



CARRIX SUSTAINABILITY REPORT & UPDATE 2023

June 1, 2024

INTRODUCTION

We are pleased to present the Carrix Sustainability Report for the 2023 calendar year. 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 2023 Update
2. Sustainability Progress Report FYE 2023
3. Carrix Sustainability Strategy 2030

REVIEW OF SUSTAINABILITY PROGRESS



Carrix Environmental Policy Statement.



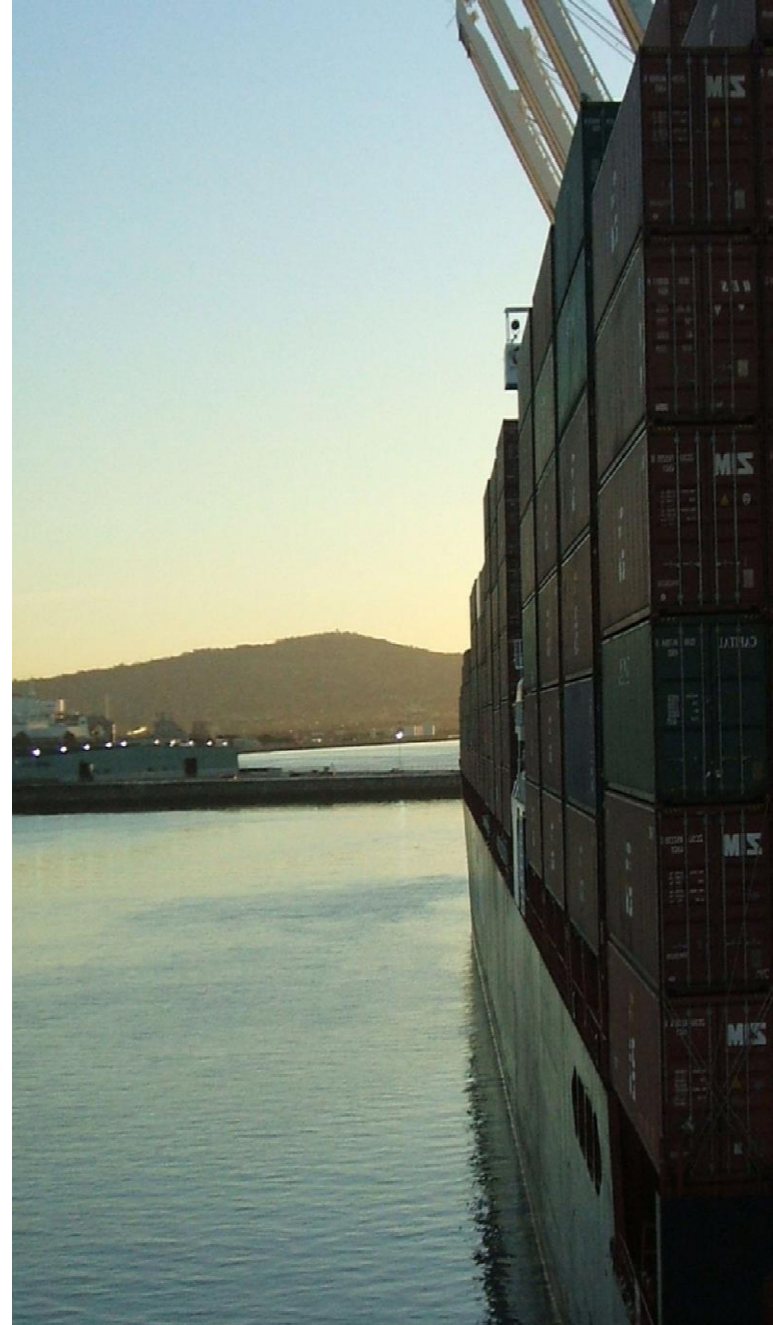
Completed environmental compliance audits of all U.S. container and conventional terminals.



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



Certified 4 additional terminals through the Green Marine environmental program.
Ranked 1st in the Container Port sector in the United States for GRESB reporting.





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**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.





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SUSTAINABILITY PROGRESS REPORT

AIR QUALITY & DECARBONIZATION

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

Emissions Inventory: Carrix completed its annual Scope 1 & 2 emissions inventory for greenhouse gases for our global operations. Carrix has also established an activity-based emissions inventory for our global Scope 1 operations.

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 2023 we used just over 2.3 million gallons of renewable diesel.

