



EXPANDING GLOBAL ENTERPRISE —

# CARRIX SUSTAINABILITY REPORT & UPDATE

*FYE 2023*





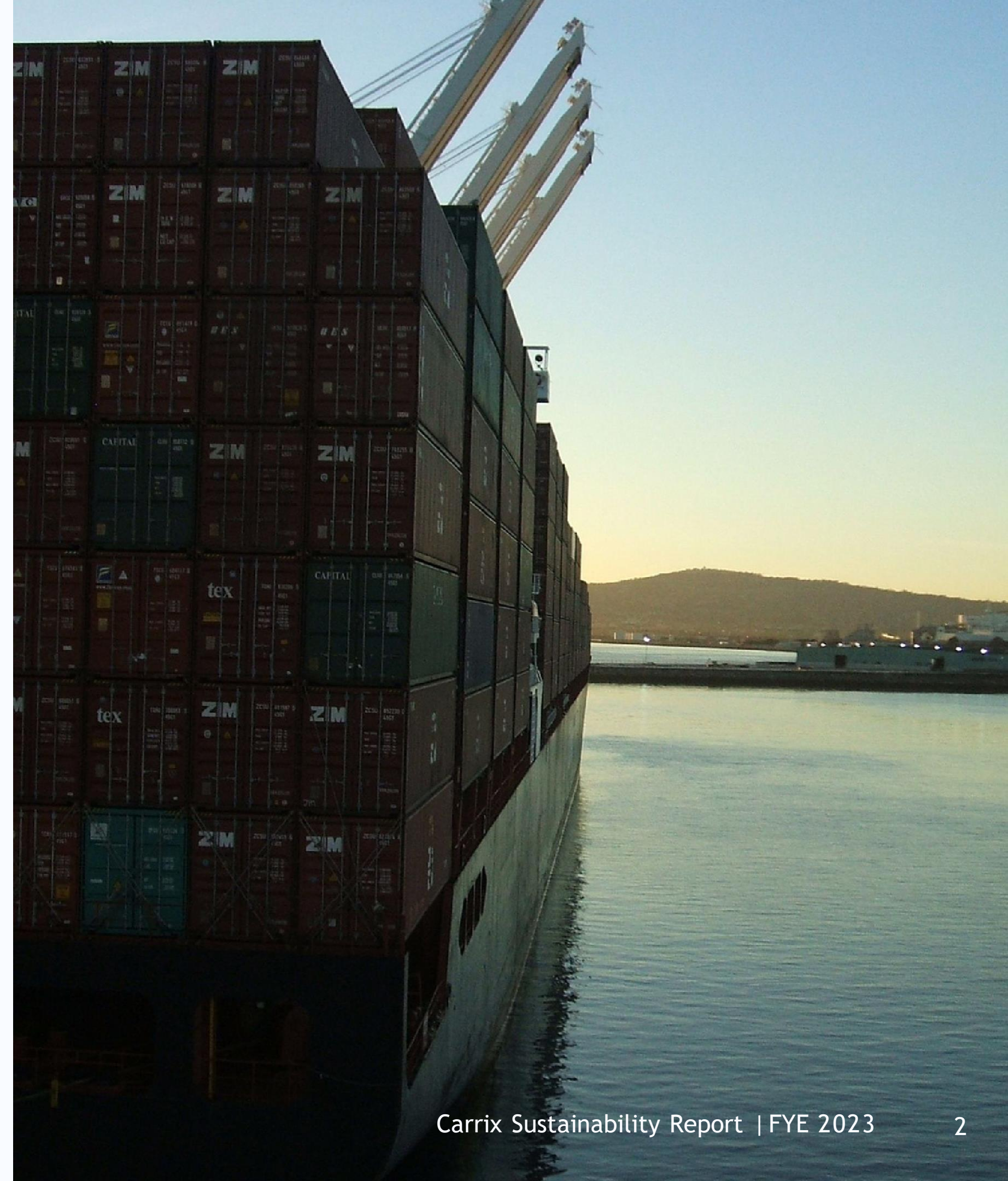
# INTRODUCTION

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We are pleased to present the Carrix Sustainability Report for the fiscal year ending January 28, 2023. Our teams across our global operations have made significant progress towards the Company's objective to actively participate in enhancing environmental performance in each region.

## THIS REPORT SUMMARIZES:

1. Environmental Action Plan FYE 2023 Update
2. Sustainability Progress Report FYE 2023
3. Carrix Sustainability Strategy 2030







# REVIEW OF FYE 2022 SUSTAINABILITY PROGRESS

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## Carrix Environmental Policy Statement:

- Within each region in which we operate, Carrix facilities will actively participate in enhancing environmental performance in the marine terminal industry and will incorporate environmental sustainability best practices into their operations.



