WHEN TRUST MATTERS

HAPAG-LLOYD ("HLAG") GREEN FINANCE FRAMEWORK 2024

Document title: Second Party Opinion ("SPO") on Hapag-Lloyd's Green Finance Framework 2024

Prepared by: DNV Business Assurance Services UK Limited

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This assessment is valid so long as the evidence provided to DNV remains materially unchanged and remains applicable in the context of the financial instrument being assessed.

HAPAG-LLOYD ("HLAG") GREEN FINACE FRAMEWORK 2024

DNV ELIGIBILITY ASSESSMENT

Scope and objectives

Hapag-Lloyd AG (henceforth referred to as "HLAG" or "the Company") is an international shipping and container transportation company based in Germany, that provides global shipping services (container transport by sea; door-to-door transport services) to customers across 139 countries. With an increasing fleet, currently of 292 vessels, it transports on average, an annual volume of commodities of nearly 12 million twenty-foot equivalent units (TEU).

Since 2018, the International Maritime Organisation's (IMO) Marine Environment Protection Committee ("MEPC") has pursued the goal of reducing absolute greenhouse gas (GHG) emissions by 50% by 2050, against 2008 levels. The IMO revised its GHG reduction strategy in July 2023, setting out a goal for the sector to achieve net-zero emissions by 2050. The new targets aim for at least 20% reduction in absolute emissions by 2030 (striving for 30%), and at least 70% reduction by 2040 (striving for 80%), against a 2008 baseline. The carbon intensity (CO2e per transport work) of international shipping is also set to be reduced by at least 40% by 2030, compared to a 2008 baseline. HLAG supports the IMO's decarbonisation goals and has committed to achieve an even more ambitious decarbonisation target: to reduce its absolute GHG emissions by around one third by 2030 against a 2022 target benchmark to 10mt CO2e, to improve the fleet's carbon efficiency by over 50% against 2022 , and to achieve net-zero fleet operations by 2045.

To keep global warming within the 1.5°C target of the Paris Agreement, and to help decarbonise the sector, in its Sustainability Report and as part of its 2030 Strategy, the Company has stated it will decarbonise its operations by employing a range of measures. For instance, to modernise its fleet through investments into state-of-the-art technology, and vessels capable of running on alternative fuels, it has ordered 12 dual fuel LNG container vessels of 9,200 TEU at Chinese yard New Times Shipbuilding set for delivery between 2028 and 2029. In addition, it has also ordered 12 dual fuel LNG container vessels of 16,800 TEU at Chinese yard Yangzijiang Shipbuilding which are set for delivery in 2028.

The Company's wider sector and sustainability efforts can also be noted. For instance, HLAG is an active member of various industry groups, including: the Clean Cargo Imitative; the Ship Recycling Transparency Initiative; the Ship Recycling Transparency Initiative; the EcoTranstIT World initiative; the Global Logistics Emissions Council; the Maritime Platform; Global Maritime Forum; Getting to Zero Coalition; and the UmweltPartnerschaft. It is also a founding member of the non-profit initiative, the Cargo Incident Notification System. It is also committed to publicly disclosing on its sustainability-related performance, understanding the importance of such information to its stakeholders. Finally, the Company has implemented various preventive measures with the aim to achieve better safety management system on all their vessels, and to conduct audits.

Committed to operate sustainably and towards the decarbonisation of the sector, Hapag-Lloyd AG has commissioned DNV Business Assurance Services UK Limited ("DNV") to provide an eligibility assessment of its updated Green Finance Framework 2024, which also includes "Eligible Green Project No. 4" (covering the above mentioned vessel newbuilds), according to the International Capital Market Association (ICMA) Green Bond Principles (GBPs) 2021 (with 2022 Appendix) and the Loan Market Association (LMA) Green Loan Principles (GLP) 2023. Within this Framework, HLAG has committed to alignment with the relevant sections of the EU Sustainable Finance Taxonomy (EU Taxonomy). Our methodology to achieve this is described under 'Work Undertaken' below.

