

# Report on the GSCA

(German Supply Chain Act)

Reporting period from  
01.01.2024 to 31.12.2024

Name of the organisation: Hapag-Lloyd AG

Address: Ballindamm 25, 20095 Hamburg



**NOTE:** THE ENGLISH TRANSLATION IS FOR INFORMATIONAL PURPOSES ONLY.  
IN THE EVENT OF DIFFERENCES, THE ORIGINAL GERMAN VERSION SHALL PREVAIL.

# Table of Contents

<b>A. Strategy &amp; anchoring</b>	<b>3</b>
A1. Monitoring risk management & the responsibilities of the senior management	3
A2. Policy Statement on the human rights strategy	4
A3. Anchoring the human rights strategy within own organisation	6
<b>B. Risk analysis and preventive measures</b>	<b>8</b>
B1. Implementation, procedure and results of the risk analysis	8
B2. Preventive measures in own business area	12
B3. Preventive measures vis-à-vis direct suppliers	16
B4. Preventive measures vis-à-vis indirect suppliers	19
B5. Communicating the results	20
B6. Change in risk disposition	20
<b>C. Identification of violations and remedial actions</b>	<b>21</b>
C1. Identification of violations and remedial actions in own business area	21
C2. Identification of violations and remedial actions vis-à-vis direct suppliers	22
C3. Identification of violations and remedial actions vis-à-vis indirect suppliers	24
<b>D. Complaints procedure</b>	<b>25</b>
D1. Establishment of or participation in a complaints procedure	25
D2. Requirements for the complaints procedure	27
D3. Implementation of the complaints procedure	28
<b>E. Review of risk management</b>	<b>29</b>

## A. Strategy & anchoring

### A1. Monitoring risk management & the responsibilities of the senior management

#### **What responsibilities for monitoring risk management were defined during the reporting period?**

To monitor risk management, the Executive Board of Hapag-Lloyd has decided to assign the Senior Managing Director Global Procurement to also serve as the Human Rights Officer. During the reporting period, this position was held by Michael Pradel. The Human Rights Officer monitors and reviews all aspects of risk management and informs the Executive Board on a regular basis – but at least once a year – about his work.

In addition, the Corporate Audit department audits how risk management is being implemented and monitored as part of its regular internal auditing processes.

#### **Has the senior management established a reporting process that ensures that it is regularly informed – at least once a year – about the work of the individual responsible for monitoring risk management?**

It is confirmed that the senior management has established a reporting process that ensures that it is regularly informed – at least once a year – about the work of the individual responsible for monitoring risk management in accordance with Section 4 (3) GSCA.

- Confirmed

#### **Describe the process that ensures reporting to senior management on risk management on a regular basis but at least once a year.**

The Human Rights Officer reports to the senior management in writing on the fulfilment of his or her duties as Human Rights Officer and the results of the monitoring on an ad hoc basis, but at least once a year, in each case by 31 December at the latest. In addition, the Human Rights Officer immediately informs the Executive Board if risk management is not implemented or is not implemented properly in accordance with Section 4 (1) sentence 1 GSCA.

# A. Strategy & anchoring

## A2. Policy statement on the human rights strategy

### **Is there a policy statement that has been prepared or updated based on the risk analysis carried out during the reporting period?**

The Policy Statement has been uploaded

<https://www.hapag-lloyd.com/en/company/responsibility/compliance/policy-statement-on-social-responsibility-and-human-rights.html>

### **Has the policy statement for the reporting period been communicated?**

It is confirmed that the policy statement has been communicated to employees, the Works Council (if applicable), the public and the direct suppliers for whom a risk was identified in the risk analysis.

- Confirmed

### **Please describe how the policy statement was communicated to each of the relevant target groups.**

The Policy Statement is available to all employees on the company's intranet. In addition, the updated version of the Global Code of Ethics, which makes reference to the Policy Statement, was communicated to all employees in the reporting year and accompanied by a training (<https://www.hapag-lloyd.com/de/company/responsibility/compliance/global-code-of-ethics.html>). The Policy Statement is publicly available on the company's website ([www.hlag.com/human-rights](http://www.hlag.com/human-rights)). Hapag-Lloyd's Supplier Code of Conduct (version October 2023, available at [www.hapag-lloyd.com/code-of-conduct](http://www.hapag-lloyd.com/code-of-conduct)) also makes reference to the Policy Statement. In November 2023, Hapag-Lloyd AG started implementing a communication concept aimed at getting its suppliers to sign the current Supplier Code of Conduct.

### **What elements does the policy statement comprise?**

- Establishment of a risk management system
- Annual risk analysis
- Anchoring of preventive measures in own business area, vis-à-vis direct suppliers and, if applicable, vis-à-vis indirect suppliers and their effectiveness review
- Remedial action in own business area, vis-à-vis direct suppliers and, if applicable, vis-à-vis indirect suppliers as well as their effectiveness review
- Provision of a complaints procedure in own business area and with suppliers as well as their effectiveness review
- Documentation and reporting obligations
- Description of identified prioritised risks
- Description of human rights- and environment-related expectations of own employees and of suppliers

### **Describe any possible updates during the reporting period and the reasons behind them.**

The Policy Statement was thoroughly revised and updated in December 2023 to reflect the results of the annual risk analysis and the adjustments subsequently made to relevant processes and responsibilities. The processes and responsibilities in place in December 2023 remain unchanged.