Completed environmental compliance audits of all U.S. container and conventional terminals.



Deployed 190 units of near-zero and zero emissions equipment across our global operations.



Manzanillo International Terminal in Panama sponsored 300+ volunteer activities, developed 23 partnerships and 30 sponsorships, and donated 10,100 hours of time by 600+ staff.





# 1

## ENVIRONMENTAL ACTION PLAN FYE 2023 UPDATE



# ENVIRONMENTAL POLICY & ACTION PLAN



In December 2020, the Carrix Board approved an environmental policy and action plan, which states that:

**Within each region in which we operate, Carrix facilities will actively participate in enhancing environmental performance in the marine terminal industry and will incorporate environmental sustainability best practices into their operations.**

The action plan specifies in more detail how we plan to work together as an organization to enhance environmental performance and incorporate sustainability best practices while allowing for teams that have developed local programs, such as in our Mexico and Panama operations, to continue to implement these initiatives. The action plan focuses initially on building a broader and more established foundation by raising awareness about the Company’s environmental objectives, engaging representatives from each terminal, and providing those representatives with the tools to support their terminal’s efforts to ensure consistent compliance with the complex regulatory requirements. That strong foundation will then provide a platform upon which we can continue to build our sustainability efforts based on the unique needs in each region.







# 2

## SUSTAINABILITY PROGRESS REPORT FYE 2023





# AIR QUALITY & DECARBONIZATION

Carrix is committed to reducing GHG emissions 15%\* by the end of 2024 (from 2021 levels).

**Emissions Inventory:** Carrix completed the first Scope 1 & 2 emissions inventory for greenhouse gases for our global operations. Carrix is working with Starcrest Consulting to finalize a comprehensive, activity-based emissions inventory for our global Scope 1 operations. This project, which also includes a roadmap for how Carrix can reduce emissions from our owned equipment, is scheduled to be complete by the end of 2023.

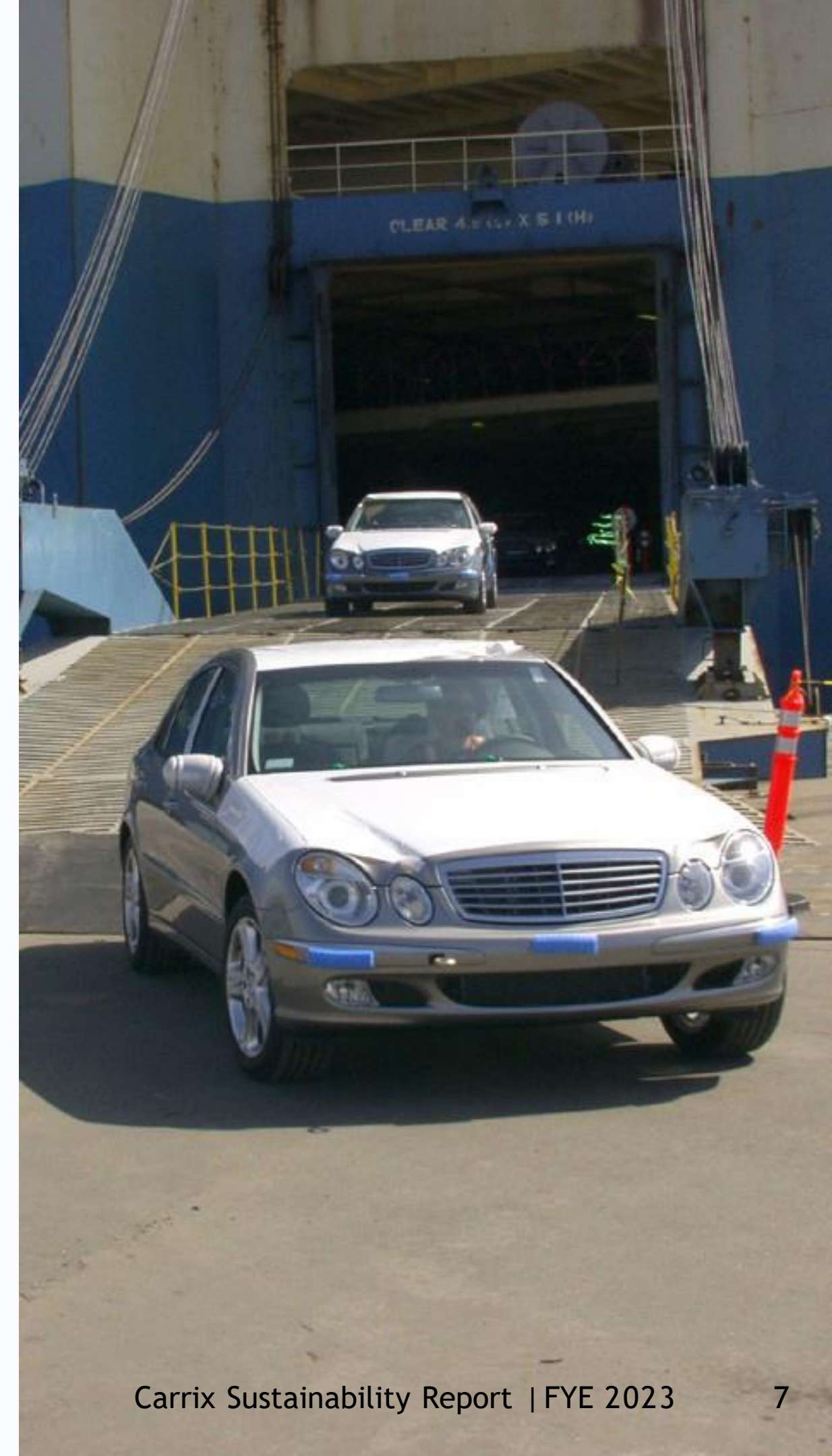
**Renewable Diesel:** SSA Terminals and SSA Pacific utilize renewable diesel (R80/B20) at our terminals in California, beginning with our operations at the Port of Long Beach in 2021. In 2022 we used just over 2 million gallons of renewable diesel, eliminating 14,283 metric tons of CO2 from our operations.

