



PORT HOUSTON™

**2021**

Report

v.2022.02.22

# ES<sup>2</sup>G

Environment, Social,  
Safety, and Governance



OUR MISSION  
IS TO MOVE  
THE WORLD  
AND DRIVE  
REGIONAL  
PROSPERITY.

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## DISCLAIMER

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## ACKNOWLEDGEMENTS

Port Houston would like to recognize the contributions made by its staff, Port Commission, customers, stakeholders, and its consultant, Lion and Stutz in the development of this document.

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01

# FOR THE NEXT GENERATIONS

Sustainability & ES<sup>2</sup>G at Port Houston

At Port Houston, our Vision is “To Be America’s Distribution Hub for the Next Generation” and our Mission is “To Move the World and Drive Regional Prosperity.” To succeed in these ambitions means supporting quality of life, promoting commerce and jobs, and working with and for our communities.

Port Houston is the official Local Sponsor of and provides advocacy and leadership for the Houston Ship Channel (HSC) which serves over 200 facilities that conduct business along its waters. We also manage eight public terminals, two of which we directly operate. We promote participation and growth of small businesses, support maritime education, invest on infrastructure, and are leading one of the most ambitious ship channel expansions ever to meet the growing needs of vessels and businesses. But our eyes are on the horizon, and we know that many of our greatest achievements lie ahead of us.

We also know that today’s work must be done sustainably for future generations. Port Houston has been working towards sustainability for decades, but recent trends and events underscore its importance. From a renewed focus on climate and environmental quality to the need for improved social justice, and in the context of full transparency, our need to communicate progress and call ourselves and others to more action has never been more critical. This Environment, Social, Safety and Governance (ES<sup>2</sup>G) report provides the framework. In this report, we outline many of our initiatives and the value they deliver. It’s a big conversation and dozens of topics are included.

The path we are on has already delivered results, like reducing our carbon footprint by 55% in recent years, improving water quality and marine habitats in Galveston Bay, awarding grants to neighboring community projects, and enhancing our Diversity, Equity, and Inclusion focus. Still, we recognize the importance of doing more. Looking forward, we have crafted a Sustainability Action Plan focused on new opportunities to lead, partner, or support sustainability initiatives that are important priorities for our stakeholders. The key elements of our Plan are described in this report as well.

We know we cannot do it alone, and collaboration and partnership will be keys to our success. Together with YOU, our partners, we can create a more sustainable future for all.

## MESSAGE FROM THE Executive Director



**ROGER GUENTHER**  
*Executive Director*



# EXECUTIVE SUMMARY

## Ready for a Sustainable Future

For more than 100 years, Port Houston has owned and operated the public wharves and terminals along the Channel, including the area’s largest breakbulk facility and two of the most efficient container terminals in the country.

Port Houston is the official Local Sponsor, and thus a key advocate and strategic leader for the Channel. The Houston Ship Channel complex and its more than 200 public and private terminals, collectively known as the Port of Houston, is the nation’s largest port for waterborne tonnage and has been number one in foreign waterborne tonnage for the past 24 years. Each year, nearly 285 million tons of cargo moves through the Port of Houston, carried by approximately 9,000 vessels and 200,000 barges. It is the nation’s leading Project Cargo and breakbulk port and is home to the largest petrochemical complex in the U.S. (second largest in the world). Centrally located on the Gulf Coast, Houston is a strategic gateway for cargo originating in or destined for the Houston region, the State of Texas, and the U.S. West and Midwest.

An essential economic engine for the Houston region, the state of Texas, and the U.S., the Port of Houston supports the creation of nearly 1.35 million jobs in Texas and 3.2 million jobs nationwide, and economic activity totaling \$339 billion in Texas and \$801.9 billion across the nation\*.

Port Houston has focused on environment, community, safety, and transparency with numerous activities, projects and contributions made over the years. That focus remains steadfast today. More than 70 activities are described in this report.

Times continue to change, and Port Houston is renewing its commitment to these areas. Port Houston’s plan forward includes 27 additional opportunities to lead, partner or support sustainability initiatives, with an emphasis on stakeholder priorities of clean energy, air quality, circular economy, community strengthening, and transparency.

Taking action to move toward a more safe, stable, and sustainable world and working together with our industry partners and community neighbors are essential for continued regional prosperity and building a sustainable future. We ask for your support in raising awareness, partnering on projects, and collaborating to accelerate progress.

### ES²G DEFINITIONS AND CONTEXT

**Sustainability:**

*"Meeting the needs of the present without compromising the ability of future generations to meet their own needs."*  
– United Nations

**Lead:**

When Port Houston takes the lead on an activity or initiative, that Port Houston takes the lead where we have the authority, resources, and control of the scope.

**ESG:**

Data driven approach to collect, report, and act on three pillars of sustainability: Environment, Social, Governance. The ESG framework has been adopted by organizations worldwide. Port Houston has added "Safety," resulting in use of the term ES²G.

**Partner:**

As partner on an activity or initiative, we coordinate with other entities to deliver success.

**Resilience:**

Capacity of businesses, institutions, communities, and individuals to survive, adapt, and grow even when faced with acute shocks and chronic stresses. Resilience is closely related to sustainability and critical given the economic, climate and social stressors facing Houston and the nation.

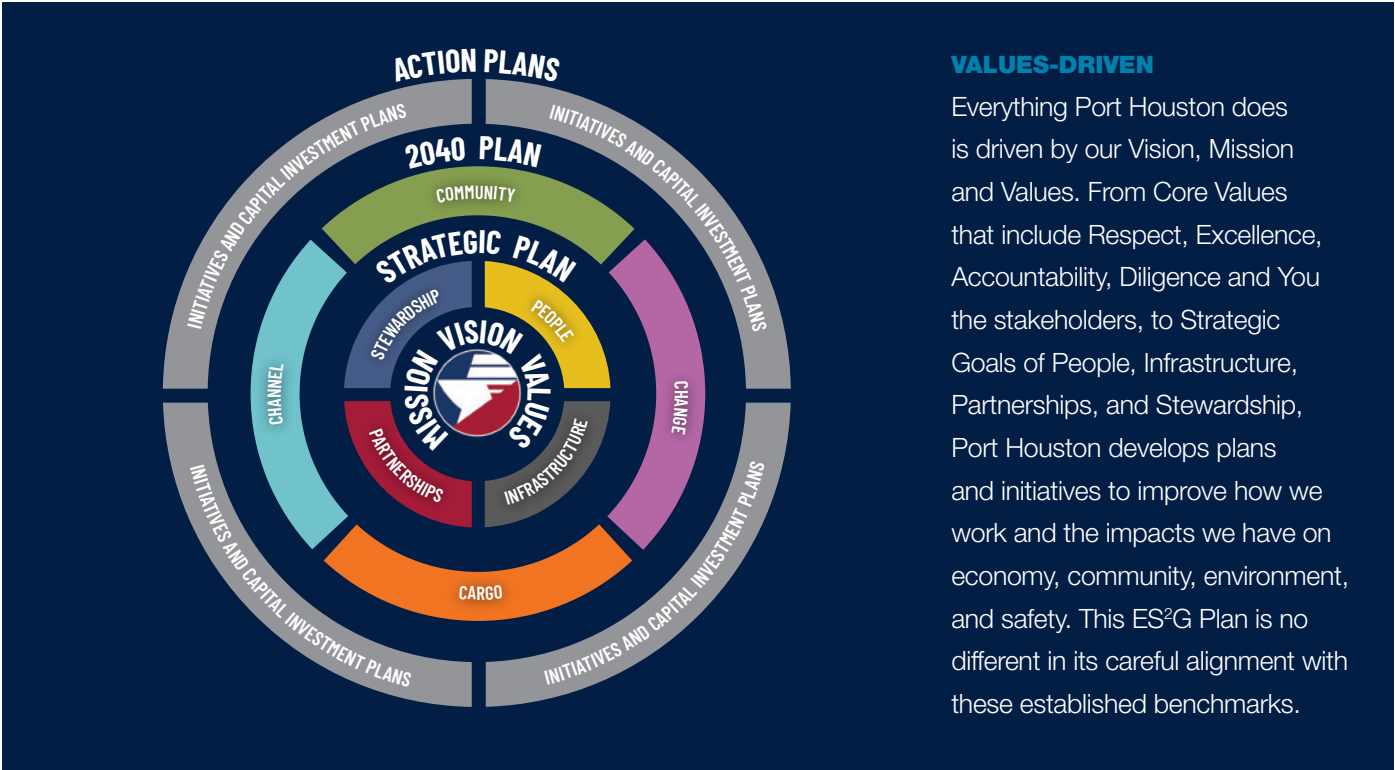
**Support:**

We support activities and initiatives that align with our values when they are led by others. We lend expertise and resources as a participant and connector in coalitions and working groups.

\* This frequently referenced report covers maritime activity across the entire HSC. Activity at Port Houston facilities accounts for approximately 52% of Texas and 30% of the national figures.

# ABOUT THIS REPORT

A large body of research shows that ES²G policies create more value and lower risks. With the mission to drive regional prosperity, Port Houston seeks strong relationships with others not only because they are good for business but also because they are good for the region. Our ES²G framework accounts for our relationships with our stakeholders and how we interact with them both now and in the long-term. In this report, we share what we are doing for the planet, what are we doing for the communities within which we operate, what we are doing for our workforce, and how we are sustaining our business.



**VALUES-DRIVEN**  
Everything Port Houston does is driven by our Vision, Mission and Values. From Core Values that include Respect, Excellence, Accountability, Diligence and You the stakeholders, to Strategic Goals of People, Infrastructure, Partnerships, and Stewardship, Port Houston develops plans and initiatives to improve how we work and the impacts we have on economy, community, environment, and safety. This ES²G Plan is no different in its careful alignment with these established benchmarks.

**INTEGRATED**

We have developed this report in context of multiple strategic and operational plans at Port Houston including:

- 2020 Strategic Plan
- 2040 Plan
- Annual Reports
- Security and Safety Plans
- Financial Reports
- Environmental reports including CASP and GMEI

**CONNECTED**

We have incorporated review of stakeholder plans and broadly accepted global frameworks, including:

- Company and community sustainability reports and Climate Action Plans
- World Ports Sustainability Program
- ESG Global Reporting Initiative
- Sustainability Accounting Standards Board
- United Nations Sustainable Development Goals
- Morgan Stanley Capital International Sustainability Index



## ES²G CRITERIA

Port Houston reviewed our strategic goals and objectives, operating commitments, and stakeholder concerns to customize our focus on these categories. Operating priorities include safety, working together on the waterfront, and carefully managing both physical and financial assets entrusted to Port Houston. Listening to stakeholders has enhanced our understanding of their request for open communications and addressing community environments and social strength.

