed to strictly complying with:

- the ban on the production, import, export, storage and disposal of mercury-containing products and mercury waste in accordance with the Minamata Convention,
- the prohibition on the manufacture, use, handling, collection, storage and disposal of persistent organic pollutants (POPs) in accordance with the Stockholm Convention, and
- the ban on the transboundary export of hazardous waste in accordance with the Basel Convention.

### 3. Implementation of Our Human Rights and Due Diligence Obligations

#### *Embedding due diligence in our processes*

Our corporate values – “We care. We move. We deliver.” – guide our Company’s actions at all levels of our work and business relationships. Our risk management system combines our ongoing efforts to ensure the well-being of people and to protect our planet with the new processes we are putting in place to fulfil our due diligence obligations.

The core elements with which we fulfil our due diligence obligations are risk analyses, preventative measures, remedial actions, a complaints procedure, documentation and reporting. We regularly conduct risk analyses in our own sphere of business and in our upstream value chain at the level of our direct suppliers. If we identify risks, we take measures to prevent and remedy them and then examine the effectiveness of these measures. We document these steps and include them in our reporting.

We focus on the interests of environmental protection as well as on the interests of our own employees, the employees within our upstream value chain, and those who may otherwise be impacted by our business activities or those of our business partners in their own value chains.

#### *Analysis of risks related to our human rights and environmental standards*

To fulfil our due diligence obligations related to human rights and the environment, we carry out risk analyses – once a year as well as on an ad hoc basis – in our own sphere of business and at our direct suppliers in order to identify any risks to people and the environment at an early stage. Notifications from employees and third parties via our complaints mechanism (“Speak Up Line”) are also included in the risk analysis.

As a globally operating container liner shipping company, we work with suppliers in many countries with differing risk profiles. We analyse risks by evaluating internal and external data sources on country- and industry-specific risks, by monitoring the media, and by systematically surveying relevant stakeholders in our own sphere of business and at the level of our direct suppliers.

In our own sphere of business, after conducting a plausibility assessment, we carry out regular risk analyses at all the on-shore locations where and on all the ships on which Hapag-Lloyd employees work. In addition, ad hoc risk analyses are carried out, such as immediately after a notification is received via Hapag-Lloyd’s complaint mechanism. The risk analysis involves all responsible departments and relevant stakeholders, such as employee representatives.

In the upstream value chain, before entering into a business relationship with a supplier, we carry out a due diligence process to screen the potential new supplier and its ability to comply with our standards. Among other things, the due diligence process comprises:

- an assessment of the potential new supplier’s ability and willingness to commit to our own or comparable standards of respect for people and the planet based on shared responsibility (see SCoC),
- a risk assessment based on criteria relating to human rights and the environment, and
- an appraisal of the potential entry into a business relationship in accordance with our ethical standards.

In addition, we review our ongoing business relationships regularly and on an ad hoc basis. We have defined a corresponding process as part of our risk analysis.

### *Assessment of the risk analysis and prioritization*

The evaluation of the data obtained in our risk analyses and the weighting of the identified risks are based on: the appropriateness criteria of the type and scope of the business activity; the ability to influence the risky situation or its direct cause; the severity, irreversibility and probability of occurrence of a violation; and the type of contribution to the cause.

Our comprehensive risk management system was specifically designed to take into account our individual risk profile, the locations in which we operate, high-risk transactions, industry-specific risks, the regulatory environment, and the recommendations of the supervisory authorities.

### *Findings of our risk analysis*

Based on its risk analysis, Hapag-Lloyd has determined an overall classification of human rights and environmental risks in the low-risk zone for its own sphere of business. Two risks were prioritised: the unequal treatment of women and the exceeding of standard working hours. These risks are related to social circumstances and the economic sector in which we operate. By prioritising these particular risks, Hapag-Lloyd is not only responding to the findings of its risk analysis, but also reaffirming its commitment to fostering diversity and ensuring good working conditions for all employees.

In the upstream value chain, we have identified several abstract risks that are typical of the respective sector: forced labour, disregard for occupational health and safety, the withholding of fair wages, unequal treatment in employment, and environmental changes that are harmful to human health. Following the concrete risk analysis of our suppliers, we identified a greater need for action in the area of occupational health and safety, particularly when it comes to overtime hours. In addition, in line with the risk-based approach, we have placed a special focus on working conditions at sea on the basis of substantiated knowledge of the risks generally associated with merchant vessels.