**Carbon Offsets:** Every year we purchase renewable energy certificates (RECs) from the Bonneville Environmental Foundation for the GHG emissions generated from annual electricity usage at our PCT and Pier F terminals at the Port of Long Beach.

**Vessel Shore Power:** SSA Marine has worked closely with our port and carrier partners to support the use of shore power by ships while at berth. We currently have 19 shore power capable berths available at 6 facilities on the U.S. West Coast and we are working with the port authorities to support their plans to add additional shore power capacity at the terminals we operate.

**Zero Emissions Master Planning:** SSA Marine is working closely with the Northwest Seaport Alliance and Port of Long Beach to support their efforts to develop terminal master plans for zero emissions operations.

\*based on emissions intensity







# INVESTING IN ZERO EMISSIONS EQUIPMENT

Carrix has long been a leader in the testing and deployment of low and zero emission technologies. Major investments in FYE 2023 include:

## **Pier J eRTGs**

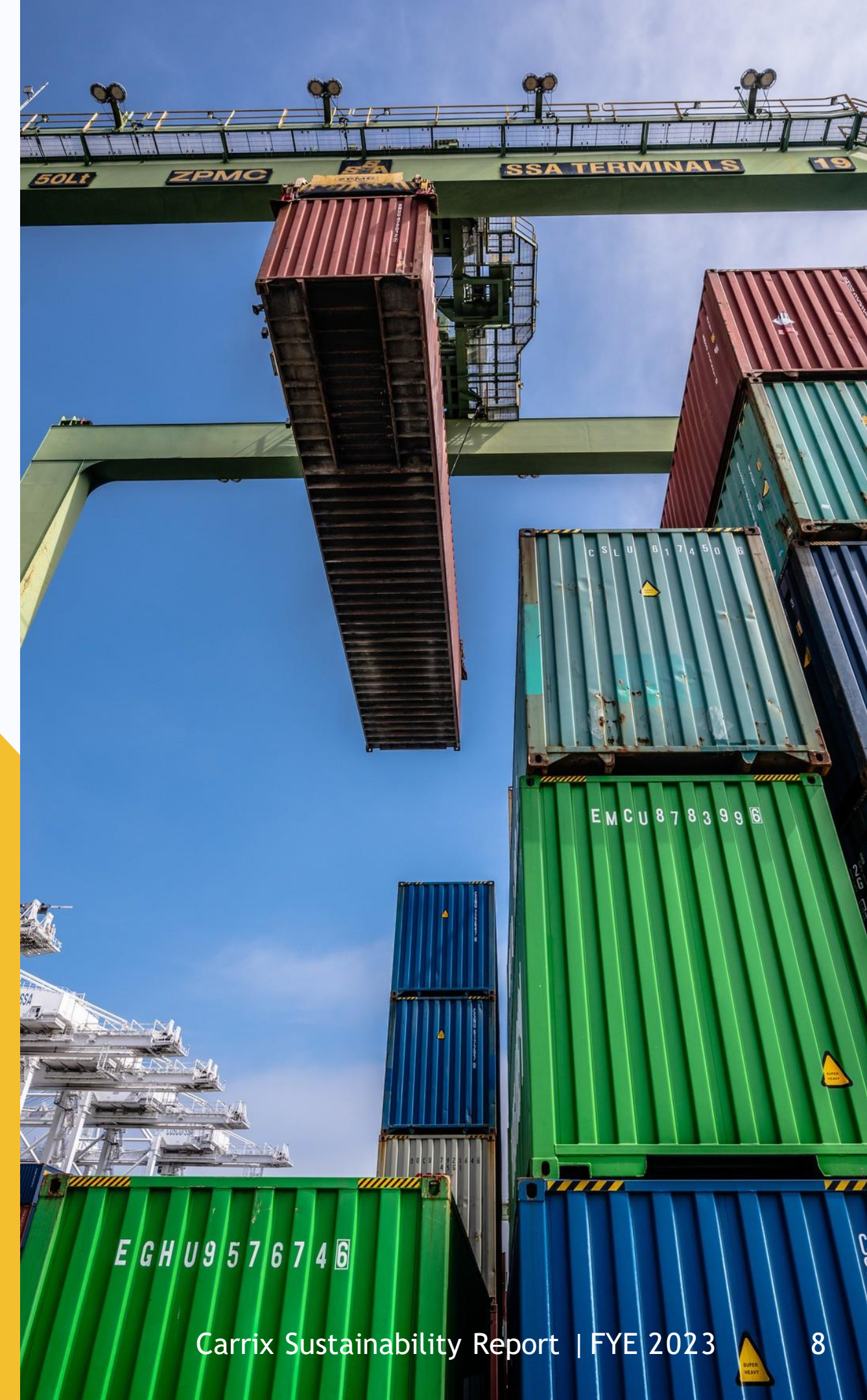
SSA Marine completed a multi-year project to convert 9 ZPMC diesel-electric 1,000 hp rubber-tired gantry cranes (RTGs) to 100% grid-tied electric, which is estimated to reduce consumption of diesel fuel by 225,000 gallons annually.

## **Wiggins eBull Forklifts**

The first large-capacity fleet deployed in California and the USA, SSA Pacific utilized funding from the California Clean Off-Road Equipment (CORE) incentive program and START (formerly ZANZEFF Project) to support deployment of 26 large capacity lithium forklifts at the Port of Stockton and Port of West Sacramento. Primarily used to unload cargo off vessels, these zero emissions Wiggins eBull forklifts will eliminate tailpipe emissions from these operations.

## **South Intermodal Yard (SIM) Electric Yard Trucks**

Rail Management Services has put into operation 6 electric yard trucks at the SIM Yard in the Northwest Seaport Alliance gateway. This \$2.2 million investment for equipment and infrastructure was supported by funding from Tacoma Power and U.S. Environmental Protection Agency and is expected to reduce annual emissions of greenhouse gases by 259 tons and diesel particulate matter by 1.41 tons.





