

Quality Promises: Questions and Answers

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I. Strategy 2023

Our industry has undergone significant changes within the last years. Since 2014 it has gone through a strong wave of consolidation resulting in today's landscape of fewer and larger players. Hapag-Lloyd has been a highly active driver in this process. We are now looking ahead and embarking on the journey of implementing our "Strategy 2023" – our way forward to deliver a high-quality service.

To become "Number One for Quality" is the ultimate promise to our customers and a strong differentiator from our competitors. Our Vision: Hapag-Lloyd is aiming to be the benchmark of the container shipping industry, setting the quality standard and with this offering unrivaled levels of reliability and service to our customers.

II. Quality Promises

We have committed ourselves to quality by developing 10 Quality Promises that are formulated in concrete terms, make our success measurable and create transparency on our performance. We have defined clear goals that we want to achieve. The complete set of Quality Promises is aiming at improvements in our services in five different key areas:

- **Timely and accurate documentation**
- **Responsive service**
- **Booked and loaded as agreed**
- **Reliable transport**
- **Issue resolution**

Our first ten Quality Promises consist of:

1. Fast Booking Response

With our first Quality Promise, we have set ourselves the goal to issue booking confirmations within one business hour in 85 percent of cases and within eight business hours in 98 percent of cases.

Q: *What is in it for you?*

A: *Having the peace of mind that your booking has been received and confirmed will allow you to focus on other tasks in your busy schedule. At Hapag-Lloyd, we make it our priority to help your business run smoothly in any way we can.*

2. Timely and Correct Bill of Lading

With our second Quality Promise, we promise to send a draft Bill of Lading within four business hours in 80 percent of cases and within eight business hours in 95 percent of cases. In addition, we aim to provide the final Bill of Lading after one business day of vessel departure in 95 percent of cases.

Q: *What is in it for you?*

A: *By minimizing the time spent on continuous amendments and changes, you will be able to focus on other tasks in your daily work. Receiving well-documented proof of shipment for your banks and/or insurance companies can also play a significant role for stakeholders involved.*

3. Accurate Invoicing

With our third Quality Promise, we aim at providing an accurate invoice at least 97 percent of the time.

Q: *What is in it for you?*

A: *We believe that high transparency regarding your transportation costs can help you in your financial planning as well as in assessing the risk of potential revenue leakages resulting from incorrect invoicing. As a result, you will have more time to focus on processing invoices for payment rather than for corrections.*

4. Loaded as Booked

Our fourth Quality Promise focuses on the goal to load at least 95 percent of your containers as per booking confirmation.

Q: *What is in it for you?*

A: *We believe that loading your containers as booked will help you improve your supply chain flow due to increased predictability, safeguard your reputation as a reliable business partner and, last but not least, reduce administrative work related to rolled cargo or shipment re-planning and thus reduce commercial costs and liabilities.*

5. Volume Agreements Honored

With our fifth Quality Promise, we promise to confirm bookings for at least 90 per cent of the volume agreements we have with our mid- and long-term customers who bring us regular business.

Q: *What is in it for you?*

A: *We believe that offering our mid- and long-term customers a much higher level of certainty that planned volume will be accepted and fewer bookings rejected, will enable them to enjoy more efficient planning due to high confidence in cargo flows, as well as significant cost savings. Additionally, regular data-based reviews will facilitate their forecasting process and allow them to achieve better commercial results.*

6. Schedule Reliability

With our sixth Quality Promise, we aim to provide more transparency on our schedule reliability, to increase our vessels' on-time performance and to maintain our current ranking among the 15 largest carriers in terms of schedule reliability (as reported in the monthly Sea-Intelligence Global Liner Performance Report).