# A. Strategy & anchoring

## **A2. Policy statement on the human rights strategy**

The results of the 2024 risk analysis did not lead to any relevant changes to the risk disposition in our own business area or in the supply chain. For this reason, there was no need to amend the Policy Statement.

## A. Strategy & anchoring

### A3. Anchoring the human rights strategy within own organisation

**Which departments/business processes were responsible for anchoring the human rights strategy during the reporting period?**

- Personnel/HR
- Occupational Safety and Health
- Communications/Corporate Affairs
- Procurement/Purchasing
- Supplier Management
- CSR/Sustainability
- Legal/Compliance
- Corporate Audit

**Describe how responsibility for implementing the strategy is allotted among the various departments/business processes.**

The Human Rights Office, which is part of the Global Procurement department, is responsible for coordinating the implementation of the human rights strategy.

Responsibilities for implementing the human rights strategy in our own business area are assigned to various departments as described below:

- Human Resources and Occupational Safety & Health: human rights-related risks according to Section 2 (2) No. 1 - 8 GSCA;
- Sustainability: human rights-related risks according to Section 2 (2) No. 9 GSCA; environment-related risks according to Section 2 (3) No. 4 GSCA
- Business Administration: human rights-related risks according to Section 2 (2) No. 9 - 11 GSCA;
- Procurement: human rights risks-related according to Section 2 (2) No. 10 GSCA;
- Dangerous Goods: environment-related according to Section 2 (3) No. 3, 5 - 8 GSCA.

All departments with purchasing responsibility are responsible for implementing the part of the human rights strategy relating to the supply chain.

The Compliance department is responsible for the complaints procedure according to Section 8 GSCA. The Corporate Communications department supports internal and external communication efforts associated with implementing the human rights strategy.

The Corporate Audit department reviews the implementation of the GSCA as part of its established role.

The Legal department provides support in several areas, such as drafting contractual texts relevant to the implementation of due diligence obligations.

## A. Strategy & anchoring

### A3. Anchoring the human rights strategy within own organisation

#### **Describe how the strategy is integrated into operational processes and procedures.**

In order to document internal responsibilities and processes related to the human rights strategy, a manual was compiled and published internally in the reporting year. It assigns to the company departments and processes responsibility for implementing the GSCA due diligence obligations. Compliance with ethical corporate standards is anchored in the Policy Statement, in the Global Code of Ethics for our employees, in the Supplier Code of Conduct and in our contracts for business relationships with suppliers, and in the Procurement Policy for selecting suppliers. Internal and external training programmes for employees (particularly in Procurement) as well as for suppliers have been implemented or are being prepared. A process has been defined for reports via the complaints procedure that ensures and checks how they are handled in the relevant departments. The risk management systems in place are regularly adapted while taking into account social and environmental requirements as well as internal and external reports.

#### **Describe the resources and expertise provided to facilitate implementation.**

Using additional human and financial resources, a Human Rights Office exclusively responsible for implementing the GSCA was established to serve as a central coordination unit. The relevant specialist departments (particularly in Procurement, Human Resources, Dangerous Goods, Compliance, Sustainability, Legal and Corporate Communications) contribute with their expertise as required for implementing the GSCA. At the regional level, managers from the Procurement departments have been appointed to implement the relevant risk management processes locally in consultation with the Human Rights Office in the company headquarters.



## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk analysis

**Was a regular (annual) risk analysis carried out during the reporting period to identify, weight and prioritise human rights- and environment-related risks?**

- Yes, for the company's own business area
- Yes, for direct suppliers

**Describe the period in which the annual risk analysis was carried out.**

June to December 2024.

**Describe the risk analysis procedure.**

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 for 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 data was subsequently collected on the risks in accordance with Section 2 (2) and (3) GSCA as well as on the measures already in place for prevention and, if necessary, remedial action related to locations and ships 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 (SSAQ) specially developed for the implementation of the GSCA at Hapag-Lloyd, which differs depending on the supplier's business area or purchasing category. 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 in accordance with Section 2 (2) and (3) GSCA as well as basic questions on the composition of the supplier's workforce. The responses were analysed using a detailed methodology. The results were also weighted while taking into account the appropriateness criteria in accordance with Section 3 (2) GSCA, with the focus being on the expected severity of possible violations and the probability of the risk occurrence.



## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk analysis

#### **Were risk analyses also carried out on an ad hoc basis during the reporting period?**

- Yes, based on substantiated knowledge
- Yes, due to a significant change in the risk situation, for example due to the introduction of new products
- Yes, due to other events: internal reports and the complaints procedure

#### **Describe the specific events.**

The specific events resulted from media reports of possible human rights violations at indirect suppliers as well as from the planning of a project to commission new ships.

#### **Describe what findings the analysis has led to with regard to a materially changed and/or increased risk situation.**

As a result of the ad hoc risk analysis for the commissioning of new ships, it was possible to determine at a concrete level which risks the project would entail and how these could be minimised. The suppliers involved were able to provide proof that measures to prevent violations of due diligence obligations were in place.

#### **Describe the extent to which findings from the processing of reports/complaints have been incorporated.**

Reports and complaints are documented on an ongoing basis. This documentation is evaluated and taken into account as part of the regular risk analysis in accordance with Section 5 (1) sentence 1 GSCA.