### *Measures to prevent and remedy risks of violations of our standards relating to human rights and the environment*

We are taking measures to prevent and remedy the risks prioritised on the basis of the risk analysis. Our measures aim to bring about a measurable improvement in the risk situation by adopting an approach centred on human rights and the environment. To this end, we are striving from the outset to ensure that the measures are not only appropriate, but also effective.

Where there is a need to prioritise measures against potential and/or actual negative impacts on human rights and the environment, we and our suppliers first endeavour to prevent and mitigate the most serious impacts or those impacts that would be irreparable if countermeasures were to be postponed.

If we receive specific report or if there is a justified suspicion of a possible or actual violation of our human rights or environmental standards in our own sphere of business, we immediately take appropriate remedial measures to prevent or halt the violation. With regard to our direct suppliers, we expect their full co-operation in devising and carrying out the appropriate remedial measures.

### *Optimisation and development*

We firmly believe that addressing human rights and environmental risks in our own business activities and in our global value chains is an ongoing task that requires systematic improvement and further development. As part of these efforts, cooperation with our suppliers and business partners is crucial.

For this reason, we will regularly perform a critical review of how effectively we are fulfilling our due diligence obligations related to human rights and the environment in addition to continuously striving to improve our engagement. This also applies to our various internal guidelines and processes relating to human rights and the environment. We therefore endeavour to document the starting situation before

undertaking any measures so that we can subsequently gauge the effectiveness of the measures that have been taken.

### *Complaint mechanism*

Hapag-Lloyd's complaint mechanism consists of internal reporting channels and a web-based whistleblowing hotline ("[Speak Up Line](#)") available to all Hapag-Lloyd employees as well as external parties. This procedure makes it possible for any concerns about or indications of possible violations of due diligence obligations related to human rights or the environment to be anonymously reported. In all cases, reports are handled in a confidential manner.

Every report is taken seriously and handled in accordance with a standardised procedure publicised in the whistleblower system and in the [Rules of Procedure](#) for the Speak Up Line. With participation from Hapag-Lloyd's Ethics Committee, all reports are exclusively handled by impartial individuals who are not under any obligation to follow any instructions and who are obliged to maintain confidentiality. Hapag-Lloyd does not tolerate any form of retaliation against persons who submit reports. The effectiveness of the complaints procedure is reviewed at least once a year as well as on an ad hoc basis.

### *Reporting and documentation*

Starting with the 2023 financial year, we prepare an annual report on the fulfilment of our due diligence obligations relating to human rights and the environment for Germany's Federal Office for Economic Affairs and Export Control and we publish it on our website. We document all steps that go towards fulfilling our due diligence obligations and store the relevant data for at least seven years.

### *Roles and responsibilities*

To monitor risk management, the Executive Board of Hapag-Lloyd has decided to appoint the Senior Managing Director Global Procurement to also serve as the Human Rights Officer. The Executive Board attaches great importance to harnessing the potential of the Procurement department to improve the situation relating to human rights and the environment worldwide. The Human Rights Officer will regularly (at least once a year) inform the Executive Board about his work.

In order to ensure the best possible fulfilment of due diligence obligations, all relevant departments at Hapag-Lloyd will be involved in risk management together with the coordinating unit in the Procurement department.



## OVERVIEW OF RELEVANT DOCUMENTS AND LINKS

- [Hapag-Lloyd's Global Code of Ethics](#)
- [Hapag-Lloyd's Speak Up Line](#)
- [Hapag-Lloyd's Speak Up Line Rules of Procedure](#)
- [Hapag-Lloyd's Supplier Code of Conduct](#)
- [Hapag-Lloyd's Modern Slavery Statement](#)
- [Hapag-Lloyd's Sustainability Strategy](#)
- [Hapag-Lloyd's Sustainability Report](#)
- [Human Rights Section of Hapag-Lloyd's Website](#)

## INFORMATION AND CONTACTS

Further information on human rights at Hapag-Lloyd can be found on the internet at [www.hlag.com/human-rights](http://www.hlag.com/human-rights).

Should you have any additional questions on Hapag-Lloyd's responsibilities related to human rights and its value chain, please feel free to contact the Human Rights Office by writing to [humanrights@hlag.com](mailto:humanrights@hlag.com).