Q: *What is in it for you?*

A: *While steadily proceeding to increase the standard of schedule services, we are enhancing the transparency on our vessels' arrival times. Due to modifications to our voyage management, you will get faster and more accurate updates on vessel arrivals and container pick-up times. You will benefit from better and pro-active information, should there be schedule changes during your cargo's journey. More advanced supply chain integrity can help you improve the management and conduct of your maritime supply chains, reduce costs and working capital – and save time.*

Q: *What is schedule reliability in general?*

A: *Schedule reliability in general is defined by the total on-time arrivals of vessels divided by the total number of arrivals within a specific measurement period. Since port omissions and blank sailings are not considered, they will not affect schedule reliability negatively. Currently, for our industry, schedule reliability reports are being provided by, for example, Sea-Intelligence, eeSea, SSE (Shanghai Shipping Exchange) and CargoSmart. At this time, the Sea-Intelligence Global Liner Performance Report is the most recognized in the market and commonly used in discussions within the shipping industry.*

Q: *Why has Hapag-Lloyd gone public with a Quality Promise on Schedule Reliability and why the focus on transparency?*

A: *Hapag-Lloyd has gone public with its promise to improve its schedule reliability to underline our strong determination to improve our services. Hapag-Lloyd does not want to promise too much. However, we are convinced that reliable transportation along with transparency on schedule reliability are significant service characteristics for our customers. That's why we have informed you on our efforts and promise.*

Q: Will Hapag-Lloyd also improve on-time delivery at the individual container level?

A: *Hapag-Lloyd will launch a dedicated Quality Initiative on On-Time Delivery at container level. We will provide maximum transparency, as individual performance is measured at container level. In addition to the improvements in on-time delivery between ports it will also encompass improvements for deliveries to inland locations and customer door deliveries.*

Q: Why is Hapag-Lloyd providing different reliability figures from those of the Sea-Intelligence Global Liner Performance Report?

A: *Using the Sea-Intelligence Global Liner Performance Report, Hapag-Lloyd can only share data and rankings on reliability performance at a global level. This limits its ability to go into granular detail on performance reporting, such as at trade, country and port pair levels. This information is supplied by our in-house "Carrier Schedule Analysis" (CSA), which plays a vital role in creating valuable insights that Hapag-Lloyd can share with its customers.*

Q: What is Hapag-Lloyd currently doing to perform better and achieve measurable improvements?

A: *Hapag-Lloyd is implementing several operational processes and improving cooperation with terminals, ports and all on-shore partners to significantly reduce the average delays. We are collecting better data on the arrival performance of our vessels, which will enable us to share regular notifications with you and become more precise regarding ETAs (estimated times of arrival) and container pick-up times.*

Q: Why is Hapag-Lloyd aiming to rank among the top third of the largest 15 carriers when you actually want to be the "Number One for Quality"?

A: *Transforming not only Hapag-Lloyd's operational processes, but also processes at ports, at terminals and in our industry cannot happen overnight. Hapag-Lloyd will have to make these changes in a piecemeal fashion. Hence, reaching and maintaining a position among the top third of the largest 15 carriers in terms of schedule reliability is our first large step on our journey to become "Number One for Quality".*

7. Efficient Cargo Claims Handling

With our seventh Quality Promise, we have set ourselves the goal to fully review and close cargo claims within 14 days in 85 percent of cases.

Q: *What is in it for you?*

A: *We believe that responding to our customers who need to issue a specific cargo claim fast and handling your requests quickly and efficiently, will enhance your satisfaction and peace of mind. You will benefit from an easy, hassle-free and transparent cargo claim process, including professional guidance from assigned experts. Prompt notification regarding the resolution of a cargo claim will improve your planning security.*

Q: *Which parties are authorized to raise a cargo claim with Hapag-Lloyd?*

A: *Any party involved may be authorized to raise a cargo claim, yet specific regulations per country or contract may apply. Our cargo claims experts will advise you about the authorized parties during the process.*

Q: *What documentation do I as a customer need to provide for raising a cargo claim with Hapag-Lloyd?*

A: *For resolving a cargo claim Hapag-Lloyd will request only documents relevant for a specific case. In most cases a claim calculation including the claim amount, copies of the commercial invoice as well as the packing list and photographs are required. Should additional documents be relevant, your cargo claims expert will advise on further steps.*

Q: *What is the time limit for filing a cargo claim request with Hapag-Lloyd?*

A: *The time limit for filing a cargo claim depends on several factors, such as applicable jurisdiction and legislation. Under our terms and conditions for cargo claims against Hapag-Lloyd time becomes barred one year after the goods have been or should have been delivered.*

8. Fast Case Resolution

With our eighth Quality Promise, we have set ourselves the goal to resolve 80 percent of cases within eight business hours and 95 percent within 24 business hours.

