

2018

Sustainability Report



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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.

IMO	International Maritime Organization
CCWG	Clean Cargo Working Group
MARPOL	The International Convention for the Prevention of Pollution from Ships
SECA	Sulfur Emission Control Area
IMDG	International Maritime Dangerous Goods code
SOPEP	Shipboard Oil Pollution Emergency Plan
TEU	Twenty-foot Equivalent Unit
EMS	Environmental Management System
SOLAS	The International Convention for the Safety of Life at Sea
ISM	International Safety Management code for the safe operation of ships and for pollution prevention
EAL	Environmentally Acceptable Lubricants
C-TPAT	Customs-Trade Partnership Against Terrorism
ILO	International Labor Organization
SmartCS	Smart Customer Service
SLA	Service Level Agreement
WPCI	World Ports Climate Initiative
ESI	Environmental Ship Index
TBT	Tributyltin
GOC	Global Operation Center
CINS	Cargo Incident Notification System

Letter of CEO

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I'm pleased and proud to share with you ZIM's first Annual Sustainability Report. This report displays, for the first time, the full spectrum of ZIM's sustainability efforts and achievements, in one comprehensive document. The report is published for the benefit of partners, customers and the public, in order to make known ZIM's ongoing efforts for a better environment.

As a veteran global carrier and a world leader in container shipping, ZIM has always been at the forefront in terms of maintaining the highest standards with respect to environmental protection, human resources and business ethics. Over recent years, as the awareness of sustainability issues has continued to grow in the face of the huge challenges of climate change and resource depletion, ZIM has invested more than ever before in the implementation of modes of operation, work procedures, training and guidelines aimed at strengthening the commitment to these standards across all aspects of our operation. Special attention is devoted to minimizing the carbon footprint of the organization through reduced emissions, both at sea and ashore.

While our improvement efforts are constant and ongoing, the Sustainability Report is an opportunity to take stock, assess our position and publish what has been achieved so far – as well as define new targets and objectives ahead.

ZIM's Code of Ethics, communicated to all ZIM employees, outlines some of the main principles which guide the way ZIM operates. They include compliance with the law, fairness and integrity in business, quality of service, and an ongoing effort to improve. Importantly, the Code indicates that ZIM strives to create an equitable and supportive work environment, ensure equal employment opportunity and provide its employees with a safe and hygienic workplace, free from any form of harassment or discrimination. The Code also affirms our commitment to causes for social betterment and to the communities in which we operate. Last but not least, ZIM conducts its business with maximum consideration for environmental impact and for the protection of the environment on a global level.

ZIM's Sustainability Report, which is the result of an extensive cross-organizational effort, addresses each of these topics in a clear and accessible way. The principles reflected in this report are already part of our organizational DNA, and we will continue to enhance the strategies and policies supporting these values in the years to come.

A handwritten signature in blue ink, appearing to read 'Eli Glickman', written over a light blue background.

Eli Glickman,
President & Chief Executive Officer

Letter of COO

102-14



Dear Reader,

ZIM's first annual Sustainability Report reflects a longstanding, ongoing organizational effort, stretching over many years, to position ZIM as a sustainability frontrunner.

While this report focuses on all aspects of sustainability, from corporate governance to community relations, a key section is dedicated to ZIM's environmental efforts as a vessel operator on a global scale.

ZIM's commitment to the environment and our well-established policy of a responsible and far-sighted approach to protecting the seas and the planet have always been an important part of our mode of operation, as demonstrated by the fact that ZIM was one of the first shipping companies to receive the Environmental Management Certification ISO 14001 for its owned fleet. ZIM also complies with the International Safety Management (ISM) Code, and puts special emphasis on occupational safety, which is of the highest priority.

Maintaining compliance with all relevant international treaties dealing with sustainability has always been part of our professional standard operating procedure as vessel owners and operators. These treaties cover all aspects related to the carbon footprint of our vessels, including emissions, energy and fuel consumption, materials and waste, reduction of environmental effect and environmental management in general. 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 measurement, evaluation and reporting.

Starting January 2020, the new fuel regulations, which require all maritime carriers to use low sulfur fuel (up to 0.5% sulfur content), will be in force. The new regulations pose a serious challenge to the industry as a whole. However, ZIM is well-prepared to meet the new requirements. ZIM fully supports the new regulations, which will contribute to the quality of our oceans and the environment.

As we face new global challenges and new regulatory demands, our task is to double our efforts towards sustainability in every field of our activity. ZIM's Sustainability Report is a testament to our ongoing efforts and a roadmap to future challenges and accomplishments.

A handwritten signature in blue ink, appearing to be 'D. Arbel', written over a light blue background.

David Arbel

EVP Chief Operations Officer (COO)

Introduction

About this report

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This is the first 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 2018, and provide information regarding all entities included in the Company’s financial statements, unless otherwise described.

The 2018 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 starting with this, our first report.

The issues discussed in this report were selected in a comprehensive material analysis process carried out by the Company management in cooperation with various Company units’ representatives, led by the Company’s COO who has the overall responsibility for the Company’s sustainability management. The details of this process and the final matrix of issues are presented in the Materiality Analysis section of this report. 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, such as our employees, customers, investors, suppliers, business partners and many others. Additional information regarding the process carried out by the Company is detailed in the Materiality Analysis section.

Additional information about ZIM can be found throughout this report, particularly in the “About ZIM” chapter 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, **Zadok Radecker**, at radecker.zadok@il.zim.com.

History of ZIM

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Early years

ZIM was established in 1945, three years before Israel's declaration of independence. ZIM's visionary founders strived to establish a national shipping company that would be a vital part of the future state's transportation system, economy, and commerce. While this was their long-term vision for the national future, they first faced a more urgent task: building a fleet that would bring refugees out of the ravaged remains of war-torn Europe.

The company's first ship, the TSS Kedmah, was purchased in 1947. The early fleet included ships that were refitted to carry immigrants from Europe and bring much-needed supplies during Israel's 1948 War of Independence and the difficult early years of statehood.

Within a relatively short period, ZIM's people grew in confidence, having overcome the many obstacles they had faced in building a fleet and successful shipping lines. They came to recognize their own ability to expand, build strong foundations, and stand shoulder-to-shoulder with the major players in the world of international shipping.

The 36 ships that were built in Germany from 1954 through 1960 as part of war reparations included modern passenger and cargo ships as well as cutting-edge specialty ships such as tankers, refrigeration ships, and bulk carriers. These allowed ZIM to establish routes around the globe and set up offices in hundreds of port cities. The vision of ZIM's first CEO, Dr. Naphtali Wydra, of a million-ton-strong fleet was quickly changing from a distant dream to an exciting reality. With the burgeoning of vibrant commercial ventures worldwide, the number of international routes came to rival the number of "home lines" that reached in and out of the ports of Israel.



Cruise liners and expanding network

The 1950s and 60s saw modern, attractive cruise ships replace the old passenger liners, and ZIM offered luxury cruises in the Mediterranean and in the Caribbean. As relatively cheap air travel became common, replacing passenger ships for long-distance travel, ZIM's directors quickly understood that the company's business focus had to shift to tourism. They began offering floating luxury hotels that sailed to exotic destinations and provided a unique experience for passengers.

ZIM's ships also became floating embassies for the State of Israel. The passenger ships' names and the way their services were advertised strongly emphasized that they were Israeli ships – a new, unique element in the passenger ship industry. Throughout their years at sea, these ships carried many celebrities of the period – singers, actors and artists, along with ambassadors and heads of state.

“In the years since its establishment, ZIM has become one of the most innovative, secure, and recognized shipping companies, for both national and international commerce.”

**Dr. Naphtali Wydra,
ZIM CEO, 1961**

The ZIM fleet's flagship vessel, Shalom, a luxury transatlantic ship built to the highest standards at the St. Nazaire shipyard in France, symbolized both the peak and the decline of the era. In the late 1960s, the financial difficulties weighing on the Shalom and the entire cruise ship fleet led to the sale of the ship and the elimination of all of ZIM's passenger routes. The ship remained as a happy memory for the thousands of passengers and crew members who had traveled on the Shalom and the other ZIM cruise ships, including ZIM employees who had been invited to spend their annual vacations onboard.



“ZIM’s commercial logo is one of the most recognized, familiar logos in the container shipping industry.”

Janet Porter,
senior editor of Lloyd’s
List, the industry’s
leading journal

The quiet revolution

At the end of the 1960s, ZIM senior management examined the future of the Pacific Star Line that operated between Japan and the US. What they saw brought them to the conclusion that the company should once again shift its focus to a new, innovative shipping method: container transport. At the time, this was a new technology in which only a few companies had experience. It required ambitious investment in ships, equipment, infrastructure and human resources, and especially in precise, long-term planning. Under the leadership of then-CEO Moshe Kashti, ZIM embarked on a new adventure, despite doubts (and even direct opposition) from within the industry.

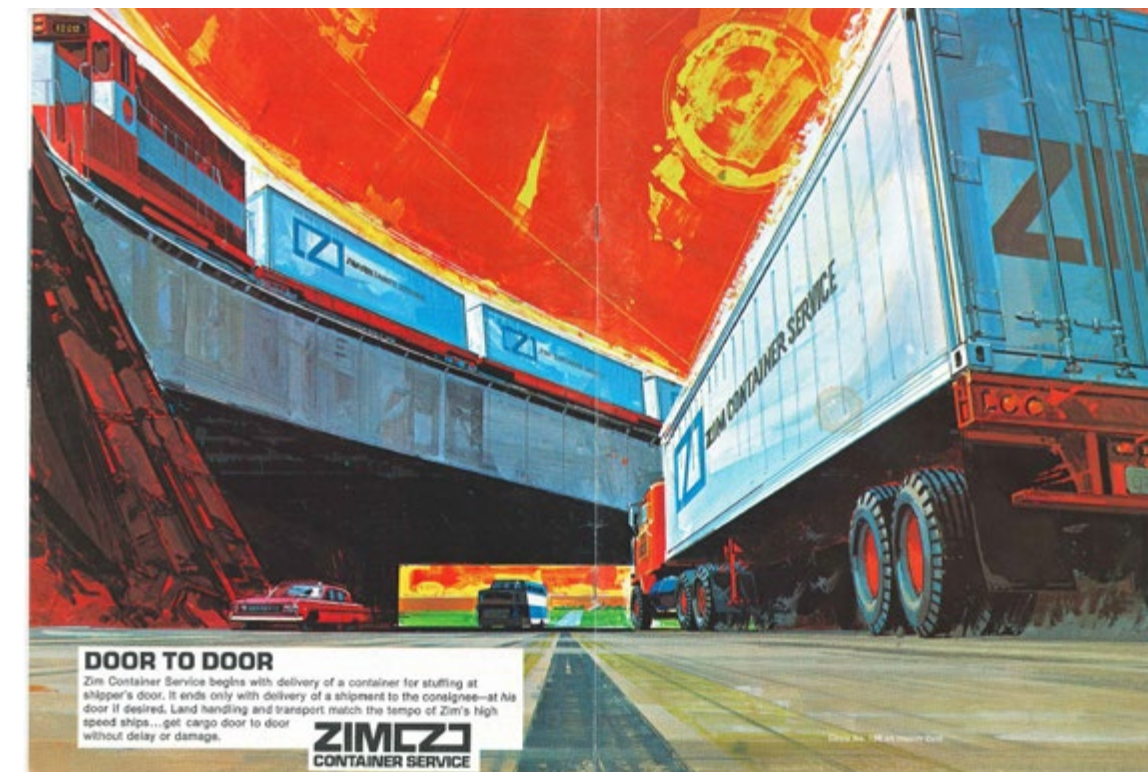
The far-reaching foresight that guided this decision became clear only in retrospect, when container service grew to be ZIM’s sole area of operations. ZIM’s staff was ahead of the industry’s most experienced experts in understanding the great potential of this container revolution. The new shipping method would change the face of world trade, decisively influencing the global economy and with it, the daily lives of millions of people worldwide.