DNV was not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of the Financial Instruments issued under the company's Framework, the value of any investments, or the long-term environmental and/or societal benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Hapag-Lloyd and DNV

The management of HLAG has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform company management, and other interested stakeholders of the Framework, as to whether the established criteria have been met based on the information provided to us. In our work, we have relied on the information and the facts presented to us by HLAG. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided and used as a basis for this assessment, were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol which incorporates the requirements of the Green Finance Framework to create a **HLAG-specific Green Finance Framework Protocol** (henceforth referred to as "Protocol"). See Schedule 2. Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under four Principles:

- **Principle One: Use of Proceeds**. The Use of Proceeds criteria are guided by the requirement that the Sustainable Finance Instruments must use the funds raised to finance Eligible Activities, that should produce clear environmental benefits.
- **Principle Two**: **Process for Project Evaluation and Selection.** The Project Evaluation and Selection. Evaluation criteria are guided by the requirements that an issuer of a Green Bond or Loan should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.
- **Principle Three**: **Management of Proceeds**. The Management of Proceeds criteria are guided by the requirements that funds deriving from green instruments should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting**. The Reporting criteria are guided by the recommendation that at least annual reporting should be provided on the use of proceeds until all have been allocated, and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information provided to us by HLAG based on the understanding that this information was provided to us by HLAG in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion, included the following:

- Creation of a company-specific Protocol, adapted to the purpose of the Framework, as described above, and in Schedule 2 of this Assessment.
- Assessment of documentary evidence provided by HLAG on the Framework and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with HLAG's management, as well as a review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria, as detailed in Schedule 2 of this document.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV's summary findings are listed below, with further detail found in Schedule 2:

1. Principle One: Use of Proceeds.

DNV can confirm that the proceeds from the Green Debt Instruments (Bonds, Private Placements, Loans and Leases) to be issued, will be used to finance or re-finance in part or in full, new or existing green projects ("Eligible Green Projects"). The look back period applied will be no longer than 36 months.

The Eligible Green Projects to be financed will fall within one of the eligible categories, as detailed below:

Eligible Green Categories:

- Clean Transportation.
- Circular Economy.
- Pollution Prevention and Control.

DNV can confirm that HLAG's criteria for financing of green projects under each of the listed eligible green categories, intends to promote the decarbonisation of freight transport, more circular end-of-life practices for vessels, and the protection of marine environmental and marine wildlife. Through the financing of such projects, the Company also intends to support progress on the development of following UN Sustainable Development Goals (SDGs): Goal #8 (Decent Work and Economic Growth), Goal #13 (Climate Action), and Goal #14 (Life Before Water). The description of eligible activities, and the alignment with specific SDGs, are further detailed in Schedule 1 of this Opinion.

We can also confirm that HLAG has specified specific exclusion criteria in its Framework. Projects whose main purpose is for the 'transportation of fossil fuels', will not be financed.

DNV concludes that the Eligible Green Categories as described above are intended to have positive impacts on the environment. This will be verified at the time of the Company's reporting.

The Eligible Categories and their projects to be financed, have been mapped against relevant Sustainable Green Taxonomy's (EU Taxonomy) Technical Screening Criteria (TSC). This is elaborated on in Tables 2 and 3 of Schedule 3 as detailed below.

Alignment with the EU Taxonomy

DNV has carried out an assessment of the alignment of HLAG's proposed Eligible Green Project Categories with the EU Taxonomy, as outlined in regulation (EU) 2021/2139, Delegated Regulation (EU) 2023/2485 and (EU) 2023/2486, specifically for:

Climate Change Mitigation substantial contribution criteria (SCC):

- 6.10 'Sea and costal freight water transport, vessel operations and auxiliary activities',
- 6.12 'Retrofitting of sea and coastal freight and passenger water transport',
- 3.6 'Manufacture of other low carbon technologies'

Transition to a Circular Economy

- 2.6 'Depollution and dismantling of end-of-life products.'

See Schedule 3 for a detailed assessment.

In conclusion, DNV confirms that where the assets purchased under the Framework align with the EU Taxonomy activities as listed above, the Use of Proceeds are aligned with the ICMA GBPs and the LMA GLPs.

Annual Efficiency Ratio (AER)

The Annual Efficiency Ratio is the acknowledged and most commonly used indicator for the actual operational GHG intensity in shipping. It divides actual emissions (in g CO2) by vessel capacity (measured in deadweight, dwt) and distance sailed (measured nautical miles, NM). It is used by the IMO for its Carbon Intensity Indicator (CII) regulation as well as in industry standards as Poseidon Principles. Traditionally GHG emissions have been considered in tank-to-wake (TtW) perspective, while more recent regulations and standards take well-to-wake (WtW) perspective.

Whereas alignment with the EU Taxonomy would be sufficient to document eligibility to Green Finance requirements and other than for Sustainability-Linked Finance no AER-related Sustainable Performance Target is required, Hapag-Lloyd has provided an estimate of the AERs of the vessels financed under the Eligible Green Project. The AER prediction was part of the project selection criteria and has been used to assess and demonstrate that the vessel newbuilds support the overall decarbonization target set. Reference has been made to four relevant trajectories. See Table 1: Compliance with AER trajectories below.