Q: *What is in it for you?*

A: *We believe that resolving your cases fast will enable to increase your productivity. Timely resolution of cases by us enables you to present solutions to your stakeholders within short notice so that you will experience a tangible relief in your day-to-day business.*

Q: How can I as a customer raise a case and when is it resolved?

A: *There are two ways a case can be raised:*

You send an email to the dedicated service e-mail provided to you by your local office and the Case Management System will automatically direct it to the correct recipient and create a case with a unique Case ID. You will receive an e-mail confirmation including the Case ID for any follow-ups.

Should you call our Customer Service, the topic discussed cannot be solved during the phone call and requires additional input from other departments or detailed follow-ups, the Customer Service Representative will raise a case on your behalf and you will receive an e-mail confirmation including the unique Case ID. A case will be resolved once all matters of the case have been resolved. Once all requests are resolved and all stakeholders are informed, the case is closed in our Case Management System and a confirmation e-mail will be sent to you.

Q: Who is authorized to raise cases and how is that to be done?

A: *Customers of Hapag-Lloyd who have received the dedicated e-mail address for our Customer Service are authorized to raise a case. The sharing of information can be restricted and will adhere to local laws and restrictions. Our Customer Service Representatives will guide you on all further steps to get your inquiries resolved.*

Q: What is Hapag-Lloyd doing to significantly speed up the case handling time?

A: *To solve all your inquiries faster, more efficient and with less follow-ups in between, we have implemented a new Case Management system that directs incoming cases to the correct recipient automatically. It gives both sides the opportunity of full transparency about the status of a case at any given time.*

Q: What can I as a customer do to speed up the handling time of a case?

A: *When sending us an e-mail, you can significantly speed up the process by adding all relevant information regarding the inquiry: BL number, container number, names of relevant stakeholders involved and any other information that our representatives would need to resolve the case in question. Adding the BL number in the subject line of an e-mail will give additional benefits, should a specific shipment be in question. Additionally, should our representatives contact you for further information, a swift response will lead to an overall faster conclusion of the case.*

Q: What happens if I raise new issues in a case you have already closed?

A: We recommend to raise a new case for new inquiries to keep the structured process of the handling intact. Whenever a customer replies with a new inquiry to an existing case, our Customer Service Representatives will either ask you to raise a new case or will do so on your behalf.

9. Always Accessible

With our ninth Quality Promise, we have set ourselves the goal to answer your calls within 12 seconds in at least 90 percent of the time and intend to have a call pick-up rate of 97 percent.

Q: What is in it for you?

A: We believe that answering your calls quickly will save you valuable time. Our operational efficiency will give you immediate relief and minimize administrative efforts. By entering a PIN, case or shipment number or using a unique click-to-dial feature directly from your case email our system will directly connect you to the right, industry-specialized Customer Service expert.

Q: What are we trying to achieve with this promise?

A: Hapag-Lloyd aims at reducing the inconvenience and uncertainty involved for you when waiting in queues having a call on hold. In speeding up the response time for customer calls and providing prompt customized service, we are underlining our commitment to take your requests seriously and demonstrate our respect, trust and credibility.

Q: Hapag-Lloyd's call pick-up rate is below the industry standard. How do we intend to improve the same?