# ENERGY USE

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**Solar Power Generation:** Veracruz, Mexico has 30 photovoltaic solar panels installed on terminal, which generated 12,296 kWh and eliminated 8.72 metric tons of CO<sub>2</sub> in 2022. Photovoltaic solar panels, generating 573 kWh, have been installed on the roofs of 2 sheds at our West Sacramento, California terminal.

**Terminal Lighting:** Carrix has been upgrading lighting on terminals to LED, which reduced electricity consumption by up to 90%. LED lighting has been installed at terminals in Mexico (Lazaro Cardenas, Tuxpan) and the United States (Washington, California). We will continue to evaluate retrofitting terminal lighting to further implement LED into our facilities.

**Reducing Energy Consumption:** Implemented changes in refrigerated container ('reefer') operations at our terminals in Mexico, such as use of automatic capacitors to adjust the power factor of the electrical installations, resulting in more efficient use of energy.





# STORMWATER MANAGEMENT IN THE PACIFIC NORTHWEST

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The Washington State Department of Ecology administers the Industrial Stormwater General Permit which imposes some of the most stringent requirements in North America. SSA has made significant investments in terminal infrastructure to install state of the art stormwater treatment systems at our terminals in the Northwest Seaport Alliance gateway, consistently achieving 85 – 95% reduction of pollutants such as zinc and copper. Together our NWSA treatment systems capture stormwater from 489 acres on 4 terminals.

**Northwest Seaport Alliance Terminal 18:** In 2021, SSA Terminals completed a five-year stormwater treatment project at Terminal 18, which now includes 10 on-terminal treatment systems that handle 16 outfalls. This stormwater treatment project has been a large undertaking for the company, in collaboration with the Port of Seattle, with a total capital investment of \$38.1M, 50% of which is reimbursed by the Port.