Table 1: Compliance with AER trajectories

AER trajectory	HLAG Alignment
CBI shipping criteria (version 1.b)	HLAG strives for alignment with CBI shipping criteria.

Defined AER (and alternatively EEOI) trajectories for container vessels of defined size classes. AER defined in tank-to-wake perspective.	
Poseidon Principles (version 5.1) Defined AER trajectories for container vessels of a specific size. AER defined in wank-to-wake perspective. Separate trajectories “Minimum” and “striving” are meant to reflect the different ambition levels expressed in the revised IMO Greenhouse Gas Strategy 2023.	HLAG strives for alignment with Poseidon Principles trajectories.
1.5°C Initiative (Aligned Base Case) Defined AER trajectories for container vessels of a specific size. AER defined in wank-to-wake perspective.	1.5°C Initiative trajectory has been used by HLAG for setting of overall decarbonization targets. HLAG strives for alignment with 1.5°C trajectories.

DNV can confirm that through EU Taxonomy Alignment and confirmation of AER trajectories, the assets to be financed under the Framework are aligned with the ICMA GBPs and LMA GLPs.

2. Process for Project Evaluation and Selection:

DNV can confirm that there is a robust decision-making process behind the approval of any Eligible Green project that falls within the respective project categories, as outlined in the Framework. The selection of eligible projects will be conducted according to the criteria as set out in Schedule 1 by the Green Finance Committee (“GFC”), which is a sub-committee of the Sustainability Committee. The GFC includes representatives from treasury, finance and investor relations, sustainability management, accounting, network, and fleet management. It is chaired by Treasury, Finance and Investor Relations and meets annually at a minimum to review projects or on an ad hoc basis. The GFC is responsible for:

- Assessing and evaluating projects for inclusion of Eligible Green Projects in Eligible Green Project Portfolios.
- Ensuring that they conform to the set eligibility criteria.
- Reviewing and updating the content of the Framework to align with changes within the Group’s corporate strategy, technology or market development.
- Excluding or replacing projects no longer compliance with the eligibility criteria or determined to not be funded under this framework.
- Designating, reviewing, and updating the Eligible Green project Portfolio in accordance with pre-determined documentation.
- Ensuring eligible projects don’t exceed a 36 month look-back period.
- Preparing the Allocation and Impact Report associated with Green Debt Instruments in accordance with the Framework.

The selection criteria for Eligible Green Projects are outlined in the Framework and are summarised in Schedule 1 of this Opinion.

DNV concludes that HLAG’s Framework appropriately describes the process of project evaluation and selection, and that this is in line with the requirements of the GBP and GLP.

3. Management of Proceeds:

DNV can confirm that HLAG has committed to appropriately managing and tracking the proceeds arising from issuances of Sustainable Financing Instruments in line with the requirements of the GBP and GLP. Proceeds will be allocated in their full amount to the respective Eligible Green Projects directly after receipt. Proceeds will be managed and tracked appropriately through internal reporting systems.

HLAG intends to allocate capital to the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Debt Instruments. Where necessary, projects will be added to the Eligible Green Portfolio over time, to ensure net proceeds from outstanding Green Debt Instruments match the amounts of the Eligible Green Portfolios. Where the proceeds have not yet been allocated, they will be invested at HLAG's own discretion in cash or other liquid marketable instruments or invest in short-term liquid Money Market Funds.

4. Reporting:

HLAG intends to publish its allocation of the net proceeds and the environment impact of these (or at least at a category level), on an annual basis. A report will be made available to all debtors of the applicable Green Debt Instruments.

The allocation report will include:

- The total amount of investments in expenditures for, and/or costs in the Eligible Green Project Portfolio.
- The amount or number of a new version of existing investments and/ or projects (Financing vs. refinancing).
- The year of investment and/or expenditure and/or costs.
- The balance of unallocated proceeds.

As part of its annual impact reporting, where and when feasible, the Company has also committed to report on the environmental impacts resulting from the financing of any Eligible Green Project. HLAG has made it clear in its Framework this is subject to confidentiality agreements, competitive considerations, or the underlying projects limiting the amount of information and detail to be made available. The environmental impact information to be reported may also be presented on an aggregated portfolio basis. A non-exhaustive list of reasonable impact indicators is presented for each of the Green Eligible Project categories, as detailed in Schedule 2.

DNV concludes that HLAG has made the appropriate plans to produce reporting on both the allocation and the impact of the Sustainable Financing Instruments issued. We can also confirm that this is aligned with the requirements of the ICMA and LMA.