The transition to containers required expertise, tenacity, and persistence in overcoming endless technical, human, and commercial obstacles. ZIM succeeded by applying its dauntless pioneering spirit to every aspect of the project, from building the actual containers to establishing the routes, terminals, array operation, service and branding. ZIM’s Container Service (ZCS), which was established in 1972, created the first 3-continent-line route, which became a prototype for other companies. This was a global line in the full sense of the word, positioning the company as an innovative leader in the world of global shipping.

For many years, ZIM continued to operate traditional cargo

ships alongside a variety of specialized ships. However, these ships gradually disappeared in the last decade of the 20th century, until they remained only on the pages of ZIM’s history books. Container ships became ZIM’s priority as the company became a member of the small, prestigious club of container shipping companies, operating a network of routes that crisscrossed the globe.

In the 1990s the Company built 15 modern, state-of-the-art container ships at the HDW shipyards in Germany. The arrival of the first of these ships, the ZIM America, at its new home in Haifa Port in May 1990 was an impressive display of marine power. The ships of this fleet, which served ZIM successfully for many years, earned the affection of their crews and would be fondly remembered in years to come. The construction of the new fleet was part of a comprehensive strategy. ZIM continued to expand, building an impressive global network of routes, agencies and representatives, becoming an international company in every sense of the word.



DOOR TO DOOR
Zim Container Service begins with delivery of a container for stuffing at shipper's door. It ends only with delivery of a shipment to the consignee—at his door if desired. Land handling and transport match the tempo of Zim's high speed ships... get cargo door to door without delay or damage.



The global scene

At the end of the 1990s, ZIM entered an era of growth and rapid change, establishing itself as a leader in global shipping, building larger ships to serve global trade routes, and strengthening the company's competitive abilities. All of these changes took place against the backdrop of the transfer of ownership to the Ofer Brothers Group. This process was finalized with ZIM's privatization in 2004. The Israel Corporation purchased the government shares, and ZIM again embarked on a new path, with renewed momentum and a new awareness of its own strength.

The collaboration between ZIM and the Ofer Brothers Group began as early as the 1960s. Over the years, the Ofer Brothers Group grew to become a giant company with far-reaching influence in the shipping industry. The Ofer Brothers Group was the controlling owner in the Israel Corporation, ZIM's parent company, and when ZIM completed privatization and all government shares were sold, the Ofer Brothers Group became ZIM's controlling owner.

Toward the end of the first decade of the 21st century, as ZIM was investing in the construction of a brand-new fleet, a severe financial crisis struck the global economy and international shipping industry. Even the ever-volatile shipping industry was unprepared for such a dramatic extended recession. ZIM, a veteran company experienced in crises, entered a difficult, exhausting battle for its survival. Unlike some of ZIM's early challenges, this battle was purely financial, and once again, ZIM overcame the threat and carried on.

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.



Materiality Analysis

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For the purpose of this report, we conducted a materiality analysis during 2018 to identify our sustainability material issues. 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 (such as SASB), interviews with relevant employees and company management from various units, media review, review of relevant company documents, policies and procedures, and more. The outcome of this process was a long list of potential issues of various kinds which were referred to the 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 included ranking and prioritization by the Company management of the potential material issues identified in step (1). This 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. The potential influence of the issues on the Company's stakeholders was also taken into consideration.

3

VALIDATION of material issues

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

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

ZIM's 20 material issues:

Category	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's materiality matrix:



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, we aim to include a more thorough process of dialogue with our various stakeholders in the development of our materiality analysis, to take into account the issues that matter most to them.

Presently, we communicate with our stakeholders through a variety of channels, such as a customer satisfaction survey, various engagement and evaluation processes with our employees, distribution of media material and company news stories by our spokesperson, maintaining social media platforms where we engage with our followers, and more.

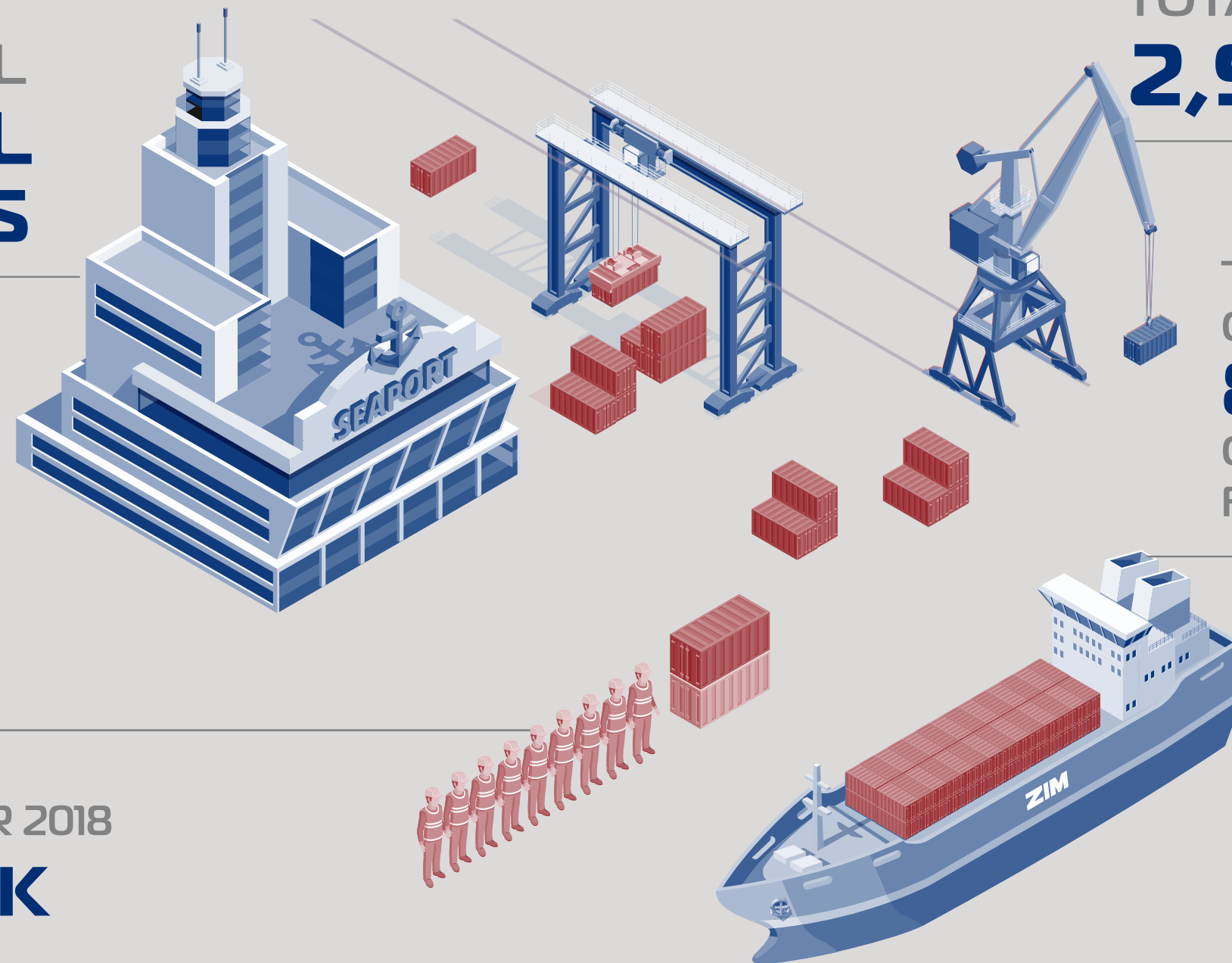
ZIM at a glance

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PORTS OF CALL
**180 GLOBAL
LOCATIONS**

TOTAL NO.
OF EMPLOYEES
3,673

ANNUAL TURNOVER 2018
\$3,258,540K



TOTAL TEUs* FOR 2018
2,914K TEUs

TOTAL NO. OF
OPERATED VESSELS
82 VESSELS
OF WHICH 8 ARE
FULLY-OWNED BY ZIM

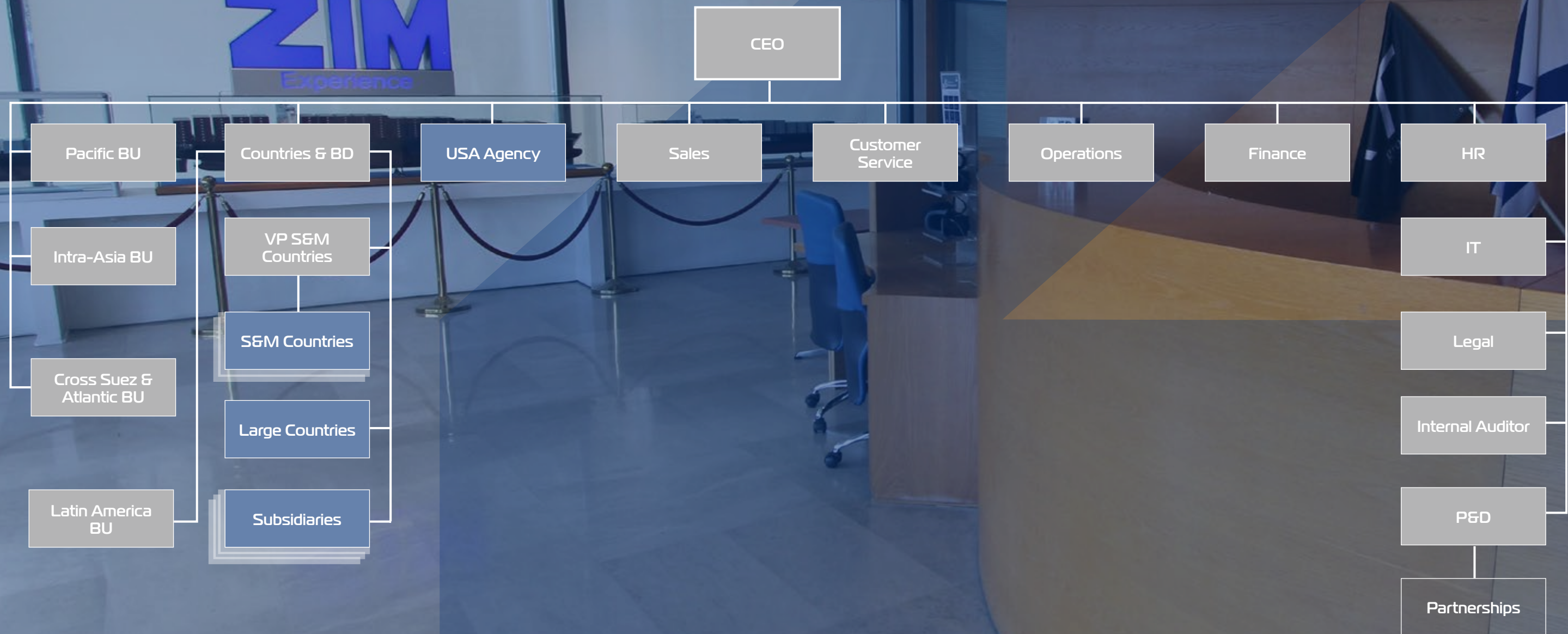
* TEU = Twenty-foot Equivalent Unit

Company Profile

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Established in 1945, ZIM has developed into one of the leading carriers in the global container shipping industry, with operations in over 108 locations worldwide.

Company structure



Key management

The chart on the right presents the key management of ZIM Integrated Shipping Ltd. as of December 31st 2018.



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



Saar Dotan

EVP Countries
& Business
development



Xavier Destriau

EVP Chief Finance
Officer



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 2018 Annual Report.