### Results of the risk assessment

#### **What risks were identified in the risk analysis/analyses in the company's own business area?**

- Prohibition of the hiring or use of private or public security forces that could lead to impairments due to a lack of instruction or control
- Disregard for occupational safety and work-related health hazards
- Destruction of the basis of the livelihood of individuals through environmental pollution
- Disregard for the freedom of association – the rights to join trade unions and to collective bargaining
- Unlawful infringement of land rights
- Prohibition of the employment of persons in forced labour and of all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labour
- Prohibition of withholding an adequate living wage
- Prohibition of the production and/or use of substances within the scope of the Stockholm Convention (POPs Convention) and of the non-environmentally sound handling of waste containing persistent organic pollutants (POPs)
- Prohibition of importing/exporting hazardous waste within the meaning of the Basel Convention
- Prohibition of the manufacture, use and/or disposal of mercury (Minamata Convention)

## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk analysis

#### **What risks were identified in the risk analysis/analyses for direct suppliers?**

- Prohibition of the hiring or use of private or public security forces that could lead to impairments due to a lack of instruction or control
- Disregard for occupational safety and work-related health hazards
- Destruction of the basis of the livelihood of individuals through environmental pollution
- Disregard for the freedom of association – the rights to join trade unions and to collective bargaining
- Unlawful infringement of land rights
- Prohibition of the employment of persons in forced labour and of all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labour
- Prohibition of withholding an adequate living wage
- Prohibition of the production and/or use of substances within the scope of the Stockholm Convention (POPs Convention) and of the non-environmentally sound handling of waste containing persistent organic pollutants (POPs)
- Prohibition of importing/exporting hazardous waste within the meaning of the Basel Convention
- Prohibition of the manufacture, use and/or disposal of mercury (Minamata Convention)

#### **What risks were identified as part of the risk analysis/analyses for indirect suppliers?**

- Prohibition of the hiring or use of private or public security forces that could lead to impairments due to a lack of instruction or control
- Disregard for occupational safety and work-related health hazards
- Destruction of the basis of the livelihood of individuals through environmental pollution
- Disregard for the freedom of association – the rights to join trade unions and to collective bargaining
- Unlawful infringement of land rights
- Prohibition of the employment of persons in forced labour and of all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labour
- Prohibition of withholding an adequate living wage
- Prohibition of the production and/or use of substances within the scope of the Stockholm Convention (POPs Convention) and of the non-environmentally sound handling of waste containing persistent organic pollutants (POPs)
- Prohibition of importing/exporting hazardous waste within the meaning of the Basel Convention
- Prohibition of the manufacture, use and/or disposal of mercury (Minamata Convention)

## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk analysis

**Were the risks identified in the reporting period weighted and, if applicable, prioritised and, if so, on the basis of what appropriateness criteria?**

- Yes, based on the severity of the violation to be expected in terms of degree, the number of people affected, and its irreversibility
- Yes, based on the company's ability to influence
- Yes, based on the probability of the occurrence of a violation
- Yes, based on the nature and extent of the company's business activities
- Yes, based on the nature of the causal contribution of the company to the risk

**Describe in more detail how the weighting and, if necessary, the prioritisation process were carried out and what considerations were made.**

Suppliers for whom the abstract risk assessment has shown a high or very high risk are subject to a detailed, specific risk assessment. The aim of this in-depth analysis is to specify the identified risks more precisely.

The specific risk assessment is carried out by evaluating the information provided by the selected suppliers in their replies to questionnaires. The questionnaires are drafted on the basis of the risks and activities relevant to the purchasing categories. For example, suppliers in the "Truck" purchasing category are asked whether they make deductions from wages (e.g. for traffic violations, as penalties for late delivery, etc.). Suppliers in the "Feeder" category are asked whether they operate on routes affected by piracy and/or terrorist attacks.

The methodology for analysing the responses takes the following criteria into account:

- Probability of the risk occurrence: The category-specific questionnaires made it possible to evaluate whether suppliers had implemented risk-mitigation measures and whether it was plausible that these measures addressed the respective risk. The following parameters are relevant for the evaluation: i) no response to the questionnaire; ii) no preventive measures for the risk area indicated; iii) missing information on preventive measures; and iv) inconsistencies in the information provided on preventive measures.
- Severity of the violation: The category-specific questionnaires make it possible to gauge the severity of a violation. In addition to the number of potential victims (number of supplier employees), the following parameters are relevant for the evaluation: i) human rights- and environment-related risk factors have been confirmed in writing by the supplier; ii) human rights- and environment-related risk factors are unclear or have been partially confirmed by the supplier.

If the listed criteria are met, the suppliers in question are either given a so-called "red flag" or a higher risk disposition indicator. This results in prioritisation for additional measures within risk management.

## B. Risk analysis and preventive measures

### B2. Preventive measures in own business area

#### **Which risks were prioritised in the company's own business area during the reporting period?**

- Disregard for occupational safety and work-related health hazards
- Prohibition of unequal treatment in employment

Disregard for occupational health and safety and work-related health hazards

#### **What specific risk is involved?**

Risk of non-compliance with occupational safety and health regulations due to excessive working hours.

The risk exists in Hapag-Lloyd companies worldwide and in companies that were majority-owned by Hapag-Lloyd AG in 2024. Since the Group is headquartered in Germany, Germany was selected in the "Where does the risk occur?" selection menu.

