



PORT HOUSTONSM

2023

REPORT UPDATES

ES²G

Environment, Social,
Safety, and Governance





“In 2023 we made investments in our equipment, our community, and our waterway that will help provide a better, cleaner, and more sustainable environment for us all. We have enhanced our safety initiatives and grew our support of small, minority, and woman-owned business. We are pleased to present this report of our 2023 ES²G progress and thank you for taking this journey with us.”

Roger Guenther
Executive Director

Check out the 2021 and 2022 ES²G reports at:
porthouston.com/stewardship/environment/report



Environment

The Port Houston team is building partnerships, coordinating workshops, following technological advancements, working to upgrade equipment and infrastructure, and applying for grants to accelerate progress toward our goal of carbon neutrality by 2050. Here are a few of the 2023 highlights.



GRANTS

Port Houston, with support from the Catena Foundation, is working to accelerate emission reduction projects with grant funding. We are looking into and crafting applications for solar power, green shipping corridors, and hybrid-electric cargo-handling equipment.

Projects and grants for which the Port has applied this year include:

- FHWA Reduction of Truck Emissions at Port Facilities Grant: Applied for \$25,105,985 for CLEANSTACS Program to reduce emissions from drayage trucks.
- DOT SMART Grant: Applied for \$250,000 for RFID design to reduce wait time at container terminals.
- MARAD Port Infrastructure Development Program Grant: \$64,500,185 for efficiencies at the Bayport Terminal and 19 zero-emission-yard tractors with mobile refueling units.
- DOT INFRA/MEGA Grant: Applied for \$90,000,000 for efficiencies at the Bayport Terminal, which will reduce wait times of trucks and vessels.
- TCEQ Tx VEMP Shore Power Grant: Applied for \$850,000 to plan electrical capacity for shore power at the Bayport Terminal and electrical connectivity for the Sam Houston Tour Boat.
- TCEQ Government Alternative Fuel Fleet: Applied for \$37,400 for two electric fleet vehicles and charging infrastructure.
- H-GAC Regional Goods Movement: Applied for \$18,640,000 for design and construction of a grade separation for continuous flow of traffic.
- H-GAC Solid Waste Grant: Applied for \$13,850 for trash receptacles for proper disposal of truck tickets.
- EPA Diesel Emission Reduction Act Grant: Plan to apply for \$3,000,000 to retrofit eight diesel rubber-tire gantry cranes to hybrid electric.

HyVelocity H2 Hub Organizing Partner

As a key organizing partner of the Gulf Coast Hydrogen Hub named HyVelocity, we were thrilled to learn it was chosen this year by the U.S. Department of Energy Office of Clean Energy Demonstrations to begin award negotiations for development and is estimated to receive up to \$1.2 billion. This is a significant investment that will expand the clean hydrogen ecosystem.



2050
CARBON
NEUTRAL
PORT HOUSTON



ALTERNATIVE FUEL DRAYAGE

Port Houston hosted two Clean Energy Trucking Workshops and an Agency Stakeholders Emission Reduction Workshop with regional local governments this year. At these, we asked our top 50 drayage companies how we could support the transition to zero emission trucks. We offered resources, information, and education, and connected people from transport, fueling, infrastructure, original equipment manufacturers (OEMs), local government, nonprofits, grants, and planning.



REDUCING TERMINAL TICKETS

We are eliminating paper tickets at our container terminal exit gates, which will reduce ticket paper by as much as 30%.



CARGO HANDLING EQUIPMENT (CHE) ELECTRIFICATION

Port Houston is doubling the number of hybrid-electric RTG cranes working at our Bayport and Barbours Cut Container Terminals from 28 to 59. These hybrid-electric RTGs reduce NOx, PM, HC, and CO by 90% compared to diesel models. We are studying the capacity of electricity needed now and in the future for the terminals to continue this electrification and a master plan is underway.

2022 Recycling By the Numbers

.76T

Aluminum

25.60T

Cardboard

56,398T

Concrete

10.29T

Electronics

61T

Office Paper

1.32T

Plastic

480.75T

Scrap Metal

115.98T

Scrap Tires

298.88T

Wood Dunnage

45,076GL

Used Oil

Environment



FREIGHT MOBILITY RENEWAL

The Port Road Drainage and Widening Project has been completed. Drainage on Port Road has been improved and 50% capacity added, expanding from 2 to 3 lanes each way, which will help reduce congestion emissions.