Economic

103-1
103-2

ZIM is a leading carrier and shipping company, and has a wide impact on many economic sectors globally. We provide imported and exported goods to markets around the world and serve both private individuals and commercial customers worldwide.

Economic Impact & Market Changes

201-1

ZIM's economic performance is affected by the shipping market environment, which in recent years has been characterized by a decrease in freight rates and an increase in bunker prices. During the first half of 2018, freight rates decreased while bunker cost continued to increase. In the second half of 2018, freight rates started increasing while bunker prices decreased overall.



The table below presents our 2018 financial performance (figures are in US\$000s):

	2018	2017	
EV Produced	Income from voyages and related services	3,247,864	2,978,291
	Other operating income	5,317	4,235
	Share of profits of associates	5,359	7,594
EV Produced Total	3,258,540	2,990,120	
EV Distributed	Cost of operating activities	(3,281,756)	(2,847,475)
	Finance expenses, net	(82,505)	(117,049)
	Income taxes	(14,132)	(14,233)
	Dividend to NCI	(5,148)	(4,059)
EV Distributed Total	(3,383,541)	(2,982,816)	

Further information about our yearly financial performance is detailed in our 2018 Annual Report.

Service Lines

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ZIM's global reach extends to over 100 countries, with a network of global and regional shipping services that connects our customers' business to 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 that connect over 180 ports around the world. Our 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, Mediterranean-South America East Coast.

Since 2017 we have been pursuing a new strategy as a global niche carrier, offering distinctive advantages to customers worldwide. We operate in select trades, where we have a competitive advantage and where we can provide superior service. In these trades, we are a significant player with a sizable market share. We maintain a flexible partnership approach with other major carriers and have recently 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 time.

ZIM World Trade Lines



Playing in the Big Leagues: ZIM's strategic cooperation with the 2M Alliance

The agreement is a major milestone for ZIM and a vote of confidence from the two largest players in the industry, acknowledging ZIM's capabilities, reliability, and strength in the Asia-USA trade.

ZIM Leaps Ahead in the Pacific Trade

When the official announcement came out on July 19, 2018, it caused ripples of excitement among industry professionals, the trade press, and customers alike: ZIM is joining forces with the 2M Alliance – founded by industry giants Maersk and MSC- in a strategic operational cooperation agreement on the Asia-U.S. East Coast trade.

In the short term, this strategic cooperation will significantly improve ZIM's service portfolio for this important trade, in which we will remain a key player as part of our overall strategy. Furthermore, the agreement will enable ZIM to achieve greater efficiency and operational savings, and reinforce our ability to maintain a prominent position in the trade.

New Services: Better, Broader, Faster

From September 2018 onward, the three partners will jointly operate five loops on the Asia-U.S. East Coast trade. ZIM will operate one loop, while 2M will operate four loops, with all partners benefitting from slot swapping on the various lines. This arrangement means that ZIM will be able to offer its customers an expanded service portfolio, with many more direct calls at ports in Asia and the U.S., as well as faster transit times.

This long-term cooperation will also create new opportunities for ZIM's customers in light of the significant upgrade to service on the Asia-U.S. East Coast trade and its many associated advantages including:

- More direct calls at major ports in the U.S. and Asia
- Faster transit times and more frequent sailings from most ports
- Improved schedule reliability (ZIM already tops the list as the most reliable carrier in the SeaIntel performance report*, and has done so consistently for quite some time)

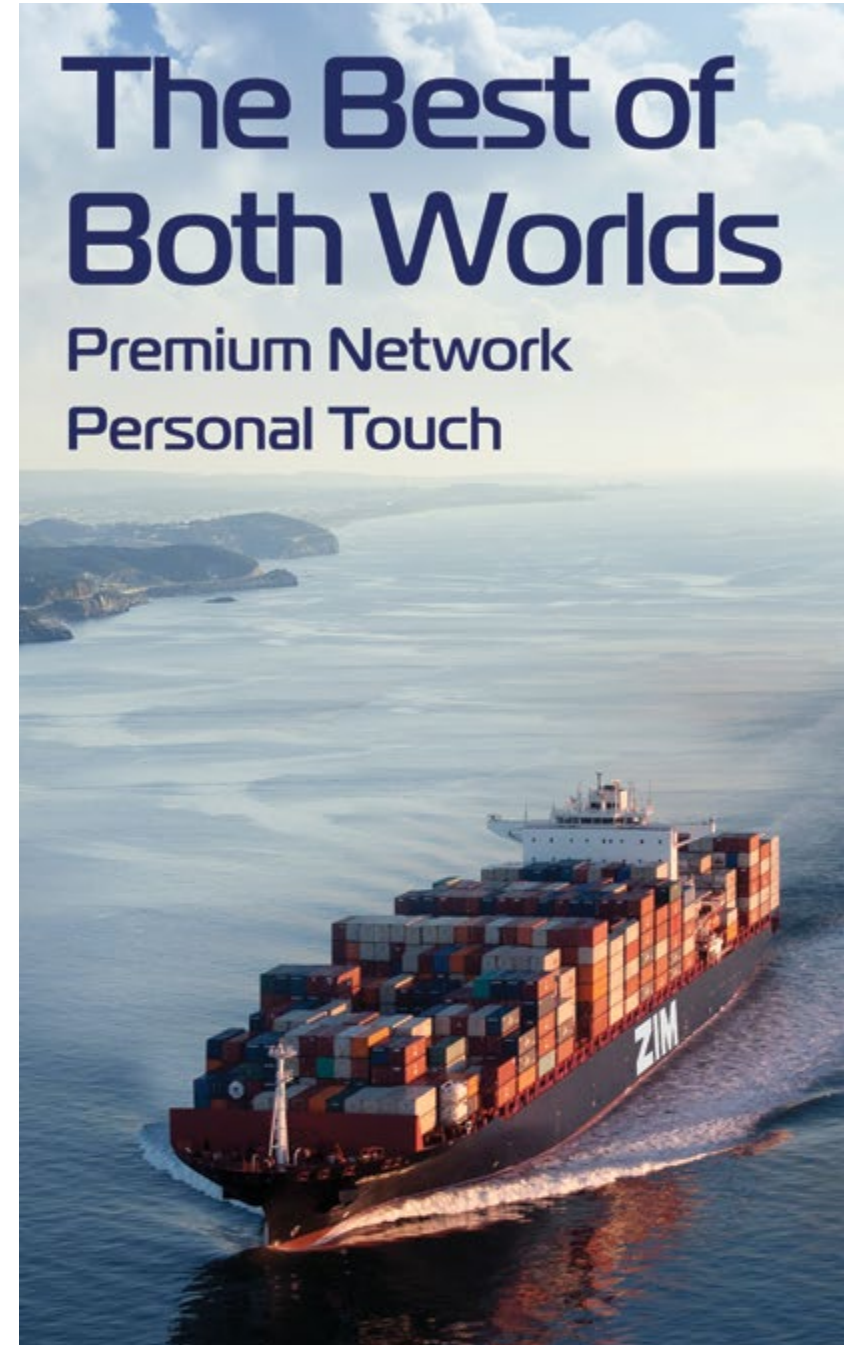
Impact on Customers and the Market

The agreement enables ZIM to offer its customers sufficient allocation to meet all of their commitments. The new network – detailed in the following pages – includes a wide range of transportation solutions for our current customers in the event that the alterations to the existing network affect their requirements. For example, we may operate out of a different container terminal, but we will still maintain equivalent geographical coverage and the expected service standard.

From ZIM's perspective, we will be able to operate fewer feeder lines, as the new network includes direct calls at many more ports. If necessary, we will of course make changes to our feeder network to keep up with demand.

The Best of Both Worlds

Premium Network
Personal Touch



ZIM New Asia-America Network

- NEW** ZCP - ZIM Container Service Pacific
- NEW** ZBA - ZIM Big Apple
- NEW** Z7S - ZIM Seven Stars
- NEW** ZSA - ZIM Sunny Atlantic Express
- NEW** ZNF - ZIM New Frontier

Corporate Governance

103-1
103-2

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

Business Ethics

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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. 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 2018, 93%* of our employees and managers worldwide completed this tutorial training.

* Employees who did not complete this tutorial include employees on maternity leave and employees who left the company during 2018.

ZIM's values

Our 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.

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. The Code of Ethics was established in 2015 and will be updated in the coming year.

Commitment to fairness in business and integrity in doing business

Creating an equitable work environment

Aiming for constant improvement while setting challenges and meeting them

Environmental awareness

Striving to meet targets, to achieve results and to add value for customers, shareholders, business associates and employees

Community involvement

Antitrust

206-1

ZIM is committed to free and open competition in all company locations, respecting and recognizing the importance of the antitrust laws in advancing the shipping market as a whole.

ZIM's commitment to comply with the relevant antitrust laws worldwide applies to each of ZIM's directors, officers, employees and agents in all responsibilities executed on behalf of ZIM, in any activity or operation and in any function supporting such activity without exception.

As part of ZIM's zero-tolerance approach to violations of antitrust laws, ZIM takes ongoing actions in order to identify and minimize any antitrust risks and increase employee awareness to 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.

These actions include online tutorial training aimed at raising employee awareness of antitrust regulations. These tutorials are viewed and studied by all our employees twice a year under the supervision of Company VPs.

Compliance by ZIM with the antitrust laws 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.

ZIM regards fair competition as a key principle which must be complied with. During 2018, there was no instance of a breach of antitrust regulations by ZIM.

Anti-bribery & Corruption

205-2
205-3

ZIM is subject to the Organization of Economic Cooperation and Development's (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, to the Israeli anti-bribery laws, and to the foreign anti-corruption laws of the countries in which it operates. ZIM is committed by its Code of Ethics to conduct its business in an honest and ethical manner.

ZIM has a zero-tolerance approach to bribery, and actively invests in ongoing efforts and resources aimed at identifying risk enhancers resulting from business operations. ZIM provides clear guidelines to its entire workforce in order to ensure that all of its directors, officers and employees conduct all activity in an ethical manner and in full compliance with regulations.

ZIM is currently creating an official company-wide anti-bribery and corruption compliance program which will be incorporated by 2019. The future policy will be communicated to all our employees twice a year.

Consistent with its support of a corruption-free maritime industry, ZIM joined the Maritime Anti Corruption Network (MACN) in 2018, a global network working towards 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.

ZIM employees are encouraged to report any act of corruption, suspicion of bribery or any concern regarding violation of a law, regulation, procedure or any of the provisions of the Code of Ethics through any of several mechanisms, including making an anonymous complaint via the company's Whistle Blower reporting system or reporting directly to the Legal Department. The received complaint will then be referred in full and anonymously to the Company's Internal Auditor for further attention. 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 instance of bribery or other corruption offense has taken place or may take place in the future. Violations of the above-described principles or failure to cooperate with implementing or performing such actions will result in disciplinary action against the employee.

Risk Management

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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, last updated in 2018. The 2018 survey identified the top key risks that are now under managerial focus, entailing receipt of quarterly updates of each key risk's status according to Key Risk Indicators (KRIs). The risks include, among others, financial risks, risks related to corporate governance, and risks of environmental and social impact.

Operational management

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At any given moment, ZIM can be found directly operating over 80 ships on a variety of global lines. The ships call at approximately 360 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.

Until 2018, ship information was available only according to line, and was dispersed between units and operational offices, Head Office, agencies, and other parties in the company. To enable receipt of a full update on a ship's status in real time followed by a quick, precise response, it was necessary to compile and process information from the various units in the Company. This was a lengthy process, especially so when it involved every ship on a specific line, even more so when it involved the entire fleet.

In 2018, all of that changed. Our new CEO determined that the company's first priority should be improving the availability of information on its core activities, such as precise data on a ship's status at any given moment. For this reason, he tasked the Operations Unit with establishing the Global Operations Center (GOC).