**Northwest Seaport Alliance Terminal 5:** In collaboration with the Northwest Seaport Alliance, the SSA has installed an advanced stormwater treatment system as part of the Terminal 5 Berth Modernization Project, which will treat a total of 192 acres with 4 systems.

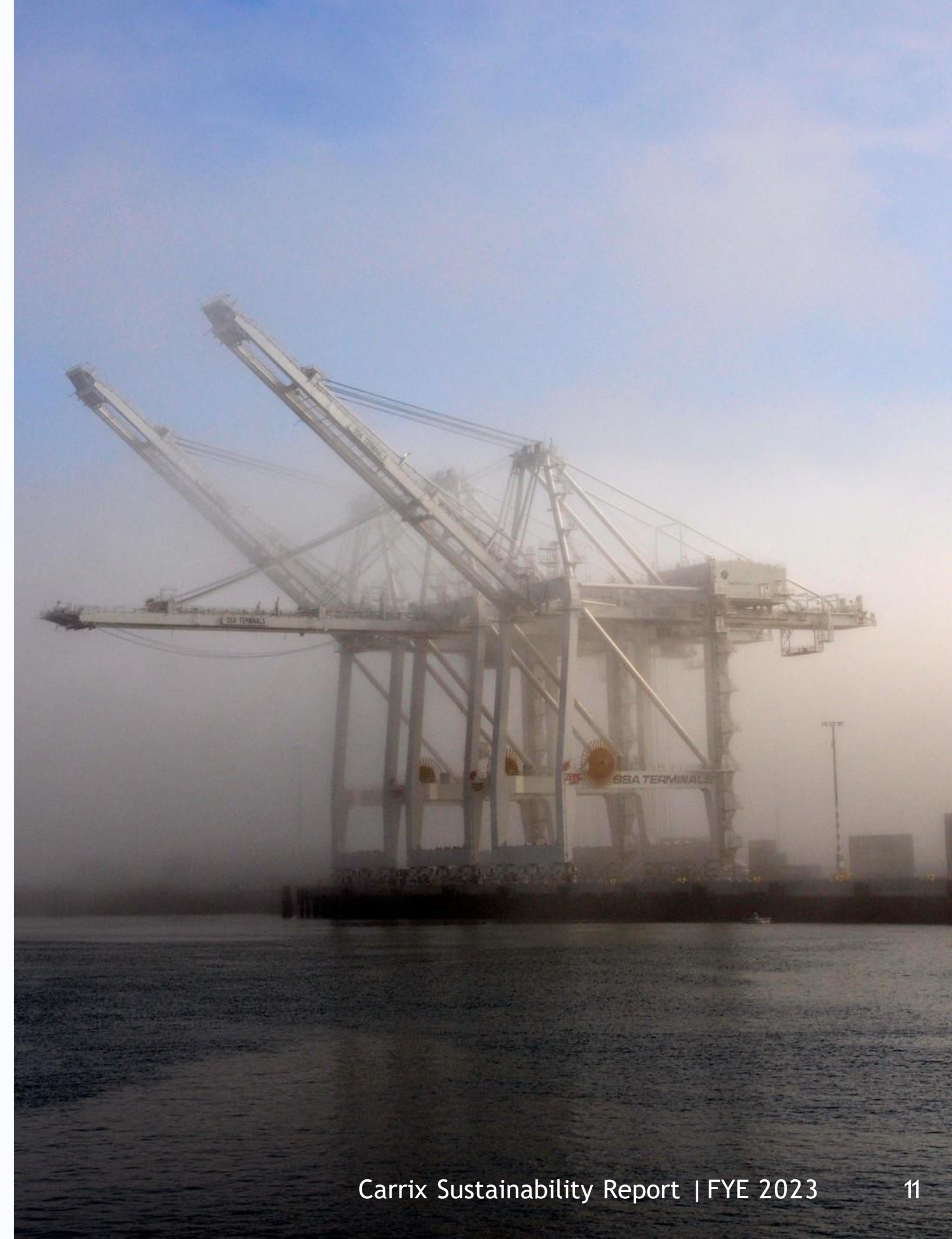


## RESOURCE CONSERVATION

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**Water:** Reduced water use in Mexico through installation of water-saving faucets and toilets at the OCUPA and FRIMAN facilities and installation of filtration systems in automated wash modules at Lazaro Cardenas and Veracruz terminals, reducing water use by 70% in car handling operations.