On the basis of the information provided by Hapag-Lloyd AG and the work undertaken, it is DNV's opinion that Hapag-Lloyd AG Green Finance Framework 2024, meets the criteria as established in the Protocol and that it is aligned with the stated definitions of 'Green Bonds' as within the Green Bond Principles (GBP) 2021, and 'Green Loans' as within the Green Loan Principles (GLP) 2023.

for DNV Business Assurance Services UK Limited

London, 05 December 2024

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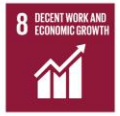
SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

HLAG has listed in the Framework its Eligible Green Project Categories, with descriptions and criteria for the respective activities to be (re)-financed. The Company has also mapped out alignment to the UN SDGs and, where relevant, to the EU Taxonomy's environmental objectives and related activities.

ICMA / LMA Green Project Category	Description of Example Eligible Projects to be Financed	EU Taxonomy Alignment	SDG Alignment
Clean Transportation	Investments related to dual-fuel container vessels. Subject to the vessels meeting the following climate mitigation SCC for activity 6.10 - *Sea and coastal freight water transport, vessel operations and auxiliary activities*.	Climate Change Mitigation 6.10 Sea and coastal freight water transport, vessel operations and auxiliary activities.	
	• Investments related to efficiency improvements to existing container vessels, and the installation of shore power equipment. This is subject to meeting the following climate mitigation SCC for activity 6.12 - *Retrofitting of sea and coastal freight and passenger water transport*.	Climate Change Mitigation 6.12 Retrofitting of sea and coastal freight and passenger water transport.	
Circular Economy	• Investments into environmentally friendly recycling solutions of worn-out assets (i.e. vessels and containers). This is subject to meeting the following transition to a circular economy SCC of activity 2.6 - *Depollution and dismantling of end-of-life products.*	Circular Economy 2.6 Depollution and dismantling of end-of-life products.	  

	• Investments into steel floor dry container boxes. This is subject to meeting the following Climate Change Mitigation SCC of activity 3.6 – *Manufacture of other Low Carbon Technologies*	Climate Change Mitigation 3.6 Manufacture of other Low Carbon Technologies	
Pollution Prevention and Control	• Investments into ballast water treatment equipment to be installed on vessels. Subject to meeting the following performance criteria: ○ Releases of ballast water containing non-indigenous species are prevented in line with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM). ○ Measures are in place to prevent the introduction of non-indigenous species by biofouling of hull and niche areas of ships taking into account the IMO Biofouling Guidelines[1].	No SCC alignment. This activity contributes to meeting the technical screening criteria for activities 6.10 and 6.12 mentioned in the Clean Transportation category. This activity is one of the DNSH requirement for objective 6 'Protection and restoration of biodiversity and ecosystems', applicable to shipping activities with Climate mitigation SCC.	

1 IMO Guidelines for the control and management of ships' biofouling to minimize the transfer of invasive aquatic species resolution MEPC.207(62).

SCHEDULE 2: HLAG-SPECIFIC GREEN FINANCE FRAMEWORK ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	The Green Finance Framework should make clear what financial instruments are to be defined as eligible for Green Sustainable financing.	In addition to reviewing the evidence below, we have had detailed discussions with HLAG: ▪ HLAG's Green Finance Framework 2024.	The Framework outlines the type of Sustainable Financing Instruments expected to be issued as Green Instruments. These may include amongst others, the following: Green Bonds, Green Private Placements, Green Loans, and Green Leases. The proceeds from the issuance of each Green Debt Instrument will be used to finance or re-finance, in part or in full, new or existing green projects ("Eligible Green Projects"), that fall within one of the eligible categories as detailed in Schedule 1. The lookback period for those projects will not exceed 36 months. We can also confirm that the instruments to be issued under this Framework are intended to support the advancement of the UN SDGs and the EU TSC where relevant, as indicated in Schedule 1.
1b	Green Project Categories	The cornerstone of a Green Bond/ Loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.	In addition to reviewing the evidence below, we have had detailed discussions with HLAG: • HLAG's Green Finance Framework 2024.	We can confirm that the Framework appropriately describes the utilisation of Proceeds and the Eligible Green Sustainable Project Categories to be financed in part or in full, as indicated in Schedule 1 and according to the ICMA and LMA Green Project Categories, and EU Taxonomy activities with SCC for Climate Mitigation and Transition to a Circular Economy: *Eligible Green Categories*: • Clean Transportation.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				• Circular Economy. • Pollution Prevention and Control. DNV can conclude that the Framework appropriately describes the proposed utilisation of proceeds.
1c	Green benefits	All designated Green Project categories should provide clear environmental benefits, which, where feasible, will be quantified or assessed by the issuer.	In addition to reviewing the evidence below on the Green Finance Framework, we have had detailed discussions with HLAG: • HLAG's Green Finance Framework 2024 • Shipbuilding contract with New Times Shipbuilding for 9,200 TEU vessels (selected technical specifications) • Shipbuilding contract with Yangzijiang Shipbuilding for 16,800 TEU vessels (selected technical specifications) • HLAG's AER prediction model and assumptions • Documentation of selected offtake agreements for alternative fuels • Technical details, assumptions and calculations of AER prediction model	The Framework's objective is to promote positive environmental impact in the logistics sector aligned with HLAG's sustainability policy. The Company has demonstrated its commitment to progressing the UN SDGs. The proposed Eligible Green Projects will specifically contribute towards the following SDGs: • Goal #8 (Decent Work and Economic Growth). • Goal #13 (Climate Action). • Goal #14 (Life Below Water). In demonstration of best practice, some of the indicated Eligible Green Projects have also been mapped against relevant EU Taxonomy listed activities which are detailed below: *Climate Mitigation SCC:* • 6.10 Sea and coastal freight water transport, vessel operations and auxiliary activities. • 6.12 Retrofitting of sea and coastal freight and passenger water transport. • 3.6 Manufacture of other low carbon technologies

