

Modern Slavery Statement 2024

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A. Introduction

This statement covers Hapag-Lloyd AG and its subsidiaries (hereafter Hapag-Lloyd) and is made in accordance with both the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. The statement covers the topics of forced labour, modern slavery, and human trafficking under the term modern slavery.

This statement outlines Hapag-Lloyd's commitment to preventing modern slavery and human trafficking within our operations and value chains. We recognize that modern slavery is a global issue that violates fundamental human rights, and we are dedicated to operating ethically and with integrity. Hapag-Lloyd is committed to respecting human rights in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidance for Multinational Enterprises, as established in our Policy Statement on Social Responsibility and Human Rights.

B. Our Structure and Operations

Hapag-Lloyd is one of the leading container liner shipping companies and a global terminal operator with headquarters in Hamburg, Germany. Our liner network connects over 600 ports on five continents. At the same time, we are continuing to expand our hinterland business with door-to-door transport. In doing so, we are making a decisive contribution to keeping global supply chains intact.

C. Our risk situation regarding modern slavery

We conduct a yearly human rights risk assessment in our operations and along our value chain, which allows us to identify the risk of modern slavery. Ad hoc risk analyses are conducted by significant changes or the expansion of a risk situation, for example, due to the introduction of new products, projects, or a new business field. Additionally, there is a due diligence check before entering a business relationship with potential high-risk suppliers which includes a specific risk assessment of modern slavery.

Our yearly risk assessment in 2024 considered factors such as geographical and industry-related human rights risks, incorporating media monitoring and stakeholder input. This assessment has identified that certain parts of our value chain may be at a higher risk of modern slavery.

Own operations

Acknowledging that the risk of modern slavery may be present in our industry, we classify it in our operations as low based on the measures in place to address the risk (see below "Our action to address the risk of modern slavery"). However, we understand the risks connected to temporary employment conditions, especially for seafarers.

In the case of seafarers in temporary employment, we work with two business partners who employ seafarers. These business partners are publicly committed to the elimination of modern slavery, in addition to the obligations set by our Supplier Code of Conduct. Furthermore, we conduct audits on our vessels, which include the involvement of seafarers.

Value Chain

The risk of modern slavery in our value chain can be considered as medium to high depending on the composition of the workforce, the business activity, and the geographical location of our business partners.

- The exposure of migrant workers to the risk is likely higher than non-migrant workers, considering that the use of recruitment or manning agencies elevates the risk disposition.
- Business activities such as trucking, depot operations, and construction have been identified as activities with a higher likelihood of the risk of modern slavery. The reasoning behind this is connected to wage deductions, for example, for accommodation or penalties.
- The retention of original identification documents, such as passports, has been identified as a practice in the Middle East, specifically in the United Arab Emirates, which directly affects workers' freedom of movement and autonomy.

D. Our action to address the risk of modern slavery

1. Governance

Our Corporate Sustainability Due Diligence System internally defines the responsibility to address the risk of modern slavery within the company and along the supply chain, Human Resources teams, and the Departments with Procurement Tasks, respectively. This structure allows for effectively addressing the mentioned risk, allocating the responsibilities to the departments that have the power to act.

We have embedded human rights due diligence, including our commitment to eliminating any kind of modern slavery, establishing clear standards for us and our suppliers:

■ **Policy Statement on Social Responsibility and Human Rights**

The policy statement on Social Responsibility and Human Rights¹ outlines Hapag-Lloyd's commitment to respecting human rights and our planet. In this declaration, we provide detailed information on how we fulfil our due diligence obligations and what measures we take to continuously adapt to changing conditions and further improve the protection of human rights and the environment in our business area and along our value chain.

■ **Global Code of Ethics**

The Global Code of Ethics² reflects our corporate philosophy, defining our basic values and the standards of conduct expected of managers and employees, internally and externally. The Code of Ethics sets out principles for the fair and respectful treatment of our co-workers, customers, and business partners, including respecting human rights.

■ **Supplier Code of Conduct**

The Supplier Code of Conduct³ outlines the company's expectations and requirements for itself and its suppliers in terms of environmental protection, human rights, labour and social standards, as well as the business ethics, including anti-corruption, anti-bribery, fair competition, and confidentiality, to promote a culture of integrity and responsible business practices. Hapag-Lloyd is committed to sourcing responsibly; therefore, we partner with suppliers who are fully committed to complying with applicable laws and adhering to internationally recognized environmental, social, and corporate governance standards (ESG standards).

2. Risk assessments

Our Human Rights Office conducts regular risk assessments to identify human rights risks connected to our business activity, including modern slavery. These assessments take place at least once per year, but also ad hoc when we expect a significantly changed or significantly expanded risk situation in our operations or value chain.