**Waste:** Manzanillo, Mexico prevented 379,516 kg of waste generated from their operations from being sent to the municipal landfill by selling waste paper, cardboard, scrap metal and plastic for recycling. Manzanillo International Terminal in Panama recycled 15,210 kg of paper and cardboard, 27 kg of electronics, 3,208 kg of scrap metal, 2.8 tons of plastic and aluminum, and sent 47,142 kg of used cables to Africa for use in the construction of bridges.





## HABITAT PROTECTION

**Habitat Restoration:** SSA Mexico has worked to protect 30 hectares of mangrove forests and restore wetlands. Western Group in Canada is a key partner in the Squamish Central Estuary Restoration Project to restore salmon habitat, the Squamish Terminals team participated in an annual shoreline clean up and Coast2000 participated in an annual roadside cleanup, and planted 3,000 trees in British Columbia through the One Tree Planted Program.

**Reducing Water Pollution:** CICT in Vietnam retrofitted open-bottom container boxes to reduce spillage and installed metal screening grids in the drainage system to keep wood chips, washed away by rain, from being flushed down to the sea. CICT also began using tarpaulins to cover bulk cargo (grains, wood chips) to cover the area between the vessel and the quay, collecting spillage and avoiding pollution in the bay.

**Eliminating Ocean Waste:** Western Group's Victoria Cruise team and Maersk worked together to host 8 port calls for two The Ocean Cleanup vessels collecting material from the Great Pacific Garbage Patch for cleaning and disposal operations. The Victoria Cruise team unloads containers with plastic and ghost net catch and verifying weights for audit, coordinates the delivery of stores, freshwater bunkers and crew change, loads and discharges net wings, inflates hundreds of fender buoys, and arranges transfer of cargos from 20ft standard containers to 40ft open containers for export to Rotterdam for recycling.





## HEALTH & SAFETY

**HomeSafe:** Carrix has developed and implemented HomeSafe, a program to promote a culture of safety throughout our global operations. A review of the most serious incidents and fatalities occurring in our industry in recent years has highlighted 5 key categories of reoccurring fatality potential risks, we call these the Fatal 5. We developed the Fatal 5 standards to reduce fatality potential risk in our workplace, through the creation of minimum controls to be adopted by all Carrix operating locations.

**Fatigue Management:** SSA New Zealand helped to develop national fatigue management guidelines for maritime employers and associations on how to manage the risk of fatigue in the workplace. The guidelines focus on understanding what fatigue is, the science behind it and how to implement a fatigue risk management system.

**Communications and Certifications:** Western Group implemented a communication alert media system at all terminals and stevedoring locations, as well as obtained several safety certification, including WorksafeBC Certificate of Recognition for Coast2000 and Safe Travels Certified for Victoria cruise and PNWTS operations.

### The Fatal 5 Standards



#### Handling Loads

Loading and unloading cargo, materials and goods are a daily activity.



#### Pedestrian Safety

We have people that need to interact safely with equipment.



#### Mobile Equipment and Fixed Plants

We have lots of heavy equipment and vehicles moving around our operations continuously.



#### Working at Heights

By default, a lot of our work occurs at heights.