Vessel Shore Power: SSA Marine has worked closely with our port and carrier partners to support the use of shore power by ships, drastically reducing diesel emissions while at-berth. We currently have 20 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 (NWSA) and Port of Long Beach to support their efforts to develop terminal master plans for zero emissions operations, with the first master plan expected to compete in 2024.



INVESTING IN ZERO EMISSIONS EQUIPMENT

Carrix has long been a leader in the testing and deployment of low and zero emission technologies. We continue to deploy and test technologies throughout our global operations. Major investments in CY 2023 include:

Pier C Electric Yard Trucks

Deployed 33 battery electric yard and related charging infrastructure at the Port of Long Beach, the first zero emission yard trucks at an SSA container port. When fully commissioned, the fleet will reduce approximately 1,733 tCO₂e in Scope 1 (tailpipe) emissions annually.

Outer Harbor Fruit Terminal

Deployed thirty-one (31) 3,000 lb capacity forklifts and twenty-two (22) charging stations at the Port of Los Angeles. Phase 2 will deploy additional forklifts and charging stations, is expected by end of 2024.

Hybrid RTGs

Deployed nine hybrid rubber-tired gantry cranes to West Coast container terminals. The fuel savings with hybrid battery/diesel RTG versus diesel RTG is approximately 8 gallons of diesel saved per hour.

LED lighting upgrades

High mast lighting upgrades completed at T30 in Seattle and Pier A in Long Beach, which the team anticipates will lead to large energy savings over time.



ENERGY USE

Solar Power Generation: Veracruz, Mexico installed 30 Solar Panels (245 W), in safety area generating an average 8,434 kWh, avoiding yearly emission of 2,109 kg CO₂ in the atmosphere. Veracruz also installed 38 solar panels (550 W) on office rooftops in 2023. Our West Sacramento, CA terminal installed photovoltaic solar panels on two roof sheds.

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). Squamish Terminals of Western Group (Canada) upgraded its lighting on the terminal to LEDs, translating to a 55% reduction in energy consumption. We will continue to evaluate retrofitting terminal lighting to further implement LED into our facilities.

Reducing Energy Consumption: Use of Green Plus catalyst diesel at Ocupa/Friman terminals in Manzanillo, Mexico increases energy efficiency by 7%, reduces greenhouse gases by 7%, reduces PM 2.5 emissions by 30%, reduces black carbon by 30% and reduces primary emissions by 50%.





STORMWATER MANAGEMENT IN THE PACIFIC NORTHWEST

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 (NWSA) 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, 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

Water:

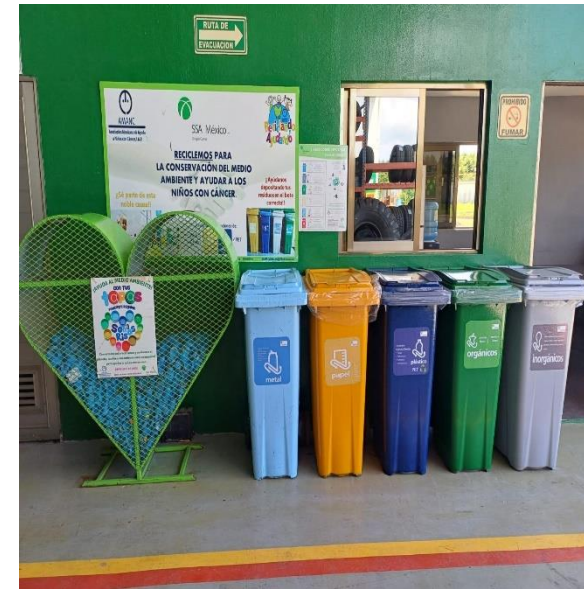
Reduced water use in Mexico through installation of water- saving faucets and toilets at the OCUPA and FRIMAN facilities and installation of filtration systems in automated wash modules at Lazaro Cardenas and Veracruz terminals, reducing water use by 70% in car handling operations.

Waste:

Western IntermodeX partnered with their customer Kaiser Aluminum to tackle dunnage and strapping waste in their container shipments to Europe. Teaming up with their partners, IntermodeX now ships pallets of used dunnage (deflated airbags and tie-down straps) back to Vancouver, for re-use in future shipments. The program began in July 2023, and is expected to divert over 7,000 deflated airbags and 5,000 tie-down straps from landfills through this innovate reuse program. The program is cost neutral as the shipping of returned goods is equitable to the purchase of new straps and airbags.

Western Stevedoring's Lynnterm and Squamish Terminals diverted a combined 263,669 kg of waste from landfills through the recycling of paper, cardboard, wood, scrap steel, green waste, plastics, and batteries. Lynnterm diverted 222,261 kg, or 46%, of its waste and Squamish terminals diverted 41,408 kg, or 55%, of its waste.