A: Our new case management system together with our phone system, which is built on one global standard principle will be enrolled worldwide enabling Hapag-Lloyd's Customer Service to react promptly to your call. At the same time, we are reorganizing points of contacts for all customers and implementing a new unified contact center. By creating industry specialized Customer Service teams and improving the cross-functional collaboration, we are allocating knowledge and competence for specific industries. Additionally, we are providing a continuous training for our Customer Service representatives worldwide.

Q: Do I still have to repeat my issues and requests to different users when I call about an existing case?

A: We are deploying latest tools and advanced technologies to consolidate communication from emails and phone into one system for our users, therefore you

will experience effective interaction with our Customer Service experts. Our phone system will be linked to our case management system and enable our executives to pick up all necessary information on a request. When calling us as a follow up to recent communication we therefore ask you to use the click-to-dial function from your case email which will directly connect them to the right expert without needing to enter any information into our standard phone voice menu.

10. On-Time Delivery

With our Quality Initiative "On-Time Delivery" we promise full transparency on our performance in terms of delivery status at container level, at ports, inland terminals and at customer locations. We aim to ensure that your containers arrive at their final destinations within one day of the estimated time of arrival (ETA) communicated within your booking confirmation.

Q: What is in it for you?

A: When shipping with Hapag-Lloyd, you will gain full transparency on our On-Time Delivery performance at container level. All relevant data regarding our reliability will be visible on our [Customer Dashboard](#) – both on a global as well as on individual customer level. You will experience improved supply chain management and planning security, as we are equipping all our containers with monitoring devices allowing us to provide reliable data based on real-time tracking. You can rely on higher supply chain predictability as we focus on timely loading of containers. Thanks to increased integrity along the entire transportation chain, you will receive more accurate arrival forecasts and on-time deliveries and will thus experience less delays and interruptions. We do not intend to overpromise, yet we continuously reinforce our efforts for reliable and timely delivery of all your containers.

Q: What is Hapag-Lloyd currently doing to achieve noticeable improvements in our delivery performance?

A: Dedicated teams working in close collaboration are reviewing options for operational improvement along the entire transport chain. ETA predictability and arrival forecasts, voyage optimisation, e.g. through schedule recovery measures and vessel speed adaption, port omissions, changes of rotation and sliding of ship systems (SSYs). Overall, we are aiming at managing the transport chain seamlessly by reducing transshipments and improving the allocation and capacity management. To significantly increase our reliability, it is also important to build and secure goal-oriented alliances with all partners offshore and on land. As part of this strategy the regional Quality Service Centers we have set up are developing new terminal partnerships.

Q: How do we improve our data to offer you full transparency on our delivery performance?

A: Hapag-Lloyd is currently implementing advanced digital tools such as dry container monitoring, which will be fully operational by the end of 2023, and reefer monitoring as part of Hapag-Lloyd LIVE. Both of these initiatives allow us to collect reliable data and enable real-time tracking of your cargo 24/7. Moreover, collecting this data independently from contractors and partners will allow us to conduct factually based discussions with external parties. Additionally, we are monitoring waiting times in front of ports and at sea, transit times as well as berth durations.

Q: Why is our benchmark to measure On-Time Delivery defined as ‘one day’ within ETA?

A: In the shipping and logistics industry ‘one day’ is a known standard representing what will be perceived to be “on-time”. The same reference is used for the “Global Liner Performance report” published by Sea Intelligence for measuring schedule adherence at vessel level. Our Quality Promise Schedule Reliability already refers to this report. Choosing the identical reference is the most suitable approach to provide information on Hapag-Lloyd’s performance on On-Time Delivery at container level.

Q: Which is the reference for ‘final locations’?

A: Under the scope of Hapag-Lloyd’s On-Time Delivery the transport chain of each individual container ends at its intended geo end location, for which three different scenarios apply: Containers can be a) delivered to the Port of Discharge or b) an Inland terminal reached by our barge or rail services or c) at the customer’s location reached by truck services. Outports are not excluded from our On-Time Delivery initiative. Solely those containers, for which Hapag-Lloyd is currently not receiving actual timestamps when being delivered are not in the scope at this moment.

