



PORT HOUSTONSM



2024
UPDATES

CORPORATE SUSTAINABILITY



MESSAGE FROM THE

Chief Executive Officer

We are pleased to present this 2024 report of our Corporate Sustainability initiatives. This document presents updates on topics including grant awards we've received that support reduction of emissions, how we are working closely with our tenants to mitigate dust and improve air quality, our work to better engage with our neighboring communities, and unique trainings that reinforce safety as a priority, among other items. Nearly two dozen initiatives are highlighted, yet this is just a small snapshot of a much larger picture.

The big picture is that we are collectively focused on the future and committed to running a sustainable organization. Balancing job creation and economic prosperity for our region and continuously investing in improving the quality of life in surrounding communities is not easy, but is something we are deeply committed to at the Port. Annual updates like this one have tracked our progress and reconfirmed our commitment.

We are immensely proud of the steps we took in 2024 that you will read about in this report. We are proud of those areas in which we have been able to lead the way and set new industry standards, and equally excited for those action items where we built relationships, supporting and partnering with others to meet common goals. Port Houston spent nearly \$100 million on these initiatives in 2024, not including our work on the Houston Ship Channel Expansion — Project 11, which also had big sustainability wins. It was an incredible year of forward movement toward the big picture.

Our hope is that when you review these pages you are inspired, energized, and get a sense of just how committed we are to a sustainable future. Thank you for joining us on this continuing journey.

CHARLIE JENKINS
Chief Executive Officer



Governance

At Port Houston, we hold ourselves to high standards. We are driven by our commitment to excellence and to providing transparent insight into our work. Our governance is led by a seven-member Port Commission that is responsible for setting priorities and policies. Port Commission Committees, including Audit, Business Equity, Community Relations, Compensation, Internal Audit, plus the Governance Taskforce, help determine responsibilities and areas of focus.

Recently, two new Commissioners were appointed. Alan Robb was appointed to the Port Commission by the City of Pasadena effective October 2023. Thomas Jones, Jr. was appointed to the Port Commission in February 2024 by the City of Houston.

In 2024, we have updated our Strategic Plan, inviting many varied stakeholders to participate and help outline Port Houston's priorities for the coming years. You can view this document at:
www.porthouston.com



Alan A. Robb
Commissioner



Thomas Jones, Jr.
Commissioner



ETHICS & TRANSPARENCY

In 2024, Port Houston received a Certificate of Achievement for Excellence in Financial Reporting for the 50th consecutive year. This award was given by the Government Finance Officers Association for our Annual Comprehensive Financial Report and demonstrates our commitment to transparency.

Also in 2024, Port Houston was awarded a State Comptroller's Program Transparency Star for Procurement Transparency. Port Houston also has Transparency Stars in the areas of Traditional Finances, Debt Obligations, and Public Pensions.



Environment

Port Houston has continued to be an environmental leader and engage in meaningful partnerships that move our industry toward a sustainable future. We are also decarbonizing our operations to achieve our 2050 carbon neutrality goal.



CARGO HANDLING EQUIPMENT (CHE) ELECTRIFICATION

In 2024, we added five new hybrid electric rubber-tired gantry (RTG) cranes. These additions mean that ~40% of our RTG cranes are now hybrid electric, and they produce 90% less air quality emissions and 30% less carbon dioxide emissions than standard models. Port Houston has committed to continue to purchase hybrid electric RTG cranes while also converting its remaining RTG fleet where applicable. Also, since 2020, our fully electric ship-to-shore cranes have been powered by 100% renewable electricity. In addition to our crane electrification efforts, Port Houston is also exploring electrifying its terminal trucks. We have partnered with an electric terminal truck manufacturer to pilot their all-electric terminal tractor, assess the equipment's performance and evaluate its suitability for container operations.



