



ZIM

2019 Sustainability Report



ABBREVIATIONS



We know that the world of shipping and marine transportation includes special terms and it is important to us that you will be able to review the report with full understanding of the various issues. Accordingly, here is a list of relevant terms that will help in understanding the report.



Cargo Incident Notification System	CINS	International Maritime Organization	IMO
Clean Cargo Working Group	CCWG	International Safety Management code for the safe operation of ships and for pollution prevention	ISM
Customs-Trade Partnership Against Terrorism	C-TPAT	International Transport Workers Federation	ITF
Digital Container Shipping Association	DCSA	Maritime Labor Convention 2006	MLC
Environmental Management System	EMS	Service Level Agreement	SLA
Environmental Ship Index	ESI	Shipboard Oil Pollution Emergency Plan	SOPEP
EU agreement concerning the International Carriage of Dangerous Goods by Road	ADR	Shipboard Operations Procedures	SOP
Global Operation Center	GOC	Smart Customer Service	SmartCS
International Labor Organization	ILO	The International Convention for the Prevention of Pollution from Ships	MARPOL
International Maritime Dangerous Goods code	IMDG	The International Convention for the Safety of Life at Sea	SOLAS



Over the past year ZIM introduced its updated Vision and Values. We are determined to turn the Vision and Values into practical, real-world practices, which will carry ZIM forward. That is why we have given expression to their centrality by embedding them in the very fabric of this report. The chapter title pages of this report are each modeled on one of our Values: the design and motto reflect the Value closest to the subject matter of the chapter.



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LETTER OF CEO

102-14



ZIM's second Annual Sustainability Report is an expression of our increasing efforts to put sustainability, in the broadest sense of the term, at the forefront of everything we do.

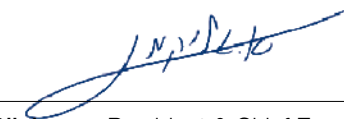
Since our first annual report last year, we have introduced several new concepts at the organizational level which give new Impetus and meaning to our sustainability standards. First and foremost, we have formulated a new Vision – “Innovative Shipping Dedicated to You” – and a set of Values, among which Sustainability is central. Sustainability issues are now embedded in the very fabric of our organizational culture. They are an integral part of our core values, activities and plans.

Over the last two years, ZIM has made significant progress in terms of its global network and business operations. Our strategic cooperation with the 2M Alliance has expanded to additional trades. This means increased efficiency and, as a result, a far more sustainable network. We have introduced a series of digital initiatives designed to simplify and streamline the way we do business and provide customers with a cost-effective, efficient and sustainable alternative to traditional business practices. Within the organization, we have introduced the award-winning ZIMpulse system – a cutting-edge measurement, analysis and reporting tool incorporating AI and Big Data. ZIMpulse provides management with invaluable real-time data and alerts, enabling identification of, and swift response to, any deviation from the norm, thus creating meaningful savings and efficiencies.

As always, our employees' welfare is a top priority. We recently distributed a global Engagement Survey to analyze our employees' experience within the organization. The survey's very high response rate reflects their trust that we will respond to their concerns. They know that we take seriously the words of the survey's slogan, “Your Opinion Matters!” We value our employees' opinions, listen to them and act on them.

Sustainability continues to guide us as a core value as we proceed to meet the many challenges of our industry and the global supply chain.

Best Regards,



Eli Glickman, President & Chief Executive Officer

LETTER OF COO

102-14



Dear Reader,

ZIM's Annual Sustainability Report attests to the company's continuous efforts to meet sustainability goals and, importantly, to enhance our endeavors in all fields of operation.

ZIM's pledge to remain at the forefront of the global drive to develop and constantly improve environmental policies and practices takes many forms. ZIM complies with all the relevant international treaties dealing with sustainability as a matter of course, and also joins new emerging initiatives. A recent example is the "Getting to Zero Coalition", announced at the UN Climate Action Summit in New York in 2019. The "Getting to Zero Coalition" is committed to the goal of getting commercially viable deep-sea zero-emission vessels into operation by 2030. ZIM is a member of various additional international initiatives dedicated to improving the environmental performance of marine container transport.

Since the previous report, we have expanded the scope of our activities by mapping ZIM's supply chain in order to increase the level of commitment among our business partners and vendors. We have also set new Key Performance Indicators for diverse disciplines within the company, including Operations, Human Resources and Administration, in order to define clear sustainability targets in each function.


ZIM's overall sustainability performance as a company with global reach and as a vessel operator is monitored by

EcoVadis, a provider of business sustainability ratings and performance improvement for global supply chains, covering environmental, social and ethical aspects of business operations. In recent years, ZIM has shown constant improvement in all of the measured indicators.

ZIM supplements its all-important operational and organizational sustainability efforts with an array of local initiatives. We recently combined our support for the community and our environmental awareness in a tree-planting event by schoolchildren near Haifa; similar activities take place year-round, in all our offices, with the participation of ZIM employees.

Global sustainability challenges remain formidable, but we continue our untiring efforts to cope with them. ZIM's Sustainability Report summarizes these efforts, and the accomplishments achieved to date, in this long-term campaign for a better future.

Best Regards,



David Arbel

EVP Chief Operations Officer (COO)

THE ZIM STORY

ZIM Value: Agile

We adapt quickly to market currents, changes, trends and needs.





ABOUT THIS REPORT

102-1, 102-50, 102-51, 102-52, 102-53, 102-54



This is the second annual Sustainability Report of ZIM Integrated Shipping Services Ltd. ("ZIM" or "the Company"). The information and data disclosed in this report address ZIM's activities and performance for the period from 1 January to 31 December 2019, and provide information regarding all entities included in the Company's financial statements, unless otherwise indicated.

The 2019 Sustainability Report is not part of ZIM's financial statements. In case of any discrepancy between this report and ZIM's financial statements, the financial statements shall govern.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, which is the most common reporting standard worldwide. ZIM sees great importance in reporting according to this globally recognized standard and consequently will comply with it in this report.

The issues discussed in this report were selected in a comprehensive material analysis process carried out by Company management in cooperation with various Company unit representatives led by the Company's COO, who has overall responsibility for the Company's sustainability management. This process was undertaken in 2018 and remains relevant today, following internal validation. The extent to which each material issue is considered in the report is determined by its significance to the Company and its various stakeholders, internal and external, including our employees, customers, investors, suppliers and business

partners, as well as many others. Additional information regarding the process carried out by the Company is detailed in the Materiality Analysis section of this report.

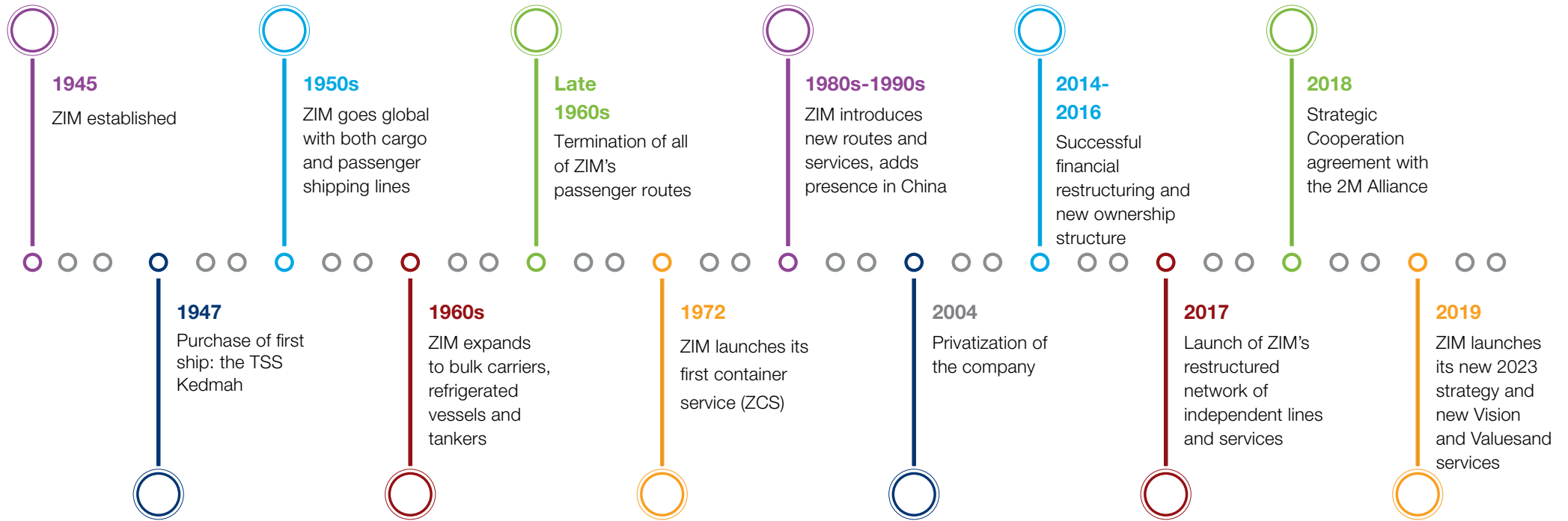
Additional information about ZIM and its history can be found throughout this report and on our website: www.zim.com.

We welcome all feedback to help us improve our sustainability practices. For questions and comments regarding this report, please contact our Sustainability & Cargo Security Manager, Mr. Eyal Cohen, at cohen.eyal@il.zim.com.





HISTORY OF ZIM



Today, ZIM containers carrying essential commodities are transported by train, truck, barge and, of course, ship to every corner of the world. ZIM is part of the modern economy's infrastructure and its containers are a familiar sight in hundreds of ports.



ZIM'S CORPORATE SOCIAL RESPONSIBILITY POLICY

Sustainability, one of our core values, means promoting our business by upholding and advancing a set of principles regarding Ethical, Social and Environmental concerns. Our Corporate Social Responsibility policy is based on our core principles, as further detailed in this report. These principles are:

Ethics and compliance	<p>ZIM works resolutely to eliminate corruption risks in its operations and activities.</p> <p>We publish a clear policy of long standing regarding ethics and compliance to all our stakeholders, and expect them to act in accordance with it.</p>
Safety	<p>ZIM acts to reduce and, to the extent possible, eliminate accidents and security risks, and improve work life quality.</p> <p>We achieve a high level of safety at sea and onshore by providing appropriate, high-quality equipment, and regular training for our personnel regarding all known and potential hazards.</p>
Data security	<p>ZIM guarantees the protection of the personal data of our employees, customers, suppliers and other business partners.</p> <p>We achieve this by strict implementation of data protection measures and continuous monitoring.</p>
Social	<p>ZIM promotes diversity among our teams and develops high-quality learning materials and training courses for all our employees.</p> <p>We continue our commitment to volunteering in our communities through local activities.</p>
Environment	<p>ZIM aims to continuously reduce the environmental impact of its operations and activities, both at sea and onshore.</p> <p>We advance this aim by maintaining a fleet equipped with modern technology and by optimizing our vessels' energy efficiency.</p>
Valuable logistic chain	<p>ZIM fosters quality throughout the service chain by working with selected and qualified partners.</p> <p>We focus on digitization to make it easier to do business with ZIM and improve our customers' satisfaction.</p>



As part of our cross-organizational effort to promote sustainability, in 2019 we appointed local Sustainability Change Agents to serve as the Company's Regional contact points for all ZIM sustainability issues in their jurisdiction. These appointees serve on our Sustainability Working Group, which meets several times a year to share knowledge from what has been done in different sites around the world and discuss what further actions should be taken.



THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS (SDGs)



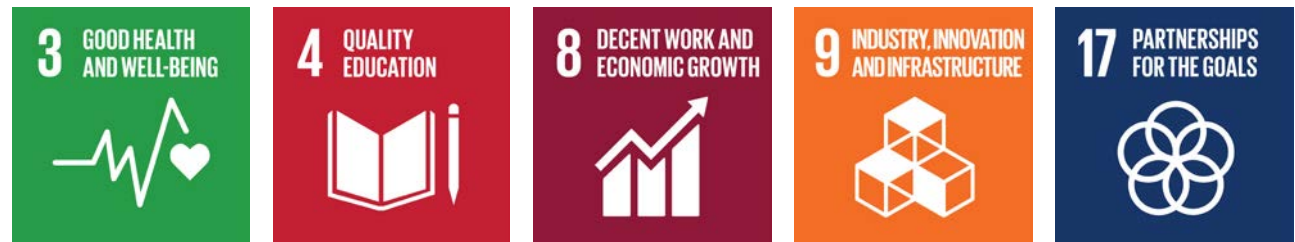
The United Nations Sustainable Development Goals (SDGs) are 17 global goals regarding sustainability-related issues. They express the most important global challenges that the global community has identified as future priorities, and encourage governments, corporations and non-profit organizations to collaborate on finding solutions for them. These goals are subdivided into over 150 targets addressing a wide range of environmental, social and economic issues: climate change, health, water and sanitation, gender equality and many others. The goals were adopted by world leaders in September 2015 with the aim of ending poverty, protecting the earth and ensuring prosperity for all by 2030.

Of these, we have selected the SDGs where we, through our operations and activities, can make the greatest positive contribution.

CORPORATE GOVERNANCE



SOCIAL



ENVIRONMENT





MATERIALITY ANALYSIS

102-40, 102-42, 102-43, 102-44, 102-46, 102-47

For the purpose of identifying our sustainability material issues, we conducted an extensive materiality analysis during 2018. The material issues identified then remain relevant today and form the basis of this report. These are ZIM’s governance, economic, environmental and social issues with the greatest potential to have a significant impact on the company, its operations and its stakeholders such as our employees, customers, investors, suppliers, business partners, and many others.

In accordance with the GRI Standards, the process we carried out included three steps:



1. IDENTIFICATION of potential material issues

This preliminary process was carried out on the basis of the following sources: peer benchmarking, review of reporting initiatives and standards relevant to the shipping sector, interviews with relevant employees and Company management from various units, media reviews, review of relevant Company documents, policies and procedures, the UN Sustainable Development Goals (SDGs), stakeholders’ requirements (as communicated in various suppliers’ and customer questionnaire responses), and more. The outcome of this process was a long list of potential issues of various kinds which were referred to Company management for consideration and disposition.