SPOTLIGHT

ZIM's Global Operations Center

Established in 2018, the situation room (officially: "Global Operations Center") has many purposes; some of its main functions are:

- Providing a global picture of the entire fleet operated by ZIM and its partners
- Making management and operational decisions from a global perspective
- Monitoring ship cruising speed
- Monitoring and keeping ships on schedule, in accordance with weather restrictions
- Monitoring and reducing fuel and oil consumption
- Streamlining terminal operations
- Monitoring and improving predefined KPIs
- Improving ship times from port arrival to departure
- Developing and maintaining decision support systems
- Managing the company's preparedness for routine and emergency situations
- Managing emergencies at sea and in port
- Managing cyber incidents



The situation room is equipped with the most advanced Business Intelligence (BI) technology available, and its impressive resources have been allocated to manage the company's fleet. With the help of local systems--internal ZIM as well as international--the situation room can receive real-time data on every relevant detail needed for operating a ship at sea and in port, including cruising speed, fuel consumption, weather, currents, wave height, waiting time outside the port, work time on a ship in the port, as well as many operational analytics that can be controlled in real time. All of this is available at the push of a button, allowing decision-makers to act on reliable, accurate, and detailed information.

Information Systems in the Situation Room

- Pole Star is the original system for tracking vessels operated by ZIM on a single-line level.
- WNI and Guardian provide real-time tracking information for all ships operated by ZIM and its partners, based on weather and sea conditions. The systems can provide optimum ship routing for each ship from port to port, and also serve as a tool for conducting analyses.

Local Systems that Consolidate Big Data from ZIM Ships and Agent Reports:

- Vessel Daily Status – Monitors and evaluates all ZIM's ships, and provides a daily status update in real time regarding compliance with planned voyage times for each ship at sea or in port, run by the operation managers.
- Schedule Integrity Dashboard – Assesses ZIM's performance regarding port arrival times, delays and punctuality relative to its market competitors.
- VPS - Simulation and line-planning system that

consolidates all fixed expenses such as leasing, port taxes, fuel consumption etc., in order to calculate slot price (per container) for the voyage. In addition, the system is used to build the pro forma for each line, and is the basis for planning, to be compared with actual performance.

- BI reports measure actual implementation at sea compared with the plan, voyage summaries, port activities and so on.

The idea to establish a situation room did not only stem from the need to know ship locations, but also from the desire to create operational professionalism and develop precise tools to support decisions. Beforehand, decisions relied on the operation manager's intuition, but with the new support systems and the situation room team, today decisions are backed up by real-time data, and are controlled and analyzed in order to learn from them for the future.

Another impressive feature of the new situation room is its ability to assess the terminal performance of ZIM's ships. In-port operation is divided into four categories, within which each processing point is evaluated: time of arrival at the port's entrance, time spent waiting for entry, shift start times, and finally, departure from the port entrance. In addition, it provides comprehensive monitoring of all work at the port. The system defines voyages by area, ship size and other parameters, so that when any deviation occurs, an appropriate alert is immediately dispatched to the situation room, which gets to the heart of the issue.

Managing Emergencies

In addition to managing daily operations, the situation room doubles as the company's "emergency room", where the company's emergency preparedness is managed under the supervision of the company's COO (whose role also includes

procurement) at the Head Office.

Potential events that the company is capable of handling:

- Economic issues with providing necessary services, which arise as a result of war, terrorist attacks, malfunctions, or unforeseen natural disasters
- Cyber incidents
- Ship emergencies – fires, running aground, collisions with other vessels.
- Hostile activity in the Company's offices at home or abroad that requires evacuation
- Damage to the information systems or communications infrastructure
- Any report on an event that deviates from the company's regular activities

The emergency room team springs into action when one of these events occurs. Their duty is to decide on an appropriate response from the company in accordance with the event and its severity.

Finally, ZIM's new situation room 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.

Compliance & Regulatory Changes

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We strictly abide by the local regulations in each of our global locations. We do so in all functions and business units, including Human Resources, environmental laws, legal matters, 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 different 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 US Customs & Borders Protection, testifying to our effective procedures designed to determine and mitigate risk throughout the shipping process.

Data Privacy & Cyber

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Cyber

In an evolving digital world, cyberspace is a new and unique challenge to 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 be able 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 focus on efficient policy implementation.

Our Information Security unit uses cutting-edge technological solutions in the cyber arena. The unit provides end-to-end information and cyber security coverage for ZIM's computing and network infrastructure. Cyber activities include the operation of an advanced cyber Security Operation Center (SOC) which monitors, reacts to and investigates cyber threats.

During a cyber incident, our emergency room 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 "COURT" – the Company's Operational Unified Response Team.

This team provides a response to cyber incidents from beginning to end, with emphasis on:





The situation is then assessed for any lessons that can be learned and implemented in the future. Whenever an event is occurring in the emergency room, the information is distributed to all functionaries. We are continuously working to improve our cyber security protection by conducting annual cyber simulation drills, and employee cyber security awareness and training. In 2018 we conducted a full-day cyber simulation drill, led by the CEO, with participants from IT and all other ZIM business units. We simulated a full-scale cyber-attack on ZIM's computer systems and tested our ability to respond and contain the cyber-attack in an efficient and satisfactory manner. We adopted the lessons learned from each simulation to improve our response and defense capabilities in the future.

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.

Data privacy & information protection

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

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 compliant with the EU's General Data Protection Regulation (GDPR) and has not faced any cases of breach of customer privacy or loss of customer data.

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.

Disaster Response & Preparation

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A Disaster Recovery Plan (DRP) is an inclusive statement of consistent actions to be taken with the purpose of recovering 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.

The DRP scope is limited to ZIM's data center components only, while Business Continuity Planning (BCP) processes are carried out separately.

The DRP procedure was developed in ZIM together with IBM. The procedure primarily addressed the documentation of the following five main articles:

- DR0 STRATEGY AND ORIENTATION
- DR1 DISASTER MASTER GUIDEBOOK
- DR2 BACK TO NORMAL
- DR3 TEST GUIDEBOOK
- DR4 MAINTENANCE

ZIM has a holistic approach to DRP, which is managed and sponsored by Executive Management.

The DRP process handles all ZIM Disaster Recovery-related responsibilities, which include the following elements:

Maintaining DR-related tools, documentation and records

Executing periodic DR drills

Coordination and communication during a DR event

The DRP procedure is tested annually by all infrastructure members and main systems owners. The drill is conducted in the Haifa Head Office in isolated mode (while avoiding any impact on our production service). Production services are activated from DR-purposed systems (located in the Haifa Data Center) based on the detailed DR plans. Our IT operation teams are involved in the process and work based on detailed documented and tested procedures. Following each drill, all issues are analyzed and assessed for proper mitigation and follow-on execution plans. The DR plans are updated to reflect the changes and updates agreed on. In the 2018 drill, the major challenge was integrating Customer Area & Salesforce Cloud Service with the drill isolated environment. Testing of these areas is planned for the following drill in the coming years.

The DRP procedures and guidebooks are managed and maintained by a designated IT function: the Production Governance Management team.

Social

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As an international company, 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 operational, sales, IT, financial, and organizational functions. We provide all employees with workplace benefits, and are committed to developing and training our employees within the organization.

Employees

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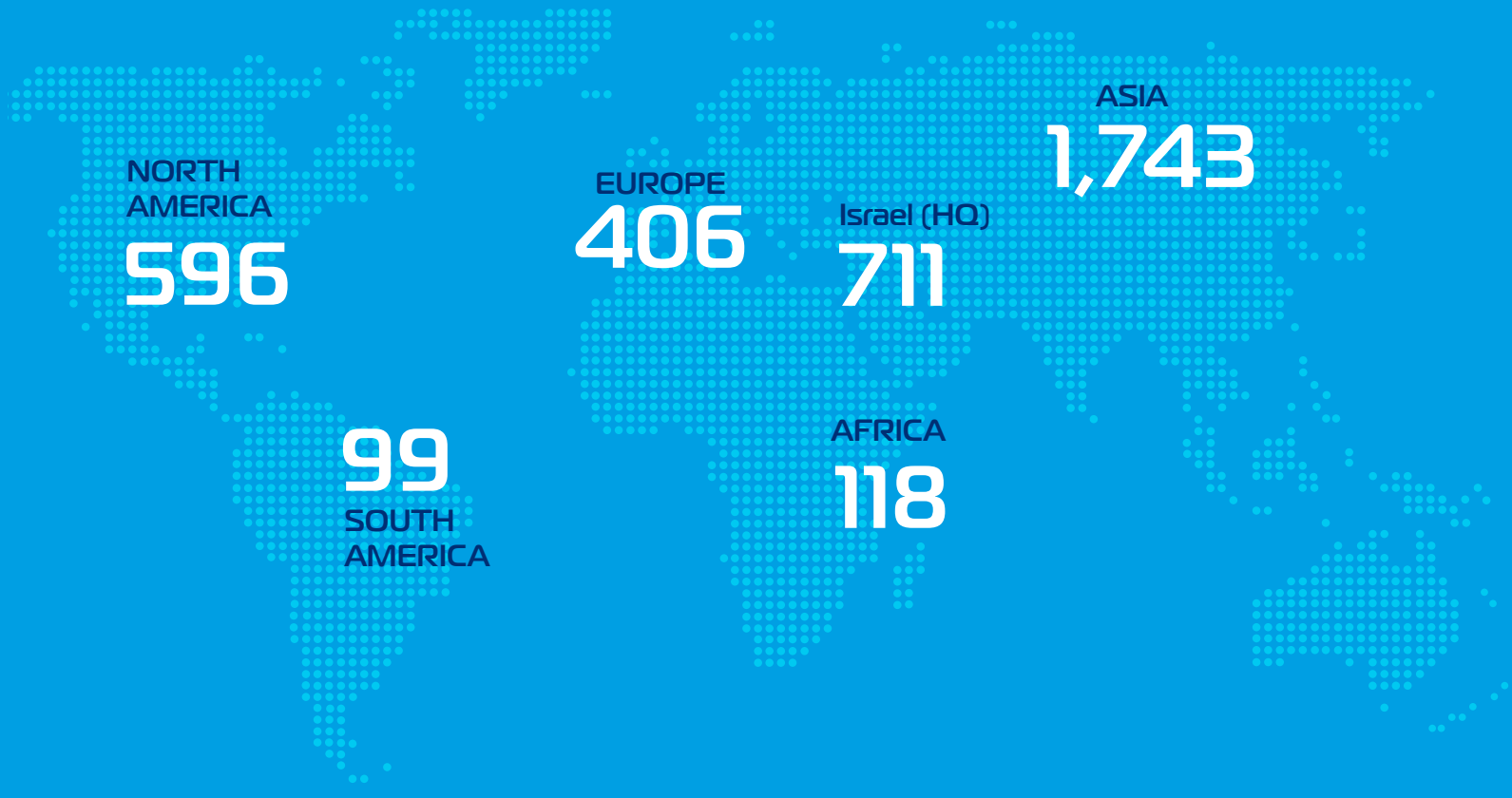
We manage Human Resources in accordance with local labor laws and regulations in our locations of operations in matters such as payroll and employee benefits, e.g. minimum wage, pension allowances and on-time payments. We review and annually monitor our HR activity to ensure that labor laws and regulations are complied with and employees are fairly paid and receive their entire remuneration as required by law.

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. Accordingly, it is important to us 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 balance of work-life opportunities for growth, providing paths for career and personal development through training.



ZIM is committed to gender equality and is proud of its record as an equal-opportunity employer. The table below presents ZIM's employment history in this regard over the past two years:

As of December 31st 2018, ZIM employed 3,673 employees throughout its 108 locations worldwide.