#### **Where does the risk occur?**

- Germany

Prohibition of unequal treatment in employment

#### **What specific risk is involved?**

Risk of unequal treatment in employment based on gender

The risk exists in Hapag-Lloyd companies worldwide and in companies that were majority-owned by Hapag-Lloyd AG in 2024. Since the Group is headquartered in Germany, Germany was selected in the "Where does the risk occur?" selection menu.

#### **Where does the risk occur?**

- Germany

#### **What preventive measures were implemented for the reporting period to prevent and minimise the priority risks in the company's own business area?**

- Implementation of training courses in relevant business areas
- Implementation of risk-based control measures
- Other/additional measures: Targets and guidelines

## B. Risk analysis and preventive measures

### B2. Preventive measures in own business area

Implementation of training courses in relevant business areas

**Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/geographical scope of application).**

- During the standardised 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.
- In the reporting year, employees responsible for processing reports of potential sexual harassment took part in the training “#metoo investigations in a corporate context”.
- Awareness training and workshops on the topic of sexual harassment were held for maritime personnel during the reporting year.
- As part of the “Diversity@Hapag-Lloyd” programme, a global strategic project group prepared recommendations for additional measures to promote equal opportunities for all employees and provided the ideas for their implementation. The measures include the working group “Women@Hapag-Lloyd”, which held four networking events for employees at the company headquarters in 2024. In addition, “Diversity@Hapag-Lloyd” offered trainings in 2024 on various topics, such as self-marketing for women.

New employees in Germany receive documents on the collectively agreed and/or contractual regulations governing working hours and have the option to attend information events (“Ask HR”).

**Describe the extent to which the trainings to prevent and minimise the priority risks are appropriate and effective.**

Trainings and courses help to raise participants’ awareness of the prioritised risks. Participants learn about possible courses of action, such as using the complaints procedure to prevent human rights violations. Trainings are meant to be an effective general preventive measure for avoiding human rights violations.

## B. Risk analysis and preventive measures

### B2. Preventive measures in own business area

#### Implementation of risk-based control measures

**Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/geographical scope of application).**

- Working hours are recorded at the locations in Germany and on ships. While some Hapag-Lloyd locations and ships record working hours manually, several of the company's locations have a system for recording working hours electronically.
- Depending on the system used to record working hours, employees in Germany receive an email alert 30 minutes before reaching the maximum permitted working time. If the permitted working hours are exceeded, the line managers of the employees in question receive a notification.
- In the reporting year, when the maximum permissible working hours were exceeded, additional information was sent to the responsible line manager in order to increase transparency regarding violations and to enable measures to be taken.

**Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.**

The measures taken are adequate. The measures take into account the type of contribution to the cause and the associated maximum degree of influence in the company's own business area. The measures reduce the probability of a violation occurring by directly involving the potentially affected employees.

The measures taken are effective because they aim to identify and minimise the priority risks (e.g. by means of time-recording methods/equipment and the alerts and notifications described above).

#### Other/additional measures

**Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/geographical scope of application).**

- The intranet was used as part of the Human Rights Office's communications strategy to provide information on and raise awareness of human rights- and environment-related due diligence obligations. Several articles were published, for example on the international Human Rights Day and the international Day of the Seafarer.
- The Global Code of Ethics was amended in the reporting year. This code establishes that respect for human rights, including the prohibition of any form of discrimination, is a value for all employees. Failure to comply with Hapag-Lloyd's Global Code of Ethics constitutes a violation of Hapag-Lloyd's internal regulations and may result in disciplinary measures.
- Hapag-Lloyd has set itself the goal of increasing the proportion of women in marine professions. The proportion of female trainees in this field increased from 20.6% to 22.4% between January and December 2024. The following measures have made a contribution to these efforts: numerous visits to trade fairs organised by the Berufsbildungsstelle Seeschifffahrt e.V. (BBS) – an

## B. Risk analysis and preventive measures

### B2. Preventive measures in own business area

organisation responsible for monitoring the vocational training of ship mechanics and for providing advice on training opportunities in the German shipping sector – accompanied by marine trainees, often from Hapag-Lloyd and increasingly also female marine trainees; another means of recruiting young talent is the Holiday Voyager Programme of the German Shipowners' Association (VDR), which also appeals to young women in secondary school; Hapag-Lloyd also supported the Girls' Day at the German Port Museum in 2024, to which only young women in secondary school were invited.

- Hapag-Lloyd has set itself the target of increasing the proportion of female employees in its talent development programme (TDP) and its management trainee programme (ALPHA) to 50% by 2030. In 2024, the share of women was 46.1% in the TDP and 41.2% in the ALPHA programme.
- Hapag-Lloyd has set itself the goal of significantly increasing the proportion of women at the top four managerial levels. Progress towards these goals is monitored on a quarterly basis.

#### **Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.**

The measures taken are appropriate and effective because they specifically address general human rights-related due diligence obligations and the prioritised risk of unequal treatment in employment. In addition, they have led to measurable improvements (see e.g. the proportion of female employees Hapag-Lloyd's talent development programme (TDP) and its management trainee programme (ALPHA)) or are working towards them (e.g. by pursuing the goal of increasing the proportion of women).



## B. Risk analysis and preventive measures

### B3. Preventive measures vis-à-vis direct suppliers

#### **Which risks were prioritised for direct suppliers during the reporting period?**

- Disregard for occupational safety and work-related health hazards

#### **What specific risk is involved?**

For direct suppliers, the risk of disregarding the occupational safety and health obligations applicable under the law of the place of employment was prioritised if this resulted in the risk of accidents at work or work-related health hazards, in particular due to the lack of measures to prevent excessive physical and mental fatigue caused by unsuitable organisation of the work in terms of working hours and rest breaks.