Also, the Port Terminal Railroad Association (PTRA) reports that as-of September 30, 2023, they have reduced their fuel consumption by 162,113 gallons compared to the same time frame in 2022. This fuel savings will reduce carbon dioxide (CO₂) emissions by an estimated 2,426 tons.

Some of the ways they improved efficiency are:

1. Implemented enhanced locomotive shutdown policies and procedures.
2. Regularly conducted horsepower utilization analysis in order to adapt to fluctuations of traffic patterns and volume levels.
3. Restructured on-duty times for train crews, reducing “standby” occurrences due to scheduled traffic.
4. “Soft-stored” locomotives, which is short-term storage of 2-4 days/event, which eliminates discretionary usage.

HOUSTON

THE HOUSTON SHIP CHANNEL EXPANSION—PROJECT 11

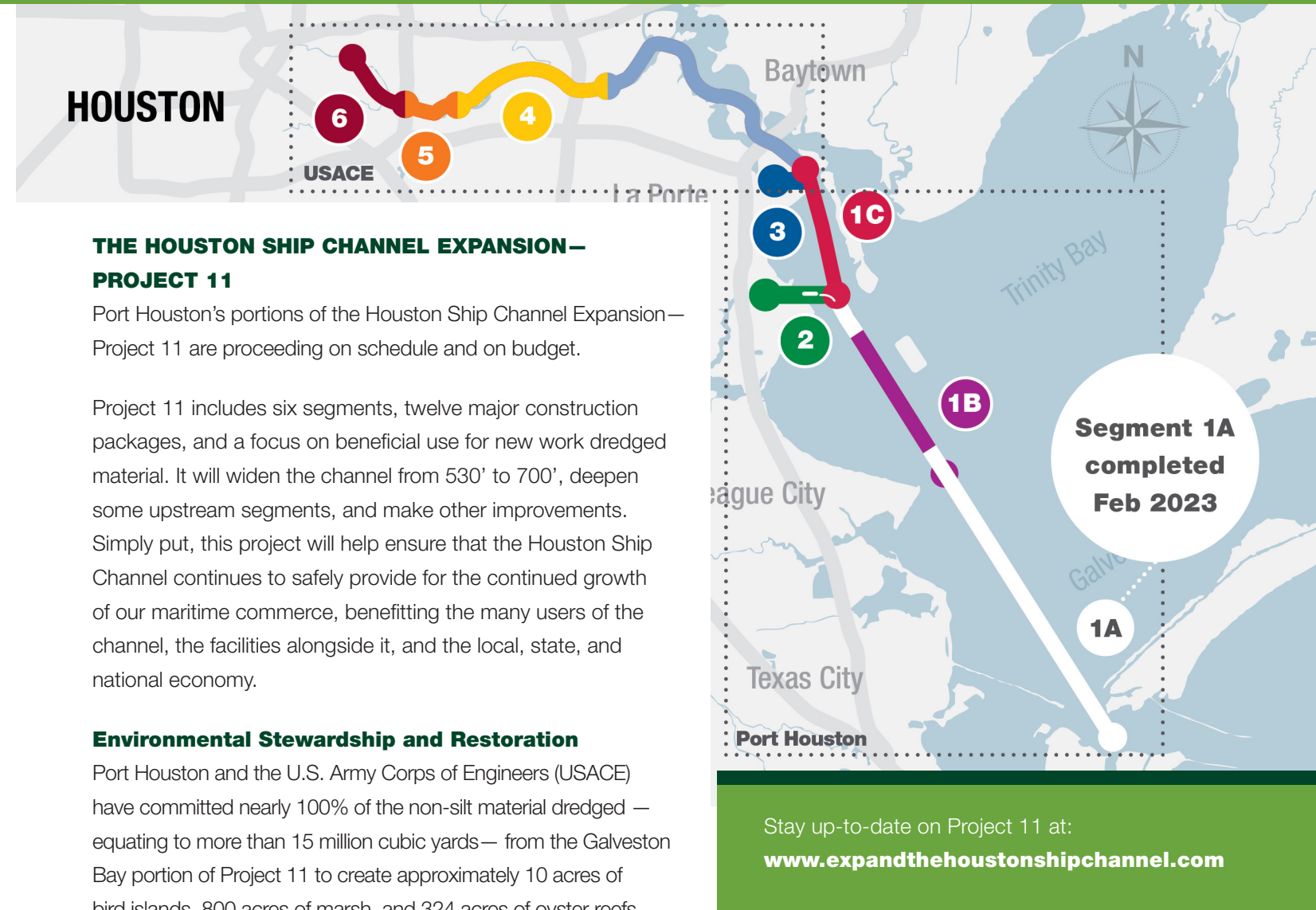
Port Houston's portions of the Houston Ship Channel Expansion—Project 11 are proceeding on schedule and on budget.