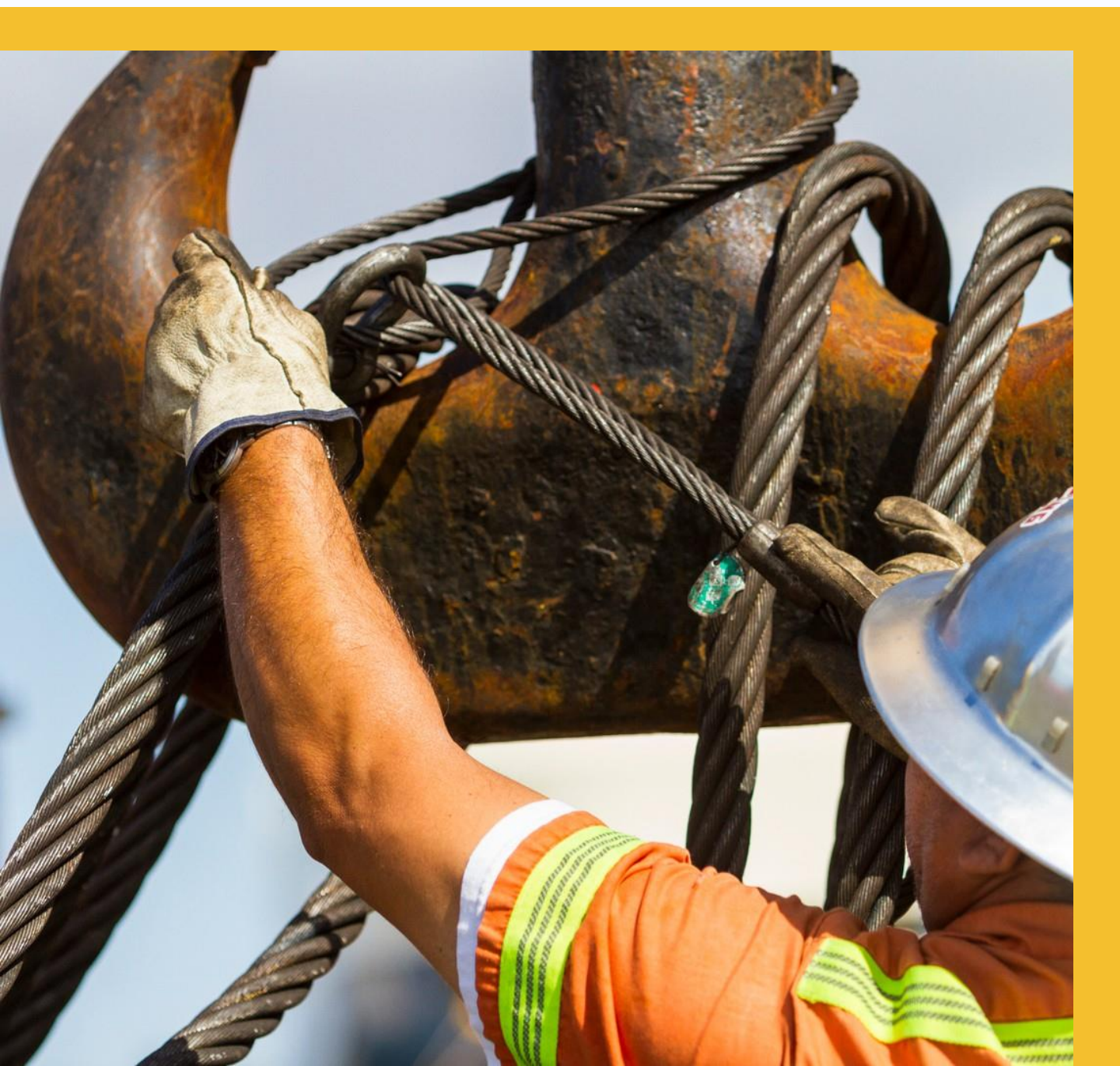
#### Vessel Safety

Vessels present with different cargoes and risks.





## SUPPORTING OUR PEOPLE



Carrix is committed to proactively integrating unbiased hiring practices and pay transparency and equity into our organizational culture. In addition to the strides made in FYE 2023, we are in the initial stages of establishing global metrics for headcount, attrition, vacancy rate and uniform pay increase reporting.

**Diversity, Equity & Inclusion:** Globally, each Division within Carrix is at a different point in developing DEI initiatives and other HR programs. In FYE 2023, an International HR team was established so that best practices can be shared and people programs established universally across borders. Western Group in Canada conducted DEI audits for Lynnterm, Squamish, North Island and Victoria terminals. Panama and Mexico have DEI programs that meet or exceed all requirements in those counties.

**Pay Equity:** Carrix completed a full compensation project for our U.S. operations that included standardization of job titles, pay grades with internal equity exercise, pay ranges established and some outlier corrections made to ensure equity. Western group in Canada completed a similar process in 2022.

**Unbiased Hiring Practices:** Carrix rolled out a uniform hiring system for our U.S. operations, including consistent processes and postings to a service that reaches out to multiple agencies and platforms to ensure that we attracting talent from diverse populations and all federally required staffing organizations.

**Employee Engagement:** Carrix completed an update to our internal website, CASSA 2.0, in order to improve employee communication. Carrix added several members to our corporate HR team in the U.S., including a Change Manager, Training & Development Manager, and is in the process of establishing a Corporate Learning and Development team.



## ETHICS AND ANTI-CORRUPTION

Carrix has a long history of working to ensure that our employees operate with integrity and that all aspects of our business is in compliance with all applicable national and international regulations, as well as industry best practices. We have conducted an external review and risk assessment of our policies and practices. Every employee must sign the Carrix Code of Conduct and key staff must annually review and sign the Carrix U.S. Foreign Corrupt Practices Act (FCPA) compliance manual.

**Ethics and Compliance Hotline:** Ethics and Compliance Hotline: In February 2020, Carrix established an anonymous ethics and compliance hotline for the U.S. and has expanded this to our international operations in Canada, Mexico, and Vietnam, while working to expand it further to Panama and New Zealand in the coming year.