2. PRIORITIZATION of material issues

The purpose of this step was to identify the most material issues for the Company and its stakeholders. It entailed the ranking and prioritization by the Company management of the potential material issues identified in step (1). This process

was conducted based on Risk Management Methodologies and both qualitative and quantitative criteria for ranking.

The considerations taken into account when ranking the potential material issues were financial, operational and reputational, among others. In addition, the potential influence of each issue on the Company’s stakeholders was taken into consideration.

3. VALIDATION of material issues

In this step, the material issues selected in step (2) were discussed and validated by the Company’s senior management. This step included a validation test for locating exceptional issues, variation testing and approval processes and discussions with senior management.

The final outcome of this process was ZIM’s twenty material issues, as detailed in the table below and in the materiality matrix.



ZIM'S 20 MATERIAL ISSUES



ZIM's materiality matrix:

No. Material Issue

Corporate Governance & Business Ethics

- 1 Antitrust
- 3 Business Ethics
- 6 Anti-Bribery and Corruption
- 7 Operational Management
- 11 Risk Management
- 12 Compliance and Regulatory Changes
- 15 Data Privacy and Cyber
- 17 Disaster Response and Preparation

Economic

- 4 Economic Impact and Market Changes
- 9 Service Lines

Environmental

- 2 Emissions
- 8 Energy and Fuel Consumption
- 10 Materials and Waste
- 13 Environmental Management

Social

- 5 Occupational Health and Safety
- 14 Human Rights and Labor Practices
- 16 Diversity, Equal Opportunity and Non-Discrimination
- 18 Customers-Services and Innovation
- 19 Social Benefits and Employees' Wellbeing
- 20 Training and Education

ZIM AT A GLANCE

102-7

Stakeholder engagement

102-42, 102-43

We intend to continuously review and examine the materiality analysis process in the coming years, and update the process as required by the GRI Standards and whenever significant changes occur in the Company's operations or structure. As part of this continuous process, in the coming years, as we develop and improve our sustainability processes, we will include a more extensive dialogue with our various stakeholders in the development of our materiality analysis, to take into account the issues that matter most to them.

In 2019, we joined with other organizations located near the Head Office in Israel in several local activities. These included taking part in the Sustainability Network of Matam (the industrial park where the Head Office is located), initiating the first steps in establishing a local group dealing with shared waste disposal and treatment, and participating in meetings of the Israel Ministry of Economy's Industrial Symbiosis program.

We also continued our activities within the regular ongoing channels, such as conducting a customer satisfaction survey, several engagement and evaluation processes with our employees, distribution of media material and Company news stories by our spokesperson, and maintaining social media platforms where we engage with our followers. Please find more information about communications with our stakeholders in the relevant chapters of this report.



\$3.3 Billion
Annual Turnover 2019



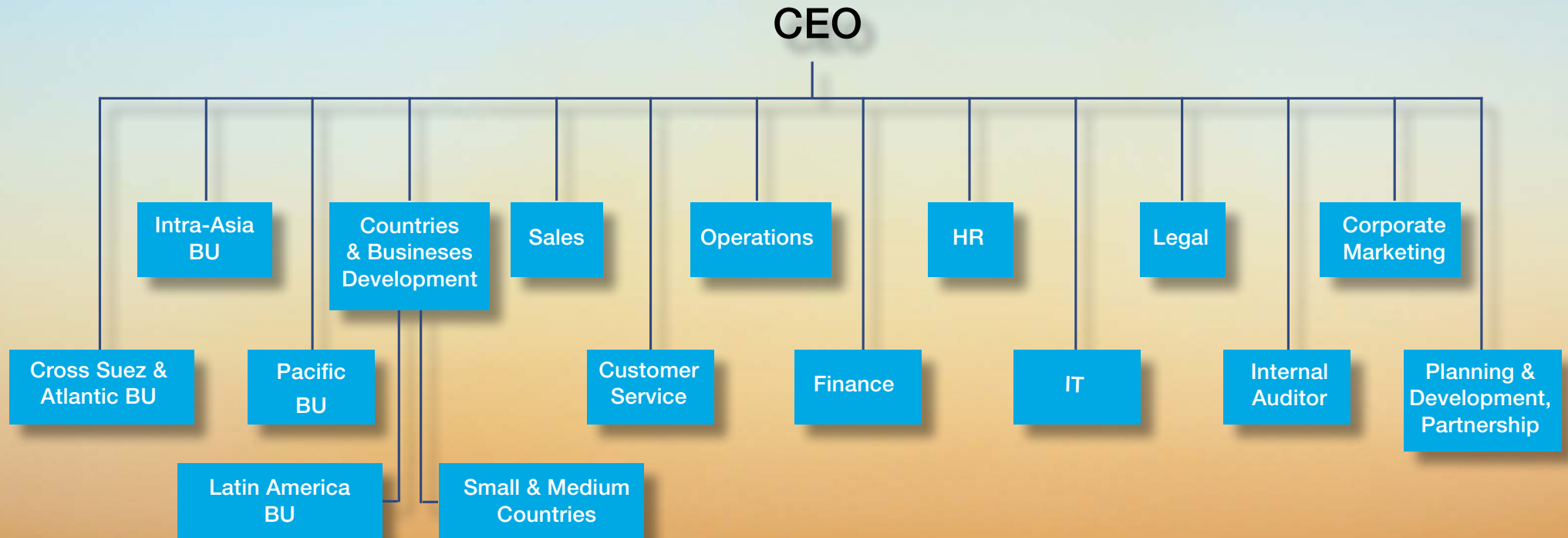
* TEU = Twenty-foot Equivalent Unit

COMPANY PROFILE

102-5

Established in 1945, ZIM has developed into one of the leading carriers in the global container shipping industry, with operations in over 180 locations worldwide.

Company structure





KEY MANAGEMENT

102-18

The chart below presents the key management of ZIM Integrated Shipping Ltd. as of December 31st 2019.



Aharon Fogel
Chairman of the Board



Eli Glickman
President & Chief Executive Officer



David Arbel
EVP Chief Operations Officer (COO)



Yakov Baruch
EVP Human Resources



Eyal Ben-Amram
EVP Chief Information Officer



Rani Ben-Yehuda
EVP Cross Suez & Atlantic Trades



Xavier Destriau
EVP Chief Finance Officer



Saar Dotan
EVP Countries & Business development



Danny Hoffmann
EVP Intra Asia Trade



Hani Kalinski
VP Medium & Small Countries



Yael Livnat
Planning & Development Division Manager



Noam Nativ
General Counsel & Company Secretary



Yair Teitelbaum
VP Global Sales



Assaf Tiran
VP Global Customer Service



Nissim Yochai
EVP Trans Pacific Trade

Further information regarding ZIM's key management and remuneration process can be found in the 2019 Annual Report.

MEMBERSHIPS IN ASSOCIATIONS AND INITIATIVES

102-13



World Ports Climate Initiative

seeks to implement the principle of sustainability in supply chains, taking into account local settings and varying port management structures.



Clean Cargo Working Group

a group of peers dedicated to accelerating progress toward sustainability and reducing environmental impacts in the container shipping industry.



Cargo Incident Notification System

a shipping line initiative designed to increase safety in the supply chain, reduce the number of cargo incidents onboard ships and highlight the risks caused by certain cargos and/or packing failures.



Maritime Anticorruption Network

a global business network working to realize the concept of a maritime industry free of corruption that enables fair trade for the benefit of society at large.



World Shipping Council

the peak industry trade group representing the international liner shipping industry, which offers regularly-scheduled service on fixed schedules.



Digital Container Shipping Association (DCSA)

creates new digital standards in the maritime shipping industry to enable global collaboration, make shipping services easy to use, flexible, efficient, reliable and environmentally friendly.



ECONOMIC

ZIM Value: Results-Driven
We deliver great process and will be measured by the bottom line.



As a leading carrier and shipping company with worldwide reach, ZIM has varying degrees of influence on the activities of different sectors and economies around the world. We connect imported and exported goods to markets around the world, and serve both private individuals and commercial customers worldwide with an ongoing and expanding service offering.

ZIM'S 2023 BUSINESS STRATEGY

Premium Service with a Personal Touch

In 2019 ZIM management laid the first milestones of the company's new business strategy through 2023 with the new corporate vision: "Innovative Shipping Dedicated to You". This new strategy promotes ZIM as a global carrier with global expertise and a customer-centric focus. The new Company Vision and Values are also incorporated within this strategy: Can-Do Approach, Results-Driven, Agile, Sustainability and Togetherness. *(For further information regarding ZIM's new vision and values, see the chapter Corporate Governance, p. 30)*

The Company's strategic plan is: bringing the Company to continuous and stable profitability. This will be pursued without compromising on our employee experience, customer satisfaction, operational performance or on reducing our environmental impact. We focus our efforts on innovative solutions and digitization of services, while at the same time maintaining a personal relationship with customers, employees and business partners.

Our 2M alliance is in line with our business strategy for 2023. In 2019 we expanded our cooperation with our partners Maersk and MSC, as described in detail later in this chapter.



ECONOMIC IMPACT AND MARKET CHANGES

103-1, 103-2, 201-1

As an international company operating in the global arena, we are influenced by market fluctuations, changes in the shipping sector and wider global trends. These bring us opportunities for growth and improvement, as well as risks and challenges we need to address.

As an international company operating in the global arena, we are influenced by market fluctuations, changes in the shipping sector and wider global trends. These bring us opportunities for growth and improvement, as well as risks and challenges we need to address. During 2019, we saw numerous trends and challenges in the global maritime shipping sector, among them:

- Alliance restructuring and larger vessel deployment:** ZIM signed a strategic cooperation agreement with 2M allowing us to achieve operational cost savings and at the same time provide a wider range of improved services to our customers. *(For further information about the 2M-Alliance, see this chapter, Economic, p. 26)*
- Efforts to reduce the carbon footprint and improve the environmental performance of international shipping:** ZIM continues to focus on protecting the environment while maintaining operations and customer service at the required high level. In 2019 ZIM set guidelines for fleet preparedness for the IMO 2020 regulations. *(For further information about ZIM's efforts to protect the environment, see the Environment chapter, p. 63)*
- Increased adoption of technologies for tracking shipments and managing inventory:** ZIM introduced the ZIMonitor system, which allows customers to track their cargo 24/7 through a mobile app or website and generates all the information required by the authorities. *(For further information about ZIMonitor, see the Social chapter, p. 57)*

The table below presents our 2019 financial performance (figures are in US\$000s):

	2019	2018	2017
EV Produced			
Income from voyages and related services	3,299,761	3,247,864	2,978,291
Other operating income	38,099	5,317	4,235
Share of profits of associates	4,725	5,359	7,594
Total EV Produced	3,342,585	3,258,540	2,990,120
EV Distributed			
Cost of operating activities	(3,189,563)	(3,281,756)	(2,847,475)
Finance expenses, net	(154,300)	(82,505)	(117,049)
Income taxes	(11,766)	(14,132)	(14,233)
Dividend to NCI	(5,298)	(5,148)	(4,059)
Total EV Distributed	(3,360,927)	(3,383,541)	(2,982,816)

Detailed information about our yearly financial performance is presented in our 2019 Annual Report.

SERVICE LINES

102-2, 102-6, 102-9

ZIM is constantly looking for new business opportunities to expand its network of cooperation, business partnerships and services offered to our customers. As of December 2019, our global reach extended to over 100 countries, with a network of global and regional shipping services that connects the four corners of the earth and allows our customers' business to reach strategic ports around the world. Complementary services are offered by our subsidiaries and affiliates at every stage of the supply chain.

Our 70 lines and services include 10 trades which connect over 230 ports around the world. These trades include: Asia–Africa, Asia–America, Asia–Mediterranean, Asia–South America East Coast, Intra-America Caribbean, Intra-Asia, Intra-Mediterranean and Black Sea, Mediterranean–North America, Mediterranean–North Europe, and Mediterranean–South America East Coast.

ZIM World Trade Lines



Since 2017 we have been pursuing a new strategy as a global niche carrier, offering distinctive advantages to customers worldwide. We focus on operating in selected trades where we have a competitive advantage and where we can provide superior solutions for our customers. We maintain a flexible partnership approach with other major carriers, and in 2018 we concluded major strategic cooperation agreements with members of the 2M Alliance: Maersk Line and Mediterranean Shipping Company (MSC), offering our customers a more comprehensive product portfolio with a wider range of direct calls and improved transit times.

In the beginning of 2019, ZIM signed new agreements with the Alliance covering the Asia-Mediterranean and the Asia-Pacific Northwest trades. Later in 2019, we expanded our cooperation to include the Asia-US Gulf trade. With this expansion, our strategic operational cooperation with the Alliance now includes 11 strings on three major trades: Asia-US East Coast, Asia-US Gulf, and Asia-Mediterranean.

We see the strategic cooperation with the 2M Alliance as a major milestone for us and a vote of confidence from the two largest players in the industry, acknowledging ZIM's capabilities, reliability, and strength.

ZIM was ranked the most punctual carrier in 2019 according to eeSea¹. Of the largest global shipping companies, ZIM was ranked first in schedule accuracy of its ships, one of the most important indicators of service quality in the industry.



¹ eeSea is a data company which tracks and forecasts vessel schedules and provides sector statistics for the global shipping industry.

CORPORATE GOVERNANCE

ZIM Value: Can-Do Approach
We always have the will and will always find the way.



BUSINESS ETHICS

102-16

Operating in an ethical manner is the basis of our business conduct and has been ever since ZIM was established. We stand by our values every day, and strive to implement them in our daily business activities as well as in our relationships with our various stakeholders.



ZIM's Vision and Values

Our vision and values are presented in the Company's Code of Ethics and express our commitment to act fairly, taking into account the society and environment in which we operate, and to strive for excellence in all our activities.

In 2019 we undertook a comprehensive process of reevaluating our values as part of designing our business strategy for the next five years and reshaping our organizational culture. A significant amount of time and effort was spent in refreshing and fundamentally reevaluating our vision of Sustainability in support of our business strategy, with the aim of helping us meet our targets. As a result of this reevaluation, we determined that Sustainability is one of our core values, and the great investment of effort and resources in this process led to the launch of our renewed five corporate values:



Can Do Approach: We always have the will and will always find the way



Results-Driven: We deliver great process and will be measured by the bottom line.



Agile: We adapt quickly to market currents, changes, trends and needs.