Our resulting list of ES²G Criteria used to frame this discussion are listed below:

### ENVIRONMENTAL

Air Quality  
Communications and Training  
Energy  
Land Management  
Maritime Safety & Efficiency  
Operational Efficiency  
Waste Management  
Water Quality

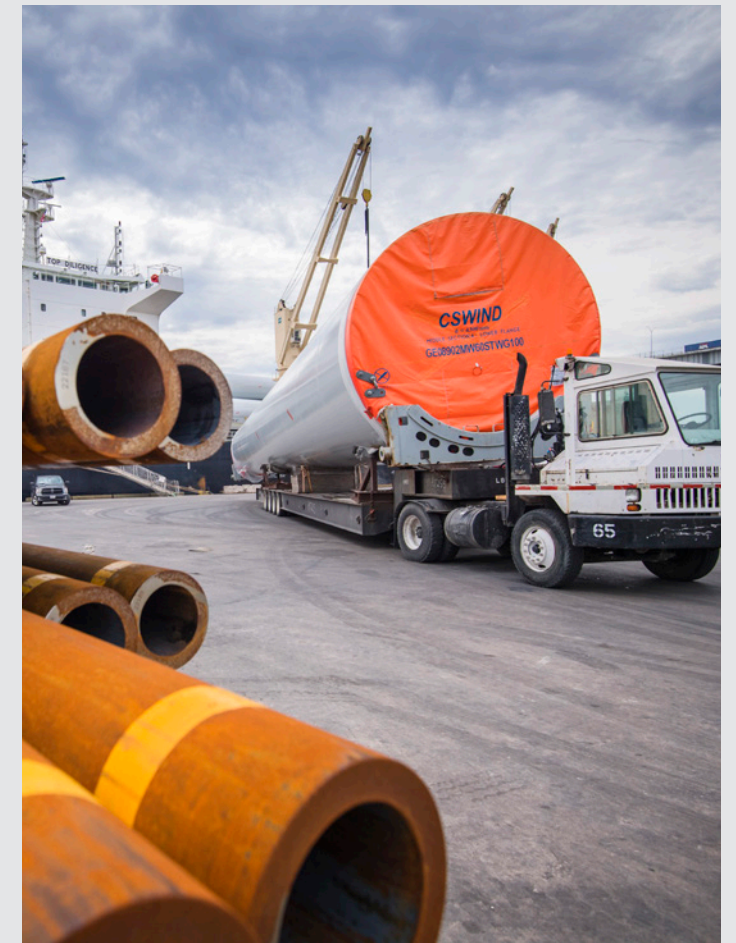
### SOCIAL & SAFETY

Community Outreach and Port-Cities Dialogue  
Cybersecurity  
Diversity & Inclusion  
Employee Engagement  
Human Rights & Social Justice  
Labor Relations  
Occupational Health & Safety  
Port Accessibility  
Port Security  
Quality of Life & Economic Growth  
Regional Resilience and Alignment  
Workforce Development

### GOVERNANCE

Compliance  
Ethics  
Financial Reporting  
Procurement  
Risk Management  
Strategic Asset Management  
Sustainable Planning  
Transparency

- For Port Houston, environmental leadership means striving for world class performance and setting example by incorporating environmental focus into all operations and going beyond compliance in everything we do.
- The social category includes collaboration with stakeholders—employees, neighbors, interest groups, academia, and industry partners—to build a stronger community, address stakeholder concerns, and promote justice.
- Safety includes protecting our workforce and communities from industrial hazards, supporting workforce wellness, preparing for possible emergencies, collaborative planning for harbor safety and security, and police and fire services.
- Governance means operating in an ethical and transparent manner. Business sustainability requires trust, and how we accomplish our goals is just as important as reaching them. Port Houston implements generally accepted accounting practices, financial transparency, long-term planning, quality management, and management of myriad assets in our care.



## THIS PORT HOUSTON ES²G REPORT IS DESIGNED TO BE...

### A STAKEHOLDER ENGAGEMENT TOOL

Together with our Sustainability Action Plan, this articulates Port Houston's focus areas for continuing dialogue with stakeholders, public agencies, and communities at large.

### A MEANS FOR ARTICULATING GOALS AND TRACKING PROGRESS

This report serves as a framework for continuing implementation of sustainability goals and objectives through specific actions and programs.

### A CALL TO ACTION

While this document describes myriad topics, it also asks for your support and help in carrying out initiatives and supporting efforts where you can.

### A LIVING DOCUMENT

This report will be subject to future updates, recognizing the importance of being flexible and adaptable to respond to emerging opportunities and challenges over time.

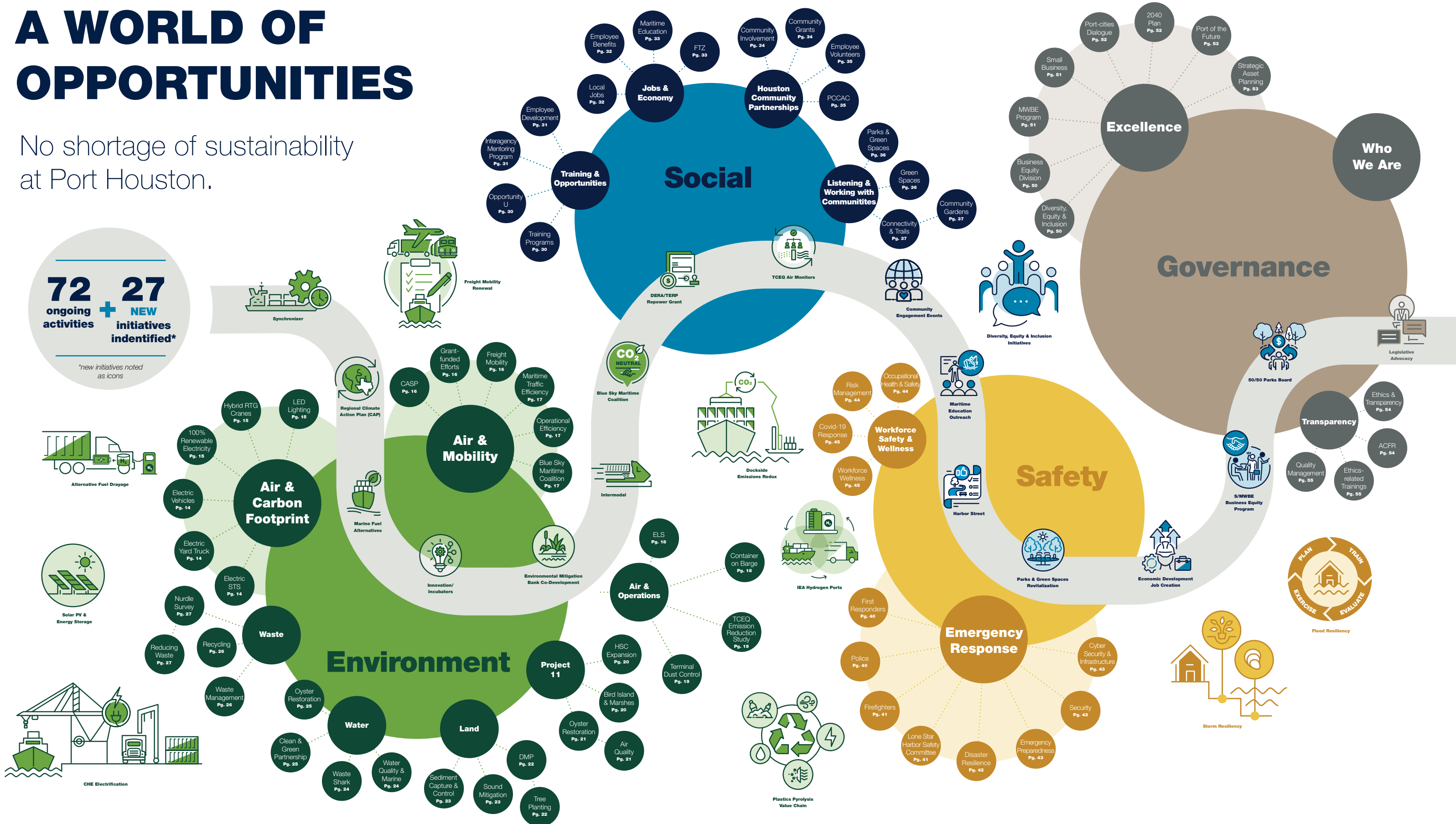


# A WORLD OF OPPORTUNITIES

No shortage of sustainability at Port Houston.

**72** ongoing activities + **27** NEW initiatives identified\*

\*new initiatives noted as icons



# 02

## ENVIRONMENT

Air, Water, Circularity, Efficiency & More

Port Houston is dedicated to creating greater value for our region through environmental leadership. With our strategic focus on air, water, waste, operational efficiency and land management, we are supporting the sustainable growth of the Channel region to help ensure a brighter future for all.

We play a key role in regional emissions reduction efforts by setting an example through our work in reducing emissions from our operations and equipment and by actively advocating for overall emission reductions among port and ship-channel area occupants. As more cargo volume moves through the Channel, more vessels and trucks move on our roads and through our cities. Port Houston is focused on optimizing the movement of freight to mitigate emissions produced in transit.

The Channel is one of the nation's most vital waterways. As the local sponsor of this federal channel, Port Houston is committed to helping protect the water and its surrounding areas. We take pride in going above and beyond base requirements by proactively incorporating environmental features and enhancing natural landside assets. But we cannot do it all and we cannot do it alone, which is why we actively partner with others. Together we can build a more sustainable future.





## | Air & Carbon Footprint

### PORT HOUSTON'S CARBON FOOTPRINT REDUCED BY 55% SINCE 2016.

#### DECARBONIZATION AND CARBON FOOTPRINT

Port Houston takes its role in reducing emissions very seriously. Recently we addressed our electricity contract—the largest portion of our inside-the-fence emissions. Combined with our other initiatives, this electricity contract has decreased Port Houston's carbon footprint by 55% since 2016. We are targeting 80% reduction in carbon emissions by 2040 and, with support of new technologies and partnerships, can envision net-zero by 2050. We also have one of the shortest turnaround times in the nation for trucks visiting our facilities, which minimizes emissions caused by truck idling.

Outside our fence, Port Houston works to optimize local freight mobility and advocates for greater industry efficiency to improve safety and air quality, enable growth in commerce, increase transportation options, and reduce congestion and costs.

Port Houston supports and partners with others, targeting lower greenhouse gas emissions and greater efficiencies. For example, the Blue Sky Maritime Coalition focuses on decarbonization in shipping. The Port Bureau "Synchronizer" promotes better terminal and scheduling efficiency and transparency. To address air quality in the future, we will continue upgrading vehicles and equipment, utilizing efficient processes, and partnering with others for greater community impact.



#### 100% RENEWABLE ELECTRICITY

Our asset-backed renewable electricity contract prevents more than 250,000 tons of carbon dioxide emissions over the 10-year contract period. Port Houston is the first port authority with a renewable electricity contract of this kind. Good for business and the environment, the contract also saves Port Houston \$2.5MM over the 10 year term.



#### ELECTRIC YARD TRUCK

We are the first port in the gulf to pilot an electric yard truck to move containers around the yard. The truck is being evaluated and the technology tested for wider rollout.



#### HYBRID RUBBER TIRED GANTRY (RTG) CONTAINER YARD CRANES

In 2015, we began conversion of our rubber-tire gantry (RTG) crane fleet to hybrid-electric, reducing emissions of each crane up to 90%. Currently, we have 31 hybrid-electric RTG cranes. In addition, all 29 of our ship-to-shore cranes are fully electric.



#### ELECTRIC VEHICLES

Recently, we purchased 5 electric pool cars with plans to grow. The first installation was for our employee pool vehicles, used to drive in and around terminals and our community streets emissions-free.



#### LED LIGHTING

Port Houston spent several million dollars replacing lights on Port property with LEDs. Since many of these lights were high-pressure sodium bulbs and fluorescent office lights, we reduced the electricity bill and associated emissions by 75%. There are safety, operational and community benefits as well because the direction and visibility quality of light is also substantially improved.