**Employee Training:** We successfully launched the 'Anti-Bribery and Corruption' and 'Code of Conduct' training modules from NAVEX Global Risk Management in our operations in Canada, U.S. and Mexico and are working to expand the training Panama, Vietnam and New Zealand.





# SUPPORTING COMMUNITIES



**Creating Opportunities:** At SSIT in Vietnam, staff successfully organized *Connection Day* at Ba Ria Vung Tau University (BVU), which is designed to provide the more than 100 students from Supply Chain Management - Logistics and Corporate Finance with insight into SSIT operations and create job opportunities for local students, including internships. SSIT has awarded 10 scholarships to students with excellent academic result and those who have difficult family circumstances, but always strive to study to achieve good results.

**Local Community Development:** Manzanillo International Terminal in Panama has a comprehensive program *Responsibilidad Social y Voluntariado* that engages employees at MIT in projects to support local communities. 290 MIT staff donated over 9,000 hours of time to volunteer in the community, including on the following projects:

- Planting vegetables to provide food for kids attending a multi-grade school located in the suburbs of a mountain, guaranteeing breakfast and lunch for the students; this project was replicating in a correctional facility that houses juvenile offenders, creating food sustainability for the facility.
- Implemented a guaranteed daily meal program for residents in a local nursing home.
- 2000+ backpacks were delivered to students in the community.
- Built a dental clinic to provide care to local residents.
- water projects in remote communities in order to guarantee water supply





# REPORTING AND CERTIFICATIONS

## Global Real Estate Sustainability Benchmark (GRESB)

SSA Terminals reports annually to GRESB for our U.S. West Coast Container operations. In 2022 we ranked third in our peer group.

## Green Marine

Building on Western Group's experience with Green Marine to certify Lynnterm, Squamish Terminals, Victoria Cruise & BCVPC operations, Carrix has obtained Green Marine certification for our Port of Long Beach C60 and West Sacramento terminals. We will continue to expand our efforts with Green Marine until all our North American terminals are certified.

## Climate Smart

Western Group has obtained Climate Smart Certification for Coast 2000, Cowichan Bay, Squamish Terminals and Lynnterm.

## ISO Certifications

ISO 14001 Environmental Management System at Lynnterm and Squamish Terminals.

## United Nations Global Compact

Manzanillo International Terminal in Panama has been a signatory to the UN Global Compact since 2009; their annual Communication on Progress can be found [here](#).







# 3

## CARRIX SUSTAINABILITY STRATEGY 2030





# CARRIX SUSTAINABILITY STRATEGY 2030

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Carrix is in the process of developing our Sustainability Strategy 2030 to establish a comprehensive approach to incorporating environmental, social, and governance (ESG) into Carrix global operations while growing our business.

We recognize that our diverse operations and geographic locations require different degrees of engagement on sustainability and that some of our facilities are more advanced than others. The Carrix Sustainability Strategy 2030 sets the baseline for which we will globally aspire to, while allowing for facilities to continue to meet the needs of their operations by exceeding these goals. We will utilize our annual sustainability report to highlight the work of our teams around the world.





# CARRIX SUSTAINABILITY STRATEGY 2030



The Carrix Sustainability Strategy 2030 will establish short-term (2025) and mid-term (2030) goals for issue areas in the pillars Environmental Stewardship, People & Community, and Corporate Citizenship. Beginning in 2026, Carrix will begin the process of revising our sustainability strategy to look beyond our mid-term 2030 goals, including establishing a new level of ambition, an updated materiality assessment, and goals for 2035 and 2040.

Environmental Stewardship	People & Community	Corporate Citizenship
<p><b>Ambition Level:</b></p> <p>Reduce our resource consumption, move towards low emissions operations, and decrease our environmental footprint throughout our business portfolio.</p>	<p><b>Ambition Level:</b></p> <p>Be a leading employer in the advancement and wellbeing of our employees, while supporting the communities in which we work. Our people are our #1 asset.</p>	<p><b>Ambition Level:</b></p> <p>We operate with integrity and provide value to our customers, investors, employees, and communities.</p>
<p><b>Supports Carrix Core Values:</b></p> <p>We are best in class at operational excellence and “value for money”. for our customers.</p> <p>We pride ourselves on continuous improvements.</p>	<p><b>Supports Carrix Core Values:</b></p> <p>Safety always comes first.</p> <p>We take care of our people.</p>	<p><b>Supports Carrix Core Values:</b></p> <p>Integrity – “we keep our word”</p> <p>We aspire to make worthwhile investments on behalf of our stakeholders.</p>





## FOR QUESTIONS, PLEASE CONTACT:

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