In 2023, at our Lazaro Cardenas operations in Mexico, 9.44 tons of waste was recycled, including scrap metal, plastic bottles, office paper, and paperboard.



HABITAT PROTECTION

Habitat Restoration: SSA Mexico has worked to protect 30 hectares of mangrove forests and restore wetlands. Lynnterm is engaged in restoring the Lynn Creek Off-Channel, crucial for salmonid spawning and rearing in the creek. Western Stevedoring supported a tree and shrub planting project at Harbourview Park to enrich and enlarge the urban forest canopy.

Reducing Water Pollution: Cai Lan International Container Terminal (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 6 port calls for two of 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 20 ft standard containers to 40 ft open containers for export to Rotterdam for recycling.



HEALTH AND SAFETY

HomeSafe: Carrix 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 countries.

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. Beginning in 2024, all jobs posted contain the planned wage range for the position advertised. Our 2023 wage review process included a review of all pay grades to address outliers and an equity review with adjustments made where needed. All managers with compensation review responsibility now see wage guidelines and are required to operate withing those guidelines.

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. We are adding to the structure of our recruiting process by implementing a behavioral and cognitive assessment to ensure that is considered in the overall decision process.

Employee Engagement: Carrix completed an update to our internal website, CASSA 2.0, 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. Carrix conducted a global engagement survey using the Great Place to Work survey tool in 2023. Ongoing action plans and communication of results are underway in Q1 and Q2 of 2024. This will be an annual process with the second global survey being administered in Q4 of 2024.

ETHICS & ANTI-CORRUPTION

Carrix has a long history of working to ensure that our employees operate with integrity and that all aspects of our business are in compliance with applicable local, national, and international regulations, as well as industry best practices. We have conducted an external review and risk assessment of our policies and practices and issued a new International Trade Compliance Policy in 2024. 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: Carrix has an anonymous ethics and compliance hotline covering the U.S., Canada, Mexico, Panama, and Vietnam, and accessible from anywhere in the world, via the Company's website.

Employee Training: We successfully launched the 'Anti-Bribery and Corruption' and 'Code of Conduct' for our employees in Canada, the U.S., Mexico, and Vietnam and plan to add 'Sanctions' training this year. We also provided 'Advanced Anti-Bribery and Corruption' training to select employees in Panama. This year, we are working to ensure existing trainings in Panama align with these trainings.

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 Voluntarido* that engages employees at MIT in projects to support local communities. 400 MIT staff donated over 8,500 hours of time to volunteer in the community, including on the following projects:

- Provided 120 school scholarships and nearly 1800 backpacks with school supplies, to the various communities.
- Supported Vegetable Gardens and Chicken raising in a way to create food sustainability in nursing homes, schools, and juvenile facilities.
- Hosted a 5km run with the participation of workers and families, suppliers, customers, and the community.

Community Safety: Western Group is in its second year of a three-year commitment to support the Royal Canadian Marine Search and Rescue (RCMSAR) Kids Don't Float program which promotes safety on the water by providing free access to personal floatation devices (PFDs) for infants, children, and youth at over 100 PFD Loaner Stations located at docks, marinas, and beaches along B.C's coast.

REPORTING & CERTIFICATIONS

Carrix participates in a number of global reporting programs, including:

Global Real Estate Sustainability Benchmark (GRESB)

SSA Terminals reports annually to GRESB for our U.S. West Coast Container operations. In 2023, we ranked 1st in the Container Port sector in the United States.

Green Marine

Building on Western Group's experience and our two previous certified terminals, Long Beach Pier C and West Sacramento, Carrix has obtained 18 more certifications at the following locations: San Diego, CA; Oakland B63, CA; West Sitcum (Tacoma), WA; Stockton, CA; Baltimore, MD; Bayonne, NJ; Port Canaveral, FL; Charleston, SC; Duluth, MN; Galveston, TX; Brunswick, GA; Pasadena, TX; Houston, TX; Jacksonville, FL; Miami, FL; Nashville, TN; New Orleans, LA; and Port of Hueneme, CA.

Climate Smart

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

BCorp

PNW Transportation Services (PNWTS) achieved BCorp certification by meeting stringent criteria for verified social and environmental impact, transparent operations, and legal obligation to prioritize profit and purpose equally.

