

Hamburg Süd
Modern Slavery Statement

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This statement is made in accordance with Section 54 of the UK Modern Slavery Act 2015 by Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft A/S & Co KG (hereinafter Hamburg Süd), reporting as part of A.P. Møller - Mærsk A/S.

It provides an overview of Maersk's policies and due diligence processes relating to the risk of modern slavery and should be regarded as complementary to the A.P. Møller – Maersk Sustainability Report.

A.P. Møller - Maersk is a global integrator of container logistics, aiming to connect and simplify our customers' supply chains. Maersk employs approximately 76.000 people in 130 countries.

Policies and Governance

A. P. Møller - Maersk strives to conduct business in a responsible and upright manner, in line with the [A. P. Møller - Maersk Values](#), and is committed to good and fair labour conditions in our own operations and supply chain. We refrain from practices that can give rise to risks of forced or involuntary labour, human trafficking and other practices defined as 'modern slavery', as per our [Commit Rule on Global Employee Relations](#) and our [Third Party Code of Conduct](#).

Commit Rule on Global Employee Relations

All employees are covered by a single set of principles, designed to protect their rights and safety.

The Commit Rule on Global Employee Relations is implemented across A.P. Møller - Maersk with the aim of furthering constructive and productive relations with employees and their representatives, ensuring that employee relations and working conditions serve the interests of both the employees and the company.

“Maersk will not use any form of forced or involuntary labour, and refrains from practices that can give rise to a risk of involuntary labour”

- [Commit Rule on Global Employee Relations](#)

Responsibility for monitoring the implementation of and compliance with the Commit Rule on Global Employee Relations rests with the A.P. Møller - Maersk Global Employee Relations Council, reporting to the Chief Human Resources Officer of A.P. Møller – Maersk.

Third Party Code of Conduct

The A.P. Moller - Maersk Third Party Code of Conduct describes expected business conduct by suppliers, third-party agents and contractors (hereafter 'suppliers') to A.P. Moller-Maersk. The code is implemented through a global Responsible Procurement Programme (please see further below). The code sets out expectations concerning responsible business behaviour in the areas of health and safety, equal opportunity rights, compensation and working hours, child labour and forced or involuntary labour, freedom of association, anti-corruption and environment.

"We expect our suppliers to not use or benefit from, forced or involuntary labour as per 'Guidelines & Good Business Practice' addition to the Code. All employees shall enjoy the freedom of movement during the course of their employment. Personal/employment documents or payment of compensation must not be withheld, thereby preventing such an employee from terminating his/her employment.

We provide specific guidance to our suppliers on how to identify and prevent forced labour in their own operations and their supply chains" - Third Party Code of Conduct (Read more [here](#))

The leaders of our businesses and the Head of Maersk Procurement are responsible for implementing the Responsible Procurement Programme, reporting to our Executive Board.

A.P. Moller - Maersk Whistleblower System

We take seriously any allegations that human rights are not respected in our operations or business relationships. Allegations can be reported by any person within or outside A. P. Moller - Maersk through our [Whistle-blower system](#), available worldwide in more than 75 languages. It enables people to report concerns safely on all human rights issues, including human trafficking and forced or involuntary labour, child labour, and actions harming persons, their livelihood or properties, related to our operations, suppliers, contractors, third-party agents, and other business partners with a direct link to A. P. Moller - Maersk.

Due Diligence in our Supply Chain

Managing our supply chain risks is of special importance due to less direct oversight and control of working conditions and recruitment practices. All suppliers with a contractual agreement are as a minimum required to follow our Third-Party Code of Conduct or equivalent international standards.