The regular risk assessment procedure in 2024

First, a systematic abstract analysis of industry- and country-specific risks was carried out by analysing qualitative and quantitative data for the company's own business area and its direct suppliers. As a result, locations and regions with an elevated risk disposition were identified both for the company's own business area as well as for the level of direct suppliers. Based on the results of the abstract risk analysis, human rights- and environment-related risks at locations with an elevated risk disposition were specifically identified in a second step, as follows:

a) In the company's own business area

Quantitative and qualitative data was subsequently collected on the risks as well as on the measures already in place for prevention related to locations and vessels at or on which Hapag-Lloyd employees were working during the reporting period. Part of the risk analysis involved the participation of relevant departments and stakeholders in the form of interviews.

b) Vis-à-vis direct suppliers

A specific risk analysis was carried out for direct suppliers for whom an elevated risk disposition had to be assumed based on the results of the abstract risk analysis. The selected suppliers were asked to fill out a supplier self-assessment questionnaire specially developed for the implementation of the human rights due diligence at Hapag-Lloyd, which differs depending on the supplier's business area and purchasing category.

¹ <https://www.hapag-lloyd.com/en/company/responsibility/human-rights.html>

² <https://www.hapag-lloyd.com/en/company/responsibility/compliance/global-code-of-ethics.html>

³ <https://www.hapag-lloyd.com/code-of-conduct>

The aim was to be able to determine the degree of risk and the mitigation measures in place at the level of individual suppliers. The questionnaire covered human rights- and environment-related risks, including modern slavery, as well as basic questions on the composition of the supplier's workforce. The responses were analysed using a detailed methodology, which is described in our Report on the GSCA (German Supply Chain Act) 2024⁴. The results were also weighted while considering the expected severity of possible violations and the probability of the risk occurrence.

The regular risk assessment allowed us to identify a single case at a direct supplier of a practice that can be related to modern slavery, namely the retention of original identification documents. At the beginning of 2024, this practice was eliminated according to the remediation plan that was designed between Hapag-Lloyd and the supplier, as the risk was identified. This example shows the step that follows when a risk is identified: preventive and remedial measures are implemented without undue delay.

3. Prevention and remedy

Hapag-Lloyd's preventive measures target the root causes of modern slavery and human trafficking by building awareness, strengthening accountability, and promoting responsible business conduct across its operations and supply chain. These include mandatory human rights training for employees, targeted supplier engagement, risk-based contract adjustments, and the application of a Supplier Code of Conduct to suppliers. In the reporting year, a remedial measure was required in one single case. The background and implementation of this measure are described in the preceding section.

Own business area

During the standardized onboarding process, all employees undergo mandatory training on the corporate culture as well as on compliance with legal requirements and company guidelines, including training on sustainability, which introduces the topic of human rights.

Together with the Hapag-Lloyd Academy, the Human Rights Office has developed a basic training course on human rights- and environment-related due diligence obligations, which is aimed at all employees. As of 31 December 2024, more than 12,000 employees had been invited to attend the training course. Of these, more than 5,500 had already completed the training by that date. Participation in the training course is mandatory for all new employees.

As a general measure to prevent violations of human rights- and environment-related due diligence obligations, several training sessions and workshops were held with the relevant departments.

Vis-à-vis direct suppliers

Hapag-Lloyd continued using its media monitoring tool in 2024 to proactively detect and manage human rights and environmental risks. The tool also supports case management in the supply chain. Around 270 Procurement employees globally have been trained in how to use the tool to record human rights-relevant cases.

In addition to training on managing human rights reports, employees involved in purchasing activities received trainings on human rights- and environment-related due diligence obligations along the supply chain. On the one hand, a general introductory training on human rights due diligence was held for all employees in the "Transport" purchasing category. On the other hand, around 45 employees in Procurement received training on "supplier engagement calls". This training was aimed at employees from the three prioritized Hapag-Lloyd regions: Middle East & Africa, Latin America, and Asia. The training aimed to prepare the responsible employees for discussions with suppliers who, as part of the risk analysis, were identified as having a high-risk disposition.

In the reporting year, 85 meetings were held with suppliers who had been identified as having a high-risk disposition. As part of this, the manner in which the identified risks manifest themselves in practice was determined, along with the measures that are or can be taken to minimize or eliminate the risks as well as the support that Hapag-Lloyd can provide to this end. The aim of these discussions, known as "supplier engagement calls", was to jointly develop solutions with suppliers as well as to improve their compliance with human rights- and environment-related due diligence obligations.

In 2024, Hapag-Lloyd applied its updated Supplier Code of Conduct (version October 2023⁵), which sets out the expectations and requirements for human rights-, environment- and ethics-related standards for suppliers and for Hapag-Lloyd. The updated version reflects principles of appropriateness and effectiveness, ensuring that measures

⁴ <https://www.hapag-lloyd.com/en/company/responsibility/human-rights.html>

⁵ www.hapag-lloyd.com/code-of-conduct

are proportionate to the risks and appropriate for preventing or mitigating potential adverse impacts. For example, the design of preventive or remedial measures takes into account factors such as the nature and scope of business activities, the company's level of influence, the severity or reversibility of a violation, and the extent of the company's contribution to the risk or violation. Among other things, the Supplier Code of Conduct refers to the Policy Statement, which outlines the company's commitment to respecting human rights and environmental standards. It also refers to the Speak Up Line, Hapag-Lloyd's grievance mechanism. Internal and external stakeholders can use it to report potential risks and violations arising from our business activities in an anonymous, confidential, secure, legitimate, and accessible manner. Suppliers have the option of adopting Hapag-Lloyd's Supplier Code of Conduct or providing evidence of their own equivalent document.