**Based on the Port's innovative renewable energy contract and commitment to clean energy, US EPA declared Port Houston as a "Top 20" Green Power Partner.**



## | Air & Mobility

### EFFICIENCY GAINS REDUCE EMISSIONS.

#### GOODS MOVEMENT EMISSIONS INVENTORY (GMEI) AND CLEAN AIR STRATEGY PLAN (CASP)

Port Houston's Strategic Goal of Stewardship includes striving for and measuring improvement in air quality with our Clean Air Strategy Plan (CASP) and Goods Movement Emissions Inventory (GMEI).

The CASP outlines meaningful strategies for achieving cleaner air including:

- Equipment and Technology Upgrades
- Process Efficiency Improvements
- Partnering and Collaborative Alignment

The port is delivering by executing these strategies with cleaner trucks and hybrid electric cranes, DERA efforts, and our focus on bringing in the highest value and cleanest equipment for Project 11.

The GMEI estimates air emissions at our public terminals. Between 2013 and 2019, pollutant levels from cargo handling equipment were reduced 46% to 74% across seven measured categories. Including related ocean and harbor vessels, heavy duty trucks and rail, emissions were reduced from 15% to 93%.

Harbor and ocean vessels unrelated to Port Houston reduced emissions in some categories, but others will require more work. As this journey continues, Port Houston has stepped up to become a founding member in both the Blue Sky Maritime Coalition targeting decarbonization in shipping, and the IEA Global Hydrogen Ports Coalition focused on accelerating the energy transition through collaboration and sharing best practices.

Fully implementing CASP will require collaboration with industry, NGO's, and regulators, since Port Houston does not have the authority to mandate emission reductions for others.



#### GRANT-FUNDED EFFORTS

We have accelerated turnover of our yard trucks with funding from Texas Commission on Environmental Quality's (TCEQ's) Seaport and Rail Yard Area Emission Reduction (SPRY) grant. We have also partnered with trucking companies to accelerate replacement of drayage and over-the-road trucks with Environmental Protection Agency (EPA) Diesel Emission Reduction Act (DERA) grant funds.



#### FREIGHT MOBILITY

We work with public agencies and industry to prioritize projects to ease rail and road traffic. Recent projects to streamline freight movement and reduce traffic congestion include the Broadway Double Track project, the Peninsula Road Project, and the Port Road Project.



#### MARITIME TRAFFIC EFFICIENCY (SYNCHRONIZER)

Synchronizer is a collaboration between the Port Bureau and Europe based PortXchange software to provide improved vessel information and terminal schedule transparency, assist in optimizing timing of ship port calls and reduce time vessels are in port. Over 20 area companies, the Houston Pilots, and Port Houston are supporting members of this network. Greater efficiencies produce both cost savings and emissions reductions.



#### OPERATIONAL EFFICIENCY

Port Houston invested millions of dollars in gate expansions, container position detection systems, paperless terminal operating systems and other driver information apps to minimize truck waiting and transit times in terminals, which is good for business, customer service, and for the environment.



#### BLUE SKY MARITIME COALITION

Port Houston is a Founding Member of Blue Sky Maritime Coalition whose members recognize the need to address global climate change and are committed to accelerating the transitions of waterborne transportation in Canada and the United States toward net-zero greenhouse gas (GHG) emissions.



## | Air & Operations

### FURTHER OPERATIONAL EFFICIENCIES CAN EQUAL ADDITIONAL EMISSIONS REDUCTIONS.

#### ENVIRONMENTAL LEADERSHIP STRATEGY (ELS)

Port Houston plans to continue delivering jobs and goods for another 100 years and beyond. Some say change is the one constant, and our aim is to be ready for change through advanced planning. From the goals and objectives of the Strategic Plan, to the initiatives of the 2040 Plan, to specific Action Plans, Port Houston's planning is thoughtfully developed and implemented.

As Port Houston continues to move to cleaner, streamlined, and sustainable business practices, we have established an Environmental Leadership Strategy (ELS) that identifies short, mid, and long-range goals and considers business needs, resource availability, and capabilities. Goals are set in six areas: 1) Water quality 2) Energy and sustainability 3) Air quality 4) Waste management 5) Land management 6) Communications and training. The ELS works in conjunction with our 2040 Plan, CASP, and Sustainability Action Plan (SAP).



#### TERMINAL DUST CONTROL

With a focus on the area known as Industrial Park East, we have steadily worked to reduce dust coming from Port property. We have paved several dusty lots over the past 10 years to improve dust control.



#### TCEQ EMISSION REDUCTION STUDY

In concert with Texas Commission on Environmental Quality (TCEQ) and Environmental Defense Fund (EDF), we investigated four avenues for taking trucks off the road and putting cargo on other transport modes, plus employing low or no emissions equipment. The study also includes research into low- to zero-emissions cargo handling equipment. To implement the results, TCEQ further supported our Electric Yard Truck pilot.



#### CONTAINER ON BARGE STUDY

Supported by the MARAD American Marine Highways Program grants, Port Houston is actively investigating more efficient ways to handle this change of business if the market develops. With proper design, moving container by barge would take cargo and trucks off the road, reducing emissions. Safety and road maintenance cost reductions can also result.



# | Project 11

## WIDER. DEEPER. SAFER.

### THE HOUSTON SHIP CHANNEL EXPANSION – PROJECT 11

As the advocate and a strategic leader for the Channel, Port Houston plays a primary role in Project 11, working with multiple stakeholders for the good of all who do business along the Channel. Project 11 will widen the Channel from 530’ to 700’ and deepen some upstream segments to 46.5’. This growth will allow larger vessels to call Houston and safer navigation of the 52-mile Channel.

Port Houston’s innovative partnership with the US Army Corps of Engineers has accelerated this project and the benefits it brings. Authorized in WRDA 2020, Port Houston and the USACE signed a Project Partnership Agreement in July, and the Port Commission officially awarded the project’s first structural preparation contract in May and approved the first dredge contract in October of 2021.

The Channel Expansion is also good for the environment. A wider channel is safer, lowering risks of collisions and related environmental impacts. Widening the channel also adds efficiency which translates to lower emissions of CO2, NOx and other greenhouse gases which will be reduced 3% to 7% per year. Water and habitat quality will benefit too. Half of Project 11 involves work creating environmental benefits by using dredged materials to build bird islands, marsh habitats, and hundreds of acres of new water filtering oyster reefs.



### BIRD ISLANDS AND MARSHES

Portions of the dredged material from Project 11 will be used to construct four bird islands in Galveston Bay, creating up to 20 acres of new foraging and nesting habitat. Plans also include three new marshes of up to 800 acres in total size.



### OYSTER RESTORATION

A portion of the clay, sand, and shell produced from the project will be used to build approximately 376 acres of replacement oyster reef pads to provide growth-enabling habitat.



### AIR QUALITY

When complete, Project 11 is expected to reduce vessel related emissions by between 3% and 7% annually. With its first contract award, Port Houston selected the approach with the most reduction in overall NOx emissions, an expected 38% better than Tier 3.



| Land

CARING FOR THE LAND  
CREATES BETTER HABITAT  
FOR WILDLIFE AND HUMANS.

DREDGED MATERIAL PLACEMENT  
AND BENEFICIAL USES

As the local sponsor of the federal Channel, its advocate and strategic leader, Port Houston oversees work on the Houston Ship Channel. Port Houston is committed to making positive impacts on the land and water around the channel.

Maintaining the channel requires regular dredging to remove silt that settles along the dug channel. Yearly, the U.S. Army Corps of Engineers removes 3 to 5 million cubic yards of silts, clays, and sands from the channel, tests for compliance with environmental standards, and relocates it to a dredge material placement area (DAMP).

Port Houston repurposes dredged materials for beneficial uses that support local communities and ecosystems. For example, with dredged material, Port Houston built 3,300 acres of marsh at Atkinson & Bolivar, providing habitat for wildlife and recreation. At Evia Island, we constructed bird island habitat for wildlife that is now home to 10 bird species.



TREE PLANTING

Port Houston employees have helped plant more than 3,000 trees on our property in partnership with Houston Wilderness, and we plan to plant 10,000 by 2040. Houston Wilderness honored us with their Wild Life Award in 2020 for assisting them in their efforts to plant native trees along the Houston Ship Channel.



SOUND MITIGATION

As part of our good-neighbor commitment, we measure sound levels and use laser-guided container placement to minimize sound from terminals for residential areas. At Bayport Terminal, we built a 2.6-mile living sight and sound berm to buffer nearby residents from industrial activity, which also provides the community a walking path.



SEDIMENT CAPTURE AND CONTROL

Port Houston, Harris County Flood Control District, the City of Houston Resiliency Office and the U.S. Army Corps are partnering in a working group focused on minimizing sediment from storms flowing into navigation channels. These efforts could help mitigate flooding from storms upstream and save money from constant dredging of the channel from storm siltation.



# | Water

## KEEPING THE WATERWAY CLEAN AND THRIVING.

### WATER QUALITY AND MARINE DEBRIS

Like all urban waterways, the Channel is susceptible to the impacts of littering, mishandled waste, construction materials, and other debris. Storm water carries floatables from all corners of the city into the storm drains, and then directly to Buffalo Bayou and the channel. As stewards of the channel, Port Houston is committed to addressing water quality, marine debris, and responsibly managing our own waste.

Ongoing efforts to protect water quality in Galveston Bay include preventing soil and other potential contaminants from running off in storm water, collecting marine debris, and monitoring the quality of drinking water at our facilities. We also manage wastewater at CARE and Jacintoport facilities.

Port employees are especially concerned about marine debris because we observe its accumulation, take pride in a clean workplace, and enjoy water recreation. Staff volunteer opportunities include cleaning up waterways and coastlines, planting trees and marsh grasses, and restoring oyster reefs.



### CLEAN & GREEN PARTNERSHIP

In 2020, Buffalo Bayou Partnership (BBP) cleared 1,650 cubic yards of marine debris with our support. Through the Clean & Green Program, Port Houston supports the work of the BBP, which owns a fleet of marine debris cleanup boats that collect floatables and other man-made debris from the channel and other nearby waterways daily.



### WASTESHARK

Port Houston's Waste Shark is expected to remove up to an additional 2,000 cubic yards of marine debris per year. As the first port in the U.S. to use this technology, Port Houston will use its Waste Shark to remove up to an additional 2,000 cubic yards of marine debris per year. Education to prevent marine debris complements our efforts to improve marine debris collection along the channel.



### OYSTER RESTORATION

Port Houston will restore hundreds of acres of oyster reef in Galveston Bay impacted during Project 11 construction by building oyster pads to encourage growth outside the channel area. Partnering with Galveston Bay Foundation gives Port employees opportunities to volunteer for building oyster reefs and planting marsh grasses in shallows around Galveston Bay.



# | Waste

## INDUSTRY-LEADING WASTE REDUCTION AND RECYCLING PROGRAM.

### RECYCLING AND WASTE MANAGEMENT

Through our Waste Management Program, Port Houston reduces, reuses, and recycles, in that order. Waste is reduced by streamlining operations and maintenance processes to use fewer supplies and require less cleanup. We also recycle to divert industrial and office waste from landfills.

Our Environmental Cross-Functional Team has members from the office and from the docks that advise on employee-focused campaigns and necessary education and outreach.

Strategic goals for Port Houston waste reduction are to reach near-zero waste by 2040, with interim goals beginning with 30% waste diverted from landfills by 2025. Plans outlining how we will reach these goals are outlined in the Port's Environmental Leadership Strategy.



### RECYCLING

In 2020, Port Houston recycled more than 75,000 tons of material like aluminum, paper, scrap metal, and concrete. We are committed to recycling as much as we can and continue these efforts into the future.