	2017		2018	
	Manager	Employee	Manager	Employee
Age < 30	1	240	3	155
Age 30-50	163	979	237	928
Age > 50	76	299	164	322
Age < 30	3	347	7	237
Age 30-50	177	936	260	858
Age > 50	73	291	176	308

New employee hires during 2018 totaled 533, while 615 employees left the company during the same year. In 2017, total new employee hires stood at 428 employees while 498 employees left the company.

Social Benefits & Employee Wellbeing

102-41

ZIM strives to be a very attractive and competitive employer in all markets. We provide our employees with competitive salaries and all employment benefits stipulated by law. ZIM employees receive legal benefit terms that are above-average: for example, ZIM pays above minimum wage in all global locations. ZIM emphasizes the importance of life-work balance, and thus provides its employees flexible working hours. We provide our employees development paths within the Company and relocation opportunities throughout the Company's various locations. Positions for internal placement are posted to employees regularly via e-mail or by direct referral from the HR Department for designated employees. In 2019, we will begin posting these positions on the company's new internal portal. Approximately 15-20% of employees change their organizational assignment each year. Training and career development materials are provided to our employees to promote readiness for growth and employment diversity.



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** according to labor laws worldwide. In the Head Office it is included in the pension program
- ▶ **Parental leave** given according to labor laws worldwide
- ▶ **Retirement provision** provided according to labor laws worldwide

Approximately 80% of our employees in the Head Office are under Collective Agreements, under which their health insurance is fully covered.

All seagoing personnel are employed by our Ship Management and make an important contribution to our success. Accordingly, it is important to us to offer them attractive working conditions and prospects for development. Hence, all vessels under our operation are certified under the Maritime Labour Convention 2006 (MLC), which is an international agreement of the International Labour Organization (ILO).

The MLC sets out seafarers' rights to decent conditions of work, and applies to all seafarers sailing in ZIM. Under the MLC, our seafarers have the right to:

- ▶ **A safe and secure workplace**
- ▶ **Fair terms of employment**
- ▶ **Decent living and working conditions**
- ▶ **Social protection, such as access to medical care, health protection and welfare**
- ▶ **Protection against harassment and bullying**
- ▶ **Freedom of association, in which they have the right to join a trade union of their choice**
- ▶ **Have their union negotiate a collective bargaining agreement on their behalf**

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 During 2018, a total of 64 employees took parental leave, including 61 women and 3 men. All of the employees above are currently still employees of ZIM. Of these employees, 27 women returned to work during 2018. In 2017, 70 employees took parental leave, of whom 18 returned to work during 2017 and 38 during 2018.

Mobility

ZIM provides its employees and managers many development opportunities. Employees can be promoted or assigned to different positions internally through internal tenders.

ZIM provides our employees three different mobility options:

- ▶ **Cross-functional mobility to help broaden their skill sets**
- ▶ **Vertical mobility which allows them to take on new roles & responsibilities**
- ▶ **Relocation options abroad according to the company's personnel requirements (ZIM has around 25 positions dedicated to expats)**

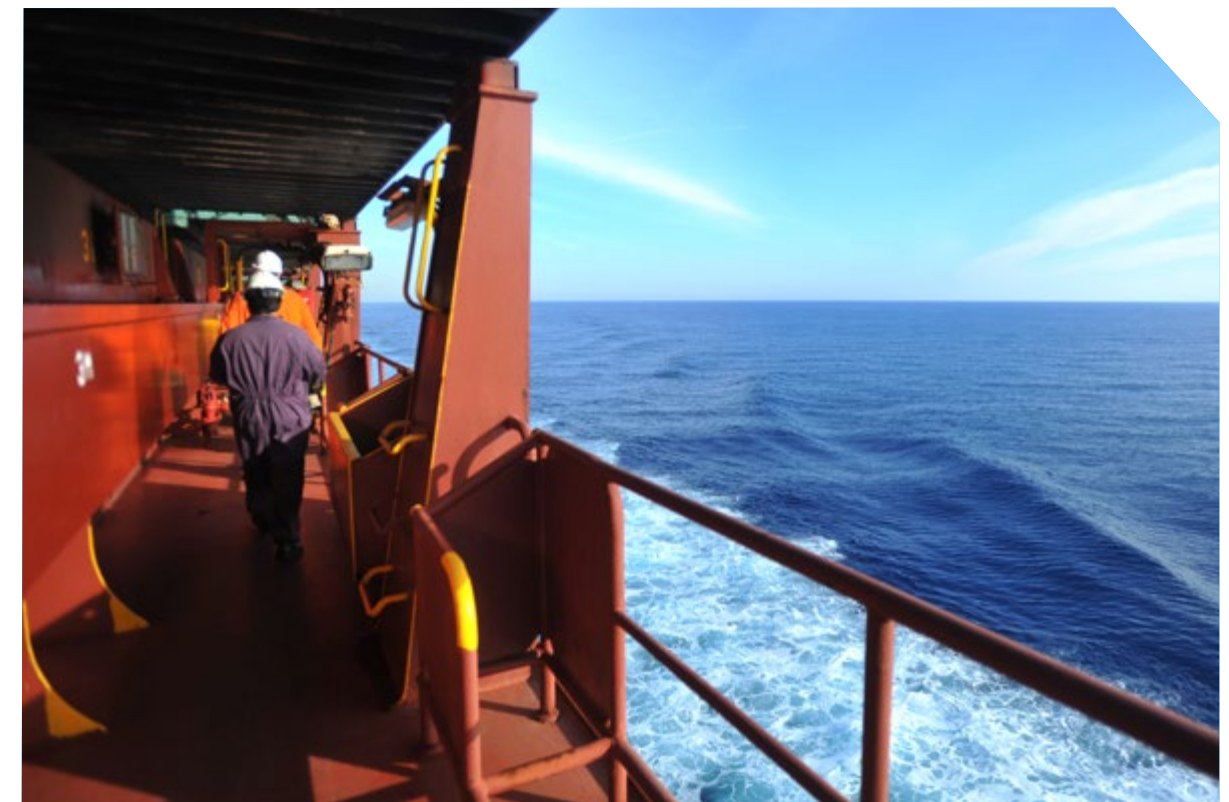
Training & Education

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We are continuously improving the personal and professional skills of all staff members, ashore and onboard ship. During 2018 we concentrated on holding mandatory training for all ZIM employees and managers. Some of the training was conducted via e-learning tutorials in our Learning Management System (LMS), and some was conducted face-to-face.

- ▶ **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 participation rate for this tutorial in 2018 was 88% of all employees.
- ▶ **Prevention of sexual harassment:** a mandatory e-learning tutorial. The participation rate for this tutorial in 2018 was 95% of all employees.
- ▶ **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 2018, 51 employees from HQ participated in this course.
- ▶ **Accessibility service workshops:** a designated course for specific employees regarding the challenges of people with disabilities, and ways to improve the work environment so as to allow them access to ZIM's offices. In 2018, 180 employees from HQ participated in this course.

Additional professional training we carry out for our employees includes training for managers, training for new employees, training for sales personnel, and shipping courses for new and experienced employees. We also periodically offer our employees enrichment courses such as Excel training, Office training and English lessons. We focus on creating and executing quality, cost-effective solutions that will improve existing capabilities of employees and managers.



Examples of programs that were held in 2018 are:

Customer service workshop which dealt with our new customer service perception and provided the Customer Service managers tools and tips with the aim of developing their skills and improving their work in their respective countries.

"Committed to delivery" a program for country sales staff with the objective of enriching their sales skills. The program was based on three pillars: enrichment of sales skills, enabling Sales Managers to become mentors by developing their managerial capabilities, and improving the connection and collaboration between the Sales Coordinators and the other sales staff.

365 Office courses a series of lectures and workshops for employees in Israel presenting "tips and tricks in Office 365", which were aimed at upgrading each employee's Office skills and thereby streamlining work routines and improving efficiency.

In 2018, ZIM provided development opportunities that enhanced knowledge and developed skills of individuals and groups. For example, we launched a managerial program for department managers that included a pilot group of 16 participants from Israel. This program was very successful, and as a result, will be expanded worldwide to six more groups of managers during 2019.

Engagement survey

ZIM strongly supports and fosters an organizational environment that enhances our employees' workplace experience. Accordingly, in 2018 we conducted an engagement survey for the first time in ZIM. The survey examined seven dimensions of the employee experience: experience in the team, experience in the role, experience of the managerial culture, talent management, seniority in ZIM, perceptions of ZIM management and emotional connection to ZIM. We invested a lot of effort in the construction of the survey, in the communications aspect, and in the implementation process.

Our efforts were aimed at improving working relationships in order to create an excellent work experience for our employees, thus advancing our objective of better serving our customers and achieving our strategic goals. The cooperation and involvement of management, employees and managers was beyond our expectations (81% completed the survey). In accordance with the results of the survey, an action plan was prepared and will be implemented in the near future. The results were also presented to the company VPs, who must relate to the survey results for their respective functions.

Evaluation Process

The Annual Appraisal Process is a global process which gives us the opportunity to align all ZIM's employees and managers with our business requirements, to hold a meaningful dialogue between employee and manager and to promote a corporate culture which values and appreciates excellence. The process has three main parts: 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.

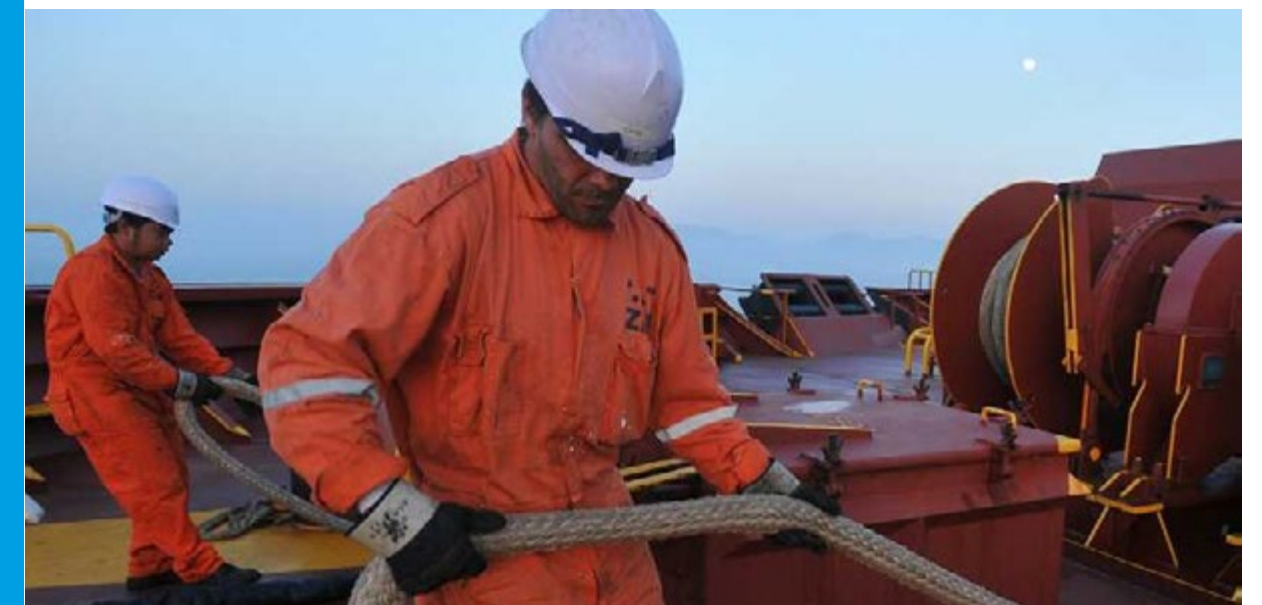
This involves managerial training and a communication plan, and relies on the combined efforts of the Organizational Development (OD) Department and HR staff. The Appraisal Process has been held annually for the past six years; in each year we implement changes congruent with the main messages we want to promote.