The category-specific approach to risk analysis described above made it possible to identify purchasing categories with a higher risk disposition. Specifically, this involved the two supply chains of road haulage and container depots. In addition to the prioritised risk of disregarding the occupational safety and health obligations applicable under the law of the place of employment, these two supply chains had a higher risk disposition with regard to the risk of withholding an adequate wage and the risk of employing persons in forced labour.

The risk analysis was assessed for each of Hapag-Lloyd AG's regional locations and shows that there is an elevated risk in the Asia, Latin America and Middle East & Africa regions. The selection question "Where does the risk occur?" was therefore answered using the locations of the central regional offices for Asia (Singapore), Latin America (Chile) and the Middle East & Africa (United Arab Emirates) as a proxy.

#### **Where does the risk occur?**

- Chile
- Singapore
- United Arab Emirates

#### **What preventive measures were implemented for the reporting period to prevent and minimise the priority risks among direct suppliers?**

- Development and implementation of suitable procurement strategies and purchasing practices
- Integration of expectations into the supplier selection process
- Obtaining contractual assurances for compliance with and fulfilment of expectations along the supply chain
- Agreement and implementation of risk-based control measures
- Other/additional measures: Internal awareness-raising

## B. Risk analysis and preventive measures

### B3. Preventive measures vis-à-vis direct suppliers

Other categories:

**Selected:**

- Integration of expectations into the supplier selection process
- Obtaining contractual assurances for compliance with and fulfilment of expectations along the supply chain
- Agreement and implementation of risk-based control measures
- Other/additional measures

**Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.**

The measures taken in 2024 made it possible to identify human rights- and environment-related risks at an early stage. In addition, the measures set standards in the business relationship with suppliers for a collaboration that is based on engagement, transparency, embracing change and cooperation.

Category: Procurement strategy & purchasing practices

**Selected:**

- Development and implementation of appropriate procurement strategies and purchasing practices

**Describe the measures implemented and the extent to which the definition of delivery times, purchase prices or the duration of contractual relationships have been adjusted.**

The media monitoring tool put in place in 2023 to proactively and continuously identify potential human rights- and environment-related risks in accordance with Section 2 (2) and (3) GSCA continued to be used in 2024. In addition, it was employed as a case management tool to address risks identified along the supply chain.

Furthermore, around 270 employees in Procurement worldwide have been trained in how to use the tool to record GSCA-relevant cases.

In addition to training on case processing, employees involved in purchasing activities received training on human rights- and environment-related due diligence obligations along the supply chain. On the one hand, a general introductory training on the GSCA 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 prioritised Hapag-Lloyd regions: Middle East & Africa, Latin America and Asia. The aim of the training was to prepare the responsible employees for discussions with suppliers who, as part of the risk analysis, were identified as having a high risk disposition.

## B. Risk analysis and preventive measures

### B3. Preventive measures vis-à-vis direct suppliers

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 minimise 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 right- and environment-related due diligence obligations.

#### **Describe the extent to which adjustments to your own procurement strategy and purchasing practices are designed to help prevent and minimise the priority risks.**

In 2024, Hapag-Lloyd applied its updated Supplier Code of Conduct (version October 2023 – [www.hapag-lloyd.com/code-of-conduct](http://www.hapag-lloyd.com/code-of-conduct)), which sets out the expectations and requirements for human rights-, environment- and ethics-related standards for suppliers and for Hapag-Lloyd, taking into account the principles of appropriateness and effectiveness. Among other things, the Supplier Code of Conduct refers to the Policy Statement in accordance with Section 6 (2) GSCA as well as the Speak Up Line (Hapag-Lloyd’s complaints procedure in accordance with Section 8 GSCA). Suppliers have the option of adopting Hapag-Lloyd’s Supplier Code of Conduct or providing evidence of their own equivalent document. To verify equivalency, Hapag-Lloyd has introduced a process developed last year.

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 in accordance with Section 6 (4) Nos. 2 and 4 GSCA. 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.

## B. Risk analysis and preventive measures

### B4. Preventive measures vis-à-vis indirect suppliers

#### **Which risks were prioritised based on the risk analysis on an ad hoc basis for indirect suppliers?**

- Disregard for occupational safety and work-related health hazards

#### **What specific risk is involved?**

Occupational safety and health at sea.

The risk arises for indirect suppliers in the global shipping sector, i.e. worldwide. For this reason, Germany was selected as an alternative answer for the question “Where does the risk occur?”.

#### **Where does the risk occur?**

- Germany

#### **What preventive measures were implemented for the reporting period to prevent and minimise the priority risks among indirect suppliers?**

- Other/additional measures: Implementation of a Code of Conduct

#### **Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/geographical scope of application).**

Hapag-Lloyd presented the Supplier Code of Conduct for acceptance to indirect suppliers selected based on risk. The Supplier Code of Conduct sets out the expectations and requirements for human rights-, environment- and ethics-related standards for suppliers and for Hapag-Lloyd, taking into account the principles of appropriateness and effectiveness. By adopting the Supplier Code of Conduct, the suppliers selected based on risk are made aware of, among other things, the Policy Statement in accordance with Section 6 (2) GSCA and of the Speak Up Line (Hapag-Lloyd's complaints procedure in accordance with Section 8 GSCA) as well as the possibility of using it.