### REDUCING WASTE

In 2019, Port Houston employees participated in an inter-office competition to reduce paper waste and succeeded in reducing office printing by 29% and more than one million prints. Reduced printing became a habit for many employees and has continued.



### NURDLE SURVEY

We collaborate with Galveston Bay Foundation to survey portions of Port property for plastic debris, known as nurdles. Employees participate in nurdle surveys during volunteer beach cleanups.



# 03

## SOCIAL

People, Economy, Jobs & More

Port Houston exists to create positive social and economic impact, driving regional prosperity by facilitating the delivery of goods and services and creating jobs that improve the quality of life for communities.

Port Houston's continued success is grounded in our people, who are our most important asset. From enabling record cargo growth to fostering global partnerships and investing in community initiatives, people make it possible. That includes Port staff as well as all of industry, labor, students, and residents. We are committed to caring for the Port family and doing right by our community.

It is critical for us to listen to the needs of our neighbors, support community improvement projects, and make meaningful connections with people throughout the region we serve. Cultivating key relationships to accomplish shared goals, such as developing the maritime talent pool, beautifying our communal spaces, and promoting equity in the regional business community, drives our collaboration with other organizations.

In all that we do, Port Houston strives to balance our role in the community with our role in the economy, recognizing that community engagement and economic growth are two avenues to the same destination: prosperity for all.





# | Training & Opportunities

## TRAINING PEOPLE FOR TOMORROW.

### TRAINING PROGRAMS

We are committed to caring for and developing our people. Port Houston provides the support, resources, and stability employees need as they build their careers. Also, we ensure that customers, tenants, small businesses, and minority- and woman-owned business enterprises (S/MWBEs) are kept up to date on Port Houston business opportunities and operating procedures.

For employees, we have conducted roundtables and, for managers and executives, mandatory Inclusive Leadership trainings as part of our 2020-2021 Diversity, Equity, and Inclusion efforts.

For employees, vendors, tenants, and customers, we provide safety, security, and environmental training.

We prepare S/MWBEs for Port procurement opportunities through an 11-week course called Opportunity U, which includes coaching and mentorship from industry-leading prime contractors.

Tenants attend our Port101 and Storm Water programs, which ensure consistency in standards and set clear expectations. These trainings help us maintain a safe, secure, and environmentally-conscious workplace where business opportunities and careers can flourish.



### OPPORTUNITY U

Port Houston is committed to supporting the regional business community by promoting equity and enhancing opportunity for all. To complement our Business Equity programs, Port Houston provides this comprehensive training program, which is designed to help S/MWBE vendors build capacity, better compete for Port Houston procurements, network with industry leaders, and potentially grow to become prime contractors.



### INTERAGENCY MENTORING PROGRAM

Port Houston's Interagency Mentoring Program helps small business owners strengthen working relationships with established companies and local agencies (such as Houston Community College, Houston METRO, and more) through mentorships. This program, which is offered annually, also helps entrepreneurs understand business financials and procurement bidding and provides technical assistance.



### EMPLOYEE DEVELOPMENT

Support for employees includes tuition reimbursement, weekly leadership and emerging leadership forums, Business Acumen, Corporate Storytelling and Project Leadership courses, and on-the-job training for electrician and mechanic apprenticeships, paired with education through San Jacinto Community College.



# | Jobs & Economy

**“PROSPERITY STARTS WITH QUALITY OF LIFE & THAT NEEDS GOOD JOBS TO MAKE IT SUSTAINABLE.”**

**– PORT COMMISSION CHAIRMAN RIC CAMPO**

## LOCAL JOBS

Quality of life is integral to regional prosperity, and that begins with employment. People work along the Houston Ship Channel and in local businesses supported by channel industries, such as imports and exports, steel, grain, resin, oil platforms, and more. Altogether, the Houston Ship Channel supports more than 1.35MM jobs statewide, providing income and stability to people in our region and beyond.

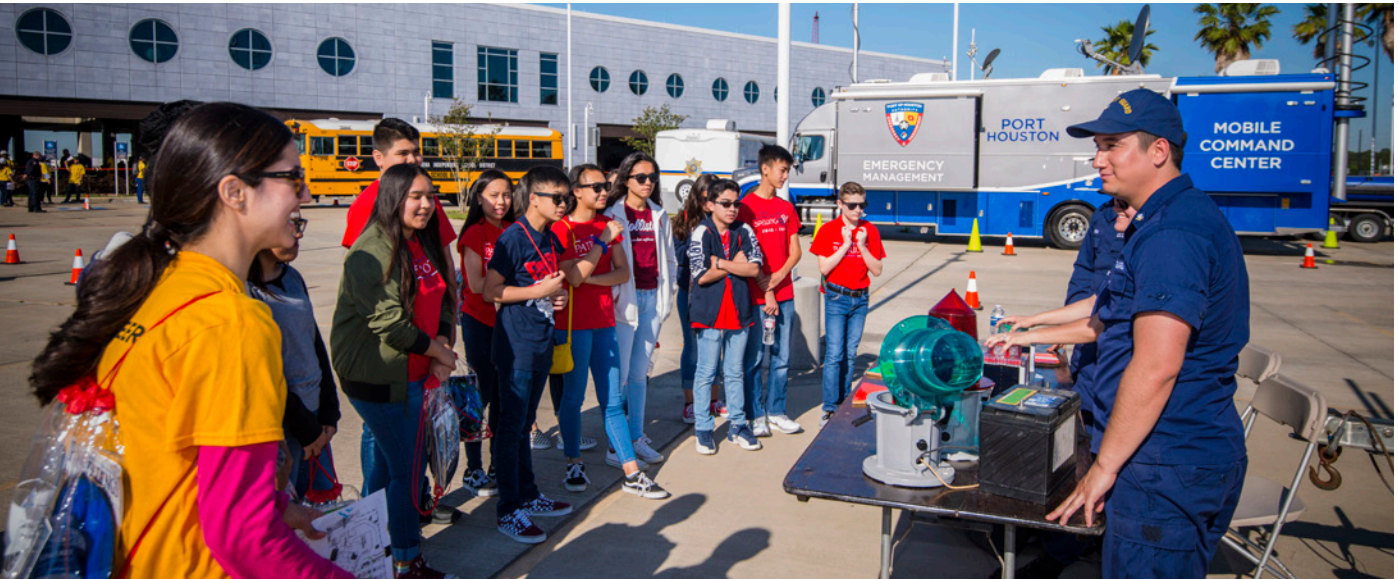
There are hundreds of types of jobs in the maritime field, from Pilot to Data Analyst to Pipeline Inspector. Through our maritime education program, we inspire and educate the next generation of maritime workers.

The associated economic benefits of jobs maximize Port Houston’s positive social impact and continuously generate opportunity for people to grow, succeed and prosper.



## EMPLOYEE BENEFITS

Employees at Port Houston enjoy a variety of benefits and resources to support their personal and professional needs. Port Houston’s employee programs also include a full suite of health benefit offerings, an Employee Assistance Program (for therapeutic counseling, legal assistance, and financial services), and a Catastrophic Assistance Fund (for disaster relief).



## MARITIME EDUCATION

Port Houston has invested more than \$5 million in maritime education to help create a well-trained talent pool of future maritime leaders. Collaboration is key in providing maritime high school programs, college courses, trade apprenticeships and more, in a joint effort between the Port, industry, and academia.



## FOREIGN TRADE ZONE (FTZ) 84

Port Houston drives economic development with a focus on leveraging Foreign Trade Zones (FTZs) and regional advantages to bring new business into Houston. Port Houston and the Federal FTZ Board administer FTZ 84. Merchandise may be brought into an FTZ without a formal customs entry, import quotas and most other import restrictions. Duties and excise taxes are not assessed until the merchandise enters U.S. commerce. FTZ 84 is estimated to generate 500 new jobs every year.



# Houston Community Partnerships

## CARING FOR OUR COMMUNITY

### COMMUNITY INVOLVEMENT: INVESTING WHERE IT COUNTS

There is no question that Port Houston impacts local communities, from the movement of goods to the creation of jobs that improve quality of life. Even so, our impact on the community would be incomplete if we failed to listen to the needs of our neighbors, support community improvement initiatives, and make meaningful connections with people.

Port Houston supports local communities through multiple volunteer efforts. Whether in response to major disasters or part of an annual calendar of activities, Port employees have opportunities to donate food, funds, and blood in support of our community.

One of our newest initiatives is the Community Grants Program, which is focused on investing resources into programs and projects that support and enhance local communities. These investments have helped projects ranging from saving sea turtles to developing workforce.



### COMMUNITY GRANTS PROGRAM

Port Houston's Community Grants Program serves to develop and strengthen partnerships and create greater value for the region. Since the program's inception in 2020, \$550k has been awarded for 21 projects in environmental, community improvement, beautification, and workforce development.



### EMPLOYEE VOLUNTEERISM

Port Houston employees enjoy helping local communities with tree plantings, providing meals, establishing community gardens, and mentoring local students in maritime careers. On average, 40% of Port Houston employees volunteer at least 10 hours annually, and average annual blood donations from Port employees equate to roughly 250 lives saved every year.



### PORT COMMISSION COMMUNITY ADVISORY COUNCIL (PCCAC) CONVERSATION WITH COMMUNITY

The Port Commission Community Advisory Council (PCCAC), formerly the Chairman's Citizen Advisory Council that began in 2013, was re-launched in 2020. The PCCAC is comprised of a diverse group of 14 individuals representing nearby communities, environmental groups, and recreational users of the bay. It aims to promote deeper engagement and understanding between local communities and Port Houston by providing opportunities for open communication.



# Listening to & working with communities

## GROWING GREEN SPACES

### PARKS & GREEN SPACES

Through our Parks and Green Spaces Program, Port Houston and partners construct, repair, and enhance local parks, medians, gardens, and other green spaces. At Port Houston we see communities as the foundations of a dynamic, interconnected network of services and relationships that position our region to grow and thrive. To that end, urban green spaces are drivers of increased social equity, property values, and safety.

The Port Houston team assists with beautification and green-space initiatives. We help with locating trails and addressing community connectivity challenges. We want to strengthen our local communities, improve quality of life for residents and employees, and make meaningful connections.

One major initiative is the Harbor Street Partnership, a 22-acre parcel of land Port Houston is donating to support community recreation, resilience, and economic development as well as Port accessibility. In 2019, Port Commissioners approved a \$100,000 grant to Buffalo Bayou Partnership to include Harbor Street in its long-range East Sector Master Plan, with some creative ideas envisaged.



### BUILDING AND REVITALIZING LOCAL GREEN SPACES

Port Houston has invested a total of \$2 million to repair and develop park projects in East Harris County and to fund City of Houston projects through the 50/50 Parks Program. We work with SPARK parks to identify park locations with communities and hold volunteer planting events. In some instances, Port Houston has gifted land to communities, such as the Harbor Street property.



### SUPPORTING COMMUNITY GARDENS

Port Houston volunteers and 30,000 pounds of soil, mulch, and sand helped transform the community gardens at Mission Milby Community Center to create a shared space for schools and community groups in Houston’s East End. The Port Houston team helped design a new garden layout, complete with raised garden beds, recreational green space and an outdoor learning classroom. Mission Milby is one of several community gardens Port Houston has helped build.