Project 11 includes six segments, twelve major construction packages, and a focus on beneficial use for new work dredged material. It will widen the channel from 530' to 700', deepen some upstream segments, and make other improvements. Simply put, this project will help ensure that the Houston Ship Channel continues to safely provide for the continued growth of our maritime commerce, benefitting the many users of the channel, the facilities alongside it, and the local, state, and national economy.

Environmental Stewardship and Restoration

Port Houston and the U.S. Army Corps of Engineers (USACE) have committed nearly 100% of the non-silt material dredged — equating to more than 15 million cubic yards— from the Galveston Bay portion of Project 11 to create approximately 10 acres of bird islands, 800 acres of marsh, and 324 acres of oyster reefs. In addition, Project 11 is expected to improve regional air quality by between 3% and 7% by increasing the efficiency of vessel movements and reducing congestion in the channel. Sound mitigation measures, including vibration dampening walls and rotating smokestacks away from the community, were implemented to help diminish any disruptions to nearby communities. With Segment 1A completed, ships are already saving time and money, and reducing emissions of waiting at anchorage.

As of September 2023, 83% of the total project is funded, with the remaining portions (Segments 4-6) subject to federal appropriations.



Project 11 Progress:

- Segment 1A, Bolivar to Redfish, was completed and opened to two-way traffic in Q1 2023.
- Segment 1B, Redfish to Bayport, construction is underway and expected to be completed by Q3 2024.
- Segment 1C, Bayport to Barbours Cut, will be advertised Q4 2023.
- Segment 2, Bayport Ship Channel construction is expected to be completed by Q4 2023.

Social

At Port Houston we believe in contributing to the quality of life in our local area, and we invest both time and money in projects, places, and people. Below are some of the 2023 highlights of our social commitment.



PARKS & GREEN SPACE PROGRAMS

This year Port Houston staff, community partners, and elected officials celebrated the newly renovated Hidalgo Park, which was part of our partnership with the Houston Parks Board 50/50 Park Partners program to sponsor green spaces. As part of our \$1 million contribution to this initiative, the Port allocated \$500,000 for park improvements. These improvements include a new splash pad, a new maritime-themed playground, safer sidewalks, improved lighting, painting, and more.



REVITALIZATION PARTNERSHIPS

We continue to work with numerous community partners on a wide variety of projects, with many Port Houston staff volunteering their time.

Below are some of our 2023 partners and activities:

- Hermann Park Conservancy – Hosted 9th Park to Port Bike Ride.
- Buffalo Bayou Partnership – Clean and Green Program/Vacuum Barge.
- Rebuilding Together Houston – Rebuilt a veteran's home in 5th ward as part of the East End Home Revitalization Program.
- Houston ToolBank – Helped build dozens of portable desks for students to encourage education and provide a proper study space at home.
- City of Shoreacres – Built new Community Pavilion in the city's Circle Park.
- Galveston Bay Foundation – Sponsored Adopt-a-Beach cleanup event at Morgan's Point.
- Trees For Houston – Planted dozens of trees at area elementary schools.



COMMUNITY ENGAGEMENT EVENTS

We continue to proactively engage our surrounding communities, providing important resources to our neighbors.

Some of our activities this year include:

- Hosted first Community Job Fair with SerJobs to promote career opportunities and connect qualified individuals to good-paying industry jobs.
- Planned our second Community Resource Fair, called Posada, in Galena Park. This festival-style event connects more than 50 community partners and their services to hundreds of local families.



MARITIME EDUCATION OUTREACH

Port Houston remains steadfast in our commitment to support the development of a robust workforce and a talent pool of future maritime leaders. In 2023 we kicked-off our Mentorship Program, pairing eight Port staff with eight high school students from our partnering Maritime programs at Stephen F. Austin and Jack Yates. We added two schools to our education efforts, making eight current Maritime High School programs embedded into seven local school districts. In addition, during the summer our internship program welcomed 18 interns, two of whom were from our partnering Maritime program at Pasadena CTE High School.