In 2024, a concept was developed to address the identified risks. For example, this provides for holding discussions with indirect suppliers to gain a better understanding of the risk situation. In such cases, it is taken into account that the willingness of indirect suppliers to cooperate may be lower than that of direct suppliers.

Additional measures were prepared for 2025 during the reporting year. For example, one of these planned measures involves entering into a dialogue with indirect suppliers to identify suitable measures that are effective in accordance with Section 4 (2) GSCA.

#### **Describe the extent to which the measures to prevent and minimise the priority risks are appropriate and effective.**

By adopting the Supplier Code of Conduct, standards for collaboration based on engagement, transparency, a willingness to change, and cooperation were established with indirect suppliers selected based on risk. Going forward, this can serve as a basis for cooperation regarding human rights- and environment-related risks.

## B. Risk analysis and preventive measures

### B5. Communicating the results

**Were the results of the risk analysis/analyses for the reporting period communicated internally to relevant decision-makers?**

It is confirmed that the results of the risk analysis/analyses for the reporting period were communicated internally to the relevant decision-makers, such as the Executive Board, the senior management or the Procurement department, in accordance with Section 5 (3) GSCA.

- Confirmed

### B6. Change in risk disposition

**What changes have occurred with regard to priority risks compared to the previous reporting period?**

None. However, the category-specific risk analysis provides a clearer and more concise information base.

## C. Identification of violations and remedial actions

### C1. Identification of violations and remedial actions in own business area

**Were any violations identified in your own business area during the reporting period?**

- Yes, both in Germany and abroad

**Please specify: For which issues were violations identified in your own business area?**

- Prohibition of unequal treatment in employment

**Enter the number**

8

**Describe the appropriate remedial action(s) you took.**

In the event of violations in the company's own business area, appropriate and suitable disciplinary measures were taken, including the immediate suspension and subsequent termination of employment.

In addition, measures (e.g. trainings) were taken to prevent future incidents.

**In cases where violations could not be stopped, describe where they occurred.**

It was possible to stop all cases involving violations.

**Describe what long-term remedial actions (e.g. follow-up concepts) have been taken and what considerations were made with regard to the selection and design of measures to stop or further minimise violations.**

Long-term remedial actions were not necessary due to the characteristics of the specific violations.

**Describe how the effectiveness of the remedial action(s) is verified.**

The complaints procedure pursuant to Section 8 (1) sentence 1 GSCA applies to (potential) violations in the company's own business area. For this reason, the effectiveness of the remedial action(s) is reviewed at least once a year as part of the review of the effectiveness of the complaints procedure in accordance with Section 8 (5) sentence 1 GSCA.

Hapag-Lloyd's Human Rights Office plays an advisory role in cases involving human rights- or environment-related risks in accordance with Section 2 (2) and (3) GSCA in order to continuously review the effectiveness of remedial actions.

**Have the remedial actions led to the cessation of the violation?**

- Yes

**Explain.**

In the identified cases of violation, disciplinary measures were taken that led to the cessation of the violation.

## C. Identification of violations and remedial actions

### C1. Identification of violations and remedial actions in own business area

**Have you analysed to what extent the identified violation is an indication of a possible need to adapt/supplement the preventive measures already in place? Please describe the process, results and impact of your analysis.**

The identified violations are analysed at the end of the reporting year. The analysis aims to identify risks to which the identified violations could point. If risks are identified, putting preventive measures in place will be considered.

### C2. Identification of violations and remedial actions among direct suppliers

**Were any violations identified among direct suppliers during the reporting period?**

- Yes

**Describe the basis on which the identified violations were weighted and prioritised as well as what considerations were made in the process.**

The violations identified were treated with the highest priority. The ability to influence direct suppliers was taken into account, not as a weighting factor, but as a basis for the strategic decision on the involvement of Hapag-Lloyd employees at a high hierarchical level in order to elicit a response from direct suppliers. As a general rule, all identified violations are treated equally. Since the number of violations identified among direct suppliers was low in the reporting year, it was not necessary to prioritise them.

**In which areas were violations identified among direct suppliers?**

- Prohibition of unequal treatment in employment

**Enter the number**

1



## C. Identification of violations and remedial actions

### C2. Identification of violations and remedial actions among direct suppliers

**Describe the appropriate remedial action(s) that you took.**

In this case, the violation of the prohibition of unequal treatment involved harassment. The supplier's investigation revealed a violation of the prohibition by its own staff. In response, the supplier took disciplinary action.

**Describe which considerations are made with regard to the selection and design of the measures as part of the corresponding follow-up concepts for stopping and minimising violations.**

It was not necessary to develop follow-up concepts.

**Describe how the effectiveness of the remedial action(s) is verified.**

It is examined whether the remedial actions are adequate for achieving the goal of ending the violation. A goal is formulated for each specific case for this purpose, and achieving this goal constitutes a corrective measure, including possible remediation. The extent to which the remedial action(s) can contribute to achieving this goal is then analysed.

**Have the remedial actions led to the cessation of the violation?**

- Yes

**Explain.**

See above: The violation was stopped by the supplier.

**Have you analysed the extent to which the identified violation is an indication of a possible need to adapt/supplement the preventive measures already in place? Please describe the process, results and impacts of your analysis.**

A supplement to existing preventive measures was introduced in an indirect purchasing category.