### ADDRESSING CONNECTIVITY AND TRAILS

With input from Seabrook neighbors and industry partners, we designed, constructed, and planted the Bayport Sight and Sound Berm. In 2020, Port Houston, Harris County, Jacinto City and Galena Park partnered on an important sidewalk project (pictured) that connected the Galena Park Sports Complex to Holland Avenue in Jacinto City. This sidewalk/ scenic running trail stretches four miles and helps thousands of children get to and from school safely.



# 04

## SAFETY

### Emergency Response, Safety & Security

At Port Houston, safety is our number one priority and everyone's responsibility. No business is sustainable if it places people at unnecessary risk. There are a lot of moving parts in the maritime industry, and safety can be undermined if other concerns take precedence. Having the focus, agility, and expertise on hand to respond is critical to stopping minor mishaps before they become major disasters.

As a vital link in the global supply chain, business continuity is critical to economic stability on a regional, state, and national level. Port Houston maintains extensive security and cybersecurity programs to safeguard our people and prosperity.

The stakes are high for safeguarding our infrastructure, data, and equipment, but nothing compares to the importance of protecting and preserving human life. We have a duty to care for our workforce, which compels us to prioritize health and wellness as key components of safety. This commitment also encompasses public safety and human rights as a natural extension of our commitment to communal flourishing.





## | Emergency Response

### PORT HOUSTON'S FIRST RESPONDERS SUPPORT SAFE OPERATIONS AT THE HOUSTON SHIP CHANNEL'S PUBLIC & PRIVATE TERMINALS.

#### FIRST RESPONDERS

At Port Houston, dedicated teams in Police, Fire, Emergency Management, and Security are always ready to respond to any incident that occurs in or around the channel.

Port Houston's Police Department operates 24/7, responding to issues like perimeter checks, safety violations, traffic stops, and road hazards. In 2020, Port Houston Police Officers even dissuaded someone from jumping off the 610 bridge.

Port Houston's Fire Department is the Houston Ship Channel's first responder and may respond to ship collisions, sinking vessels, HAZMAT spills, and more.

In addition to their day-to-day work, first response teams at Port Houston make a concerted effort to connect with port communities. Through holiday volunteer events at local schools and community centers, as well as participation in National Night Out events, Port Houston Police and Fire teams assure the community of their commitment to protecting and serving people and commerce.



#### POLICE

Working under mutual assistance agreements with local communities, Port Houston Police Department operates 24/7, receiving and responding to more than 100 calls per day. In 2020, dispatch received more than 38,000 calls and recorded more than 11,000 incidents across all terminals.



#### FIREFIGHTERS

Port Houston maintains a marine fire department with three fire stations and three fireboats to cover incidents in and along the channel. Port Houston firefighters provide incident response on land and in the water to prevent loss of life and disruptions of commerce.



#### LONE STAR HARBOR SAFETY COMMITTEE

Port Houston is an active participant in the Lone Star Harbor Safety Committee, which helps address issues of maritime and navigation safety by drawing on the expertise of entities throughout the region.



# | Emergency Response

## DISASTER PLANNING & INFRASTRUCTURE RESILIENCE.

### DISASTER RESILIENCE

Moving cargo is complex, and the stakes are always high. When a multitude of processes, people, and parts are combined, a multitude of mishaps can happen. Having the agility and expertise on hand to respond is critical to stopping minor mishaps before they become major disasters.

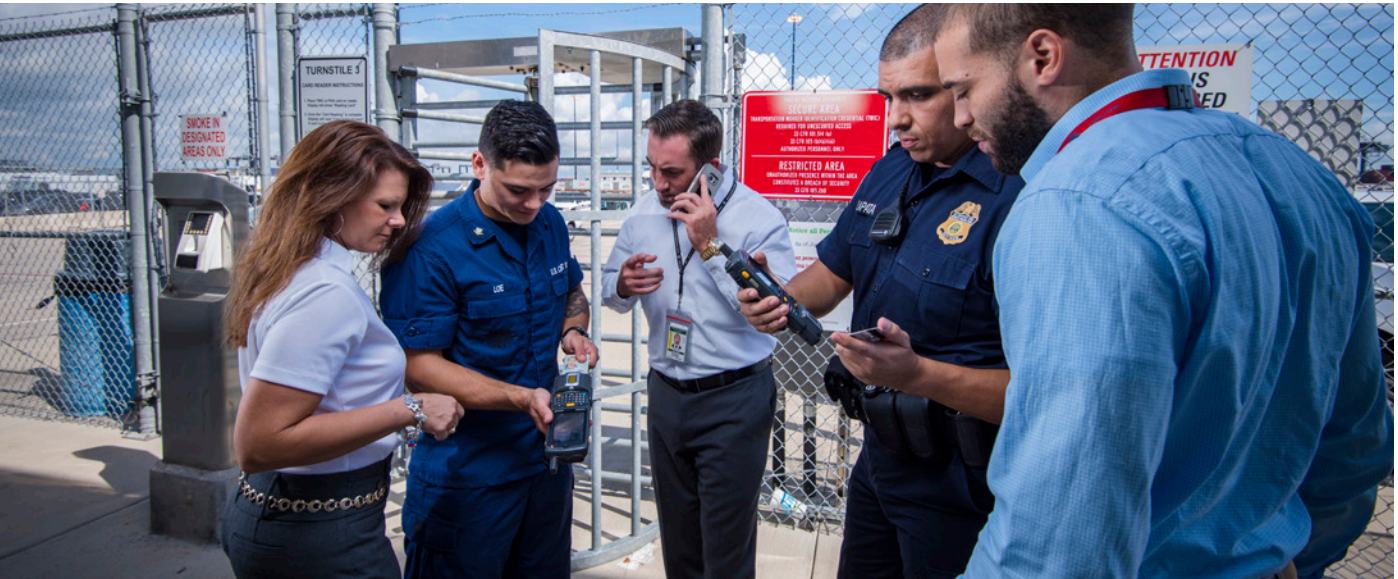
The approach of Port Houston’s Emergency Management team involves 1) thorough planning, 2) actions to reduce damage, 3) communications to decision-makers and citizens, and 4) disaster recovery efforts to return to normal operations.

As a vital link in the global supply chain, any threat to Port Houston is a threat to economic stability on a local, state, and national level. Port Houston’s Security and Cybersecurity Departments work to protect critical infrastructure by detecting suspicious activity, deterring intruders, preventing incidents that may result in significant loss of life, environmental damage, transportation or economic disruption, and responding swiftly to neutralize active threats.



### EMERGENCY PREPAREDNESS

Port Houston prepares for disruptive events and mitigates the impact thereof with dedicated emergency management and response programs. In the past year, Port Houston’s Emergency Management Team has addressed needs ranging from COVID-19 response to hurricane preparedness. When disaster strikes, the Port is ready to deploy human and hard assets, like our Mobile Command Center, to address damage and initiate recovery efforts.



### SECURITY

Security follows a layered protocol to protect our critical physical infrastructure, including more than 25 miles of perimeter. We deter intruders by ensuring our facilities are difficult targets. We detect possible unauthorized activity in time to respond and neutralize the threat. We delay intruders to allow ample time for response, at which time we neutralize and apprehend any intruder before they can cause damage.



### CYBER SECURITY & INFRASTRUCTURE

Port Houston’s extensive cybersecurity program helps safeguard the integrity of our operations by protecting against breaches from malicious actors who intend to cause damage or steal information. In terms of resilience, we have optimized to increase coverage and improve technology architecture, which increases data security and ensures business continuity.



## Workforce Safety & Wellness

### WELLNESS FOR THE WORKFORCE.

#### OCCUPATIONAL HEALTH & SAFETY

Port Houston leads the industry in Lost Time Incident Rate (which measures days lost by employees who were injured on the job), and our employee wellness programs further support the health and safety of our teams.

Port Houston recognizes that wellness goes hand in hand with occupational safety, as the physical and mental health of employees can directly impact their ability to perform job functions safely.

Beyond the guidelines and federal programs, Port Houston has offered additional paid leave to employees impacted by COVID-19. We have also provided trainings to ensure health and safety standards are maintained as more people return to working on-site.

Finally, when illness occurs, employees have 24/7/365 Teledoc access to U.S. board certified doctors. They can also take advantage of our Employee Assistance Program (EAP) to receive free therapeutic counseling, or enjoy free access to the Calm wellness and meditation app.



#### RISK MANAGEMENT

Inherent to any operation, risk must be managed with programs to prevent incidents, reduce injuries, and maintain operational continuity. Our programs include enterprise risk management (ERM) and risk management framework (RMF) to manage corporate risks, mitigate hazards, and prevent injuries with internal audits, safety audits, and project risk management, among others.



#### COVID-19 RESPONSE

Port Houston has strictly followed locally mandated protocols for COVID-19 as well as guidance from the CDC. Our employees and contractors have practiced social distancing and we have limited travel and meetings, for example. We have also ensured proper personal protective equipment use in order to protect the health of essential on-site workers and prevent the spread of COVID-19 to the extent practicable.



#### WORKFORCE WELLNESS

A dedicated Wellness Committee engages employees in 5k runs, step challenges, mental health webinars and more to promote healthy lifestyle choices and self-care. Port Houston's Wellness Program also provides regular health fairs and onsite biometric screenings for employees, which include measurements for blood pressure, cholesterol, glucose, height, weight, and body mass index. Port Houston employees have access to flu shots onsite at no cost each fall, as well as "lunch and learn" sessions, in which licensed staff members and doctors present health and wellness information.



# 05

## GOVERNANCE

### Who We Are, Transparency & Excellence

Port Houston’s significant regional impact naturally invites scrutiny, and we work to ensure that our organization is worthy of the public’s trust and confidence. Port Houston acts in accordance with all applicable laws, regulations and policies. In all that we do, Port Houston is governed by an unwavering commitment to excellence, compliance, and transparency.

Port Houston is held to incredibly high standards – not only by our stakeholders, but also by the nature of the work that we do. Risk is inherent in any largescale operation, especially when a disruption in operations can impact the public. Port Houston is dedicated to preventing incidents, maintaining business continuity, improving project delivery, and developing our vital public infrastructure. With opportunities and challenges of such magnitude as a backdrop, advanced planning is a critical tool of accountability and alignment for Port Houston.

Port Houston operates in the public eye and must maintain public trust to achieve the optimal impact. Compliance and ethics guide our actions, while transparency makes that commitment visible. Port Houston strives to steward progress through the Houston Ship Channel with all the sensibility and integrity required of such a role.





| Who We Are

PORT COMMISSION GUIDES  
PORT POLICIES AND RESOURCE  
STEWARDSHIP.

Port Houston is governed by a seven-member Port Commission. In addition to the powers and duties set forth in various statutes of the State of Texas, the Port Commission is responsible for developing and implementing the general policies of Port Houston, including the adoption of annual capital and operating budgets, setting the goals for the organization, and awarding contracts.

Port Houston’s diverse and highly-qualified board makeup is: 29% women, 29% minority, 29% maritime resources, 29% law resources, 43% finance and real estate resources, 43% business owners, 57% public servants, and 100% dedicated to public service. Every Commissioner serves on the Community Relations Committee and the Dredge Task Force, and each participates in other committees.