Examples of changes we implemented in 2018:

- ▶ **Self-evaluation form:** To encourage employees to take an active part in the process and to promote the perception of mutual responsibility, each employee needs to conduct a self-evaluation. Approximately 80% of ZIM employees conducted self-evaluations in 2018.
- ▶ **Goals score weight in the final score:** To promote a culture of excellence, the goals final score weight was increased to 30% of the overall final score.
- ▶ **Enlarging the scope of the dialogue:** To promote and develop an in-depth discussion between managers and employees, we added a fourth part to the evaluation form, in which managers can choose two questions they would like to ask their employees. The employees' answers to those questions become part of the feedback conversation.

In 2018, 96%* of all employees and managers in 35 countries around the world took part in the process. The results and analysis of the process will be completed and published internally in May 2019.

* Employees who did not complete this tutorial include employees on maternity leave and employees who left the company during 2018.



Diversity, Equal Opportunity & Non-discrimination

405-1 The diversity of ZIM's employees is a major contributing factor to ZIM's quality as a place to work and as an important player in the global shipping industry. Diversity leads to a better understanding of each other and of our customers' expectations.

We are constantly striving to provide equal development opportunities to 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 aspects of our business operations. Today 49.4% of our employees are women. Approximately 37% of our managers are women. We are committed to gender equality, as reflected in our diverse recruitment and career development opportunities. Gender diversity is one of our targets, and it is constantly reviewed and discussed by senior management. Our compensation and benefit packages are designed with a look at market forces and benchmarks, never at gender differences.

We constantly make efforts to recruit and hire employees with disabilities as part of our social commitment and strategy. By investing in the local community and providing equal opportunity for employees with disabilities, we have the potential to

create a more accepting and diverse workplace. In addition, we have appointed an accessibility committee that meets on a regular basis for the purpose of supporting and encouraging the employment of people with disabilities and ensuring their full access to ZIM's facilities and full participation in our activities.

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.

Occupational Health & Safety

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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; in addition, we hold training sessions to prepare for emergency situations. Employees receive frequent updates about any incidents as they occur, and our safety policies are communicated to all company employees ashore and onboard our vessels.

403-6 Safety within the workplace

Ensuring the safety of our employees on the job is our highest priority. Thus, 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. The ISM code has been implemented at ZIM since 1997. We have designated one of our captains from the Ship Management Department to conduct annual internal audits onboard our vessels and in the main offices. 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), whose audits are considered the most stringent in the industry. Our vessels regularly pass the external audits without any instances of non-conformity.

Under the ISM code, the Ship Management System (SMS) is implemented on each vessel. This includes improved risk analysis procedures, shipboard operations procedures, and an integrated shipboard emergency plan and procedures, such as a procedure for accidental oil/fuel pollution. All our employees, especially new employees, undergo a safety workshop with professional training personnel. Work accidents in HQ offices are very rare.

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. Regular practical fire extinguishing trainings is conducted for the members of the security team at HQ, which includes a personal actual attempt to extinguish fire.

Work at sea and in ports can entail 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.

In 2018, ZIM incorporated a new system for monitoring and reporting work-related injuries. The system is a convenient mechanism for reporting injuries in a detail-specific manner, with specifications including place of occurrence, territory, employment position, exact description of injury etc. In addition, we have appointed a certified global Safety Officer who coordinates and documents all reports regarding injuries from all other ZIM entities around the globe, including all ZIM-operated vessels (owned and chartered). The Safety Officer receives all reports directly and is responsible for their coordination in the main system. In 2018, we also established a safety committee which will convene biannually to discuss safety issues.

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 2017 or 2018; however, there were 32 work-related injuries in 2017 and 10 injuries in 2018. Six of the accidents that occurred in 2018 happened in port, three at sea and one on a vessel.

ZIM has a series of policies regarding emergency situations and relevant protocols. Specific policies exist in relation to emergency equipment and its usage, and protocols regarding emergencies on board, as well as national emergencies. In addition, we have appointed a team of first aid workers who undergo regular training by qualified external instructors, for which the trainees receive a first aid certificate. We also provide a well-equipped clinic in the building next to HQ that is accessible to all employees during work hours.

We invest much effort in maintaining a safe work environment for all employees while enabling the continuation of proper working conditions, even during emergencies.

For this purpose, we have put in place several systems and resources:

- ▶ There are "uninterruptible" power supply systems combined with an emergency generator and a large backup battery system, which enable the company's computers and IT systems to work continuously even during power outages.
- ▶ There are shelters and protected areas on all floors of the HQ building.
- ▶ The offices are connected to emergency lighting systems.
- ▶ The offices are secured and there is strict access control.
- ▶ There is an emergency squad consisting of employees with a security or combat background for rapid response during emergency situations.

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, launched in 2011, and 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 environmental concerns. 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.

We have Hazardous and Dangerous Goods and Chemicals (DG) Centers operating at our Head Office and regional offices. These centers check and approve each DG shipment prior to loading on our vessels. All teams are regularly trained in accordance with IMO/IMDG code requirements in addition to local laws and regulations.

Human rights & Labor Practices

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Our primary safety target is: Zero fatality records. Indeed, in recent years, no fatal accidents have been recorded. ZIM strictly ensures that the human rights of all employees are respected. ZIM supports human rights and ethical labor practices in all of the Company's locations and ships, for all Company employees, suppliers and customers. ZIM's entire labor force is employed based on International Labor Organization (ILO) conventions and national laws. ZIM's policy includes an explicit ban on the use of any forced labor or exploitative working conditions, and prohibits any child labor. These values are also expected of all suppliers and customers with which ZIM contracts. 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. The minimum age of employment is 18 years of age.



Customer Services & Innovation

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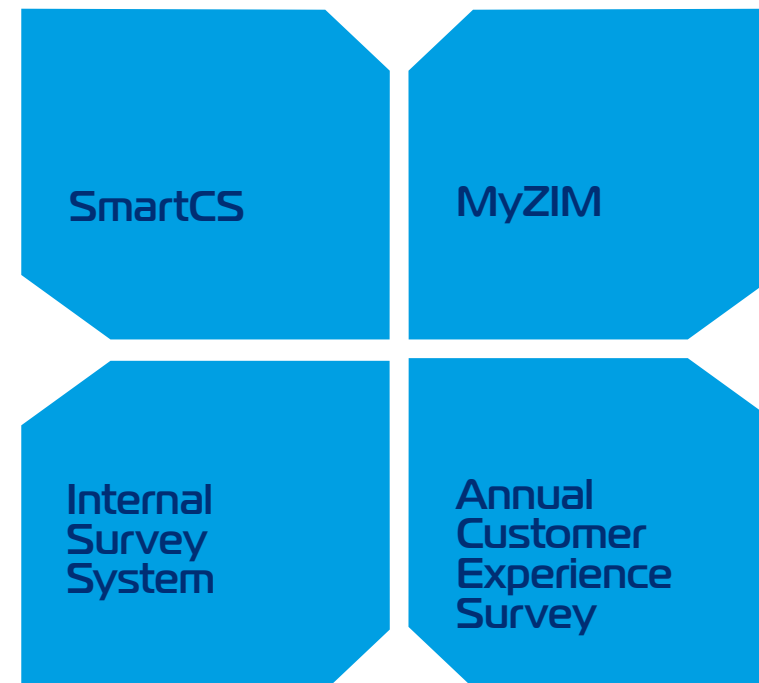
Drawing on more than seven decades of diverse transportation experience, we ensure smooth sailing for all types of cargo. Different cargos naturally have different needs, while every customer requires the same accessible, knowledgeable support.

By building ongoing relationships over the years, we learn the ins and outs of our customers' businesses, to provide the right service for their individual needs.

We understand that each customer and cargo deserves personal attention, together with custom-built solutions. We have the infrastructure and experience to deliver exactly that, for a wide variety of unique freight. Our reefer containers are ready for frozen food, medical supplies and refrigerated cargo of all kinds, while our project cargo team always finds the best creative solutions for oversized, hazardous, or other specialized cargo.

The Global Customer Service's calling is to support our business objectives by becoming a "Business Enabler". It does so with the following tools:

Differentiated Customer Service & Innovation



SmartCS

We have developed a unified holistic program, Smart Customer Service (SmartCS), which is based on thorough analyses of customer feedback and general market trends, as well as benchmarking of best practices regarding customer service. The implementation of the SmartCS program started in 2018; it is on target to be fully implemented by 2020, with the aim of covering approximately 80% of our business volume.

The SmartCS program is composed of three main pillars:

- ▶ Implementation of an optimal organizational customer service unit structure to better fit all customers' needs and ensure a "one stop shop" for all queries
- ▶ Implementation of a unified methodology and working procedures based on predefined global measurable Service Level Agreements (SLAs) which set the bar above the benchmark of the industry
- ▶ Implementation of advanced IT components such as a unified knowledge system and an "Email Classifier" using AI technology, to ensure fast and accurate response for customers, all connected to a 360-degree Customer Relationship Management (CRM) system

MyZIM

MyZIM unites, under one digital platform, all customers' shipments, and by doing so, provides a convenient way to monitor them while saving precious time. MyZIM is available 24/7 on any media platform our customers choose, whether on a tablet or a mobile phone. Furthermore, within myZIM, our customers can enjoy features such as customized notifications on all or specific shipments, received via mail

or SMS, per customer preference. In addition, e-Booking and e-SI complementary platforms are available as well. The launch of other features such as online rates, instant booking confirmation and online payments is planned for the near future. In order to support our customers during their on-boarding, an online Chat Tech Support is available 24/7 as well. While we strongly desire to invest in and promote digital initiatives, we just as strongly believe in promoting them in a "hybrid mode" which will not replace the human personal touch.

MyZIM focuses on digitization which will make it easier for our customers to do business with us by using technology to simplify complex day-to-day shipping logistics processes. We have conducted thorough research within the shipping industry to identify trends and initiatives in the digital world which can be implemented, and have created a 5-year roadmap throughout the Company, with its various units and interfaces. One of the main initiatives we have focused on during 2018 is our new "myZIM – Personal Area".



Internal Survey System

A key component of our customer service strategy is being Customer Centric. For this purpose, we have launched an internal survey system which enables ongoing monitoring of actual customer experience from major key processes followed by recovery actions, when and if necessary, in order to improve our understanding. Based on the survey results, we designed a work plan which includes internal global targets and weekly measurement. The above, along with the measured internal KPIs, provides a 360-degree overview on our customer journey.

Annual Customer Experience Survey

We conduct an Annual Customer Experience Survey in collaboration with Ipsos, the third-largest market research group and one of the global leaders – for linking between the received customers' feedback along with a Global Customer Loyalty Index (CLI). The survey provides a 360-degree view of our relationship with our customers, and is aimed at identifying and prioritizing the specific experiences that drive customer loyalty and ultimately affect the Company's profitability. It also identifies, based on customers' perspectives, the improvement opportunities that will have the greatest impact on their overall experience with us. Although the survey results showed us that ZIM is already above the worldwide norm, we still strive for further improvement and differentiation from our competitors.

The difference between the two surveys is that the internal survey system relies on short surveys regarding specific processes such as placing a booking or making an inquiry of Customer Service, while the annual survey is a much more comprehensive survey that relates to different interfaces at the company level with reference to many diverse parameters.

Environment

103-1
103-2

We invest great efforts in protecting the environment and minimizing our ecological footprint in all our activities and areas of operation. We comply with all relevant environmental regulations and requirements, and request 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, minimizing the impact of shipping voyages on the ocean and maritime environment, and others. We aim to act responsibly by taking into account our impact on the environment and striving to reduce it from year to year.

Environmental Management

103-1
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In keeping with our pioneering tradition, ZIM was one of the world's first shipping companies to receive the ISO 14001:2004 Standard certification for its company-owned fleet. The standard specifies the requirements for an Environmental Management System (EMS), enabling us to develop and implement a policy and objectives which take into account legal and other requirements as well as information about significant environmental issues. It applies to environmental impacts that we have defined as those that can be controlled or influenced by our operations. We renew this certificate on an annual basis; it was last obtained in July 2018. Our Certificate of EMS Registration has been assessed, certified and issued by an independent third party (ClassNK).