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings

				Transition to a Circular Economy SCC:
				• 2.6 Depollution and dismantling of end-of-life products.
				
				HLAG has detailed the illustrative impact metrics to demonstrate the impacts from the different projects that are to be financed, as detailed in Section 4a.
				
				Regarding the 9,200 and 16.800 TEU vessels to be financed as Eligible Green Project No. 4, DNV concludes the following:
				
				• Both vessel classes will meet EU Taxonomy activity 6.10 Technical screening criteria', subsection 'Substantial contribution to climate change mitigation' 1 (e) and 2, as well as vessel related "Do No significant harm" (DNSH) criteria.
				• The shipbuilding contracts oblige the yards to in particular:
				  ○ Meet the EEDI criterion (20 percentage points below IMO requirements per 2022-04-01)
				  ○ Safeguard engines can be run on fuels from renewable sources
				  ○ Equip the vessels with shore power capability (plug-in at berth)
				  ○ Equip the vessels with state-of-the-art measures and technologies to mitigate methane slippage emissions (MAN ME-GI engines)
				  ○ Meet NOx Tier III requirements
				  ○ Provide Inventory of Hazardous Materials (IHM)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				◦ Equip the vessels with a compliant Ballast Water Treatment/Management system ◦ Apply anti-fouling paint meeting the requirements of Regulation (EU) No. 528/2012 • Follow most recent IMO Guidance for the Reduction of Underwater Noise We can confirm that both vessel classes will be capable of meeting the relevant AER trajectories (CBI Shipping Criteria, Poseidon Principles “Minimum” and “Striving” as well as the 1.5°C Initiative “Aligned Base Case”) over the tenor of the financing and beyond. This will require gradual transition from fossil to bio- and/or e-fuels and/or speed reduction. Conversion from dual-fuel LNG to ammonia, possibly at the second special survey (10 years after delivery) will be an option. Hapag-Lloyd demonstrated in the evidence provided to us, that sufficient supply of respective alternative fuels for the 24 vessels, can be safeguarded. DNV can confirm that the Green Project categories will provide clear environmental benefits as outlined in the GBP and GLP. Specific type of financing instruments issued will need to be further assessed on an individual basis for full alignment with the EU Taxonomy SCC.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Green Bond/ Loan should outline the decision-making process it follows to determine the eligibility of projects using Bond/ Loan proceeds.	In addition to reviewing the evidence below, we have had detailed discussions with HLAG: • HLAG's Green Finance Framework 2024. • HLAG's Sustainability Strategy Website (link). • HLAG's Sustainability Policy (link). • HLAG's Ship Recycling Policy (link). • HLAG's Modern Slavery Statement 2022 (link).	DNV confirms that the Company has a clear management structure in place to select and evaluate the Eligible Projects that it will finance. The Green Finance Committee ("GFC"), a sub-committee of the Sustainability Committee, is responsible for the evaluation, selection and monitoring of Eligible Green Projects for Eligible Green Project Portfolios. The Sustainability Committee is comprised of representatives within the GFC, Sustainability Management, Corporate Departments and Regional delegates and it is chaired by the Head of Regulatory Affairs and Sustainability. The committee's responsibilities include: • Identify sustainability risks and opportunities. • Promote the sharing of information across divisions. • Coordinate sustainability-related measures. As a sub-committee of the Sustainability Committee, the GFC is made up of representatives from treasury, finance and investor relations, sustainability management, accounting, network and fleet management. It is chaired by Treasury, Finance and Investor Relations and meets annually at a minimum to review projects or on an ad hoc basis. The GFC is responsible for: • Assessing and evaluating projects submitted for inclusion to ensure they conform to the eligibility criteria as outlined in this framework.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				• Reviewing and updating the content of the Framework to reflect relevant changes in the Group's corporate strategy, technology or market development. • Excluding or replacing projects that no longer comply with the eligibility criteria or which the GFC has otherwise determined should not be funded under this framework. • Designating, reviewing and updating the Eligible Green Project Portfolio in accordance with pre-determined documentation as outlined in the framework. • Ensuring that the Eligible Green Projects do not exceed a look-back period of 36 months. • Preparing allocation and impact reports associated with Green Debt Instruments in accordance with the Framework. The GFC will select and evaluate Eligible Green Projects based on the following criteria: • Projects fall within the Green Categories as outlined in Schedule 1. • Projects' main purpose will not be related to fossil fuel transportation. • New or existing projects will not have been implemented more than 36 months ago. • Technical features of the project (e.g. GHG emissions reduction, fuel reduction, etc.) that will be assessed against objective references / targets (e.g. IMO, Poseidon, DNV 1.5°C initiative, CBI, etc.).