**Ric Campo**  
*Chairman of the Port Commission*  
**Appointed in January 2019**

- Committees:**
- Audit Committee – Chair
  - Compensation Committee – Chair
  - Dredge Task Force – Chair
  - Governance Committee – Member



**Dean E. Corgey**  
*Commissioner*  
**Appointed in January 2013**  
Representing City of Houston

- Committees:**
- Community Relations Committee – Chair
  - Business Equity Committee – Member
  - Pension & Benefits Committee – Member



**Clyde Fitzgerald**  
*Commissioner*  
**Appointed in January 2013**  
Representing Harris County

- Committees:**
- Pension & Benefits Committee – Chair
  - Compensation Committee – Member



**Stephen H. DonCarlos**  
*Commissioner*  
**Appointed in January 2013**  
Representing Harris County Mayors  
and Councils Association

- Committees:**
- Governance Committee – Chair
  - Business Equity Committee – Member



**Roy D. Mease**  
*Commissioner*  
**Appointed in January 2013**  
Representing City of Pasadena

- Committees:**
- Audit Committee – Member
  - Pension & Benefits Committee – Member



**Wendy Montoya Cloonan**  
*Commissioner*  
**Appointed in January 2019**  
Representing Harris County

- Committees:**
- Business Equity Committee – Chair
  - Compensation Committee – Member



**Cheryl D. Creuzot**  
*Commissioner*  
**Appointed in January 2020**  
Representing City of Houston

- Committees:**
- Audit Committee – Member
  - Governance Committee – Member



# | Excellence

## OPPORTUNITY FOR ALL.

### DIVERSITY, EQUITY, AND INCLUSION

At Port Houston, regional prosperity is a tide that lifts all boats. Economic growth and advancement that is exclusionary or achieved at the expense of communal flourishing runs counter to our goal of creating a positive social impact. We are committed to doing what is right within our organization and throughout our community. Diversity, equity, and inclusion are central principles that govern our work and ways of doing business.

Since early 2020, we have intensified our pursuit of diversity, equity, and inclusion (DEI) as a priority and renewed our commitment to making the workplace more inclusive for everyone. We also enhanced business opportunities to work with Port Houston. In 2021, Port Houston added a Business Equity division to ensure that this work has the resources and organizational weight necessary to drive lasting change.



### BUSINESS EQUITY DIVISION

In May of 2021, Commissioners approved the creation of a Business Equity Division to lead DEI initiatives as well as the Small Business Program and the new Minority- and Woman-Owned Business Enterprises (MWBE) program.



### MINORITY- AND WOMAN-OWNED BUSINESS ENTERPRISE (MWBE) PROGRAM

In 2021, Port Houston implemented a Minority- and Woman-owned Business Enterprise (MWBE) Program to diversify our contracting environment. This program provides opportunities for all to participate in our contracting. Our MWBE program is classified as a race-and gender-conscious program.



### SMALL BUSINESS

Since 2002, Port Houston has awarded more than \$612 million in contracts to small businesses. We offer opportunities for diverse firms to do business with us, supporting their growth and advancement with a set goal of small business involvement in our procurements. Our Small Business Program is considered a race-and gender-neutral program.



# | Excellence

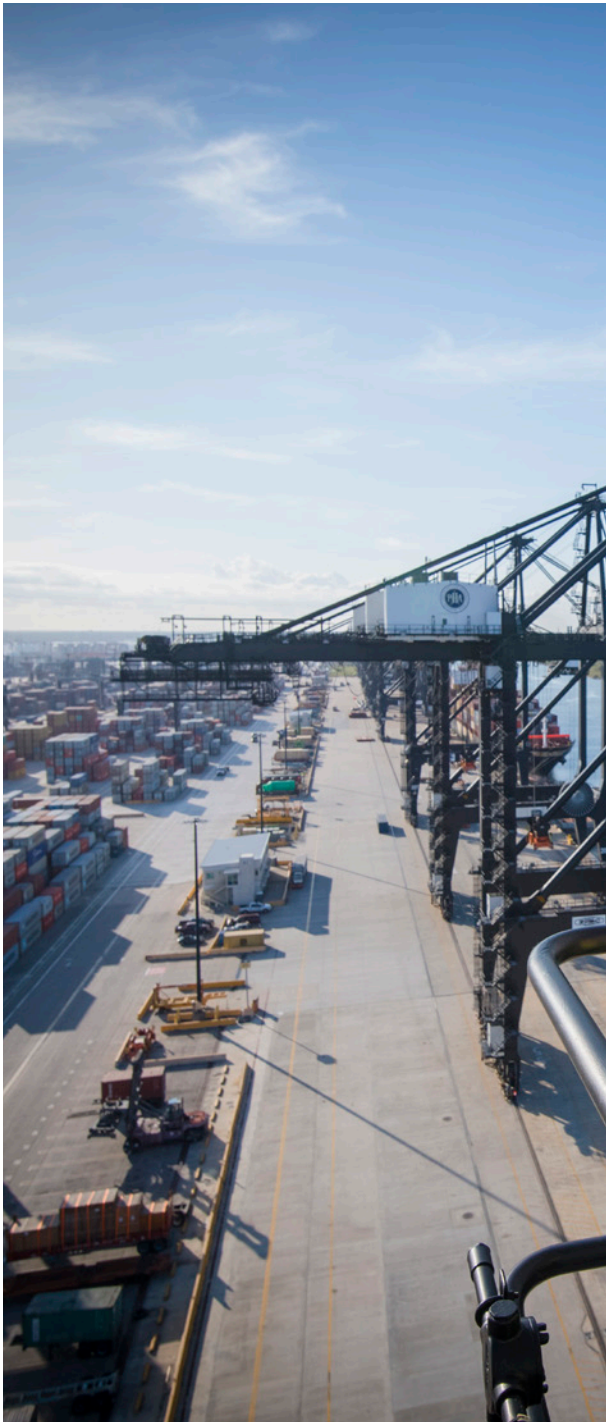
## GOVERNANCE INCLUDES LOOKING OUTWARD AND FORWARD WITH THOUGHTFUL LONG-RANGE PLANNING.

### PORT-CITIES DIALOGUE

Port Houston is a member of the regional planning organization Houston-Galveston Area Council (H-GAC) and the Greater Houston Partnership, the Houston area’s largest chamber of commerce. We collaborate for investments in infrastructure and communities to create new, sustainable jobs and business opportunities. We support the scale up of clean hydrogen in global economies and investigate viable and scalable solutions to address large-scale emission challenges. We follow innovative ideas in development, such as freight shuttle, automation, and others.

We partner with City of Houston on the Regional Climate Action Plan (CAP), to reduce regional greenhouse gas (GHG) emissions, and we participate in Flood Resiliency and Storm Resiliency Initiatives with the San Jacinto Regional Flood Planning Group and with the Coastal Risk Reduction and Resilience group.

In partnership with these groups and others, Port Houston is considering innovative solutions that reduce impact on the environment and communities, as well as opportunities to build circular economies, where clusters of related businesses rely on each other, save resources, and keep money in local circulation. We ensure we are ready when changes come and that the region is ready for the developments at Port Houston.



### 2040 PLAN

Port Houston’s aim is to be ready for change through comprehensive, advanced, long-range planning for the next 20 years. The 2040 Plan, developed with input from a vast cross-section of stakeholders, provides a strategic framework for implementation of goals, objectives, investments, and cooperation.



### PORT OF THE FUTURE

As a yearly exercise in envisioning the port of the future with others, we sponsor an international conference on international ports in concert with University of Houston. This is one of many annual events during which we speak on panels and participate in roundtable discussions regarding the state of our business and its future.



### STRATEGIC ASSET MANAGEMENT

Planning infrastructure growth now to address the needs of the future is a key risk management tool. We use Strategic Asset Management to prevent wasting resources by tracking and planning what we will do with those resources. We ensure that our infrastructure is in good repair and that equipment is properly maintained through the asset lifecycle.



# | Transparency

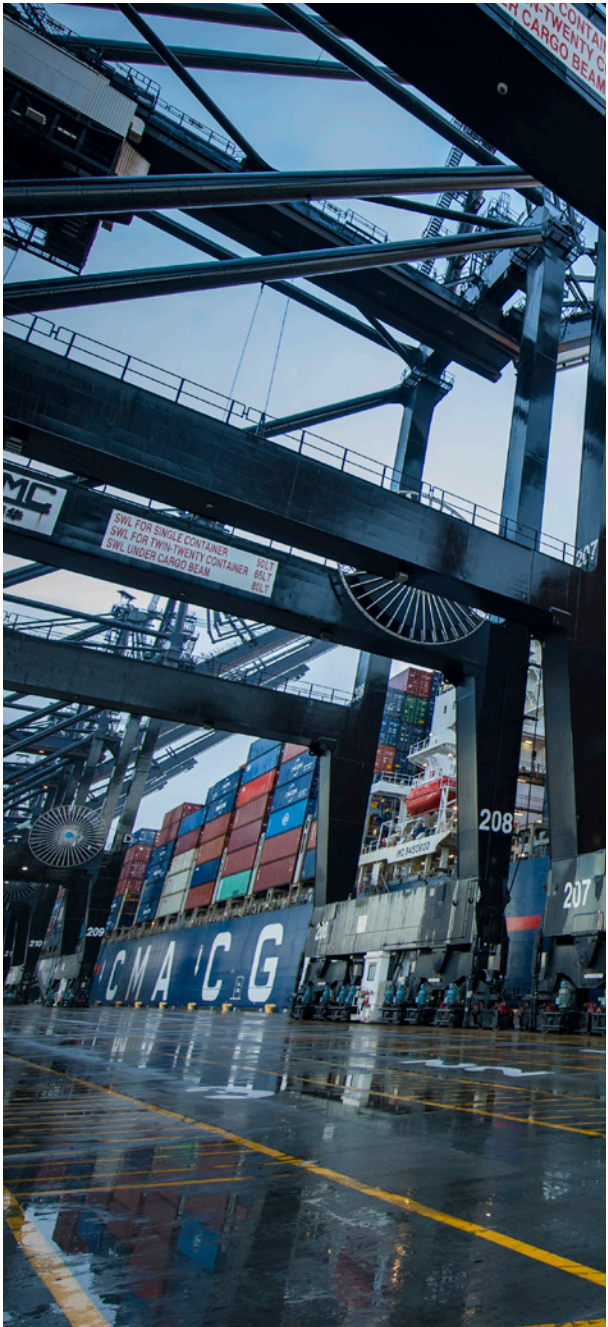
**PROGRAMS FOCUSED ON TRANSPARENCY, ETHICS, & FAIRNESS ARE COMPLEMENTED BY STEWARDSHIP OF FINANCIAL AND INFRASTRUCTURE ASSETS.**

**ETHICS AND TRANSPARENCY**

Port Houston is committed to lawful and ethical behavior in all of its activities. Port Commissioners and employees hold positions of public trust and strive to place the public interest above any private interest. Commissioners and employees are required to act in accordance with all applicable laws, regulations, and policies, which include policies on conflicts of interest, nepotism and discrimination. An anonymous, third-party hotline is provided to report violations of law, policy, or questionable accounting or auditing matters. We hold open meetings and remain responsive to public information requests.

In our long history, Port Houston has seen economic uncertainty and we strive to maintain the integrity of our finances, for financial independence and solvency, and to remain operating through hard times or times of growth. Port Houston must use wisely the funds generated from our operations and public support, for the best return on investment and in support of our legislative mandate to create jobs and economic opportunity.

While we observe high standards of ethics in our actions, transparency makes these actions visible. For example, Port Houston’s financials are shared in the Annual Comprehensive Financial Reports (ACFRs), formerly known as Comprehensive Annual Financial Reports.



**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**  
Our award-winning financial transparency is supported by clean audits the past six years, 46 years of consecutive awards from the Government Finance Officers Association, and awards from the Texas Comptroller Leadership Program. We also hold a certification that our investment policy meets standards of prudent public investing from the Government Treasurers’ Organization of Texas, 2021-2023.