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

All our safety and environmental protection policies are communicated on our website to all company employees ashore and onboard our vessels. We monitor and reduce energy, water, chemical and fuel consumption aboard all vessels and in the main offices.

As a further demonstration of our commitment to eco-friendly operations, we participate in the World Ports Climate Initiative (WPCI) and register our eligible vessels under the Environmental Ship Index (ESI).

Since March 2018, we have been voluntarily and gradually replacing our global car fleet by eco-friendly hybrid or electric models. By the end of 2018, approximately 40% of company cars were already replaced and we aim at replacing 100% of our car fleet by 2021.

Reduction of environmental effect

We strive to reduce our impact on the environment and prevent pollution of maritime environments due to our activities as much as possible.

We abide by the MARPOL regulations for preventing pollution from vessels by carrying out the following practices:

- ▶ Ballast water management
- ▶ Strict avoidance of oil discharge into the sea, including spills over the deck
- ▶ Implementation of SOPEP (Shipboard Oil Pollution Emergency Plan) onboard vessels
- ▶ Replacing mineral oil lubricants with Environmentally Acceptable Lubricants (EAL) for wire ropes and deck equipment, as well as the stern tube and bow thrusters
- ▶ Sewage treatment
- ▶ Garbage collection and disposal
- ▶ Air pollution management, including the control of ozone-depleting substances
- ▶ Management of local pollution, including dust/noise/odor emissions and accidental spills, is handled onboard all our vessels daily, as per each vessel's SOP (Shipboard Operations Procedures)
- ▶ All crews on our vessels are equipped with active protective gear to minimize noise exposure, as well as dust masks when required

Emissions

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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. We are proud of our commitment to the environment, which includes our longstanding policy of adopting a responsible, far-sighted approach to protecting the seas and the planet. Our policy includes compliance with all international environmental standards relevant to our operations, and is published on our website.

Every ZIM vessel's CO₂ emissions, NOx and SOx emissions and use of oils, fuel and sewage treatment facilities are continually checked, analyzed and reported to the CCWG and verified by a third party, the Standards Institute of Israel. We strive to reduce emissions due to inland cargo transportation by selecting rail/barge transportation whenever reliably available.

All ships in our fleet, both owned and chartered, use low-sulfur fuels to reduce the environmental impact of their main engines. The (fleet) average CO₂ Emission Factor (gCO₂/TEU-km) and Sulfur Emission Factor (gSOx/TEU-km) for 2018 improved by 3.1% and 4.1% respectively compared with the same averages for 2017. The improvement in the (fleet) average Sulfur Emission Factor was achieved mainly by increasing bunkering of Ultra Low Sulfur Fuel Oil (ULSFO) with less than 0.1% sulfur content for our vessels. Between 2012 and 2018 we reduced our fleet's average CO₂ emission per TEU (gCO₂/TEU-km) factor by 35%. On certain routes and services, we operate Super-Slow Steaming to enable substantial fuel savings and significantly reduce CO₂ and NOx emissions.

Our targets for reduction of emissions are as follows:

- ▶ To improve the fleet's average environmental CO₂ and SOx emissions per Twenty-foot Equivalent Unit (TEU) container unit (gCO₂/TEU-km) every year by 2%.
- ▶ To reduce emissions by at least an additional 18% between 2019 and 2025.
- ▶ We aim at a 50% reduction in our Fleet's Average CO₂ Emission Factor by 2025.

EcoData Emissions Calculator

As part of our ongoing efforts to reduce our operations environmental impact, we encourage all our customers and suppliers to achieve and maintain high standards of sustainability. For this reason, we provide our customers with a convenient 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 provides CO₂ and SOx emissions estimates based on the CCWG methodologies, which are widely recognized in the industry. In this way, our customers benefit from greater transparency relating to all aspects of the shipping process.

The new 2020 Fuel regulations

The new fuel regulations, known as "2020 Sulphur Cap", will require all marine carriers to use low-sulfur fuel (up to 0.5% sulfur content) from January 1st, 2020. The new regulations introduced by the International Maritime Organization (IMO) are part of several international initiatives aimed at reducing marine pollution and emissions.

The whole shipping sector will be affected by the new regulations, and will be obliged to comply and to significantly reduce emissions on the high seas and in coastal areas. ZIM is



ZIM's emissions*:

	2016	2017	2018
CO ₂ Emissions-Dry (g/TEU-km)	55.28	52.28	50.69
CO ₂ Emissions-Reefer (g/TEU-km)	87.85	84.40	88.18
Sulfur Emissions (g/TEU-km)	0.82	0.71	0.68
SOx Emissions** (% Fleet-wide Average Sulfur Content of Fuel)	-	-	1.86
NOx Emissions (% below IMO curve)	10.47	10.96	11.15

* ZIM's emissions as calculated by the CCWG, includes fleet emissions only.
** No data was calculated by CCWG before year 2018.

well-prepared to meet the new requirements and fully supports the new regulations, which will contribute to the health of our oceans and the quality of the environment.

Energy & Fuel Consumption

302-1

We strictly monitor fuel consumption for 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”, which reflects the amount of fuel a vessel consumes in order to transport one TEU 1,000 nautical miles. This indicator enables us to measure our fuel consumption efficiency regardless of vessel size and/or potential changes in commercial activity.

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

- ▶ Optimization of port calls sequence in order to avoid unnecessary vessel acceleration
- ▶ Constant efforts to improve port productivity (such as optimized vessel planning) in order to reduce time in ports and avoid unnecessary acceleration to the next port
- ▶ On a daily basis, we monitor and ensure that all operating vessels are sailing with optimized trim and draft in order to reduce fuel consumption
- ▶ Optimization of sea routes in order to avoid extreme weather conditions which may cause delays followed by unnecessary speed-ups
- ▶ Maintenance of vessels, including propeller polishing, sludge removal and dry docks which collectively improve vessel performance
- ▶ Smart systems and economical LED bulbs reduce electricity usage in our offices by deactivating systems such as lights and air conditioning when not in use

Energy Consumption Awareness at ZIM

We honor our commitment to protect people and the environment by tracking and analyzing energy consumption on vessels via best practice methods in order to improve energy efficiency and reduce both fuel consumption and CO₂ emissions. Our policy is reflected in the Environmental Management System (EMS) under ISO 14001 and in the Ship Energy Efficiency Management Plan. This policy ensures that all marine operations are conducted as efficiently, safely, and reliably as possible for the entirety of ZIM’s owned fleet.

The Plan instructions set out concrete measures for reducing energy consumption to the minimum necessary. We are able to monitor our entire fleet in real time from the Global Operation Center (GOC), located in the HQ in Haifa, Israel. 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 operational ships with decisions concerning route and speed adjustment in real time. Moreover, it reveals deviations in vessel performance which may lead to inefficiencies.

We are responsible for the development, management and operation of the fleet, and thus also for defining the associated environmental and efficiency objectives and measures.

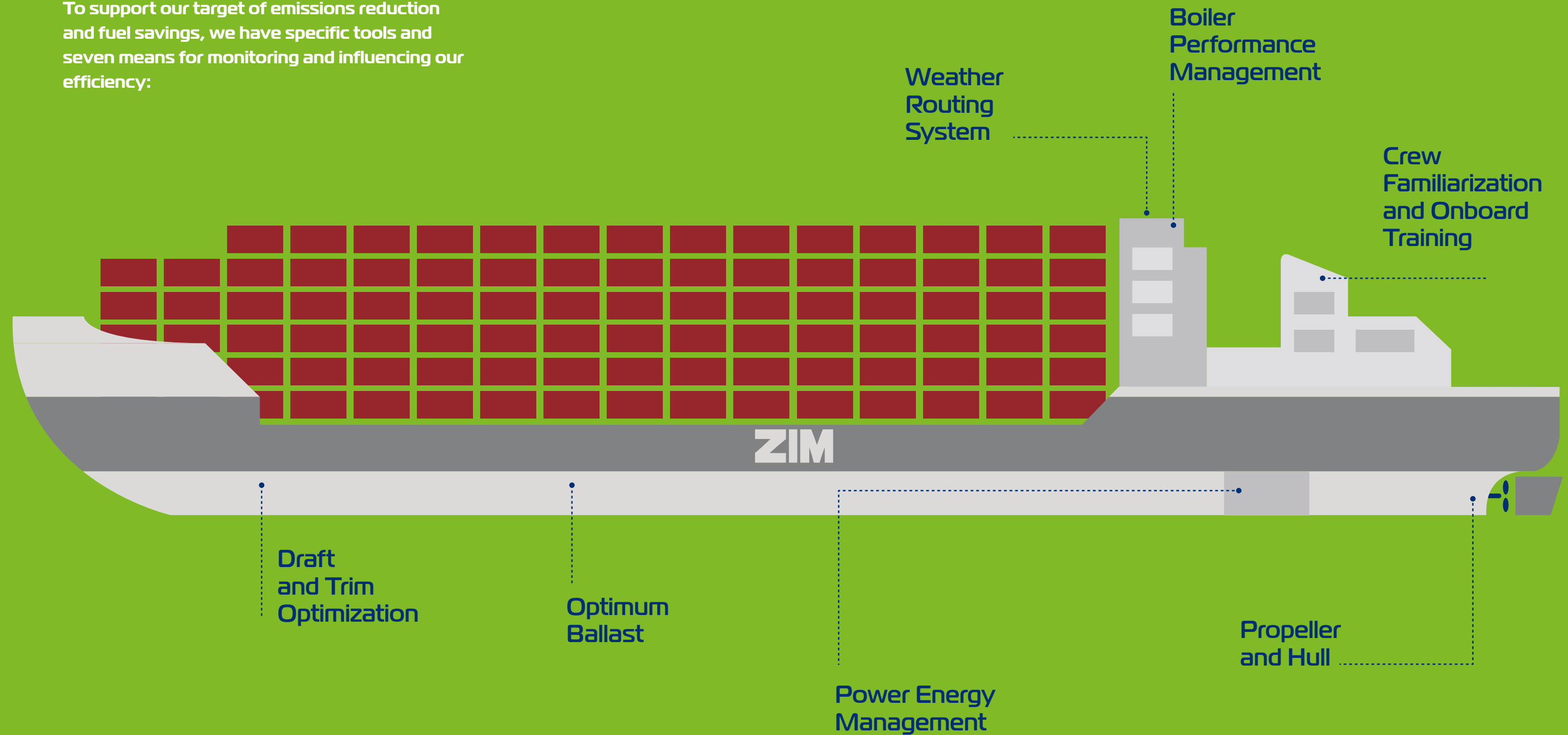


ZIM’s total fuel consumption*:

	2017	2018
Total fuel consumption in 1000 mile/carried TEU (KG)	52.8	54.2

* Fuels included in the calculation of ZIM’s total fuel consumption are Heavy Fuel Oil (HFO) and Marine Diesel Oil (MDO), consumed by the entire fleet of ZIM (both owned and chartered vessels)

To support our target of emissions reduction and fuel savings, we have specific tools and seven means for monitoring and influencing our efficiency:



Propeller and Hull

Ship resistance is improved by ensuring that both the propeller and hull are clean. Hull and propeller cleaning (polishing) are highly effective ways to reduce hull resistance and improve overall ship efficiency. In case of evidentiary concerns, underwater inspections are carried out.

Draft and Trim Optimization

Operating the vessels at the optimum trim and draft can significantly improve efficiency. Our Captains have at their disposal technological and computational tools which we developed to properly manage the optimum trim and maintain the vessel at the most fuel-efficient draft and trim. Trim optimization software is used together with the vessel's planning system software to optimize the vessel's trim and draft, minimize ballast quantities, improve the vessel's performance and reduce its fuel consumption and air emissions.