Sustainability: We treat our oceans and our communities with care and responsibility.



Togetherness: We are many and diverse, yet we act as one ZIM team.

This extensive process was two-way and was attended by managers at all levels from our sites around the world. This highlights our ability as a company to produce and create complex processes while showcasing the immense importance we see in our human capital.

Maintaining our values and operating in an ethical manner has guided and shaped our Company over the years. We stand by our values every day and undertake great efforts to implement them in our daily business activities and in our relationships with our various stakeholders.

The new vision and values were launched globally in all countries on the same day with large celebrations, unifying all of us under this new approach and emphasizing the togetherness and connectivity the new vision and values bring to all ZIM. In addition, conferences were held by senior management at each site to tie the vision to strategy. Furthermore, each country and unit received a training kit which enabled our managers and employees to translate the new vision into behaviors incorporated into their daily work processes.

The Code of Ethics is an extension of our values – adoption of the Code of Ethics constitutes a declaration of our commitment to act to achieve our goals and to realize the full potential inherent in the Company, while conducting our business relationships with integrity and reliability vis-à-vis our customers, suppliers, business associates and Company employees.



Code of Ethics

Our Code of Ethics is a general guide which specifies the rules of business conduct to which ZIM has committed itself, including ZIM's commitment to comply with the various laws governing business conduct. The purpose of the Code of Ethics is to guide our employees and managers in making business decisions, ensure ethical management of the Company's business activities, and comply with the requirements of the law. It defines what we consider most important in every contact we have with our employees, customers and suppliers.

In 2019 we updated our Code of Ethics. The revised Code of Ethics is more explicit and broadens sustainability principles. It includes a wide range of topics such as quality of customer service, creating equal employment opportunities, acting with environmental awareness and promoting safety and hygiene.

As part of our implementation of ZIM's Code of Ethics, we teach our employees how to work in ways that are aligned with our values, mission and goals. To this end, we provide training via a tutorial which explains the Code and reinforces its observance using the ZIM Global Learning Management System (LMS). In 2019, 90% of our employees and managers worldwide completed the tutorial training of the updated Code of Ethics.

For further information regarding our new Code of Ethics, please see the [full version](#) on our website.

COMPLIANCE AND REGULATORY CHANGES

103-1, 103-2, 419-1

We strictly abide by all applicable laws, including local regulations in each geographical location in which we operate. This applies to all functions and business units including human resources, environmental, legal, economic and other business functions. Thus, our operations and business conduct are in strict accord with the local regulatory environment and setting. Our approach to regulatory affairs in each of the above-mentioned units can be found in the respective sections of this report.

In the Head Office, ZIM ensures compliance by enforcing strict corporate governance audits and surveys. In other countries, ZIM Regional HR Managers are responsible for performing ongoing reviews to ensure compliance by local management. This is done internally by carrying out HR audits and process controls and by conducting ZIM Internal Auditor reviews and frequent audits in the various countries. In addition, ZIM is engaged with external auditors and survey companies that carry out audits and reviews regarding various topics such as salary and benefits compliance issues.

We are also Customs-Trade Partnership Against Terrorism (C-TPAT)- certified by the US Customs & Border Protection department, testifying to our effective procedures designed to determine and mitigate risk throughout the shipping process.

We updated our C-TPAT procedure in 2019. The procedure defines the means of notification about C-TPAT and specifies all relevant documents and parties responsible for ZIM's Alignment with USA CBP (US Customs and Border Protection Authorities). To address all C-TPAT requirements, in 2019 we created a Vendor Questionnaire which we apply to all our providers from outside the US to our sites inside the US. The purpose of this questionnaire is to identify any major security gaps at the vendors' sites, promote awareness and encourage C-TPAT certification for third-party providers. With the same purpose in mind, we have a C-TPAT clause in our standard procurement contracts.

During 2019 we officially appointed all regional operation managers across our sites as ZIM's local points of contact

with C-TPAT. With this appointment, they are expected to provide regular updates to top management on issues related to the program, including the progress and outcome of any audits, security related exercises, and C-TPAT validations within the scope of their relevant supply-chain.

Also in 2019, we continued performing on-site and questionnaire supplier security audits and started conducting on-site audits of vendors as well.



ANTITRUST

206-1

ZIM is committed to free and open competition in all Company locations. ZIM regards fair competition as a key principle which must be complied with. We respect and recognize the importance of the antitrust laws in benefiting the shipping market as a whole.

During 2019 ZIM completed a comprehensive risk survey related to antitrust. With the assistance of external consultants, seven local agencies were visited in all our Regions of operation: Asia, Europe, Africa, North and South America. The agencies were selected according to operational size and risk considerations. In each visit, dozens of employees were interviewed regarding ten subjects within the fields of anti-bribery and corruption and antitrust. The interviews were analyzed with the purpose of addressing the findings in an enhanced antitrust compliance program.

Based on the findings from each visit, the legal department prepared an enforcement action plan.

As part of ZIM's zero-tolerance approach to violations of antitrust laws, ZIM takes ongoing actions to identify

and minimize any antitrust risks and increase employee awareness of antitrust laws. Due to the nature of ZIM's extraterritorial activity within the maritime industry, ZIM is committed to clarifying the complex antitrust regulations to all of its employees.

Our online tutorial training is aimed at raising employee awareness of antitrust regulations. During 2019, written materials were distributed to all our employees under the supervision of Company VPs.

Moreover, compliance by ZIM with the antitrust laws with respect to our competitors and customers is monitored on a consistent basis by ZIM's internal legal unit. Employees are strongly encouraged to contact the legal unit regarding any suspected violation of antitrust regulations.



ANTI-BRIBERY AND CORRUPTION

205-2, 205-3

ZIM is committed to conducting business in an honest, ethical and professional manner wherever we operate. We adhere to these standards and ZIM’s Code of Ethics, even when it means we lose business, suffer delays or face unfair government sanctions. No employee will ever suffer penalty or face retaliation for refusing to pay bribes or for reporting demands for bribes or other corrupt activity.

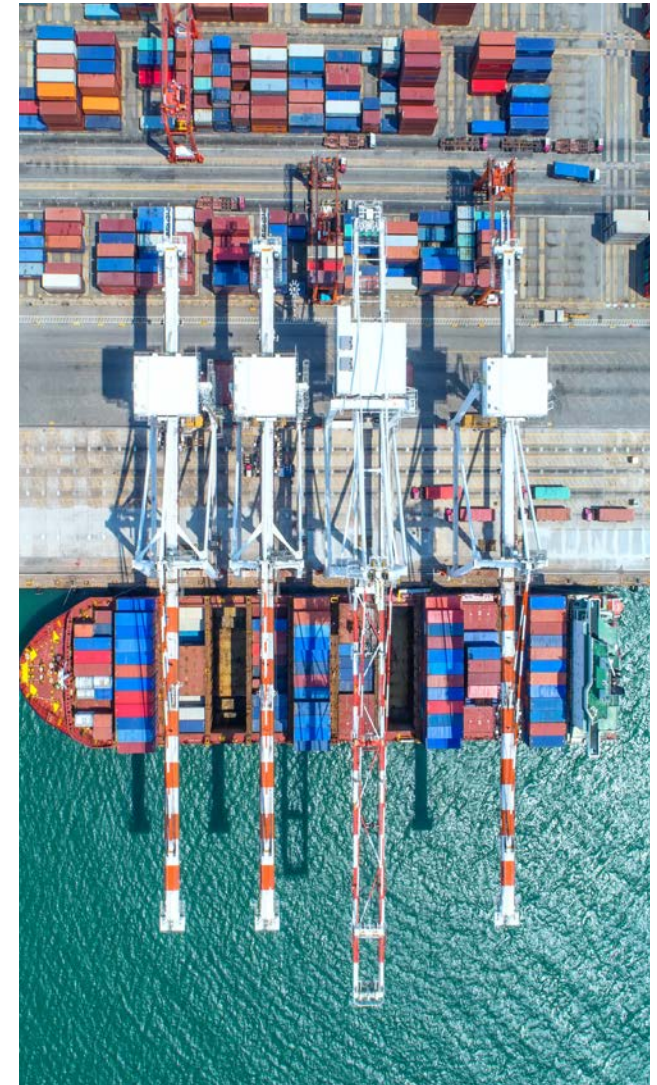
By the nature of its business, ZIM faces a variety of corruption risks, including the following highlighted risks:

- (i) operation in high-risk jurisdictions;
- (ii) shipping’s historical reputation as a relatively high-risk business sector; and
- (iii) demands by government, port officials or others for small payments to perform their duties.

Consistent with its support of a corruption-free maritime industry, ZIM is a member, since 2018, of the Maritime Anti-Corruption Network (MACN), a global network working toward the vision of a maritime industry free of bribery and corruption. ZIM is an active member of the Network and aims to take collective action to eliminate all forms of maritime corruption.

In 2019 we completed a comprehensive risk survey on anti-bribery and anti-corruption. The risk survey was conducted with the assistance of our highly reputable external consultants, who possess specific expertise on global regulation. The legal department prepared an anti-bribery and anti-corruption written policy and procedure, as well as an enforcement action plan.

During 2019, anti-bribery and corruption learning materials were distributed to ZIM’s employees.



WHISTLEBLOWER AND INTERNAL COMPLAINTS

ZIM employees are encouraged to report any act of corruption, suspicion of bribery or any concern regarding violation of law, regulation, procedure or any of the provisions of the Code of Ethics. They can do so through any of several available channels, including making an anonymous complaint via the Company's whistleblower reporting system. The anonymous report is forwarded to the Company's Internal Auditor for further inquiry.

In 2019 we updated our whistleblower and internal complaints procedure. The procedure describes in detail how reported complaints should be handled. Furthermore, we upgraded the whistleblower system, now operated by a designated external and independent company. The system enables anonymous access from any computer with an internet connection. This new user-friendly tool is available and easily accessible to all ZIM employees and external parties, including vendors and customers, and provides reporters with the option to check the status of a complaint at any time.

In 2019 we received very few cases related to failure to comply with ZIM's Code of Ethics which were investigated by the Company Internal Auditor. Though they were low-profile cases, they were thoroughly handled according to procedure and led to lessons learned and global process improvements, steadily increasing our confidence in the effectiveness of our control mechanisms.

ZIM is committed to ensuring that no employee shall suffer any detrimental treatment as a result of refusing to take part in bribery or corruption, or for reporting in good faith any suspicion that an actual or potential offense has taken place or may take place in the future.

Our whistleblower system, non-retaliation policy and investigation protocol are also set out in our Code of Ethics and internal whistleblower procedure. Furthermore, we send out whistleblower reminders to all employees.



RISK MANAGEMENT

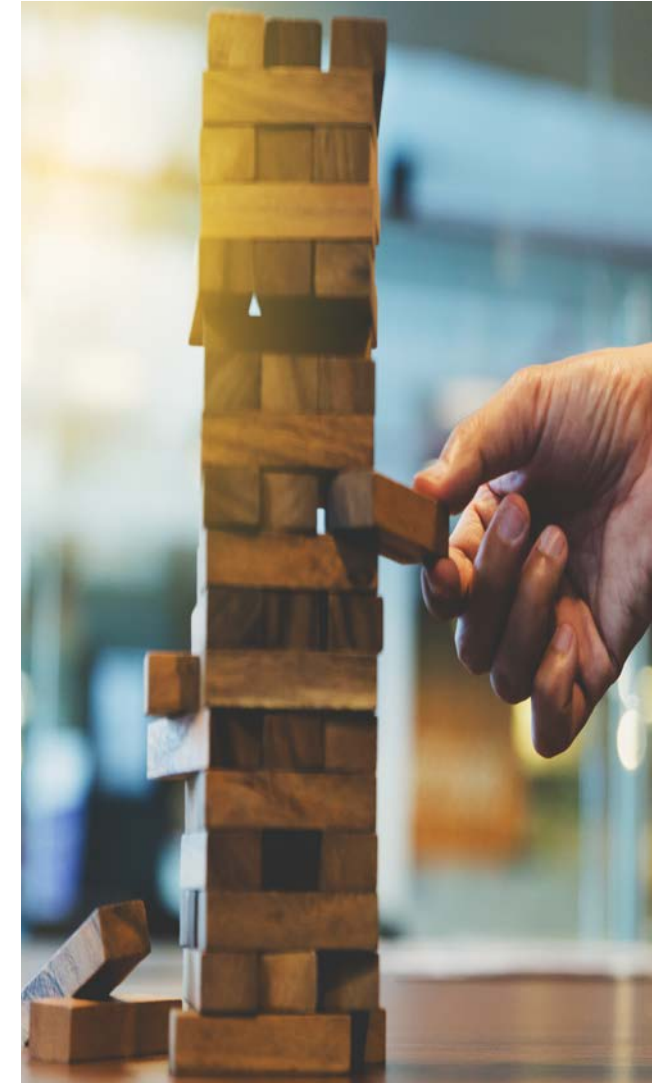
102-11, 102-30

Risks are an integral part of ZIM's business environment, work and management processes. Risks are influenced by both internal and external factors: strategic, operational, financial, as well as the compliance and regulatory environment.

ZIM's management maintains an organized process for risk management and control mechanisms under the supervision of the Company's Board of Directors. As part of the risk management process at ZIM, we conduct an Enterprise Risk Management (ERM) survey every three years, most recently in 2018.

The survey identifies the top key risks that will be the focus of managerial scrutiny for the coming three years. The risks include, among others, financial risks, risks related to corporate governance, and risks of environmental and social impact risks.

In 2019, we took this process a few steps forward by switching to a more active risk management process. We specified several Key Risk Indicators (KRIs) for each risk, which are monitored and measured throughout the year. Furthermore, we established metrics and timeframes in the Key Performance Indicator (KPI) system. Now we present management with quarterly updates of each key risk's status according to the KRIs, and provide explanations of any changes in a risk's status. The most significant advance is that we went from performing a survey once every three years to quarterly measurement and reporting of performance.



OPERATIONAL MANAGEMENT

103-1, 103-2

At any given moment, ZIM can be found directly operating approximately 70 ships on a variety of global lines. The ships call at approximately 340 terminals around the world, of which 180 are on direct service lines. ZIM’s ships can always be found operating at sea or in the ports and terminals that serve ZIM’s fleet, which includes both owned and chartered vessels.