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				• The project's contribution to HLAG's corporate strategy. DNV concludes that the activities to be financed by future sustainable finance debt issuances will be appropriately evaluated, selected, managed and reported on, as outlined within the Framework. We can also conclude that they will meet the requirements as set out under the GBPs and the GLPs.
2b	Issuer's governance framework	In addition to the information disclosed by an issuer on its Green Bond/ Loan process, criteria and assurances, investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	In addition to reviewing the evidence below, we have had detailed discussions with HLAG: • HLAG's Green Finance Framework 2024. • HLAG 2030 Strategy Website (link). • HLAG Sustainability Website (link).	HLAG's Strategy 2030 highlights a focus on growth, quality and sustainability, where sustainability is directed at progressing on three key objectives: • Clean transportation & future proof propulsion. • Diversity & society; and • Compliance & responsibility. To promote sustainability and meet its goals under this Strategy, HLAG has set a number of measurable targets to track its progress and reduce its environmental impact. This includes commitments in the following areas: *GHG emissions:* • Reducing the absolute GHG emissions of the entire fleet by one-third until 2030 compared to 2022 levels, to around ten million tonnes. • Improving the fleet's GHG efficiency by over 50% until 2030, compared to 2022 levels. • Net-zero greenhouse gas emissions for the entire fleet by 2045, by using alternative fuels. *Resource conservation:*

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				• Recycling 100% of ships sustainably. • Reducing large-scale waste by 2030: waste generated at HLAG offices is to be gradually reduced and increasingly recycled. *Biodiversity:* • Zero regulation breaches related to ballast water and released substances in our own fleet. To support and ensure compliance across these areas and more broadly, HLAG has in place both a Sustainability Policy and a Ship Recycling Policy. The Sustainability department holds responsibility for assessing compliance of these policies and overall governance for the management on land-based operations. It is also responsible for preparing and delivering on the Company's overarching sustainability report. This department is part of the Regulatory Affairs & Sustainability department, which reports directly to the Executive Board. For sea-based operations, this is the responsibility of the Fleet department. DNV concludes that based on the information provided, the Green Finance Framework is in line with its wider approach to managing sustainability. It is also in line with the requirements of the GBPs and GLPs.

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The gross proceeds of a Green Loan/ Bond should be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	In addition to reviewing the evidence below, we have had detailed discussions with HLAG: • HLAG's Green Finance Framework 2024.	HLAG intends to allocate an amount equal to the net proceeds from the issue of any Green Debt Instrument to an Eligible Green Project Portfolio. HLAG will allocate the proceeds in their full amount to the respective Eligible Projects. directly after receipt. Additional Eligible Green Projects will be added over time to the Eligible Green Project Portfolio. DNV can confirm that HLAG has committed to appropriately managing the proceeds arising from issuances of Sustainable Financing Instruments, and that this is in line with the requirements of the GBPs and the GLPs.
3b	Tracking procedure	So long as the Green Bonds/ Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green investments or loan disbursements made during that period.	In addition to reviewing the evidence below, we have had detailed discussions with HLAG: • HLAG's Green Finance Framework 2024.	HLAG intends to allocate capital to the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Debt Instruments. To support this, HLAG intends to add Eligible Green Projects to the Eligible Green Project Portfolio over time, to ensure the net proceeds from outstanding Green Debt Instruments match the amounts of the Eligible Green Projects. HLAG confirms that it will be able track investments and/ or expenditures, and/ or costs, that are related to Eligible Projects through its internal reporting systems. DNV concludes that HLAG has a clear process in place for tracking the unallocated and allocated proceeds balance for