Optimum Ballast

Ballast should be adjusted taking into consideration the requirement to meet optimum trim and steering conditions, which is achieved primarily through good cargo planning. Speed control and voyage planning, optimized ship handling, communication and teamwork between the vessel's commands and line operations manager can yield significant savings in energy usage. Unexpected delays and waiting time are all key factors that contribute to energy consumption. Maintaining appropriate speed control in voyage planning plays a key role in ensuring that a ship arrives at its destination as efficiently as possible. The distance sailed "off

track" and consequent rudder correction is to be minimized. Frequent rudder movement (yawing) increases resistance to propulsion. Main engine turbocharger cut-out improves main engine performance during part-load operation and lowers fuel oil consumption. To keep optimum ballast on our vessels, there is a ballast management system on each vessel in our fleet.

Weather Routing System

Vessels which incorporate a weather routing system experience a reduction in energy consumption. Routes are planned in accordance with the Weather Routing System, which analyzes weather forecasts and advises on utilizing routes with favorable weather conditions in order to achieve ideal performance in speed and consumption.

We promote the use of IT tools for optimizing route planning onboard our vessels. This includes the use of external services such as WNI (WeatherRoute), which we developed in cooperation with a third party, and which is also used today by other shipping companies to assist route planning, increase the safety of the vessel and crew, reduce fuel consumption, and minimize air emissions and GHGs. This system is used on a daily basis and monitored 24/7 from our operation room.

Power Energy Management

The generation and consumption of electrical power onboard presents an opportunity to save energy and fuel. The usage of electricity consumers with high power ratings is to be closely monitored and reduced as much as possible. ZIM does not tolerate wasteful energy consumption. Each vessel in our fleet provides a daily report and a sailing-end report detailing the ship's energy consumption.

Boiler Performance Management

Improving onboard steam management and overall boiler efficiency can improve reliability and reduce operational costs. ZIM is capable of monitoring each vessel's optimal heat balance, and emphasizes minimized usage of any non-essential steam consumers. Measures taken include reducing heating rate of machinery and tanks as much as possible while vessels are in port. In addition, bunkers are to be heated in the most economical way possible.

Furthermore, a waste heat recovery system has been deployed in the exhaust boilers of all vessels, as well as in the evaporator (FW generator) system, for more efficient engine use, resulting in fuel savings and reduced air emissions.

Crew Familiarization and Onboard Training

Each crew aboard ZIM's operational ships is aware of ZIM's commitment to improving energy efficiency and is familiar with measures taken for implementation. Each crew member plays a key role in making each vessel and voyage more energy-efficient, and thus has a thorough understanding of the specific vessel's operations and potential managerial methods for saving energy. The Captain of each vessel reports once per quarter about actions taken to reduce fuel use.

Water Consumption & Usage

We actively promote the recycling of fresh water and reuse of treated wastewater. All water used in headquarters is recycled by the local water authority and reused for irrigation purposes. For example, our headquarters uses the condensation generated by air conditioners to irrigate about 80% of the on-ground greenery. The remaining 20% of irrigation water is derived from other recycled sources. In addition, all our vessels are equipped with sewage treatment systems.



Materials & Waste

306-2



As mentioned above, all our vessels are certified as complying with the mandatory MARPOL and IMO regulations. This includes requirements regarding treatment of sewage, waste, different residuals, and more.

Ballast Management & Sewage

- ▶ **Ballast Water Management:** Managing ballasting and de-ballasting procedures according to the Ballast Management Plan, based on which the vessels treat their ballast water and sediments.
- ▶ **Sewage is treated in a special treatment system.** Special void areas have been converted to be used as collecting tanks.
- ▶ **Graywater is collected in a converted void space.**

Residuals

- ▶ **Bilges:** Bilge liquids are collected and separated through the “Bilge Separator”. Our overboard discharge is less than 15ppm.
- ▶ **Sludge:** Sludge is collected in a dedicated tank to be discharged to designated onshore facilities.
- ▶ **Garbage:** Garbage onboard is separated into components such as plastics, paper, and food waste. Incineration of permitted components is performed onboard. The ash is then delivered to onshore facilities together with plastics and other waste.
- ▶ **Wastewater treatment:** At our Head Office, all graywater is cleaned and reused for irrigation purposes, and all wastewater on our vessels is collected and treated as required.
- ▶ **Recycling in offices:** We use recycled paper for printing and all waste paper and batteries are sent for recycling.
- ▶ All the gardens of Matam Park are irrigated with water from the energy center or from the air conditioning system, which would otherwise be discharged into the sewage and sea.
- ▶ **Working processes** for waste reduction have been implemented onboard our vessels and in our offices.

Ship Scrapping & 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). None of our ships was sent to scrapping during 2018.

Used Containers for Sale

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 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. We put up for sale various sizes and types of containers, and some are even refitted and redesigned as residences, offices, classrooms, and more.

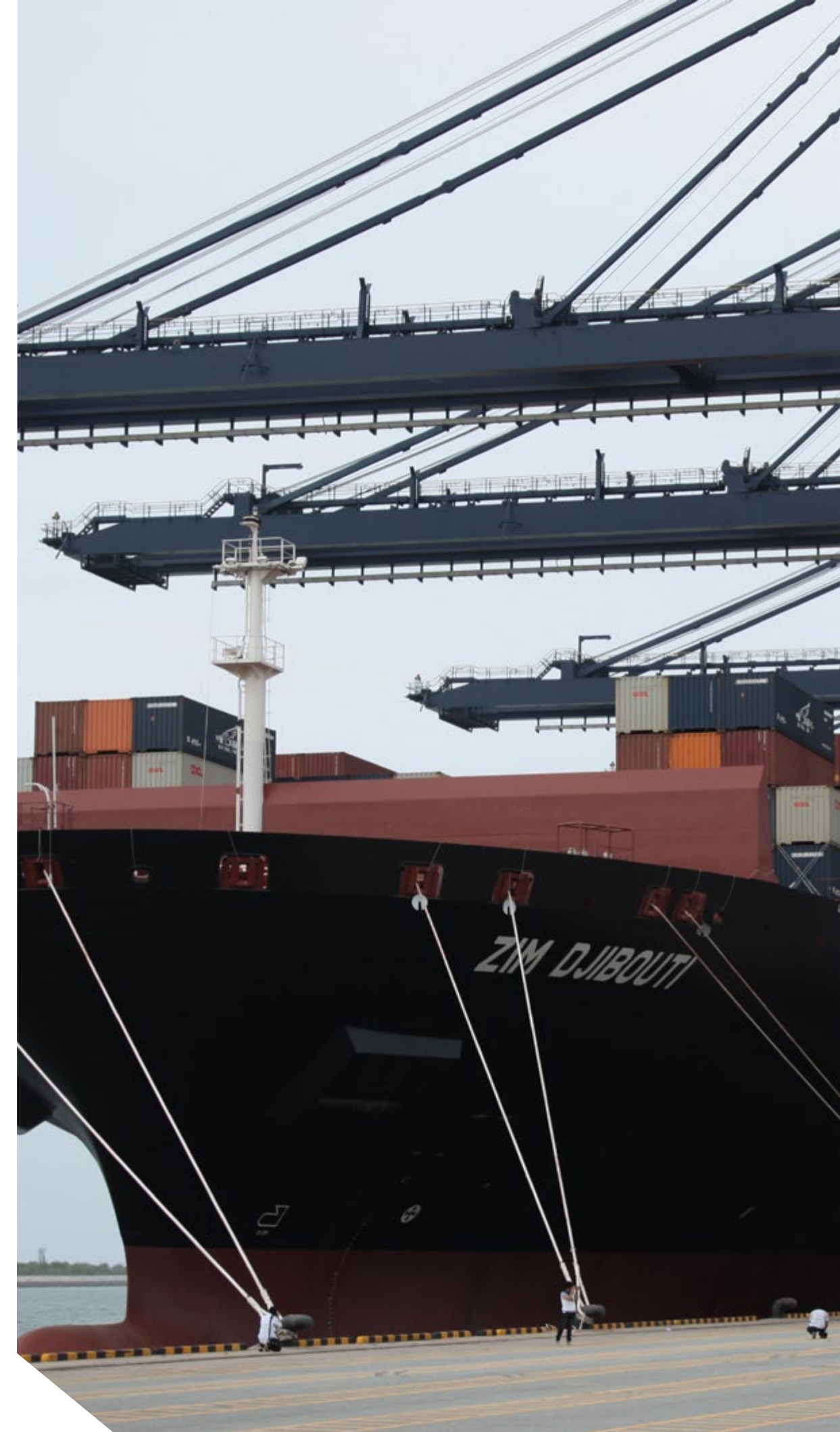
Reefer containers

ZIM is a pioneer in operating the leading and newest refrigerated container type, Transcold PrimeLINE, which is equipped with energy-saving technology that reduces carbon emissions, thus contributing to a cleaner environment.

Vessels that are equipped with ZIMonitor devices allow us to remotely monitor the refrigerator unit, receive alerts in real time and respond if any mishap occurs. All the above-mentioned features make these units “smart containers”.

Our target is to equip approximately 25% of ZIM’s reefer fleet with this top-of-the-line technology by the end of 2019.

We recently introduced a new premium technology for agricultural exporters of fruits: Controlled Atmosphere refrigerated containers that monitor oxygen, nitrogen and CO₂ levels throughout the voyage. This new technology increases the fruits’ shelf-life and opens new and wider export opportunities for agricultural produce.



Biodiversity Conservation



One of the objectives of our cargo policy is to support biodiversity conservation. In order to support our policy and reduce the transfer of non-endemic species, all our vessels undertake ballast water exchange, replacing coastal water with ocean water at mid-voyage. We also avoid discharging any waste or oily water into the sea, especially in sensitive and protected areas, in accordance with the MARPOL Convention and regulations. For this reason, 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 prohibited on our vessels: shark fins, ivory, bone, pelts, horns, skins, furs, rugs and other body parts, organs or carcasses of wild animals, illegal trade of plants and wild animals, trophy animals (such as elephants, rhinoceros, tigers, lions, bears etc.), marine mammals, migratory birds, eggs, feathers, nests and other body parts, turtle or tortoise shell etc.

Ballast water

In line with our environmental policy of complying with all mandatory standards, the IMO-International Convention for the Control and Management of Ships' Ballast Water and Sediments, which was adopted on February 13th, 2004 and took effect on September 8th, 2017, and which regulates the exchange and treatment of ballast water, serves as a binding guideline for all ZIM-operated vessels (owned and chartered).

Ballast tanks are receptacles filled with seawater located on either side of the ship's bottom, and 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 may contain invasive aquatic species which present a major threat to marine ecosystems. This happens when ballast water is stored in special ballast tanks and taken up or discharged back into the sea, as required. This has been identified as a major pathway for introducing species to new environments.

To prevent these invasive aquatic species from being introduced into alien waters, we have adopted measures that avoid this problem: all vessels are provided with an "International ballast water management certificate" and a certified "Ballast Water and Sediments Management Plan", based

on which the vessels manage their ballast water and sediments to a certain standard, according to international regulations. All ships carry a ballast water record book and record all ballast activity onboard.

Our ballast water management standard has an intermediate solution, which is to exchange ballast water in mid-ocean (that is, to exchange ballast water out at sea, at least 200 nautical miles off the nearest coast and in waters at least 200 meters deep). In this way, we exchange ballast water in 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. Moreover, all ships in our fleet will be equipped with an onboard ballast water treatment system at their upcoming dry dock. We are now taking preliminary measures for the installation of the first "ballast water treatment system" on one of our owned vessels. Our vessels also comply with the USA, Canada and China ballast water regulations and reporting systems, with records of all ballast activity onboard.



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