The Port Houston team continued to focus on community outreach in 2023.

- Port Houston awarded \$395,000 to 18 Community Grantees in 2023 and improved the program by securing a new Grant Management Platform and built-in Equity Lens training to improve grants evaluation. Port Houston's Community Grants Program serves to develop and strengthen partnerships and create greater value for the region. Since its inception in 2020, the Program has invested \$1.25 million into more than 50 projects and programs that support and enhance our local communities.

Safety

This year we are on track to achieve the lowest Lost Time Incident Rate in Port Houston history. Not content to rest on our laurels, we've revamped our safety vision, shifting toward a more comprehensive, holistic approach that encompasses not only the safety of Port Houston staff but also that of terminal users and the wider community.

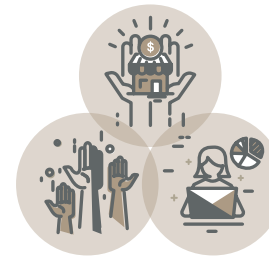
Some of this year's highlights include:

- Organized a Motor Carrier Safety meeting, which garnered participation from more than 60 trucking companies along with representatives from the Texas Trucking Association.
- Received the Safety Excellence Award for a Dredging Stakeholder from the Western Dredging Commission (WEDA) Safety Commission.
- Released the New Terminal Users Safety Video in both English and Spanish, easily accessible on our website, promoting safer practices throughout our operations.
- Volunteered at the 2023 La Porte Health and Safety Fair.
- Attended the Fire Department Instructors Conference (FDIC) in Indianapolis in April of this year. FDIC has approximately 30,000+ attendees every year from around the world.
- Responded to 10,941 incidents in our terminals.
- Awarded the Rear Admiral Richard E. Bennis Award for Excellence in Maritime Security for Port Authorities by the United States Coast Guard.
- Awarded \$1,332,661 in FEMA Port Security Grants for cyber security and emergency management efforts.



Governance

We continue to hold ourselves to the highest standards in our role as stewards of progress. Whether through supporting federal legislature or this region's small-business owners, as just two examples, we aim to be an advocate for so many in our area and lead with thoughtfulness and transparency.



S/MWBE BUSINESS EQUITY PROGRAM

We have continued to grow participation in our small, minority, and woman-owned business (S/MWBE) initiative.

Some of the 2023 highlights include:

- A total of 1,683 Small, Minority, and Woman-Owned Business (S/MWBE) enrolled in our program through September.
- 66% of the 1,683 enrolled S/MWBE firms were MWBEs.
- A total of 62 participants graduated from the OPPORTUNITY U program.
- We hosted an Inclusive Procurement event, which had 200 attendees. Approximately 25% of them have already been added to our vendor pool.
- For the period January through September 2023, total S/MWBE participation is \$64.9M, or 23.3% of the total, in awards and commitments to businesses certified in our programs.



LEGISLATIVE ADVOCACY

We have been engaged in advocacy on various legislation regarding our Port, the Houston Ship Channel and our environment. This year, we worked with the state legislature and TxDOT to secure a historic investment of \$200 million for infrastructure projects at Texas Ports to promote improved infrastructure, efficiency, and cleaner operations. Port Houston was awarded \$35.98 million of those funds. We continue to support Senator John Cornyn's Hydrogen Infrastructure Initiative, focused on ports, and to partner with the Texas Hydrogen Alliance to advocate for Houston to be a hydrogen hub.

We work with several organizations to bring funding and awareness to our environmental and safety opportunities. These organizations include:

- Texas Ports Association
- Gulf Ports Association
- National Association of Waterfront Employers
- National Waterways Conference
- Coalition of America's Gateways and Trade Corridors
- Greater Houston Port Bureau
- Economic Alliance of the Houston Port Region
- Western Gulf Maritime Association
- Greater Houston Partnership
- Bay Area Houston Economic Partnership
- Alliance for I-69
- Texas Hydrogen Alliance
- Congressional Black Caucus
- Blue Sky Maritime Coalition
- Lone Star Harbor Safety Committee
- Galveston Bay Foundation