## C. Identification of violations and remedial actions

### C3. Identification of violations and remedial actions among indirect suppliers

**Were any violations identified among indirect suppliers during the reporting period?**

- Yes

**Describe the basis on which the identified violations were weighted & prioritised as well as what considerations were made in the process.**

The violation identified was treated with the highest priority. The ability to influence the indirect suppliers involved was taken into account, not as a weighting factor, but as a basis for the strategic decision on the involvement of Hapag-Lloyd in order to elicit a response from the suppliers.

As a general rule, all identified violations are treated equally. Since the number of violations identified among indirect suppliers was low in the reporting year, it was not necessary to prioritise them.

**Describe which remedial measures were taken, if necessary, and especially which considerations were made with regard to the selection and design of measures as part of the corresponding concepts for stopping and minimising violations.**

In this case, the violation was committed by a subcontractor of an indirect supplier. It was not possible to make contact with affected individual. However, preventive measures were taken in cooperation with the direct and indirect suppliers. For example, the indirect supplier introduced enhanced monitoring of its employment practices.

**In which areas were violations identified among indirect suppliers?**

- Prohibition of unequal treatment in employment

**Enter the number (optional)**

1

**If violations among indirect suppliers could not be prevented, stopped, or minimized within a foreseeable period despite appropriate concepts:**

**Describe your further measures.**

Not applicable.

## D. Complaints procedure

### D1. Establishment of or participation in a complaints procedure

#### **In what form was a complaints procedure offered for the reporting period?**

- Via the company's own complaints procedure

#### **Describe the company's own process and/or the process in which your company participates.**

Hapag-Lloyd's whistleblower channel is the online complaints procedure ("Speak Up Line") available worldwide and around the clock at <https://www.hapag-lloyd.com/en/company/responsibility/compliance/whistleblower.html>, which is provided by an independent service provider. The reports are processed exclusively by Hapag-Lloyd in strict compliance with the following requirements:

- Reports are handled confidentially.
- Whistleblowers can remain anonymous by submitting a report without providing personal information. For this purpose, the Speak Up Line offers the option of setting up a secure mailbox so that whistleblowers can communicate anonymously with the individual at Hapag-Lloyd responsible for reviewing the case. The second option allows whistleblowers to receive information on the processing status of the case and to answer additional questions regarding their report.
- Reports are processed in accordance with a standardised procedure. Once an investigation has been completed, the outcome directly related to the reported concern will be communicated to the whistleblower subject to the requirements of the applicable laws (e.g. data privacy and protection regulations).
- Whistleblowers are protected from any kind of retaliation. Any form of, threat of or attempt at reprisal (whether direct or indirect) against whistleblowers is strictly prohibited by Hapag-Lloyd's internal Whistleblower and Non-Retaliation Policy.

Additional details about the complaints procedure can be found at

<https://www.hapag-lloyd.com/en/company/responsibility/compliance/whistleblower.html>

In the reporting year, several companies in the Terminal & Infrastructure segment had an additional online complaints channel ("Whistleblower Channel"), which is available online:

<https://saamterminals.eticaenlinea.com/denuncias>

#### **Which potentially involved parties have access to the complaints procedure?**

- Own employees
- Communities in the proximity of our locations
- Employees of suppliers
- External stakeholders (e.g. NGOs, labour unions, etc)

#### **How is access to the complaints procedure ensured for the various groups of potentially involved parties?**

- Publicly accessible rules of procedure in text form
- Information on accessibility
- Information on responsibility
- Information on the process

## D. Complaints procedure

### D1. Establishment of or participation in a complaints procedure

**How is access to the complaints procedure ensured for the various groups of potentially involved parties?**

- All information is provided in a clear and comprehensible form
- All information is openly accessible

Publicly accessible rules of procedure in text form

**Optional: Describe.**

-

Information on accessibility

**Optional: Describe.**

-

Information on responsibility

**Optional: Describe.**

-

Information on the process

**Optional: Describe.**

-

All information is provided in a clear and comprehensible form

**Optional: Describe.**

-

All information is openly accessible

**Optional: Describe.**

-

**Were the rules of procedure for the reporting period publicly available?**

File was uploaded

**The rules of procedure are accessible at:**

[https://www.hapag-lloyd.com/content/dam/website/downloads/pdf/Rules\\_of\\_Procedure\\_Speak\\_Up\\_Line\\_EN.pdf](https://www.hapag-lloyd.com/content/dam/website/downloads/pdf/Rules_of_Procedure_Speak_Up_Line_EN.pdf)

## D. Complaints procedure

### D2. Requirements for the complaints procedure

**Indicate the person(s) responsible for the procedure and their function(s).**

Employees in the Global Compliance department are responsible for the process. The person(s) who will manage the case depends on the specific nature of the report. If a report is made in the company's own business area, the Ethics Committee – made up of the heads of the Corporate Audit, Compliance, Legal, Human Resources and Fleet departments – is responsible for managing the case. If it is a report relating to the supply chain, the Global Procurement department is responsible for managing the case. There are also plans for Hapag-Lloyd's Human Rights Office to serve in an advisory role for the case managers.

The employees listed here agreed to an amendment to their contracts requiring them to comply with the stipulations listed in Section 8 (3) GSCA (guarantee of impartiality, independence, not being bound by instructions, being bound to secrecy).