**ETHICS-RELATED TRAININGS**  
Ethics, Supervisor Bootcamp, Sexual Harassment, Discrimination, and other trainings support Port Houston’s values and ensure a positive workplace culture. In addition, Commissioners, Chiefs, and others involved in international trade dealings are required to take comprehensive Federal Corrupt Practices Act (FCPA) training to protect the integrity of the Port.



**QUALITY MANAGEMENT**  
Certified to two rigorous international standards, Port Houston maintains the ISO 140001 Environmental Management System quality standards, as well as the ISO 28000 Security Management System standards. Committed to quality in every aspect of our work, we are also studying the ISO 45001 Safety Management System and the ISO 55000 Asset Management System standards.



## | Measuring what we manage



Reduced carbon footprint by

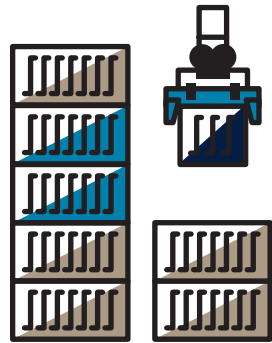
**55%**  
since 2016



Created

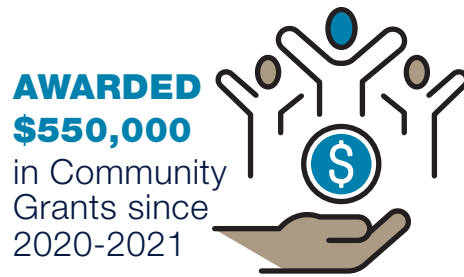
**1 NEW BUSINESS EQUITY DIVISION**

in 2021, which includes the S/MWBE programs



Moved more than

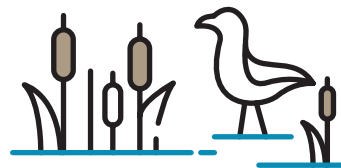
**3MM**  
**TEUs**  
across our docks in 2020



**AWARDED \$550,000**  
in Community Grants since 2020-2021

Recorded Lost Time Incident Rate of

**.25**  
**DAYS LOST**  
per year per incident



Built

**1,850 ACRES**  
of marshes and bird islands so far.  
(Another 3300 planned with Project 11)



Invested **\$5,000,000** in Maritime Education since 2010

Reduced all criteria air pollutants

**15-93%**  
between 2013-2019



Chose

**100%**  
**ASSET-BACKED RENEWABLE ELECTRICITY**

saving 250,000 tons of CO<sub>2</sub> emissions annually

Responded to more than

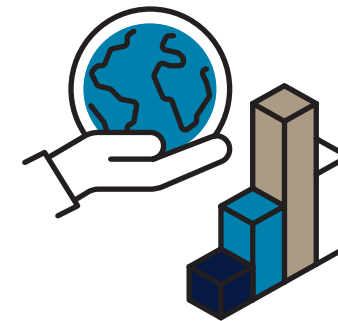
**380,000**  
**EMERGENCY CALLS**

&

**11,000**  
**INCIDENTS**  
in 2020



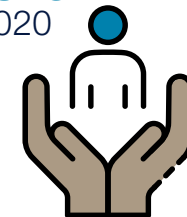
Received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for **43 CONSECUTIVE YEARS**



Budgeted approximately  
**\$10MM**  
**ANNUALLY**  
for sustainable activities and initiatives

256 employees volunteered a total of

**606**  
**HOURS**  
in 2020



Governed by

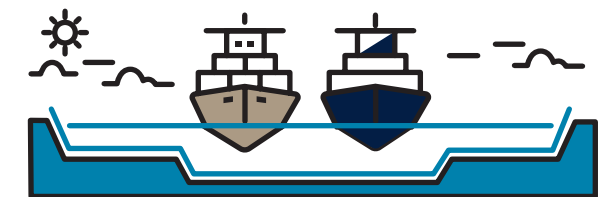
**6**  
**COMMISSIONERS**



**1**  
**CHAIRMAN**

Planned expansion of the Houston Ship Channel to

**700 FEET**



**QUANTIFYING RESULTS OF THESE INITIATIVES IS IMPORTANT TO PROMOTE CONTINUOUS IMPROVEMENT.**



# 06

## MOVING FORWARD

Continuing Activities, Starting New Plans

Port Houston has a rich history filled with many incredible achievements. This gives us the confidence that with the right direction, support, and people at the table, we can achieve anything. At Port Houston, we believe that the future is bright, and we are working to build a sustainable path toward that future together.





# SUSTAINABILITY ACTION PLAN

27 opportunities to Lead, Partner, or Support Sustainability Initiatives

## PORT HOUSTON-LED WORKSHOPS ASKED STAKEHOLDERS: “WHAT ELSE CAN WE DO?”

In 2021 Port Houston gathered stakeholders to talk about sustainability. The participants represented diverse interests, including environmental groups, community groups, industry partners and more, and all came together to help identify the priorities of the public and shape our environmental initiatives.

Port Houston is a leader in sustainability but recognizes the need to work with others to best affect change. We are a member of both the global supply chain and our local community. We have jurisdiction over our own operations but must work with others on projects that involve other terminals or ships. To make an impact, Port Houston’s resources must be allocated thoughtfully to where there is the best opportunity for real change.



### PARTICIPATION

- Three Rounds, 80 Stakeholders
- Outputs Validated by Select Advisory Board

### STAKEHOLDER FOCUS

- Closer to Home more than Global Impact
- Near, Mid and Long Term
- Collaboration and Partnership is Critical
- Measurable
- Regional and Community Alignment

### PORT HOUSTON SUSTAINABILITY ACTION PLAN PRIORITY AREAS



CLEAN ENERGY



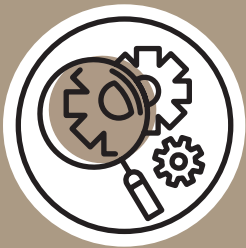
COMMUNITY  
STRENGTHENING



AIR QUALITY



CIRCULAR  
ECONOMY



TRANSPARENCY



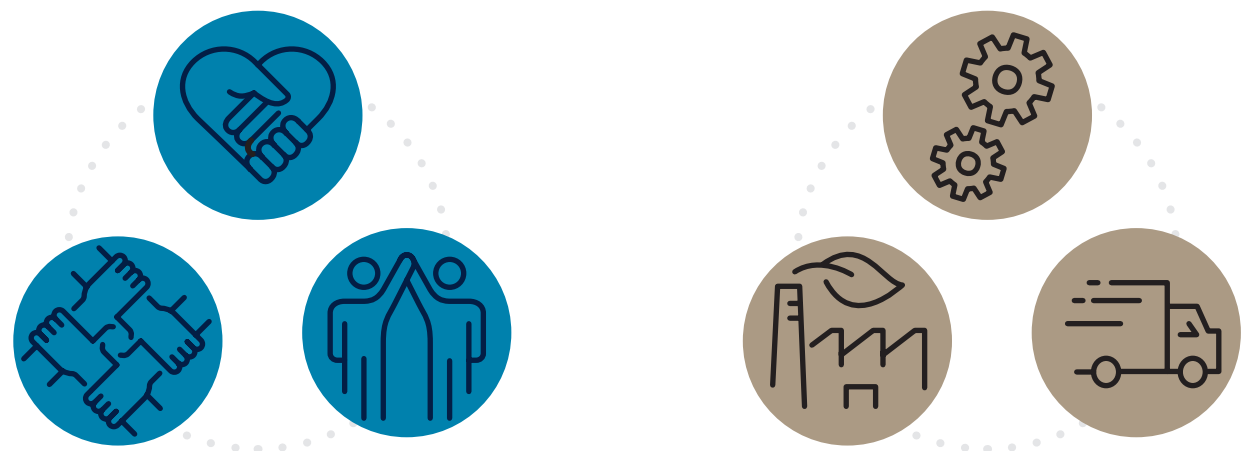
OTHER



# BROAD STAKEHOLDER INPUTS

Industry, Community, & Subject Matter Experts

## STAKEHOLDERS PROVIDED INFORMATION REGARDING THEIR PRIORITIES.



### COMMUNITY

- Air Alliance of Houston
- Citizens' Environmental Coalition
- City of Houston
- Coalition of Community Organizations
- Economic Alliance Houston Port Region
- Employment & Training Center Houston
- Galveston Bay Foundation
- Greater Houston Partnership
- Harris County Precinct 2
- Pleasantville Super Neighborhood Council
- Public Citizen
- Port Commission Community Advisory Committee

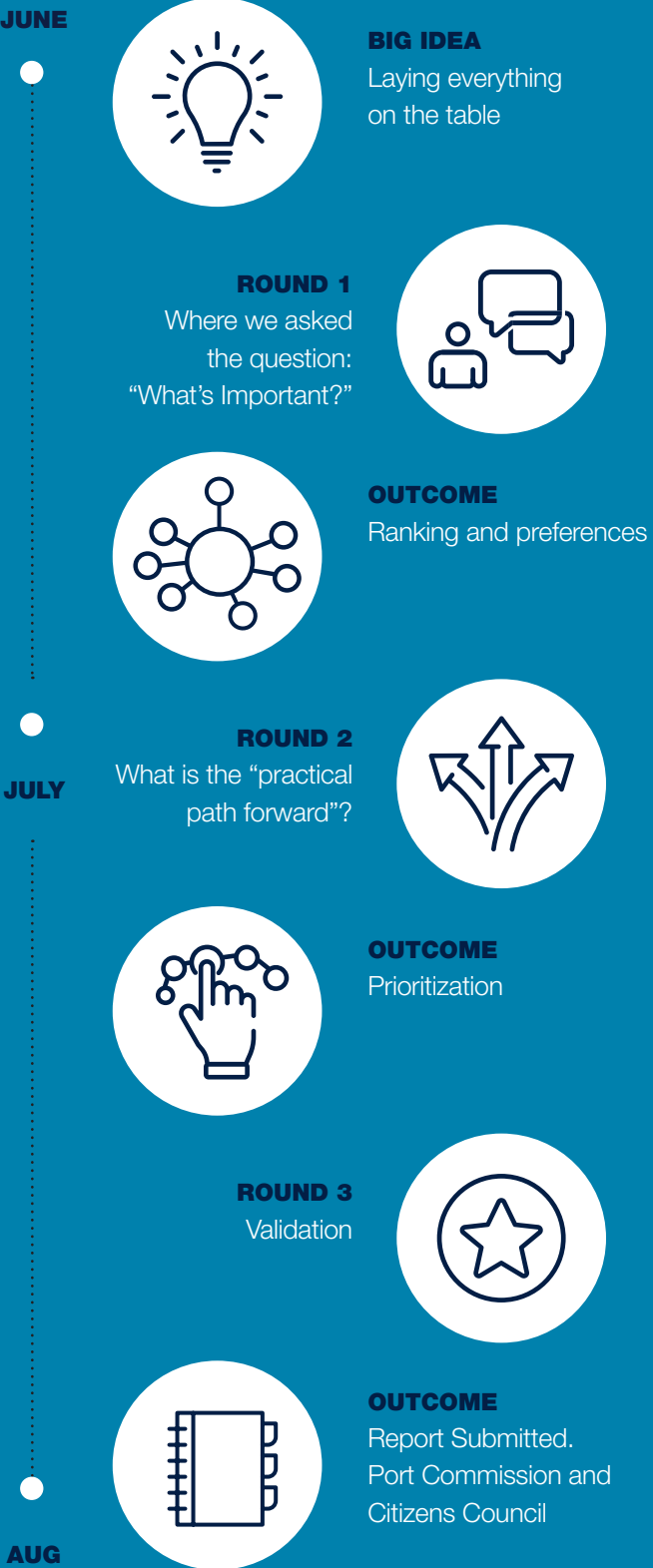
### INDUSTRY

- Academy
- Air Products and Chemicals, Inc.
- CMA-CGM
- Dow
- Enterprise Products
- Exxon Mobil
- G&H Towing
- G2 Ocean
- GTI Energy
- Halliburton
- Hapag Lloyd
- Home Depot
- Hyundai Merchant Marine America Inc.
- IKEA
- ITC
- Kirby Corporation
- Lyondell Bassell
- Magellan
- Mediterranean Shipping Company
- ONE-Line Ocean Network Express
- Ravago
- SWA Group
- Volkswagen Group of America
- Woodside Energy
- Yangming

### OTHER SUBJECT MATTER EXPERTS, PEER PORTS AND ACADEMIA

- Environmental Defense Fund
- Houston-Galveston Area Council
- Port of Antwerp
- Port of Vancouver
- Rice University
- University of Texas
- USACE
- Gas Technology Institute
- CG Mitchell Foundation
- ION Houston

## CONTINUING PROGRESS WITH ONGOING INITIATIVES





# VALIDATING THE ACTION PLAN

## Diverse Advisory Board

WORKSHOP OUTCOMES WERE VALIDATED WITH LEADERS FROM INDUSTRY, COMMUNITY, ENVIRONMENTAL & ACADEMIC INSTITUTIONS.