We operate with the owners of the chartered ships through contracts which are regularly updated and which contain all the regulations ZIM is obligated to comply with. The ship owners are committed to fulfilling these requirements as well as ZIM’s Code of Ethics. In addition, we perform a background check on each ship owner before signing a contract to make sure we conduct business only with top-tier ship owners.

Our innovative Global Operations Center (GOC) makes our operational information available at any time, for every

ship on a specific line. It enables the receipt of a full update on a ship’s status in real time followed by a quick, precise response. The GOC receives complete real-time data relevant to operating a ship at sea and in port, including cruising speed, fuel consumption, weather, currents, wave height, waiting time outside the port, cargo operation in port, as well as many other operational analytics that help to optimize the ships’ operations and reduce bunker consumption, thus reducing our CO₂ footprint

Our GOC is the heart of the Company’s operations, bringing together all the activities of ships at sea and in port. Its strict control, transparency, availability, and ongoing monitoring greatly contribute to improving the Company’s business results.

The GOC’s main functions are:

- Providing a global picture of the entire fleet operated by ZIM and its partners
- Enabling operational control of ZIM-operated vessels
- Enabling management and operational decision-making from a global perspective
- Monitoring ship cruising speed and trim
- Monitoring and keeping ships on schedule, in accordance with weather constraints
- Monitoring and reducing fuel consumption
- Analyzing terminal operations
- Optimizing cargo operations in port, such as reducing waiting time in port
- Monitoring and improving predefined KPIs

- Developing and maintaining decision-support systems
- Managing the Company’s preparedness for routine and emergency situations

The purpose of establishing the GOC was not only the availability of data and information, but also the development of precise tools to support decisions which can be backed up by real-time data.

In addition to managing daily operations, the GOC also serves as the Company’s “emergency room”, where the Company’s emergency preparedness is managed under the supervision of the Company’s COO in the Head Office. Emergencies managed from the GOC can be of various types: national crisis, crisis onboard the vessel, container incident, cyber-attack, environmental incident, terror attack etc. For each emergency type, we have specific procedures and actions to be taken to manage the situation in the best possible way.

ZIMpulse

In 2019 we launched an innovative internal KPI management system that enables ongoing, precise, visual, clear and accessible management and comparison of operations performance metrics. The system can locate anomalies, predict future performance, alert for hidden problems and provide AI insights. In response to each of these findings, the system pushes a notification to the mobile app of the responsible team member.

ZIMpulse won the 2019 Innovation Project of the Year award in Israel.



Technology Security



DATA PRIVACY AND CYBER

103-1, 103-2, 418-1

Cyber

In an evolving digital world, cyberspace is a new and unique challenge for all companies and organizations, and as such presents new, unexpected issues that must be dealt with promptly and efficiently.

We work in a complex digitized environment to enable us to deliver our services in an effective and flawless manner. Our Information Security unit's primary focus is the balanced protection of the confidentiality, integrity and availability of data while maintaining efficient policy implementation. The unit uses cutting-edge technological solutions to provide end-to-end information and cybersecurity coverage for ZIM's computing and network infrastructure.

During a cyber incident, the GOC is active as per its previously-defined protocol, and staffed with the appropriate personnel according to the specific incident. Headed by the COO, together these individuals make up the "COURT" – the Company's Operational Unified Response Team. This team provides a response to cyber incidents from beginning to end, with emphasis on:

- Collection of relevant information from all ZIM units around the world
- Management of the incident
- Defining the cyber-attack vectors and severity
- Centralized information flow, event timeline and updates of the incident
- Managing the Company's reputational risk due to the incident

- Communication with ZIM Partners
- Managing and ensuring the Company's business continuity and resilience
- Issuing recommendations to ZIM Management and CEO
- Issuing guidelines, protocols, course of action to all employees
- Determining the end of the incident

The situation is then assessed for any lessons that can be learned and implemented in the future. Whenever an event occurs in the GOC, the information is distributed to all functionaries.

We are continuously working to improve our cybersecurity protection by conducting annual cyber simulation drills, and employee cybersecurity awareness and training. We conduct annual penetration tests and risk assessments on various digitized environments. To date, we have not received any complaints concerning breaches of customer privacy or loss of customer data.

In 2019 we made a significant improvement in our preparations to recover from cyber-attack with an ongoing learning curve and increased complexity. The focus of the preparations was to quickly shift from business-as-usual mode to crisis mode, with emphasis on alternative operations including manual work in the Head Office and in selected countries.

We have mapped the critical processes of each unit during an attack and the required IT systems that support these

process. Each unit created an internal procedure and a list of data backups that will be required in case systems are down.

In addition, we created specific "War Rooms" for key functions in the Company and introduced the GOC's Event Center System, which is to be updated continuously by every unit's war room during an event. In any case of a cyber event, we can rely on the Event Center system, as it is located on an external cloud.

During 2019, we conducted about 10 simulation drills, including communication with other war rooms and the GOC.



Data privacy and information protection

ZIM applies a strict personal data protection policy to all its activities with respect to personal data that ZIM collects, processes and stores in the course of its business. The full policy can be found on ZIM's website.

Our data protection policy describes the types of personal information recorded, the purposes for using such information and the Company's responsibilities as regards the data's security.

ZIM is committed to ensuring that personal data is protected in accordance with the best practices available and ZIM's legal obligations. In processing personal data, ZIM is committed to act in good faith, in a proportionate manner, using the appropriate technical and organizational measures.

ZIM is committed to providing a timely and transparent response to requests by data subjects, and upholds the data subject's right to contact ZIM's Data Protection Officer (DPO) directly.

ZIM is compliant with the EU's General Data Protection Regulation (GDPR). During 2019, ZIM appointed a senior manager as DPO for the matter in the Head Office. For our European agencies, ZIM Germany has been appointed as the regional DPO.

Compliance by ZIM in accordance with data privacy and information protection requirements is monitored on a consistent basis by ZIM's internal legal unit, and includes, among other issues, addressing such matters vis-à-vis

our customers, employees and third parties, as well as working with local offices on specific and local compliance requirements.



ZIM Cyber risks Internal drill

DISASTER RESPONSE AND PREPARATION

103-1, 103-2

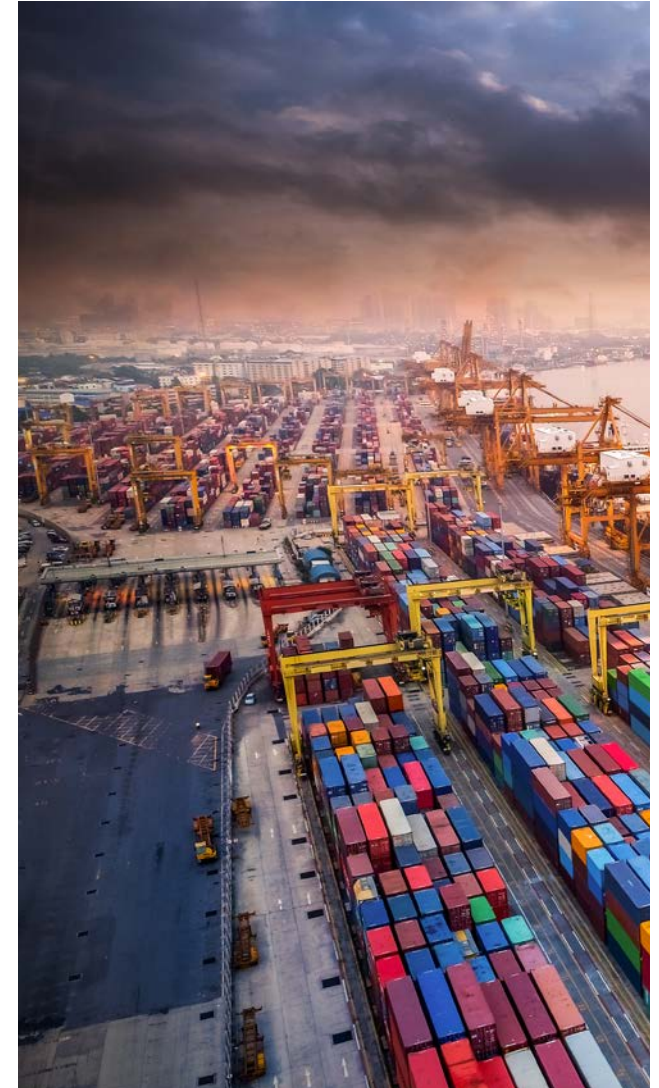
A Disaster Recovery Plan (DRP) is an inclusive statement of consistent actions to be taken with the purpose of recovering, ensuring business continuity and protecting a firm’s IT infrastructure in the event of a disaster. It specifies actions to be carried out before, during and after the occurrence of a disaster.

We have a holistic approach to DRP, which is managed and sponsored by our Executive Management. The DRP process handles all ZIM Disaster Recovery-related responsibilities, which include maintaining the relevant tools and working processes, executing periodic DR drills, and coordination and communication during a DR event.

Our DRP procedure is tested annually by all infrastructure members and main systems owners. In the 2019 drill, as part of the Company’s preparations for emergency situations, one of our sites in Israel was chosen as an alternative location in case the Head Office. After all requirements were completed by the IT, in order to make the site “stand-alone” in terms of communication, we performed the Disaster Recovery test. 16 representatives from selected units and functions gathered in the chosen site to simulate an emergency situation. The drill included two tests:

1. On arrival at the site, each member checked the availability of the systems and applications required by the member’s unit/function.
2. The line of communication between the Head Office and the site was disconnected and each member was requested to recheck access to their systems and applications.

The DR test outcomes were successful for all units apart from one standing issue with the system used for payments by the Treasury division. To deal with this issue, the IT team will perform a separate test for Treasury team members only.



SOCIAL

ZIM Value: Togetherness
We are many and diverse, yet we act as one ZIM team.



103-1, 103-2

As a company whose operations span the globe, we are proud to be a diverse and dynamic workplace for our employees worldwide. We employ thousands of people in a variety of functions and departments including operations, HR, sales, IT, finance and organizational functions. We provide all employees with workplace benefits, and are committed to providing a beneficial and supportive employee experience within the organization and maintaining a safe workplace environment onboard our ships and at our offices.





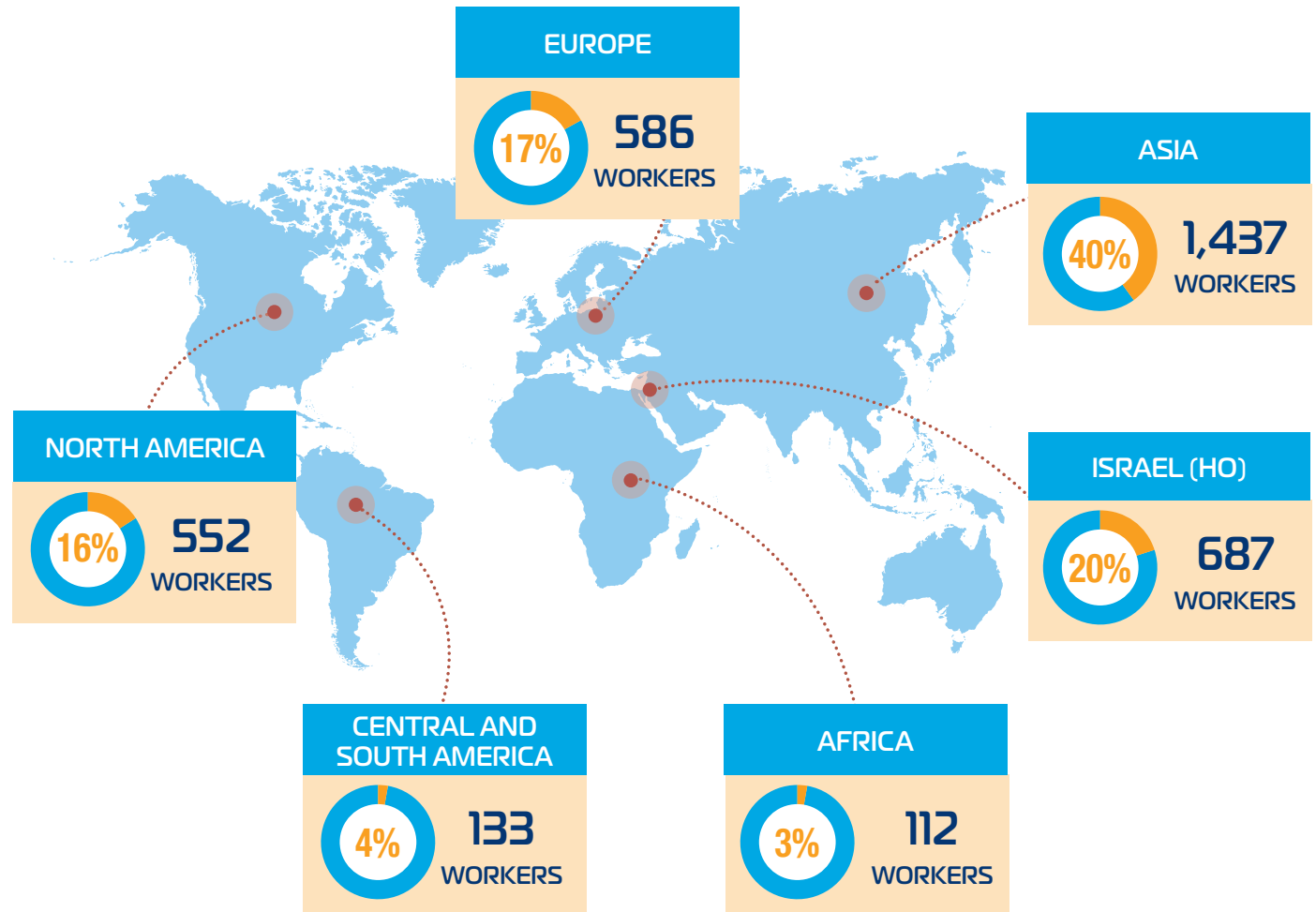
EMPLOYEES

102-3, 102-4, 102-8, 102-41, 401-1, 401-2, 405-1







We believe that our human capital is what drives us forward and positions ZIM as one of the world's leading shipping companies. We aspire to develop our employees professionally as well as personally. To this end, we offer our employees jobs, roles, and projects which allow them to utilize their strengths to promote their development. Most of our recruitment is directed first internally, promoting employees up the ladder, and only then externally. Our HR strategy is to support and enhance ZIM's business objectives and profitability by improving the employee experience through global and local HR plans and initiatives.