A thorough analysis of Hapag-Lloyd's model contracts for suppliers was carried out in 2023 with the support of the Responsible Contracting Project in order to identify the need to adapt them to the legal requirements. Adjustments were made to ensure the contracts reflected expectations for human rights protection, fair working conditions, and environmental responsibility. The resulting risk-based adjustment of the standard contracts was implemented in 2024. Using a risk-based approach, general clauses for all categories in direct purchasing were included, along with category-specific clauses for road haulage and container depots. These provide for a dialogue if the agreed rates no longer enable suppliers to fulfil their due diligence obligations owing to a relevant change.

In 2024, the internal purchasing guidelines were adapted to include practices for responsible procurement. The purchasing guidelines communicate the expectations regarding sustainability, including social sustainability, to employees involved in purchasing activities. For example, these employees are expected to apply fair financial practices to suppliers while taking into account the purchaser's ability to exert influence and the impact of financial practices on quality and sustainability among suppliers.

In 2024, a total of 129 on-site quality audits were conducted at selected suppliers. Part of the quality audits covered occupational safety and health requirements. These audits were carried out by Hapag-Lloyd's Procurement employees worldwide.

Indirect Suppliers

In 2024, Hapag-Lloyd expanded its due diligence approach to include indirect suppliers, introducing targeted measures to address risks beyond its direct business relationships. As part of this effort, indirect suppliers identified based on risk were asked to accept Hapag-Lloyd's Supplier Code of Conduct, which outlines expectations regarding human rights, environmental protection, and ethical business practices. Through this process, these suppliers were also made aware of the company's Policy Statement. The Policy Statement also describes the process for fulfilling corporate due diligence obligations and outlines the prioritized risks identified through the human rights-based risk analysis. In addition, suppliers were informed about the Speak Up Line, Hapag-Lloyd's grievance mechanism.

Complaints Procedure

One of the core elements through which we fulfil our due diligence obligations is our complaints procedure, as compliance with global regulations and internal policies is fundamental to how we do business. Hapag-Lloyd is committed to operating with the highest standards of ethics, respect, integrity, and accountability, in adherence to all relevant local, national, and international laws.

Our complaints mechanism includes internal reporting channels and a web-based whistleblowing hotline ("Speak Up Line"), which is accessible to both Hapag-Lloyd employees and external stakeholders. It accepts reports of all compliance-related concerns, including those related to human rights and environmental violations. In the reporting period, Hapag-Lloyd AG and its fully consolidated companies received 34 reports of potential violations classified as human rights-relevant, of which 30 were resolved by the end of the period. All human rights relevant cases were handled with priority.

As a preventive measure, the complaints mechanism helps identify and address early warning signs of modern slavery, encouraging transparency, accountability, and corrective action before harm occurs.

4. Effectiveness

To assess the impact of its human rights due diligence efforts, Hapag-Lloyd conducted an effectiveness evaluation in 2024. The evaluation showed that the processes and measures implemented enabled the early identification of human rights- and environment-related risks. They also fostered supplier relationships grounded in engagement, transparency, adaptability, and cooperation.

On-site quality and involvement audits conducted at selected suppliers helped verify the implementation of relevant quality standards and provided insights to inform future improvements in collaboration with relevant rightsholders, such as the seafarers.

Training sessions contributed to raising awareness of prioritized risks and general human rights issues. They also informed participants about available actions, such as using the complaints mechanism to help prevent human rights violations.

5. Communication & Documentation

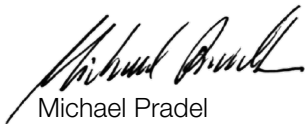
In 2024, Hapag-Lloyd ensured that the results of its human rights-based risk analyses and the findings from implemented due diligence measures were communicated to key decision-makers, including the Executive Board, senior management, and the departments with procurement tasks.

To promote transparency and increase awareness across the organization, the Human Rights Office used the company intranet to share information on human rights-related due diligence obligations. This included publishing targeted content, such as articles on International Human Rights Day and the International Day of the Seafarer.

Additionally, Hapag-Lloyd publishes an annual report on its human rights due diligence efforts in the Report on the GSCA (German Supply Chain Act)⁶. To support this, records of all relevant data and information are kept by the organization for a minimum of seven years.

Approval

This statement was approved by the Board of Directors, who designated Mr. Michael Pradel in his function as Human Rights Officer to sign the statement.



Michael Pradel

Human Rights Officer of Hapag-Lloyd

⁶ <https://www.hapag-lloyd.com/en/company/responsibility/human-rights.html>