**It is confirmed that the criteria contained in Section 8 (3) GSCA is met by the responsible parties, i.e. that they guarantee impartial action, are independent, are not bound by instructions, and are obliged to maintain confidentiality.**

- Confirmed

**It is confirmed that precautions were taken during the reporting period to protect those potentially involved from being disadvantaged or penalised as a result of submitting a complaint.**

- Confirmed

**Describe what precautions have been taken and, in particular, how the complaints procedure ensures that the identity of whistleblowers remains confidential.**

On the procedural level, the parties involved are protected in that all persons at Hapag-Lloyd entrusted with processing the reports act independently and impartially and are not bound by instructions on the basis of a corresponding contractual agreement. In addition, they are obliged to treat information in strict confidence and in compliance with the obligation of data secrecy as well as to not disclose it to any individuals either within or outside the company. Exceptions to this are permitted in order to comply with the due diligence obligations in accordance with Section 3 (1) GSCA as well as with Sections 5, 6 and 9 of the German Whistleblower Protection Act (HinSchG), but always only in compliance with data secrecy requirements. In addition, the group of people involved in processing the reports is kept as small as possible.

The protection of those involved is also guaranteed at the technical level. The operator of the system used for the Speak Up Line (i.e. BKMS) is obliged to ensure the safeguarding of anonymity by means of encryption and other special security programmes and, in particular, it confirms that it will comply with the statutory data privacy and protection regulations. Whistleblowers are requested to not enter any information that could be used to identify them personally. In addition, they are advised to not use any employer-provided devices to submit their report.

## D. Complaints procedure

### D2. Requirements for the complaints procedure

**Describe what precautions have been taken, in particular what other measures are in place to protect whistleblowers.**

Any form of, threat of or attempt at reprisal (whether direct or indirect) against a whistleblower is strictly prohibited at Hapag-Lloyd even if the report or complaint subsequently proves to be unfounded or unsubstantiated. Hapag-Lloyd is committed to protecting whistleblowers and does not tolerate retaliation against them in any form. In order to fulfil these requirements, a systematic procedure has been put in place to prevent retaliation, which is also set out in the Whistleblowing and Non-Retaliation Policy. The policy specifies that the Compliance department is responsible for identifying potentially affected parties in connection with a submitted complaint or report as well as for informing them of any potential risk of retaliation. They are also informed that it is the company's responsibility to safeguard them against reprisals of any kind. The process for handling reports is communicated transparently in order to make it predictable and verifiable for those affected. A systematic follow-up process is foreseen to prevent any reprisals in the long term. This includes activities to check whether reprisals have been made or perceived.

### D3. Implementation of the complaints procedure

**Were any reports made in the reporting period via the complaints procedure?**

- Yes

**Provide details regarding the number, content, duration and outcome of the related procedures.**

The complaints procedure is open to compliance-related reports of all kinds, including ones regarding human rights- and environment-related violations. During the reporting period, Hapag-Lloyd AG and its fully consolidated companies received worldwide a total of 34 reports of potential violations that were classified as GSCA-relevant. By the end of the reporting period, 30 of these reports had been processed to conclusion. A violation was ascertained in the case of 10 reports, including two from the previous year. No violations were found in the other cases that were processed to conclusion, for example because anonymous reports did not contain sufficient information, because it was not possible to discuss them with the whistleblowers, or because no violation could be ascertained during the investigation. All GSCA-relevant information was processed on a priority basis. The duration of the procedure varied depending on the complexity of the investigation and, in 2024, it averaged 91 calendar days for the 30 reports processed to completion.

**On which topics have complaints been received?**

- Prohibition of unequal treatment in employment
- Prohibition of withholding an adequate living wage

**Describe the conclusions drawn from the complaints/reports received and the extent to which these findings have led to adjustments in risk management.**

The reports for which a violation could be ascertained confirmed the prioritisation of the risk of unequal treatment in employment.

## E. Review of risk management

**Is there a process in place to review the appropriateness and effectiveness of risk management across the board?**

**In which of the following areas of risk management is the appropriateness and effectiveness checked?**

- Resources & expertise
- Risk analysis and prioritisation process
- Complaints procedure
- Documentation

**Describe how this audit is carried out for the respective area and what results it has led to, in particular with regard to the prioritised risks.**

Based on experiences in 2023, risk management was supplemented by a global internal structure designed to support the effective identification of risks.

**Are there processes or measures in place to ensure that the interests of your employees, of the employees within your supply chains, and of those in a protected legal position who may otherwise be directly affected by the economic activities of your company or by the economic activities of a company in your supply chains are adequately taken into account when establishing and implementing risk management?**

**In which areas of risk management are processes or measures in place to take into account the interests of those potentially affected?**

- Resources & expertise
- Preventive measures
- Remedial actions
- Complaints procedure
- Other: Risk management system

**Describe the processes and measures for the respective area of risk management.**

The interests of potentially affected parties are taken into account in the following activities and due diligence obligations: risk analysis, preventive and remedial action, complaints procedure.

The General Works Council and the Maritime Works Council of Hapag-Lloyd AG were involved in the risk analysis in its own business area in order to take into account as many perspectives as possible. The General Works Council was also already involved in 2023 in designing the complaints procedure, and its consent was necessary for the introduction of the complaints procedure in accordance with Section 8 GSCA.

To further anchor corporate efforts to protect those potentially affected, a company-wide internal risk management system that requires the systematic identification of human rights- and environment-related risks has been further developed (and is currently being put in place). This system also defines responsibilities and the scope of tasks.