We review and annually monitor our HR activity to ensure that all applicable labor laws and regulations are strictly enforced, and employees are fairly paid and receive their entire remuneration and benefits as required by law. We consider it important to offer our employees attractive working conditions and prospects for development. We do so by providing our employees with what we feel is an optimal work-life balance and a variety of opportunities for career development and growth.

As of December 31st 2019, ZIM employed 3,507 employees throughout its 108 locations worldwide.



We are proud of our record as an equal-opportunity employer. The table below presents ZIM's employment history in this regard over the past three years:

Age	2017				2018				2019			
												
	Manager	Employee	Manager	Employee	Manager	Employee	Manager	Employee	Manager	Employee	Manager	Employee
<30	1	240	3	155	3	347	7	237	6	324	6	219
30-50	163	979	237	928	177	936	260	858	176	844	252	819
>50	76	299	164	322	73	291	176	308	83	296	173	309
TOTAL	3,567				3,673				3,507			

New employee hires during 2019 totaled 600, while 652 employees left the Company during the same year. In 2019, 86% of employees in the Head Office and 47% of employees worldwide were under collective agreements.

In 2019 we developed and defined several HR KPIs to enable us to monitor our performance and track our progress as we move forward. These will be monitored on a regular basis in the coming years, and will allow comparison and focus on the areas we selected.

ZIM's HR KPIs:

KPI	2018 performance	2019 performance
Average investment in training per employee (Average annual investment per employee)	\$57	\$166
Gender pay gap (Women's average salary as percentage of men's average salary within same employee level)	95%	94%
Percentage of women in senior management (Percentage of women in managerial positions in Company levels 2-3-4)	31%	31%

We plan to expand these KPIs and raise their priority level in the near future; we also intend to adopt and monitor additional indicators regarding our HR performance.

SOCIAL BENEFITS AND EMPLOYEE WELLBEING

401-2

ZIM strives to be an attractive and competitive employer in all markets. We provide our employees with competitive salaries and all employment benefits stipulated by law. ZIM emphasizes the importance of life-work balance, and thus provides its employees flexible working hours. In addition, ZIM has yearly salary increase processes that take into account inflation, promotions, annual evaluations etc. We also have a Sales incentive plan to encourage our sales teams around the world and reward them for their achievements, as well as an organization-wide annual bonus program.

The following is a list of some of ZIM's social benefits and wellbeing packages we provide our employees:

- **Pension & life insurance** – provided in most locations as a basic benefit package, in accordance with the requirements of local regulations.
- **Health insurance** – several insurance packages are provided in the various countries.
- **Disability and invalidity coverage** – covered according to labor laws worldwide. In the Head Office, this coverage is included in the pension program.
- **Parental leave** – given according to labor laws worldwide.
- **Retirement provision** – provided according to labor laws worldwide.
- **Above-minimum-wage salary** – provided in all global locations.

All seafarers are employed by our Ship Management and are an important component in our Company, significantly contributing to our success. Accordingly, it is important to us to offer our seafarers attractive working conditions and prospects for development relevant to their occupations.

All vessels under our operation are certified under the Maritime Labor Convention 2006 (MLC), which is an international agreement of the International Labor Organization (ILO). The MLC sets out seafarers' rights to decent work conditions, and applies to all seafarers sailing in ZIM. The MLC sets

the standards for a range of labor issues including, but not limited to, a safe and secure workplace, fair terms of employment, access to medical care and decent living and working conditions.

In addition, ZIM has extended its efforts to provide a fair wage by signing a collective bargaining agreement with the International Transport Workers' Federation (ITF) for its Flag State vessels and Flag of Convenience vessels, to pay seafarers' wages as per the ITF standard.



Parental leave

401-3

We see great importance in helping our employees achieve optimal work-life balance, which in the long run is beneficial both to the employee and to ZIM. We support our employees as they expand their families, and in line with our policy of promoting gender equality, we always encourage both men and women to go on parental leave.

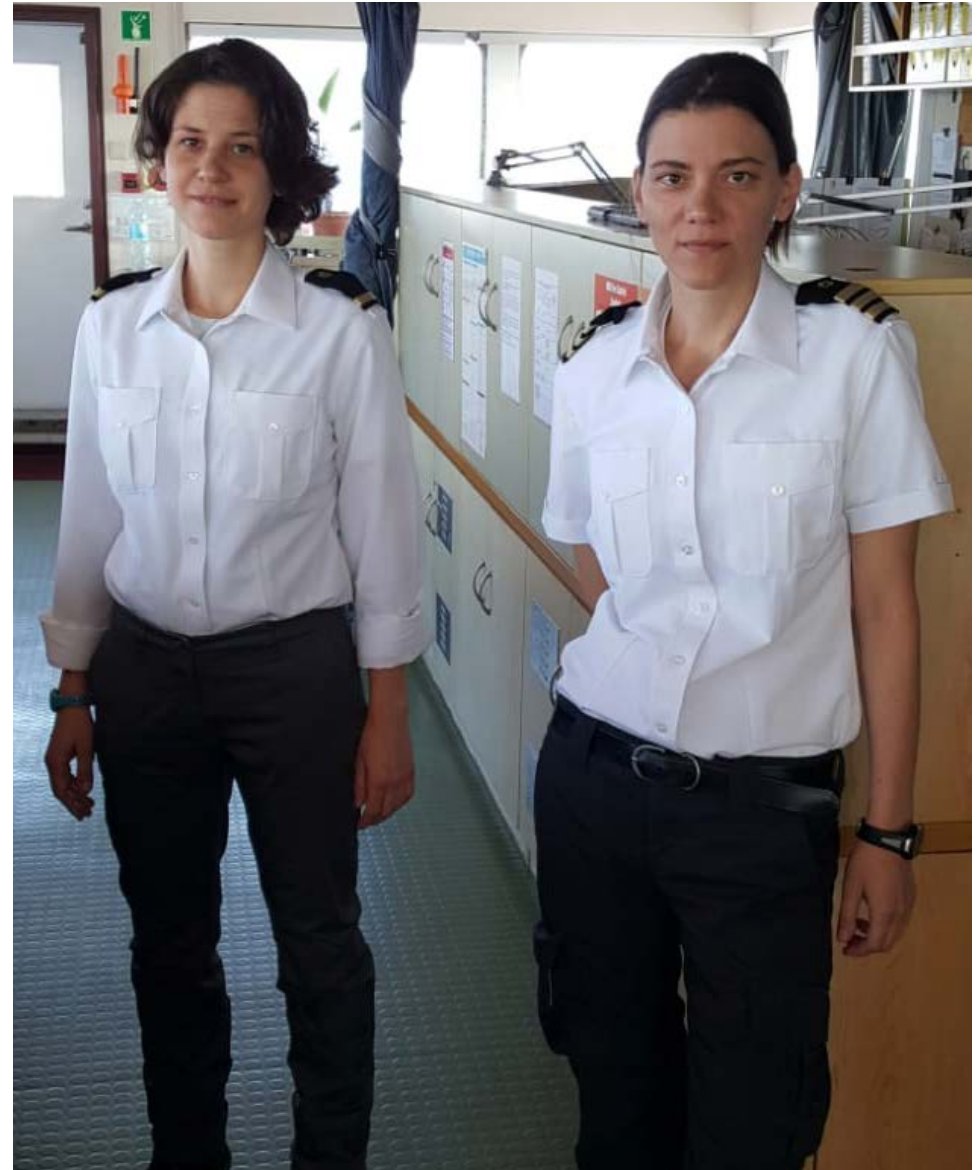
During 2019, a total of 71 employees took parental leave, including 69 women and 2 men, all of whom are currently still ZIM employees. Of these employees, 38 women returned to work during 2019. In 2018, 64 employees took parental leave, of whom 27 returned to work during 2018 and 21 during 2019.

Mobility

ZIM provides its employees and managers a variety of career development opportunities. Employees can be promoted or assigned to different positions, which are regularly posted internally via email or are referred directly by the HR Department for designated employees. In 2019, we also began posting these positions on the Company's new internal portal. Additionally, we have a yearly process for global internal moves between countries and between senior positions, with around 30 positions globally dedicated to these kinds of internal appointments. Approximately 20% of employees change their organizational assignments each year.

We provide our employees three different mobility options:

- Cross-functional mobility to help broaden their skill sets.
- Vertical mobility, which enables them to take on new roles & responsibilities.
- Relocation options abroad according to the Company's personnel requirements.



TRAINING AND EDUCATION

404-2, 404-3

We aim at continuously improving the personal and professional skills of all employees, onshore and onboard ship. We use blended learning solutions such as e-learning tutorials, face-to-face courses, various modules and more. We encourage learning by incident investigations as well as peer learning. It is important for us to create a multidimensional learning environment as part of our employee experience, and as such our training includes videos and other interactive features.

We provide training in a range of important topics including:

- **Safety training:** a mandatory e-learning tutorial including topics such as safety in the workplace, electricity safety, behavior in the event of an earthquake or fire, and more. The employee participation rate for this tutorial in 2019 was 86%.
- **Code of Ethics tutorial:** an e-learning tutorial where we teach our employees how to work in ways that are aligned with our values, mission and goals. In 2019, 90% of employees and managers completed this tutorial. *(For further information regarding our Code of Ethics, see the chapter on Corporate Governance.)*
- **Prevention of sexual harassment:** a mandatory e-learning tutorial. The employee participation rate for this tutorial in 2019 was 96%.
- **Hazardous materials:** a professional course provided to employees in specific functions, which includes information regarding the transportation of hazardous materials and the treatment of hazardous materials at work. In 2019, 30 employees from Head Office participated in this course.
- **Sustainability training:** a learning unit called “Protecting the Environment”. The unit deals with the potential environmental impact of ZIM operations, and what the Company and the workers can do to help reduce it. This unit was launched in 2019 and was initially

directed at our Sales and Customer Service personnel, of whom 1,511 completed the training.

- **Enrichment courses:** as part of the focus on creating and implementing quality, cost-effective solutions that improve existing capabilities of employees and managers, we provide Excel training, Office training and English lessons.

Examples of programs that were held in 2019 are:

- **Customer Service workshop,** which provides tools and tips to Customer Service (CS) managers with the aim of developing their skills and improving their effectiveness in their respective countries. In 2019 we created four modules dealing with various CS skill sets, and trained CS representatives from all around the world



to become skills trainers in their agencies. During 2019 they passed on their improved skills to all their agency representatives.

- **Negotiation workshop**, designed for our Procurement department, to provide them with negotiation tools and skills and improve process management, for a variety of processes. The workshop included simulations of daily events and learning advanced negotiation skills.
- **Managerial training**, conducted by The Situational Leadership® II model of Blanchard², which teaches leaders to diagnose the needs of an individual or a team in order to use the appropriate leadership style to respond to that individual/team. Building on the pilot we held in 2018, the 2019 training included the participation of over 100 managers in major locations: USA, Israel, China, Hong Kong, India and Germany.

Onboarding process

We consider it highly important to support and accompany our employees from their first steps at ZIM. We invest unstinting efforts to make new employees feel right at home in the ZIM spirit of togetherness, and motivate them to connect with our values and operating practices.

In 2019, for the first time, the Company launched a worldwide digital onboarding process. This new process involves all the entities taking part in the hiring process—the direct manager, the employee and HR staff—and provides the basic professional knowledge and information about HR, safety, employee rights etc. needed by a new worker in the Company.

For this purpose, we created 14 interactive learning capsules (modules and video clips) which impart the knowledge a new employee needs to become successful at ZIM. By using our learning system, we are able to monitor the process effectively and assess its contribution to the employee's experience.

Executive training

Our managers are our leaders. Managers have a decisive impact on their employees' experience; they have the ability to influence their employees' performance and utilize their potential for ZIM's benefit as well as for the employees' own personal development. It follows that we attach great importance to investing in our managers, improving their skills and enriching their managerial knowledge and tools.

This past year, we started a new Executive Training program as part of our global training program for 2019. The program was developed with the aim of equipping our department officers with relevant tools and enriching their professional knowledge. It uses the Hersey-Blanchard Model, which includes four stages of employee development and builds on the realization that workers experience different evolving stages during the performance of different tasks. Consequently, according to the model, managers need to employ different leadership styles at different stages. We believe that understanding this fact will help managers become more effective and workers more efficient. The program was first implemented in Israel, and enlisted the participation of six groups of managers from various locations. We are planning to expand to six more locations in 2020.

Engagement survey

We believe that each employee has an important contribution to make to our daily operations and efforts for success, and this contribution grows with the employee's engagement and commitment.

We conducted our first engagement survey in the previous reporting year. The survey examined seven dimensions of the employee experience: within the team, in the role, with the managerial culture, talent management, experience in ZIM, perceptions of ZIM management and emotional connection to ZIM.



² The Ken Blanchard Companies is a world-renown training and management skills organization.

During 2019 we analyzed and assessed the results of this survey. We learned that most of our employees are satisfied with their experience in the team, and experience a positive work environment. They feel that people back each other up at ZIM and that the team produces professional deliverables. We also learned that 74% of our workers are proud to work at ZIM and would rather stay and work in the Company even if they receive a similar offer from another company. In addition, 76% of our workers have a holistic understanding regarding how their work affects the Company's results.

Further results made us realize that we need to improve communication and information flow within the Company. Only 14% of participants responded that they feel up-to-date vis-à-vis ongoing processes in the Company, and only 48% feel they have all the information needed to perform their work. We also learned that the most important thing in improving managers' and employees' work experience is personal and professional development.

Following analysis of the survey's results, a work plan was built for each unit by the managers and HR personnel based on the main areas for improvement identified in the survey. At the organizational level, we created our new Vision and Values to support the perception of "One ZIM" and strengthen the employees' sense of belonging. We also extended our internal communication platforms – more screens, more communication and sharing of information. The HR department is following the progress in each unit's progress, and after analyzing the 2019 survey's results, we will be able to compare and gain understanding regarding the effect of these changes on the employees at all levels. We note that the 2019 survey was filled out by 83% of our

managers and employees, which is a 2% increase over the first survey.