ISO Certifications

ISO 14001 Environmental Management System at the following terminals: Baltimore, MD; Bayonne, NJ; Port Canaveral, FL; Charleston, SC; Duluth, MN; Galveston, TX; Brunswick, GA; Pasadena, TX; Houston, TX; Jacksonville, FL; Miami, FL; Nashville, TN; New Orleans, LA; Port of Hueneme, CA; Stockton, CA; Lynnterm and Squamish Terminals in Canada.

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](#).



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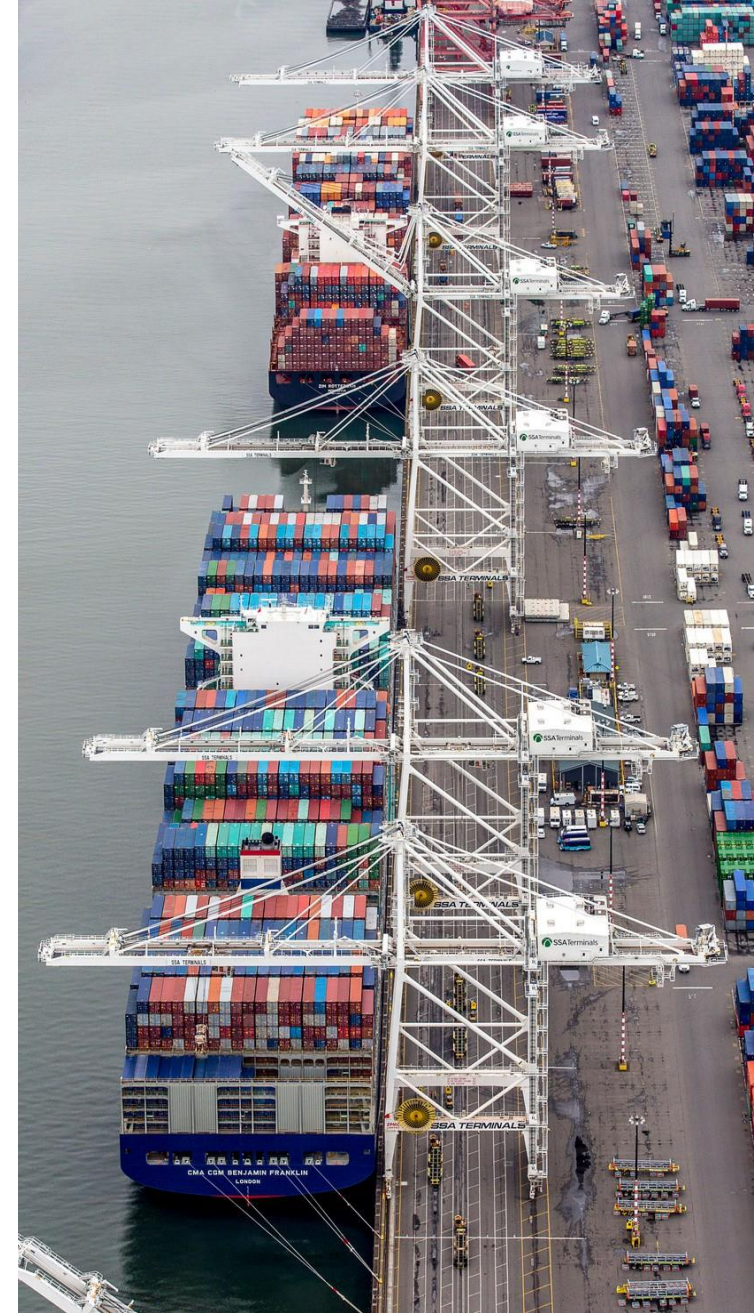
**CARRIX
SUSTAINABILITY
STRATEGY 2030**

CARRIX SUSTAINABILITY STRATEGY 2030

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.

The Carrix team intends to update our Sustainability Strategy in our 2024 Reporting year.



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 2024, 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>Ambition Level:</p> <p>Reduce our resource consumption, move towards low emissions operations, and decrease our environmental footprint throughout our business portfolio.</p>	<p>Ambition Level:</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>Ambition Level:</p> <p>We operate with integrity and provide value to our customers, investors, employees, and communities.</p>
<p>Supports Carrix Core Values:</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>Supports Carrix Core Values:</p> <p>Safety always comes first.</p> <p>We take care of our people.</p>	<p>Supports Carrix Core Values:</p> <p>Integrity – “we keep our word”</p> <p>We aspire to make worthwhile investments on behalf of our stakeholders.</p>



THANK YOU

FOR QUESTIONS, PLEASE CONTACT:

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