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				the Eligible Projects, and that this is in line with the GBPs and GLPs.
3c	Temporary holdings	Pending such investments or disbursements to Eligible Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	In addition to reviewing the evidence below, we have had detailed discussions with HLAG: • HLAG's Green Finance Framework 2024.	Proceeds which have not yet been allocated will be invested at HLAG's own discretion, as cash or other liquid marketable instruments, or short-term liquid Money Market Funds. DNV can confirm that HLAG has appropriately disclosed how it will manage any unallocated proceeds from its Sustainable Financing Instruments, and that this is in line with the GBPs and the GLPs.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which the Bond proceeds, and where appropriate Loan proceeds, have been allocated including - where possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmental impact.	In addition to reviewing the evidence below, we have had detailed discussions with HLAG: • HLAG's Green Finance Framework 2024.	HLAG confirms that it will publish annual reporting on the allocation of net proceeds of the Eligible Green Project Portfolio and, where possible, report on the impact of the constituent projects at least at the category level. The report will be made available to all debtors of the applicable Green Debt Instruments. As part of HLAG's allocation reporting, the following will be reported on annually: • The total amount of investments in, expenditures for and/or costs in the Eligible Green Project Portfolio.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				- The amount or number of new version existing investments and/ or projects (Financing vs. refinancing). - The year of investment and/or expenditure and/or costs. - The balance of unallocated proceeds. As part of HLAG's impact reporting HLAG intends to report on the environmental impacts resulting from the Eligible Green Project Portfolio, where and when feasible. This is subject to confidentiality agreements, competitive considerations, or the number of the underlying projects limiting the detail to be made publically available. The impact information may be presented on an aggregated portfolio basis. A non-exhaustive list of potential indicators to report on the impact, is presented for each of the Green Eligible Project categories as detailed below: *Clean Transportation:* - Investment related to dual-fuel container vessels. - Number of financed vessels. - EEDI of the financed container vessels. - Fuel consumption per fuel type and distance sailed. - Investments related to efficiency improvements to existing container vessels as well as the installation of shore power equipment. - Fuel consumption per fuel type and distance sailed. *Circular Economy:*

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings

				• Investments into environmentally friendly recycling solutions of worn-out assets (i.e. vessels and containers).
				  ○ Number of vessels and containers that are recycled in an environmentally friendly manner.
				• Investments into steel floor dry container boxes
				  ○ Tonnes of plywood substituted.
				  ○ Durability factor in years.
				  ○ GHG emissions avoided per Container lifecycle.
				  ○ Average load efficiency improvement
				  ○ Absolute amount of materials, components, and products that are reusable and/or recyclable in tonnes.
				
				Pollution Prevention and Control:
				• Investments into ballast water treatment equipment to be installed on vessels.
				  ○ Absolute amount of water that is separated and/or collected and treated in tonnes.
				
				DNV can confirm HLAG’s commitment to producing appropriate and transparent reporting on both the allocation and impact of the financing, and that this meets the requirements of the GBPs and the GLPs.

SCHEDULE 3: EU TAXONOMY ALIGNMENT OF THE UNDERLYING ASSETS

Table 2: Compliance with Substantial Contribution Criteria (SCC)

Environmental Objective	EU Taxonomy Activity	Relevant Technical Screening Criteria	HLAG Alignment
Climate Change mitigation	6.10 Sea and coastal freight water transport, vessel operations and auxiliary activities.	1. The activity complies with one or more of the following criteria: (a) the vessels have zero direct (tailpipe) CO2 emissions; (b) until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation at sea and in ports; (c) where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, and only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable a modal shift of freight currently transported by land to sea, the vessels have direct (tailpipe) CO2 emissions, calculated using the International Maritime Organization (IMO) Energy Efficiency Design Index (EEDI) , 50 % lower than the average reference CO2 emissions value defined for heavy-duty vehicles (vehicle sub-group 5-LH) in accordance with Article 11 of Regulation 2019/1242; (d) where technologically and economically not feasible to comply with the criterion in point (a), until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels or on fuels from renewable sources.	HLAG confirms that investments related to dual-fuel container vessels will align with criteria 1(b), 1(c), 1(d), 1(e) or 1(f) and 2.