Evaluation process

The Annual Appraisal Process allows us to set uniform business requirements for our employees and managers. Using this global process, we create a multidimensional discourse involving all levels of the Company, and nurture a corporate culture which fosters excellence and high standards.

The process has three main features: an assessment of goals that were set the previous year, an indication of strengths and points for improvement, and setting goals for the coming year. To strengthen the dialogue between employees and managers, the process includes a self-evaluation by the employee. This enables a more constructive and in-depth dialogue about the employee's performance. We have been conducting this annual process for seven years now, and each year we adjust and improve its implementation with regard to the year's main targets and the message we want to convey.

In 2019, 96% of all employees and managers around the world took part in the process.



DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

405-1

We are determined to provide equal development opportunities for all employees to enable their advancement within the organization. We respect and protect their fundamental rights and freedoms in line with our Code of Ethics and human rights. We are committed to preventing all discrimination based on nationality, class, race, disability, gender, age, religion and political views throughout our organization.

We always strive to promote gender equality in all our business operations and units. In 2019, approximately 49% of our employees and about 40% of our managers were women. We are committed to gender equality, as reflected in our diverse recruitment and career development opportunities.

Over the last three years we have initiated and maintained cooperation with Matrix, an outsourcing company in Israel, with the purpose of empowering ultra-Orthodox women. The goal of the program is to train the women and enable their integration within IT roles in the Israeli labor market. Graduates of technology classes are recruited into the program, where they receive training in various fields of expertise in which they plan to work after completing the program.

For the purpose of being integrated in ZIM, the trainees undergo initial training in the world of shipping, ZIM

information systems, work practices of a global organization and technical English lessons. We took several measures to adapt the workspace in the Head Office to the ultra-Orthodox community's needs: adjustment of working hours, changing work routines to meet religious requirements, training ZIM employees to be aware of specific needs of the new workers.

Today we have 12 outsource employees successfully integrated as programmers in our development department.



OCCUPATIONAL HEALTH AND SAFETY

403-3, 403-5, 403-6, 403-9

We are committed to maintaining the highest standards of health, safety and quality on behalf of our customers, employees and suppliers, and for the benefit of the greater community and the environment as a whole.

We act in line with safe work practices throughout all ship and office operations, and all working conditions are in full compliance with local and international laws and regulations. Health and safety risk assessments are conducted on a regular basis, and employees receive frequent updates about any incidents as they occur.

We rigorously monitor compliance levels and accident frequency rates in order to ensure that our employees' work environment is safe. There were no fatalities as a result of work-related injuries during 2019. There were 15 work-related injuries in 2019: seven of the accidents occurred in port, four accidents occurred at sea, two at a public area, one on a vessel and one on inland transportation.

Safety of employees at sea

Ensuring the safety of our employees at sea is a top priority at ZIM. All of our operational activities adhere to the highest standards of maritime safety, and all our vessels comply with the International Safety Management (ISM) code.

ZIM has complied with the ISM code since 1997. One of our captains from the Ship Management Department has been designated to conduct annual internal audits onboard our vessels. In addition, we conduct an annual ISM management review, and an external ISM audit is conducted by a surveyor from the Nippon Kaiji Kyokai ship classification society (ClassNK). Our vessels regularly pass the external audits without any instances of non-compliance.

We acknowledge that work at sea and in ports entails unique risks. Our employees are highly trained to work safely in these environments, and their skills are continuously refreshed and updated through regular briefings and training sessions prior to and after international journeys. All crews on our vessels are equipped with active protective gear to minimize noise exposure, as well as with dust masks when required.

Safety within the workplace

Every worker at ZIM takes lessons in safety conducted by ZIM or by the Israeli Institute for Occupational Safety and Hygiene. Furthermore, every employee undergoes yearly mandatory computerized training, in which passing a test is required for completion.

In 2019 the Company appointed a safety committee which includes four members: two from ZIM management and two from the workforce. They have eight planned meetings a year, and are responsible for investigating on-the-job accidents and recommending how they can be prevented; monitoring safety and hygiene conditions in the Company, and proposing specific improvements the Company should make with respect to workplace safety.

We have five safety trustees (with a sixth person to join them soon) who complete eight training days a year in order to maintain their certification, and a dedicated certified Global Safety Officer who coordinates and documents all reports of injuries from all ZIM entities around the globe, including all ZIM-operated vessels (owned and chartered).



All floors are surrounded by marked fire stations which are arranged and equipped with all necessary equipment. These are all regularly inspected and marked accordingly.

Safety of suppliers

As part of our strong, longstanding commitment to safety in all our operations and activities, ZIM has been a member of the Cargo Incident Notification System (CINS) since 2012. CINS is a shipping lines initiative designed to increase supply chain safety, reduce the number of cargo incidents onboard ships, and highlight the risks caused by certain cargos and/or packing failures.

CINS permits analysis of operational information related to all cargo and container incidents which lead to injury or loss of life, serious damage or loss of assets, or adverse environmental consequences. Data relating to any cargo incident onboard a ship is uploaded to the CINS database, where it can then be accessed and used to prevent future incidents. In 2019, 11 incidents were reported to the CINS.

HUMAN RIGHTS AND LABOR PRACTICES

408-1

We manage Human Resources in accordance with local labor laws and regulations in our locations of operation in matters such as payroll and employee benefits, e.g. minimum wage, pension allowances and on-time payments. Our entire labor force is employed based on International Labor Organization (ILO) conventions and national laws.

We uphold the worker rights and human rights of our employees, on and offshore, and of our business partners with whom we interact. Thus, ZIM refrains from contracting with suppliers and business associates who do not comply

with high standards of ethical conduct. There is no child labor in any of ZIM's locations globally. We do not employ people under 18 in any of our agencies, and provide above-minimum-wage salaries in all our global agencies.



CUSTOMERS- SERVICES AND INNOVATION

103-1, 103-2

Different cargos naturally have different needs, while every customer requires the same accessible, knowledgeable support. By building ongoing relationships over more than seven decades, we have learned the ins and outs of our customers’ businesses, enabling us to provide the right service for their individual needs.

As part of our continuous journey toward making ZIM a market leader in Customer Experience, during 2019 we invested a great deal of resources and effort, and have indeed made significant progress.

Our **Smart Customer Service (SmartCS) program**, which was launched in 2018, is based on thorough analyses of customer feedback and general market trends. It provides us the ability to monitor and measure the agencies and ensure that they are working according to predefined Service Level Agreements (SLAs). The SLAs include parameters such as calls answered within 30 seconds, emails’ first human response within two hours, booking confirmation within two hours and closure of cases within the SLA. All of these are aimed at providing our customers with the quickest, most efficient and accurate response. By December 2019 we reached coverage of approximately 70% of our business volume, and our target is to reach 85% by the end of 2020.

As part of our **digital transformation**, we have made significant progress in making it easier for our customers to do business with us by enabling them to shape the course of ZIM’s future Service Experience. Our new “Powered by our Customers” approach allows our influencers to take an active part in designing ZIM’s future digital experience – “For Customers, By Customers”.

myZIM – our newly-designed platform allows easy access to all documentation, on-line support, and printing the Bill of Lading (B/L), on any media platform our customers choose. The major feature introduced in 2019 was the new Personal

Notification Feature, which personalizes our customers’ experience even further by enabling them to receive the notifications that matter most to them regarding a specific cargo or all their cargo, via email or SMS. Each user within each registered company can choose their own notifications and alerts from a list of more than 100 cargo events. Additional features such as draft B/L and Verified Gross Mass (VGM) submission will shortly be introduced. myZIM focuses on digitization, which will make it easier for our customers to do business with us by using technology to simplify complex shipping logistics processes that occur on a daily basis.

Other innovative actions taken during 2019:

- **e-ZIM** – designed to make customers’ Bookings & Shipping Instructions (SI) submission experience easy, smooth and simple; includes quick registration process, both Booking & SI stages managed under one entity, auto-completion of commodity codes and the ability to manage customers’ counterparties as contacts. All this is supported by the most advanced UI/UX, and compatible with both mobile and tablet browsers.
- **New ZIMapp** – developed as a complementary digital tool to our website and myZIM.
- **Use of Blockchain** – the documentation process in the shipping industry is one of the most outdated processes of our time. This is especially true regarding the B/L that covers the transaction, as there has been



no change in the process since the last century. The shipping industry uses large amounts of paper for Bs/L, invoices, notifications, certificates and other required documentation. It is estimated that millions of paper Bs/L are issued annually, most of them with a minimum of three originals. ZIM, together with Wave Ltd., is leading the industry in paperless trade by replacing the traditional paper B/L with a secure platform for transporting cargo with an E-B/L. The aim is to simplify the process and eliminate the problems which occur with paper Bs/L such as loss of documents, delays in receiving documents, fraud and forgeries, title disputes, piles of paper and paper waste.

At ZIM, we believe that going digital does not mean giving up our unique Personal Touch. Alongside all our investments in implementing supporting systems and digital platforms, in 2019 we invested in upscaling our internal processes and skills by conducting Soft Skills workshops for our representatives worldwide. In addition, we introduced a unified “On-Boarding Process” for new customers, with the aim of providing the best-in-class On-Boarding Experience, thus supporting and reinforcing for the customers’ decision to choose ZIM.

Another focus during 2019 was increasing invoice accuracy by minimizing different kinds of correctors and avoiding unnecessary hassle for our customers. Due to the efforts we invested, we were able to reduce correctors by over 40% compared to 2018, achieving 94% accuracy by the end of 2019.

During 2019, we monitored customers’ experience of the Booking and Documentation processes by means of several surveys. A clear improvement was made over the course of the year, enabling us to reach almost 80% “Very Good” or “Excellent” customer evaluations of their Booking and Documentation process experience. In addition to our ongoing surveys, we conducted our Yearly Customer Experience Survey which shows that this year, ZIM continued to be above the worldwide norm in customer loyalty, according to the Customer Loyalty Index (CLI), and showed improvement in several aspects of customer experience.

To ensure that we are on the right track, for the first time we commissioned a benchmark survey with IPSOS³ to evaluate how customers assess us against our competitors in certain aspects of service. The survey results showed that our customers who have stated that they are working with multiple carriers see ZIM as the most Customer-centric organization, as well as the easiest carrier to do business with, compared to the other top 12 carriers.

This year saw a significant leap forward in ZIM Customer Experience. We are on track, full speed ahead, committed to making sure the ZIM Customer Experience will be further improved and recognized in the coming years.

³ IPSOS is a global market research and consulting firm

SPOTLIGHT: Pharmaceutical logistics



As one of the world's leading carriers, we have hundreds of customers from different sectors and business operations. As such, we recognize that each customer has different needs and requirements, and we do our best to come up with creative solutions to ship the wide range of cargos entrusted to us safely to their destinations.

For one of our large customers from the pharmaceutical industry, it is of vital importance that all medications arrive at their destinations around the globe in pristine condition. Working closely with this customer, ZIM developed ZIMonitor, a smart container system that combines advanced, ongoing monitoring with global, personal 24/7 support in order to prevent mistakes, cut costs, and ensure safety and quality.

The challenge

With hundreds of plants in various markets around the world, our customer depends on us to deliver a reliable shipping process every time. Medicines are highly perishable commodities: to remain safe and effective, they require very exact, constant storage temperatures which can range from -30° to 25°C, depending on the medicine. These temperatures must be maintained throughout the duration of each shipment, through multiple ports, switching from ship to truck to train to warehouse, and finally to store shelves.

The solution

ZIM worked hand-in-hand with the customer to develop our innovative ZIMonitor. This exclusive system combines advanced monitoring technology with real-time alerts, and is operated by a 24/7 service center. If a door is opened, or a container is left unplugged, or there is an unexplained change in temperature, the customer is notified immediately. They can contact the service center around the clock, and ZIM's team will spring into action to rectify the problem.

The results

Since its implementation, the new ZIMonitor system has proven itself over the course of thousands of shipments. In addition, we were able to reduce the risk as well as the insurance cost to our customer.

Over time, ZIMonitor has translated into huge financial savings, as well as invaluable peace of mind for our customer and their customers. For them, ZIMonitor is more than a money-saver, it's a major step forward for the entire pharmaceutical industry.



SOCIAL MEDIA ACTIVITY

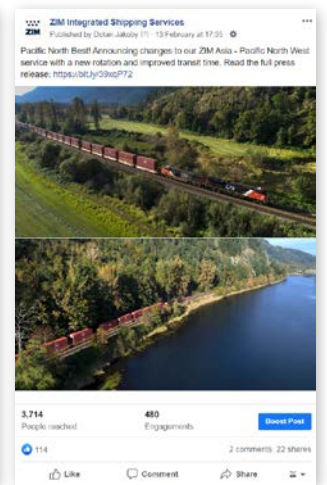
In 2017, following a preparation period, ZIM began a coordinated and planned activity on social media platforms. ZIM sees social media as a wide-reaching channel for promoting corporate messages, enabling direct communication with customers and partners while interactively engaging with the community at large. ZIM's social media team runs the official corporate channels.

The main objectives of ZIM's Social Media activity are to:

- Increase transparency and cultivate a dialogue with diverse audiences
- Enhance involvement and a sense of pride in ZIM's employees
- Increase brand awareness and position ZIM as a leader in the shipping industry
- Promote corporate messages and share achievements
- Provide an additional communication channel during normal business operations as well as in times of crisis
- Strengthen business activity whenever possible

ZIM's activity on social media has won praise from observers. In May 2018, ZIM was ranked first among shipping companies in terms of engagement.

We are currently active on several Social Media platforms: Facebook, Twitter, Instagram and Glassdoor. In 2019, we saw an overall growth of 29% in our followers on different social media platforms. Throughout the year, we published a monthly average of 13 posts covering an array of topics on the various platforms. This was also noted externally, with the Sea-Intelligence⁴ survey finding us to have the highest growth, compared to other global carriers, on Facebook and Twitter during 2019.



⁴ Sea-Intelligence is a provider of analysis within the container shipping industry.

GIVING BACK TO THE COMMUNITY

ZIM aims to give back to the community wherever it operates and wherever our employees are located. We encourage our agencies around the world to contribute to their localities and develop enduring fruitful relationships with their communities.