Q: To what ‘estimated time of arrival (ETA)’ does the calculation of our On-Time Delivery refer?

A: Generally, the calculation always considers the ETA stated within the first issued Booking Confirmation for a given shipment as the relevant reference. If changes are applied by Hapag-Lloyd and Booking Confirmations updated, the initial ETA fixed in the first Booking Confirmation remains our reference for an on-time delivery. However, when you make amendments to your booking, which trigger changes of the Booking Confirmation, the updated ETA will be considered as the reference point.

Q: Why is On-Time Delivery called a “Quality Initiative”?

A: *As timely delivery is key to reliable transport, we are convinced that this initiative marks another milestone of our Strategy 2023. But we do not want to promise you too much. We are continuously reinforcing all our efforts to reach our goal of reliable and timely deliveries. At Hapag-Lloyd we are working hard to reach this goal. By launching this initiative now, we want to further define the path forwards with all our partners and parties involved.*
In view of the current market situation, which is slowly but steadily returning to some sense of normality, we are convinced that it is time to strengthen this quality initiative.

III. Customer Collaboration

Q: Where do we need your collaboration?

A: *Delivering on our promises will only work if you as our customers are equally accountable for delivering on your commitments to Hapag-Lloyd. We call this commitment the “mutual handshake”. It should be done in the spirit of true partnership. Therefore, we need you to honor volume and booking commitments, provide accurate information on time, and make payments as agreed, for example. If you uphold your commitments as our customer, it makes it easier for us to comply with our Quality Promises.*

IV. Upcoming Quality Promises

Q: Are there more Quality Promises to come?

A: *After the launch of On-Time Delivery, the set of ten has been completed. At this point in time it is not planned to launch additional Quality Promises. However, as we sustainably continue to put emphasis on quality, the concept will potentially be developed further along with our Strategy 2030.*

V. Quality Promise Customer Dashboard

Q: What is behind the Quality Promise Customer Dashboard?

A: *We create transparency with our online [Quality Promise Customer Dashboard](#). Customers are able to get an overview at any time of how Hapag-Lloyd is delivering on its Quality Promises.*

Q: Which data are displayed in the Quality Promise Customer Dashboard?

A: In our [Quality Promise Customer Dashboard](#), you can see Hapag-Lloyd's performance on the Quality Promises versus the targets we aim to achieve. By the end of this process, 10 defined Quality Promises will be fully trackable via the Quality Promise Customer Dashboard.

Q: How do I get access to the data?

A: You can gain access to our Quality Promise Customer Dashboard via the [Hapag-Lloyd Business Suite](#). Try the dashboard on our desktop, mobile or tablet versions. More information can be found [here](#). By signing in with your valid Hapag-Lloyd Online Business credentials, you can log in to your individual platform within the [Quality Promise Customer Dashboard](#). Here you find Hapag-Lloyd's individual performance on your shipments as well as an overview of the commitment of your company within our partnership. For technical assistance and to ensure you make the most out of the data available for you, please contact your local Hapag-Lloyd Sales Representative. You can find your local office [here](#).

Q: What are the advantages of using the dashboard for me as a customer?

A: Our dashboard offers exact and detailed information on our quality delivery performance. Knowing the data, you will always have a clear picture of the service you can expect. In the individual customer area, you are able to evaluate the service you have received and paid for. In showing you complete transparency in our dashboard, you can trust our commitment to deliver high quality.

Q: Who can see customised data on the Quality Promise Customer Dashboard?

A: Only customers with Hapag-Lloyd Online Business access can track their own data related to Quality Promises and customer commitments. We value the privacy of our customers and ensure that any third party that is not part of the transaction with Hapag-Lloyd will not be able to gain access to sensitive customer-level performance information.

Q: Are there any consequences if I as a customer do not fulfil my commitment?

A: Currently, there will be no consequences if you as a customer are unable to fulfil your commitment. The idea of our "mutual handshake" is to help you as our valued customers as you help us to improve our performance.