We monitor supplier adherence to our Third-Party Code of Conduct through our global Responsible Procurement programme. We engage with approximately 3,000 high risk suppliers through due diligence activities such as audits, self-assessments, documentation reviews, and improvement plans. This is out of a group of about 16,000 suppliers with whom we have a contract, and a total supplier population of about 60,000. Monitoring is prioritised according to a risk-based approach. This means we focus our follow-up efforts on those suppliers that we assess are at heightened risk of having adverse impacts within the areas covered by the code. This is based on a geographical risk mapping combined with supplier risk categories to drive focused efforts. This is available on our website [here](#). We currently operate with 15 high-risk supplier categories (see box), which are also listed on our website.

Supplier risk assessment

Within these high-risk categories we assess 1st tier suppliers and selected 2nd tier suppliers using a combination of onsite audits, self-assessments and documentation reviews, where suppliers' performance is compared to the requirements of our Third-Party Code of Conduct. The assessments are reviewed either by our Responsible Procurement team or by an approved third-party auditor. Based on findings, improvement plans are agreed and implemented.

For selected categories of suppliers, we undertake further due diligence measures:

- **Assets under construction** includes suppliers building vessels and terminals, where employment conditions of subcontracted workers could present a risk. These suppliers must be audited on-site prior to or shortly after contract signing.
- **Indirect hiring and recruitment** enables operational flexibility, but can also pose a risk due to the less direct oversight of how workers are hired. Recruitment happens across multiple countries by e.g. manning and crewing agencies and local contractors. When contracting third-party manning and crewing agencies for our shipping businesses, we follow standardised auditing guidelines. This includes: periodic audits and self-assessment questionnaires through our Responsible Procurement Programme, and additional assessments to ensure their compliance with the Maritime Labour Convention (MLC) standards before entering contracts.

SUPPLIER CATEGORIES WITH HIGHEST POTENTIAL IMPACT

1. Trucking/ Intermodal
2. Warehousing services
3. Facility management
4. Outsourced labour
5. Terminals
6. Shipbuilding yards/ Drydocks
7. Security offshore
8. Promotional items
9. Custom agents
10. Security onshore
11. Construction
12. Chemicals/ Paints
13. Equipment/ Maintenance/ Repair (EMR)
14. Container manufacturers
15. Manning – Seafarers

Please visit our website for more information on how we address [human rights](#) and [responsible procurement](#) or have a look at our [2019 Sustainability Report](#).

Findings and experiences

During 2019, we conducted 68 audits and 742 self-assessments of suppliers in high-risk categories. We have established 130 Improvement Plans with suppliers where we identified critical and major gaps against our Third-Party Code of Conduct. We encountered no instances of modern slavery practices, but in a few cases we asked suppliers to adopt written policies on forced and bonded labour. In 2019, we implemented several improvements with subcontractors in Kenya, unrelated to the issue of modern slavery. The learnings were used to strengthen our approach towards third-party terminals and marine services suppliers. This covered 21 third-party terminals and 48 marine services suppliers in high risk countries with further roll-out in 2020.

Focusing on our own company, during 2018 and 2019 we conducted internal labour rights self-assessments covering both direct staff and third-party employees in all our entities world-wide. We found that in a few countries where we operate, local laws and practices may require employees to obtain approval from their current employer if they wish to move to a different employer. There are also a limited number of cases where employees are granted loans by the company. In these cases, we have worked with our local management teams to describe the rights and responsibilities of employees to avoid any situation that can give rise to a risk of bonded labour practices.

Training

During 2018 we rolled out a new e-Learning module on international labour standards covering the following topics: equal treatment; freedom of association and collective bargaining; child labour; forced labour; working hours; compensation, health and safety; and grievance mechanisms. The 30-minute training is for all employees and by end 2019, 71 % of our employees had completed the e-learning with additional face to face trainings delivered to front-line employees. Alongside this we continued specialised training on international labour standards for those employees who deal with manning agencies. During 2020, this will include regular workshops to raise awareness about the risks of working with third-party labour.

This statement was approved by the Executive Board of A.P. Moller – Maersk

Signed



Søren Skou
Chief Executive Officer
February 2020