**Kinder Baumgardner**  
Managing Principal,  
SWA Group



**Nelson Espitia**  
Community Relations Director,  
Harris County Precinct 2,  
Adrian Garcia



**Lance Nunez**  
Global Marine and Terminal  
Logistics Director,  
Dow



**Craig Raborn**  
Director of Transportation,  
Houston-Galveston Area Council



**Rev. James Caldwell**  
Founder/Director,  
Coalition of Community Organizations



**Christine Galib**  
Senior Director,  
The ION Houston



**Rachel Powers**  
Executive Director,  
Citizens' Environmental Coalition



**Bob Stokes**  
President,  
Galveston Bay Foundation



**Lara Cottingham**  
Chief Sustainability Officer,  
City of Houston



**Paula Gant**  
Senior Vice President,  
Strategy and Innovation  
GTI Energy



**Filip Vandenbussche**  
Representative for North America  
Port of Antwerp, Belgium



**Colonel Timothy Vail**  
Galveston District Commander,  
USACE



**Judge Ed Emmett**  
Fellow in Energy & Transportation  
Professor in the Practice,  
Rice University



**Drew Nelson**  
Clean Energy Program Officer,  
Cynthia George Mitchell Foundation



**Matt Woodruff**  
Vice President of Public  
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# ACTION PLAN OVERVIEW

## Ideas Plus Engagement

The Port Houston Sustainability Action Plan identifies new opportunities with roles appropriate to the Port leading, partnering, or supporting.

PORT HOUSTON ROLE	LEAD	PARTNER	SUPPORT
 <b>CLEAN ENERGY</b>		Alternative Fuel Drayage Marine Fuel Alternatives Solar PV and Energy Storage	Synchronizer IEA Hydrogen Ports Decarbonization in Shipping Innovation/Incubators Intermodal
 <b>AIR QUALITY</b>	CHE Electrification Freight Mobility Strategy Renewal	Dockside Emissions Redux Truck & Vessel Repower Grants	TCEQ Monitors Regional Climate Action Plan Global Ports Hydrogen Coalition
 <b>CIRCULAR ECONOMY</b>		Plastics Pyrolysis Value Chain	
 <b>COMMUNITY STRENGTHENING</b>	Maritime Education Outreach Community Engagement Events Parks & Green Spaces Revitalization Economic Development Job Creation	Harbor Street Parks and Green Spaces	Flood Resiliency Storm Resiliency / Coastal Protection
 <b>TRANSPARENCY</b>	ES <sup>2</sup> G Tracking and Reporting	Legislative Advocacy	
 <b>OTHER</b>	Diversity, Equity & Inclusion Initiatives S/MWBE Business Equity Program	Environmental Mitigation Bank Co-Development	

### ENGAGEMENT MODEL

**Collaboration** is key to success with any initiative. Even when projects stand entirely within Port boundaries, work with ocean carriers, stevedores, and other public agencies is a must.

**Business Case** justification is also required because resources are limited and ideas exceed their limits, so each concept must be evaluated for its value and benefits, implementation costs, feasibility and risks.

**Objectivity** is also required. Many new technologies are being developed, or have potential for large scale impact, yet their ultimate success will depend on project investments and user adoption. Rather than defining specific projects, Port Houston takes a “call for projects” approach and is engaging with all interested proposals.









**Local & Global** perspectives are needed. Stakeholders emphasized a desire for sustainability impacts closer to home but also recognize the importance of initiatives that strategically work on our larger challenges, thus supporting others in regional and global efforts is also a critical theme in the portfolio.



# ACTION PLAN

## Leading Opportunities



INITIATIVE	DESCRIPTION
 CHE Electrification	Electric Yard Truck Pilot Initiated from TCEQ sponsored Emissions Redux study (w/ AECOM, EDF). Fully evaluate technology ability to bear loads and develop fleet business plan.
 Freight Mobility Renewal	Port Houston, Economic Alliance and others developed a freight mobility projects list in 2016. With numerous projects successfully executed, this effort requires a five-year renewal.
 Maritime Education Outreach	Expanding Maritime Education opportunities to additional schools and students. Increasing partnerships with institutions that support Maritime workforce development.
 Community Engagement Events	Organizing events that benefit and engage the community. Build awareness for environment, social and supplier diversity programs.
 Parks & Green Spaces Revitalization	Constructing, repairing, and /or enhancing local parks, trails, gardens and other green spaces. Improve health equity and to strengthen communities near the Houston Ship Channel.
 Economic Development Job Creation	Greater Port Economic Impact includes 3.2 MM jobs nationally and 1.35 MM in Texas. Port Houston Economic Development activity attracting new cargo generates more jobs.
 Diversity, Equity & Inclusion Initiatives	Fostering a culture of diversity, equity, inclusion, innovation, and open communication. Creating a positive social and economic impact improving quality of life for communities we serve.
 S/MWBE Business Equity Program	Expand opportunities for minority, small, & woman-owned business enterprise program. Create a Business Equity Division.

**Lead:**  
Port Houston takes the lead where we have the authority, resources, and control of the scope.

**Partner:**  
As partner on an activity or initiative, we coordinate with other entities to deliver success.

**Support:**  
We support activities and initiatives that align with our values when they are led by others. We lend expertise and resources as a participant and connector in coalitions and working groups.

## Partnering Opportunities



INITIATIVE	DESCRIPTION
 Alternative Fuel Drayage	Collaborate with Truck and Cargo Owners companies to accelerate adoption of class-8 electric trucks (powered by batteries or hydrogen fuel cell) for container drayage. Support innovative business and contract models to lower financial risks for truck owners.
 Solar PV & Energy Storage	Solicit creative proposals to build Solar PV and energy storage systems on Port property. Potential sites include rooftop areas and long term land.
 Marine Fuel Alternatives	Support Industry partners to facilitate alternative fuel bunkering marketplace and infrastructure. LPG/LNG, Ammonia, Methanol, Hydrogen supporting decarbonization in shipping.
 Dockside Emissions Redux	Exhaust capture systems and/or shorepower infrastructure to mitigate emissions from vessels. Collaborate with regional Industry partners, global Ports, and ocean carriers to deploy systems.
 DERA/TERP Repower Grants	Expand the use of DERA/TERP grants to other equipment like cranes and tugboats. Increase frequency of submittal of DERA/TERP grant applications.
 Plastics Pyrolysis Value Chain	Plastics to fuel recycling is currently commercialized in the Port area by several companies. Potential for Port Houston to be a part of a sustainable business park, receiving cargo of post-consumer plastic materials and connecting it to an industry funded pyrolysis facility.
 Harbor Street	Port Houston donated 22 Acres and augmented funds for Buffalo Bayou Partnership east end master planning to envision its potential for community development and resiliency facilities. Port Houston stands with Houston and BBP as the City's emerging project becomes reality.
 Parks and Green Spaces	Port Houston accepted Houston Mayor Turner's challenge and committed \$1MM over four years as Pacesetter Partner Level in Houston Parks Board park development program. We also donated \$1MM to the East Harris County Parks Program to provide green spaces and improve health equity in the communities surrounding our operations and beyond.
 Legislative Advocacy	Discuss with our law makers to support carbon reduction technologies and infrastructure. Providing letters of support for our stakeholders to help tackle ongoing environmental and social/community justice issues.
 Environmental Mitigation Bank Co-Development	Partner with Harris County Flood Control District for the creation of a wetlands mitigation bank.



Supporting Opportunities

ALIGNING  
WITH REGIONAL  
& GLOBAL  
INITIATIVES  
FOR BROADER  
IMPACT

INITIATIVE	DESCRIPTION
 Decarbonization in Shipping	Founding member of the Blue Sky Maritime Coalition focused on decarbonization through efficiencies, technology, policy, and finance and supporting global initiatives including Green Shipping Corridors, Alternative Fuels and Energy Transition.
 IEA Hydrogen Ports	Clean Energy Ministerial Global Ports Hydrogen Coalition supports acceleration of and scale-up of clean hydrogen in global economies through collaboration, knowledge-sharing, and exchange of best practices.
 Innovation / Incubators	Networking and Collaborating with local accelerators including The ION and GreenTown Labs to promote opportunities for economically viable and practically scalable solutions to address big sustainability challenges.
 Intermodal	Innovative ideas such as freight shuttle, electric and hydrogen fuel cell drayage, and other intelligent transportation solutions.
 TCEQ Monitors	Worked with our community stakeholders and provided a formal letter for TCEQ in supporting the stakeholder's initiatives of adding more air monitors in our Port communities.
 Synchronizer	Support the Greater Houston Port Bureau working initiative with industry and vessel owners targeting scheduling. Scheduling transparency for terminals and vessels helping decrease port turnaround times. Improve efficiency leads to less vessel time and emissions at docks and at anchorage.
 Regional Climate Action Plan (CAP)	City of Houston's Climate Action Plan seeks to reduce regional GHG emissions. Preventative measures to address the negative outcomes of climate change.
 Flood Resiliency	Port participates in San Jacinto Regional Flood Planning Group. Members from various areas to work on tangible ideas for flood resilience.
 Storm Resiliency	Port to participate in Coastal Risk Reduction and Resilience. Focused on effective implementation of an integrated approach to flood and coastal flood hazard mitigation.

WE WANT TO  
HEAR FROM  
YOU!

Port Houston’s team is committed to fostering sustainability, resilience, collaboration, and quality of life. Together with YOU, our partners, we can create a more sustainable future for all.

WE WELCOME FEEDBACK AND DIALOGUE.

Please reach out in one of the ways below:

Email

questions@porthouston.com

Call our Community Information Line

713-670-1000

Sign up

Port Report e-newsletter

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For more information on topics covered in this report, visit us at [www.porthouston.com](http://www.porthouston.com)



# PEOPLE MAKE IT POSSIBLE

Port Houston recognizes the collective commitment and concerted efforts of its leadership and staff and the continued support of its stakeholders in the development of the Port Houston 2021 ES²G Report.

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Legal  
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Infrastructure  
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