		e) where technologically and economically not feasible to comply with point (a), from 1 January 2026, the vessels that are able to run on zero direct (tailpipe) CO_2 emission fuels or on fuels from renewable sources have an attained Energy Efficiency Design Index (EEDI) value equivalent to reducing the EEDI reference line by at least 20 percentage points below the EEDI requirements applicable on 1 April 2022, and: i. are able to plug-in at berth; ii. for gas-fuelled ships, demonstrate the use of state-of-the-art measures and technologies to mitigate methane slippage emissions. (f) where technologically and economically not feasible to comply with the criterion in point (a), from 1 January 2026, in addition to an attained Energy Efficiency Existing Ship Index (EEXI) value equivalent to reducing the EEDI reference line by at least 10 percentage points below the EEXI requirements applicable on 1 January 2023, the yearly average greenhouse gas intensity of the energy used on-board by a ship during a reporting period does not exceed the following limits: i. 76,4 g CO2e/MJ from 1 January 2026 until 31 December 2029; ii. 61,1 g CO2e/MJ from 1 January 2030 until 31 December 2034; iii. 45,8 g CO2e/MJ from 1 January 2035 until 31 December 2039; iv. 30,6 g CO2e/MJ from 1 January 2040 until 31 December 2044; v. 15,3 g CO2e/MJ from 1 January 2045 2. Vessels are not dedicated to the transport of fossil fuels.	
Climate Change Mitigation	6.12 Retrofitting of sea and coastal freight and passenger water transport.	1. The activity complies with one or more of the following criteria: (a). the retrofitting activity reduces fuel consumption of the vessel by at least 15 % expressed in grams of fuel per	HLAG confirms that investments related to efficiency improvements to existing container vessels as well as the installation of shore

		deadweight tons per nautical mile for freight vessels, or per gross tonnage per nautical mile for passenger vessels, as demonstrated by computational fluid dynamics (CFD), tank tests or similar engineering calculations; (b). enables the vessels to attain Energy Efficiency Existing Ships Index (EEXI) value at least 10 % below the EEXI requirements applicable on 1 January 2023 and if the vessels are able to run on zero direct (tailpipe) emission fuels or on fuels from renewable sources, and have the ability to plug-in at berth and are equipped with plug-in power technology; 2. Vessels are not dedicated to the transport of fossil fuels.	power equipment will align with criteria 1(a) or 1(b) and 2.

Transition to a circular economy	2.6 Depollution and dismantling of end-of-life products.	1. The economic activity dismantles and depollutes separately collected waste, in state-of-the-art facilities, from complex end-of-life products, such as automobiles, electrical and electronic equipment (EEE) or ships, in order to: (a) harvest parts and components that are suited for re-use; (b) separate non-hazardous and hazardous waste fractions suited for material recovery including recovery of critical raw materials; (c) remove hazardous substances, mixtures and components, so that these are contained in an identifiable[2] stream or that are an identifiable part of a stream within the treatment process, and send them to facilities permitted for proper treatment including disposal of hazardous waste; (d) enclose documentation of the materials that are sent for further treatment or reuse. 3. For the dismantling and depollution of scrap ships, the facility is included in the European List of ship recycling facilities as laid down in Commission Implementing Decision (EU) 2016/2323. For the construction of a new facility or the upgrade of an existing facility which is not yet included in the European List of ship recycling facilities, the facility fulfils all requirements set out in Article 13 of Regulation (EU) No 1257/2013 of the European Parliament and of the Council[3] and has applied to be included in the European List of ship recycling facilities.	HLAG confirms that investments into environmentally friendly recycling solutions of worn-out assets (i.e. vessels and containers). will align with criteria 1(a), or 1(b), or 1(c), or 1(d) and 3 as mentioned on the left hand side. Criterion 2 is not relevant for the assets under this activity.

2 A substance, mixture or component is identifiable if it can be monitored to verify environmentally safe treatment.
3 Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (OJ L 330, 10.12.2013, p. 1).

	3.6 Manufacture of other low carbon technologies	The economic activity manufactures technologies that are aimed at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market. Life-cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU or, alternatively, ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emission savings are verified by an independent third party.	HLAG has confirmed that steel floor container boxes can be aligned to this EU Taxonomy activity. Where HLAG is able to show and verify the lifecycle GHG saving against a relevant benchmark, it can be considered as aligned with the Substantial Contribution criteria.

Table 3: Compliance with the Minimum Social Safeguards

Minimum Social Safeguards	HLAG Alignment
Article 18 of Regulation (EU) 2020/852: **Paragraph 1.** The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. **Paragraph 2.** When implementing the procedures referred to in Paragraph 1 of this Article, undertakings shall adhere to the principle of ‘do no significant harm’ referred to in point (17) of Article 2 of Regulation (EU) 2019/2088.	HLAG confirmed in its latest Sustainability Report (2023) that it has not yet been able to show its compliance with Article 18 of Regulation (EU) 2020/852 for the full year of 2023. Implementation of the due diligence processes has been completed and evidence is expected to be provided in the next Sustainability Report.