During 2019, ZIM donated ten of our outdated and unusable containers to benefit various communities around the world:

- The Ghanaian Police Service received a container to accommodate police officers and help them fight crime.
- Disaster Relief at Work (DRAW), an American NGO which helps communities around the US in the immediate aftermath of natural disasters, received a container to store supplies which aid disaster victims.
- The Robotic Excellence Team at ORT Binyamina (an Israeli technological high school) received a container to store their equipment and help them keep it ready for their competitions.

- Pesia's Kitchen, an Israeli soup kitchen which provides food for persons in need – the elderly, children, the homeless and single-parent mothers – received a container to help them distribute their food in the region they serve.

In Canada, ZIM's local agency organized a softball tournament to raise money for the Montreal Children's Hospital Foundation. They also celebrated National Denim Day, and donated to the Cure Foundation that conducts research into breast cancer.

Our employees at ZIM's Central America and the Caribbean Agency volunteered and painted a deck in a Miami school, and are planning to expand their volunteer work in 2020 to once a quarter.

The workers in our Head Office volunteer in after-school day-care, assisting the children with homework and spending quality time with them. Also, to celebrate the Jewish holiday of Hanukkah, workers visited Rambam Hospital's Pediatric Oncology Department, cheering up the children, giving them ZIM vessel puzzles, encouraging and supporting them during this difficult period in their lives and making their time in the hospital a little easier to bear. The Head Office also gave our employees a present for the holiday of Passover, made in “& joy studio”, which employs disabled persons with special needs.



ENVIRONMENT

ZIM Value: Sustainability

We treat our oceans and our communities with care and responsibility.



ENVIRONMENT

103-1, 103-2

We invest great efforts to protect the environment and minimize our environmental impact in all our business activities and areas of operation. We comply with all relevant industry environmental laws and regulations, and require that our suppliers and business partners do the same.

The shipping sector faces many environmental challenges specific to the nature of its activities, such as reducing vessel emissions and fuel consumption, and minimizing the negative impact on the maritime environment. We guide and educate our teams worldwide to take actions that prevent environmental pollution and meet the stringent standards adopted by the IMO and regulators in various countries.

Our Sustainability Working Group, which was appointed in 2019, actively promotes initiatives with positive environmental impact. This year, the Group took several concrete steps to improve the environment including discontinuing the use of plastic cups at our offices and installing recycling bins for plastic, metal and glass.



ENVIRONMENTAL MANAGEMENT

103-1, 103-2, 102-12, 102-13

We instruct our teams to implement actions that prevent pollution and to take measures to meet the stringent environmental standards relevant to our operations worldwide. For example, ZIM is a participant in the voluntary Vessel Speed Reduction (VSR) Zones program in the port of Pusan, South Korea, and in the port of New York and New Jersey, with the goal of reducing environmental pollution around these ports.

ZIM was one of the world's first shipping companies to obtain the ISO 14001:2004 Standard certification for its company-owned fleet. This standard specifies the requirements for an Environmental Management System (EMS), which applies to those environmental impacts that, in our determination, can be controlled or influenced by our operations. Furthermore, our certificate of EMS Registration has been assessed, certified and issued by an independent third party (ClassNK). Today, ZIM is ISO 14001:2015 of the Ship Management Directorate (SMD) certified.

Our environmental management policy includes compliance with all international environmental standards relevant to our operations, and is published on our website.

We see sectoral partnerships and international standards as crucial to the management of environmental challenges posed by the nature of our operations. Collaboration with our business partners brings us the opportunity both to share our experiences and to learn from our peers' best practices.

Our fleet complies with all mandatory standards and abides by all relevant treaties for the prevention of marine pollution, including:

- IMO resolutions
- the International Convention for the Prevention of Pollution from Ships (MARPOL)
- the International Convention for the Safety of Life at Sea (SOLAS)

- flag administration
- the Shipboard Oil Pollution Emergency Plan (SOPEP) regarding oil spills
- the International Maritime Dangerous Goods (IMDG) code
- other standards regarding sewage, garbage and air pollution, as well as all national, regional and local regulations

Since 2018, we have, voluntarily, gradually been replacing our global car fleet by ecofriendly hybrid or electric models. In 2019 we continued to encourage our employees and managers to choose the more environment-friendly models, with the result that by the end of 2019, approximately 48% of Company cars had already been replaced. We aim at replacing 100% of our car fleet by the end of 2021.

During 2019 we focused on EcoDrive proper driving workshops, in which our employees and managers were trained in correct driving practices which lead to increased road safety and more efficient fuel consumption.

In 2019 we created a sustainability clause to be added to all our new and renewed procurement contracts; both with vendors and suppliers. Under the new contracts, suppliers and vendors commit to complying with ZIM's standards relating to health, safety and the environment. In the future, we plan to include these in existing contracts as well.

Reduction of environmental impact

As part of managing our environmental impact, we monitor and invest much effort and resources in reducing energy, water, chemical and fuel consumption aboard all vessels and in our offices worldwide. Measures taken for preventing pollution from vessels include:

- Ballast water management
- Practices to control and manage vessels' hull bio-fouling to minimize the transfer of non-indigenous aquatic species
- Strict avoidance of oil and toxic chemical discharges into the sea, including deck spills overboard
- Implementation of SOPEP onboard vessels
- Replacing mineral oil lubricants with Environmentally Acceptable Lubricants (EAL) for wire ropes and deck equipment, as well as for the stern tube and bow thrusters
- Sewage treatment and garbage collection and disposal
- Air pollution management, including the control of ozone-depleting substances
- Management of local pollution, such as dust/noise/odor emissions and accidental spills (handled onboard daily according to each vessel's Shipboard Operations Procedures (SOP))

The new 2020 fuel regulations

As of January 1st 2020, the entire shipping industry must comply with the new IMO regulation regarding fuel consumption. The new fuel regulation, known as "2020 Sulphur Cap", requires all marine carriers to use low-sulphur fuel (<0.5% sulphur content), with the aim of reducing emissions.

During 2019 our Global Operation Directorate set relevant guidance for the ZIM fleet's preparedness for the IMO 2020 regulation in order to meet the new requirements. Amid the controversy over Exhaust Gas Cleaning Systems (EGCS) in which scrubbers' wash water is discharged back into the ocean (with a possible transfer of pollution from air to sea, which could be harmful and unsafe for the ocean environment), ZIM's general policy is to use compliant fuel. ZIM prefers to meet the 2020 global sulphur limits by using primarily compliant low-sulphur fuels rather than using heavy fuel oils in combination with a scrubber.

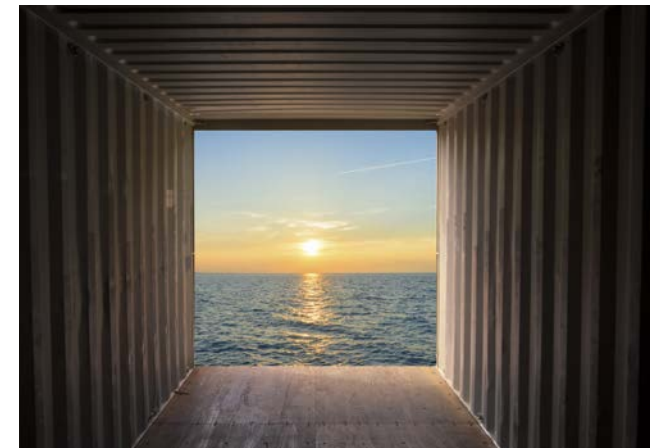
To comply with the new regulation, we established a detailed IMO 2020 compliance schedule starting December 2018, with two parallel and synchronized processes to be undertaken; vessel preparation and fuel purchase, both closely monitored until final goal achievement.

All ships in our fleet, both owned and chartered, use low-sulphur fuels to reduce the environmental impact of their main engines. On certain routes and services, we practice Super-Slow Steaming to enable substantial fuel savings resulting in significantly reduced CO₂ and NO_x emissions.

Flexitank policy

A Flexitank is a liquid bulk package suitable for storage and transportation of non-hazardous liquid products. ZIM's policy is not to accept fuel oil or any related substances such as lubricating oil, bio diesel, process oil and engine oil in Flexitanks.

ZIM was one of the pioneering companies in introducing Flexitanks in our container fleet and establishing ground-breaking procedures for incident prevention, recognizing both the commercial potential and the inherent hazard and risk of leakage. Due to the ramifications of such leakages in the past, and recognizing the extent of the environmental hazard, we introduced a very strict policy to safeguard both the Company interest and the marine environment. We are proud of our long-established verification and screening policy for Flexitanks and our consequent good track record with a minimum of incidents involving only relatively safe substances.



EMISSIONS

305-1, 305-4, 305-7

Since 2013, ZIM has been a member of the Clean Cargo Working Group (CCWG), a global shipping industry initiative dedicated to improving the environmental performance of marine container transport through ongoing measurement, evaluation, and reporting.

Every ZIM vessel's CO₂, NOx and SOx emissions, oil and fuel usage and sewage treatment facilities are constantly checked, examined and reported to the CCWG. All reported data is verified by a third party, the Standards Institute of Israel.

We strive to reduce fuel consumption and emissions due to inland cargo transportation by selecting rail transportation whenever available. In 2019 we entered into a new agreement for inland rail transportation in the US. This agreement

stipulated direct connection between two railroad companies, allowing the detaching and reconnecting of container-bearing flatbed rail cars, thus eliminating the need for unloading, transfer by road and reloading. This new agreement allows us to be more time-efficient and reduce fuel consumption and air emissions. We aim to expand this practice in the future, in terms of both capacity and geographical extent.

	2016	2017	2018	2019	
CO ₂ Emissions (TON)	3,988,516	3,763,831	4,159,084	3,047,696	↓
SOx Emissions (TON)	29,612	26,989	27,101	17,262	↓
NOx Emissions (TON)	94,800	89,433	98,484	71,019	↓
CO ₂ Emissions - Dry (g/TEU-km)	55.28	52.28	50.69	47.21	↓
CO ₂ Emissions - Reefer (g/TEU-km)	87.85	84.40	88.18	87.57	↓
Sulphur Emissions (g/TEU-km)	0.82	0.71	0.68	0.59	↓
SOx Emissions (% Fleet-wide Average Sulphur Content of Fuel)	**	**	1.86	1.74	↓
NOx Emissions (% below IMO curve)	10.47	10.96	11.15	12.95	↑

* ZIM's emissions as calculated according to the CCWG 2018 methodology; includes fleet emissions only.

** No data was calculated by CCWG before year 2018.



EcoData Emissions Calculator

We encourage and support environmental awareness on the part of our customers. For this reason, we provide our customers with a convenient and easy way to monitor the ecological impact of their shipments. The EcoData Emissions Calculator is a user-friendly online tool that can be found on our website. It estimates CO₂ and SO_x emissions based on the CCWG methodologies. With this tool, our customers benefit from greater transparency and knowledge relating to all aspects of the shipping process.

Container sharing initiatives

ZIM actively promotes container-sharing initiatives with third-party suppliers such as partner shipping companies, container leasing companies and container traders. This practice is significantly reducing ZIM's carbon footprint. By sharing the use of container space, we avoid shipping less-than-full containers, thus utilizing their full capacity and reducing the total amount of containers shipped.

During 2019, ZIM used these sustainable methods to export approximately 45,000 TEUs, saving an estimated 270,000 kg of CO₂ emissions on port moves alone.

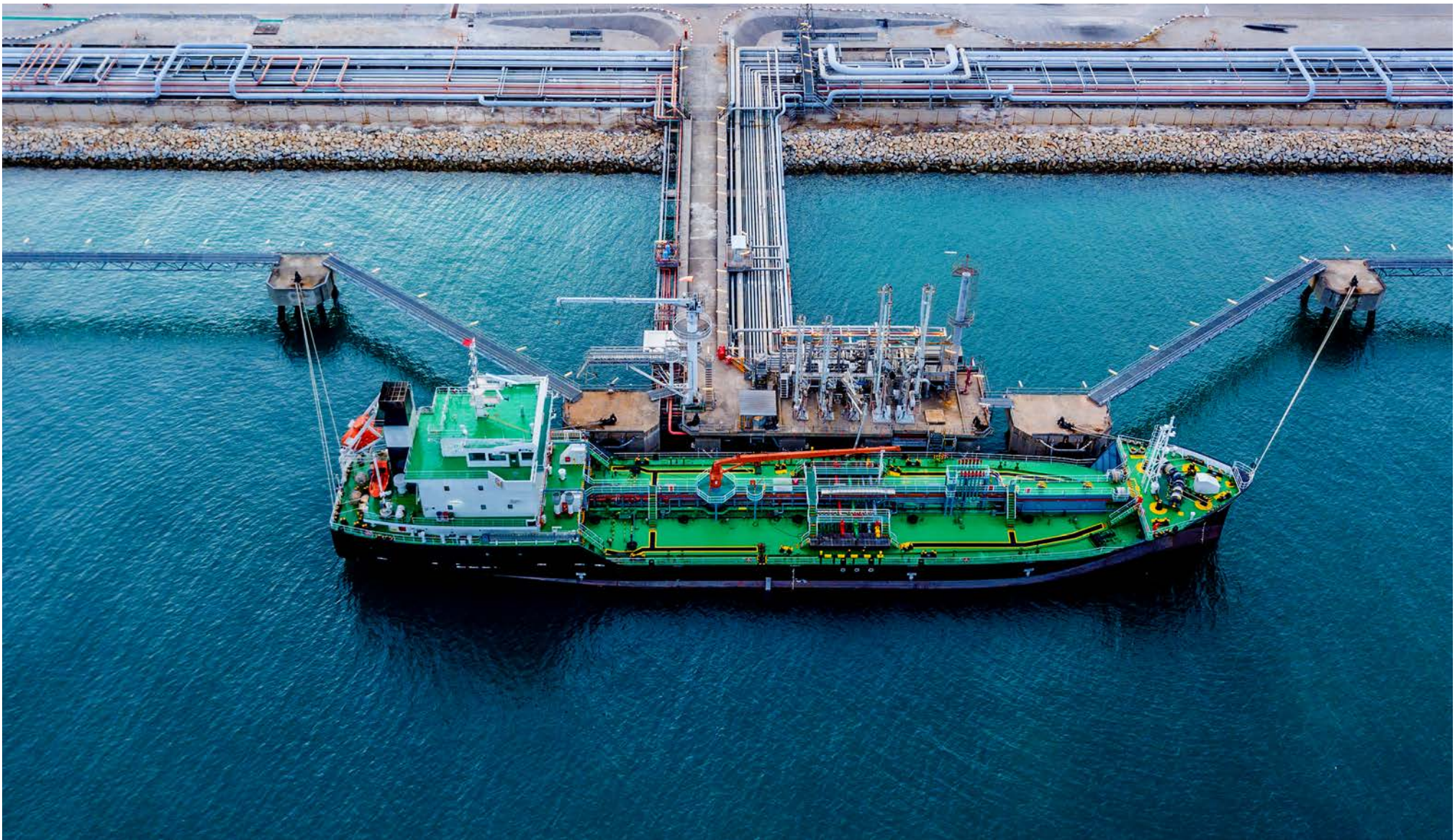
The (fleet) average CO₂ Emission Factor (gCO₂/TEU-km) and average Sulphur Emission Factor (gSO_x/TEU-km) for 2019 **improved by 7% and 13%** respectively compared with the same averages for 2018. The improvement in the (fleet) average Sulphur Emission Factor was achieved mainly by increasing the use of marine fuels with less than 0.1% sulphur content for our vessels.

Between 2012 and 2019 we reduced our fleet's average CO₂ emission per TEU (gCO₂/TEU-km) factor by 54%.

ZIM's targets for reduction of emissions:

- To improve the fleet's average environmental CO₂ emission per TEU (gCO₂/TEU-km) every year by 2%.
- To aim for a 50% reduction in our Fleet's Average CO₂ Emission Factor by 2025, compared to 2008.





ENERGY AND FUEL CONSUMPTION

302-1, 302-3, 302-4

We strictly monitor fuel consumption on all operated vessels, both owned and chartered, on a regular basis. Our main organizational fuel efficiency KPI is “Fuel Consumption per 1,000 miles per TEU”. This indicator enables us to measure our fuel consumption efficiency.



We take the following actions to promote reduction of energy and fuel consumption:

- Optimization of port call sequence to avoid unnecessary vessel acceleration
- Constant efforts to improve port productivity (such as optimized vessel planning) to reduce time in port and avoid unnecessary acceleration to the next port
- Optimization of sea routes to avoid extreme weather conditions which may cause delays followed by unnecessary speed-ups

We also practice the following specific measures for monitoring and influencing our ships' overall performance:

- **Maintenance of Vessels:** regular propeller and hull cleaning, sludge removal and dry docks, which collectively reduce ship resistance and improve overall vessel performance
- **Power Energy Management:** generation and consumption of electrical power onboard are regularly monitored, and crews are encouraged to reduce consumption. Each vessel in our fleet provides a daily report and a sailing-end report detailing the ship's energy consumption.
- **Optimum Ballast, Draft and Trim:** making adjustments of ballast in order to take into account the requirement to meet optimum ship trim and steering conditions. We

achieve this primarily through good cargo planning. In addition, captains on our vessels have at their disposal technological and computational tools which ZIM developed to properly manage optimum trim and maintain the vessel at the most fuel-efficient draft and trim.

- **Crew Familiarization and Onboard Training:** each crew aboard ZIM-operated ships is familiar with measures they are expected to take to make each vessel and voyage more energy-efficient. The Captain of each vessel provides a quarterly report regarding actions taken to reduce fuel use.
- **Weather Routing System:** routes should be planned in accordance with the Weather Routing System, which analyzes weather forecasts and recommends routes with favorable weather conditions in order to achieve ideal performance in speed and fuel consumption.
- **Boiler Performance Management:** monitoring onboard steam management and maintaining each vessel's optimal heat balance improves overall efficiency and reduces energy use and air emissions. We emphasize the importance of minimizing non-essential steam consumption, for example: reducing the heating of machinery and tanks while vessels are in port.

We are also able to monitor our entire fleet in real time from the Global Operation Center (GOC) located in the Head Office. The GOC monitors the status and position of all active ships, relevant weather conditions and currents, and effectivity of port operation, among other data. Based on information gathered, the GOC assists with decisions concerning ship routes and speed adjustments in real time and detects deviations in vessel performance which may lead to inefficiencies.

Furthermore, the GOC conducts monthly reviews of port performance and sets targets for more efficient operations: minimizing waiting times at ports, optimizing cargo operation times, and more. *(For further information regarding the GOC, see the chapter Corporate Governance, p. 37)*



ZIM's fuel consumption:

	2016	2017	2018	2019
Total fuel oil (TON)	1,192,378	1,115,937	1,261,136	898,323
Total gas oil (TON)	85,917	90,082	72,335	78,078

ZIM's fuel efficiency:

	2016	2017	2018	2019
Fuel efficiency (kg/TON*1000Nm)	42.41	41.23	40.03	39.7





MATERIALS AND WASTE

306-2

ZIM sees great importance in proper waste and material management and invests much effort in maintaining a high level of supervision of these functions. This includes meeting various requirements regarding the treatment of sewage, waste, residuals, and more. All our vessels are in full compliance with the obligatory MARPOL and IMO regulations relating materials and waste treatment.

- **Ballast Water** is managed according to the Ballast Water Plan which sets ballasting and de-ballasting procedures.
- **Sewage** is treated in a special treatment system. To avoid dumping in costal/territorial waters, additional storage capacity onboard has been converted for use as collecting tanks for the treated sewage. **Graywater** is also collected in a converted void space.
- **Bilge liquids** are collected and purified through the “Bilge Separator”.
- **Sludge** is collected in a dedicated tank on each vessel for disposal and treatment at a facility onshore.
- **Waste** onboard is separated into components such as plastics, paper, and food waste. Incineration of permitted components is performed onboard and the ash is delivered to onshore facilities together with plastics and other waste.

Dangerous goods waste

ZIM gives top priority to the proper handling of Dangerous Goods⁵ (DG) waste, giving its numerous customers the utmost professional treatment of that complex and delicate segment of trade. During 2019 ZIM moved more than 32,000 tons (2,357 TEU) of DG waste all around the world and our services

include solutions for all types of waste routing to the final destination, while fully adhering to the strict regulations and current guidelines given by the UN, EU and regulatory bodies such as CINS.

There are Hazardous, DG and Chemicals Centers operating in our Head Office and regional offices. These centers check and approve each DG shipment prior to loading on our vessels. Our Export department specializes in transboundary shipments of hazardous waste and in dealing with all kinds of challenges and export issues. We work according to EU regulations, the Basel convention, the IMDG code and the EU agreement concerning the International Carriage of Dangerous Goods by Road (the ADR Treaty).

We take care of the waste cargo from the packaging stage to the end destination in the disposal plant, a huge responsibility. The service we provide our customers meets all legal requirements including compliance with all stringent standards, e.g. ISO: 9001.

Ship scrapping and recycling

All shipyards and facilities that we use for ship scrapping and recycling purposes are verified as meeting applicable international environmental convention standards, including the IMO Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (2009).

⁵ A dangerous good is a substance or material that is capable of posing a risk to health, safety, and property when transported in commerce, including hazardous substances, hazardous wastes, marine pollutants, and elevated-temperature materials.

In 2019 we sent two of our ships to scrapping. One of them, our ZIM Barcelona vessel, was sold for scrapping due to the ship's systems' non-fulfillment of the new IMO2020 requirements.

Used containers for new purposes

Another way in which we try to reduce our ecological footprint and encourage recycling is to extend the lives of our containers by offering a large inventory of used shipping containers for sale or donation at the end of use.

After we retire containers from our fleet, they begin new "careers" all over the world, providing outstanding solutions for diverse storage needs. Some are even refitted and redesigned as residences, offices, classrooms, and other spaces. *(For further information about container donations in 2019, see the chapter Social, p. 59)*

Reefer containers

ZIM is at the forefront of the operation and innovation of refrigerated containers – Reefer containers. Our Reefer containers are equipped to transport refrigerated cargo of all kinds including frozen food and medical supplies.

In 2019 we have initiated a three-years renovation plan for our reefers fleet with the aim of reaching an average fleet age of 5 years. A younger reefer fleet means reduced maintenance and repairs and lower energy consumption.

The first phase of the plan, executed in 2019, consisted of phasing in 4,000 new and phasing out 3,000 old reefer container units, bringing the share of new Zimonitor containers to 37% and the average fleet age to 7.5 years.

During 2019 we increased our container stock by the addition of 2,000 TEUs of brand-new Star Cool Integrated (SCI) Reefers manufactured by Maersk Container Industry (MCI). The SCI Reefer is differentiated from the market alternatives as the more sustainable choice by the following features:

- a) Use of a frequency converter to operate the refrigeration compressor, and software which matches only the required evaporator fan speed to meet cooling demand.
- b) A dual refrigerant system that enables operation with both R134a and R513a, currently the two most widely-used refrigerants. The system features the ability to switch between the two refrigerants without flushing into the atmosphere, as the more sustainable one becomes increasingly available in the global marketplace, and as regional regulations come into force.
- c) An "integrated" one-piece container (instead of a box + refrigeration unit) resulting in significantly lower air egress and more efficient maintenance of the desired temperature throughout transport, requiring lower consumption of fuel and electricity.

All brand-new reefer containers are equipped with the state-of-the-art ZIMonitor technology which enables 24/7 remote

monitoring of the refrigerator units including real-time alerts and rapid response should any mishap occur, operated by a dedicated service center.

Our target for 2019 was to equip approximately 25% of ZIM's reefer fleet with this top-of-the-line technology. In fact, by the end of 2019, 40% of our total Reefer fleet consisted of ZIMonitor-equipped units, with a planned increase to 55% in 2020.



SPOTLIGHT: A Story of Avocado



With the new Controlled Atmosphere (CA) units, we are now able to transport specialized agricultural exports, keeping the produce fresh all the way around the globe. In 2019 ZIM succeeded in developing shipments of avocado from Israel to the EU and from Mexico to Spain. Avocado

is a difficult fruit to transport because of its high sensitivity to the physical and climatic conditions of its surroundings. By using our innovative CA units, the Israel Reefer team is now able to provide Israeli export companies full service and support for avocado transports to Europe.

Our innovative Reefer technology enables us to deliver delicious avocados unharmed and in top quality to their destination. In 2019, 375 avocado shipments were delivered, and we aim to increase this significantly during the 2020 season.



BIODIVERSITY CONSERVATION

Marine transportation involves a wide range of challenges when it comes to the protection of the oceans and the conservation of their unique biodiversity. Our Cargo Policy aims to meet these challenges. To reduce the transfer of non-endemic species, all our vessels undertake ballast water exchange, replacing coastal water with ocean water at mid-voyage.

In addition, we avoid discharging any waste or oily water into the sea, especially in sensitive and protected areas, in accordance with the MARPOL Convention and regulations.

Furthermore, to protect endangered species, we prohibit the transport of wildlife-related products in our shipments. We do this in accordance with, and in addition to, international laws. Cargo consisting of (but not limited to) the following types of wildlife and wildlife products is forbidden on our vessels: shark fins, ivory, horns, skins, furs, organs or carcasses of wild animals, trophy animals, marine mammals, and migratory birds.

Protecting the Right Whale

Another policy we implement to protect marine life is full compliance with the US National Oceanic and Atmospheric Administration (NOAA) Right Whale Ship Strike Reduction Rule. The goal of this rule is to reduce the risk of ship collisions with the endangered North Atlantic right whales. The regulation requires large ships to reduce speeds to ten knots in areas where the whales feed and reproduce, as well as along migratory routes in between.

Our ships entering or departing a port or location subject to the jurisdiction of the US adjust their speed and follow the instructions of the local port.



Ballast water

Ballast tanks are receptacles filled with seawater located on either side of the ship's bottom which act as weights to ensure structural stability and reliability, correct and stabilize the trim of the ship and optimize operating efficiency in response to loading conditions.

Ballast water collected from waters around the globe, with their specific species and organisms, may contain invasive aquatic species which present a major threat to marine ecosystems where they are later discharged.

We have adopted measures to minimize the difficulties posed by discharge of ballast water: all vessels are provided with an International Ballast Water Management certificate and a certified Ballast Water and Sediments Management Plan. All our operated vessels carry a ballast water record book and record all ballast activities onboard so as to comply with the USA, Canada and China ballast water regulations and reporting systems. Furthermore, to keep optimum ballast on our vessels, each vessel in our fleet is equipped with a ballast management system.

Our ballast water management standard has an intermediate solution, which is to exchange ballast water in mid-ocean. In this way, we exchange ballast water where most of the organisms taken in by ballast water in port regions cannot survive, or at least are far from the ecologically more sensitive coastal areas.

To further meet the challenges ballast water discharge poses to marine environments, all ZIM-operated vessels (owned and chartered) are in full compliance with the IMO-International Convention for the Control and Management of Ships' Ballast Water and Sediments. This regulates the exchange and treatment of ballast water and serves as a binding guideline for ZIM's operations.



Water consumption and usage

As part of our efforts to reduce our negative environmental impact, we actively promote the recycling of potable water and reuse of treated wastewater. The sustainability of fresh water resources is threatened by adverse environmental pressures, and while our core operations at sea do not significantly impact these resources, we consider it important to manage our consumption and usage of water onshore. For example, all water used in our Head Office is recycled by the local water authority and reused for irrigation purposes.





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GRI 102: General Disclosures 2016			
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102-3	Location of headquarters	45	
102-4	Location of operations	45	
102-5	Ownership and legal form	18	
102-6	Markets served	26	
102-7	Scale of the organization	16	
102-8	Information on employees and other workers	45	
102-9	Supply chain	26	
102-10	Significant changes to the organization and its supply chain		There have been no significant changes in the boundaries of the company since the 2018 Report, beyond regular operations.
102-11	Precautionary Principle or approach	36	
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General Disclosures: Strategy			
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102-47	List of material topics	14	
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102-49	Changes in reporting	None	
102-50	Reporting period	10	
102-51	Date of most recent report	10	
102-52	Reporting cycle	10	
102-53	Contact point for questions regarding the report	10	
102-54	Claims of reporting in accordance with the GRI Standards	10	
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206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	33	
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GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	65	
305-4	GHG emissions intensity	65	
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GRI 306: Effluents and Waste 2016			
306-2	Waste by type and disposal method	70	Information partially unavailable. We are initiating a data collection process to be implemented in the coming years.



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