GRANTS

In 2024, Port Houston was successful in securing Reduction of Truck Emissions at Port Facilities (RTEPF), Clean Ports Program (CPP), and Port Infrastructure Development Program (PIDP) federal grant funding. These funds will help to introduce zero emissions technology, improve air quality, support climate action and resiliency, strengthen relations with nearby communities, facilitate local workforce development, support agriculture exports, and improve stormwater drainage for local community.

Total RTEPF federal funding - \$25,105,985

Total CPP federal funding - \$2,981,399

Total PIDP federal funding - \$25,359,216



TERMINAL DUST MANAGEMENT

Reducing particulate matter in the air from operational work improves local air quality while minimizing the environmental impact of port operations. A significant aspect of this initiative requires tenant participation and collaboration. In 2024, Port Houston worked with tenants to develop and submit comprehensive Dust Management Plans, encouraging best management practices to control and reduce dust emissions. Though the work is ongoing, the widespread tenant participation and increased awareness are promising.

Collaboration and Innovation

Acting as a supporting coalition organization, Port Houston was delighted to hear that the U.S. Center for Maritime Innovation is to be established. The vision for the Center is for it to support the study, research, development, assessment, and deployment of emerging marine innovation technologies and practices related to the maritime transportation system. Two of the Center's near-term priorities are marine energy transition and maritime decarbonization, both of which will support Port Houston's 2050 carbon neutrality goal.

This Center will become an important maritime national resource, and Port Houston will continue to support the Center through ongoing engagement and development work activities.

In the spirit of innovation and decarbonization, Port Houston and partners have entered a Memorandum of Understanding (MOU) with the Port of Antwerp-Bruges on energy transition cooperation. Specifically, this MOU partnership will explore the feasibility of establishing a green corridor between the ports of Houston and Antwerp-Bruges. Additionally, the MOU will explore import-export opportunities for renewable and low-carbon molecules as well as exchanging best practices, knowledge, and research.

In November, the HyVelocity Hydrogen Hub agreement was signed, ushering in clean energy progress across the region. Port Houston is the key Infrastructure and Community Partner, supporting community aspects of this \$1.2 billion grant, \$10 billion investment program.

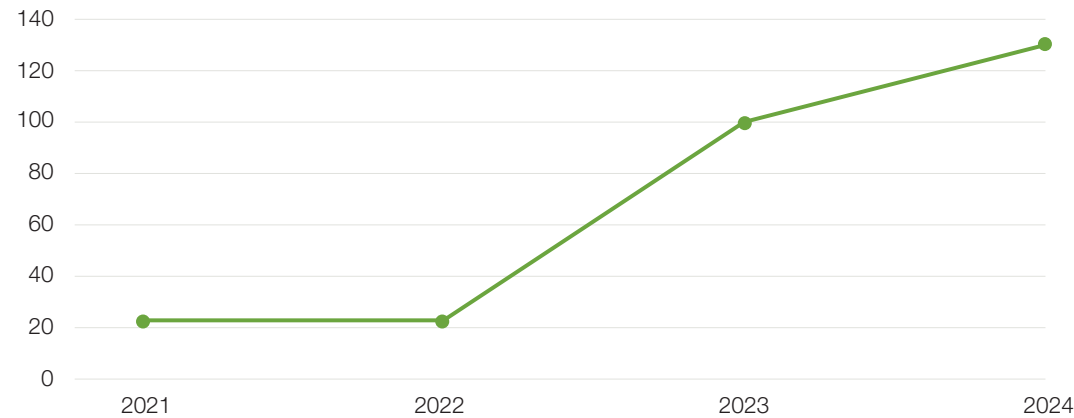
Environment



ENVIRONMENTAL MANAGEMENT SYSTEM

As part of Port Houston being the world's first publicly owned port to be certified to the International Organization for Standardization (ISO) 14001 Environmental Management System, regular audits are required. Reviews of our environmental policies and procedures and our tenants' practices are required to ensure ongoing compliance and environmental leadership. In the past two years, the Port team has focused on increasing our tenant audits to improve our environmental and permitting due diligence.

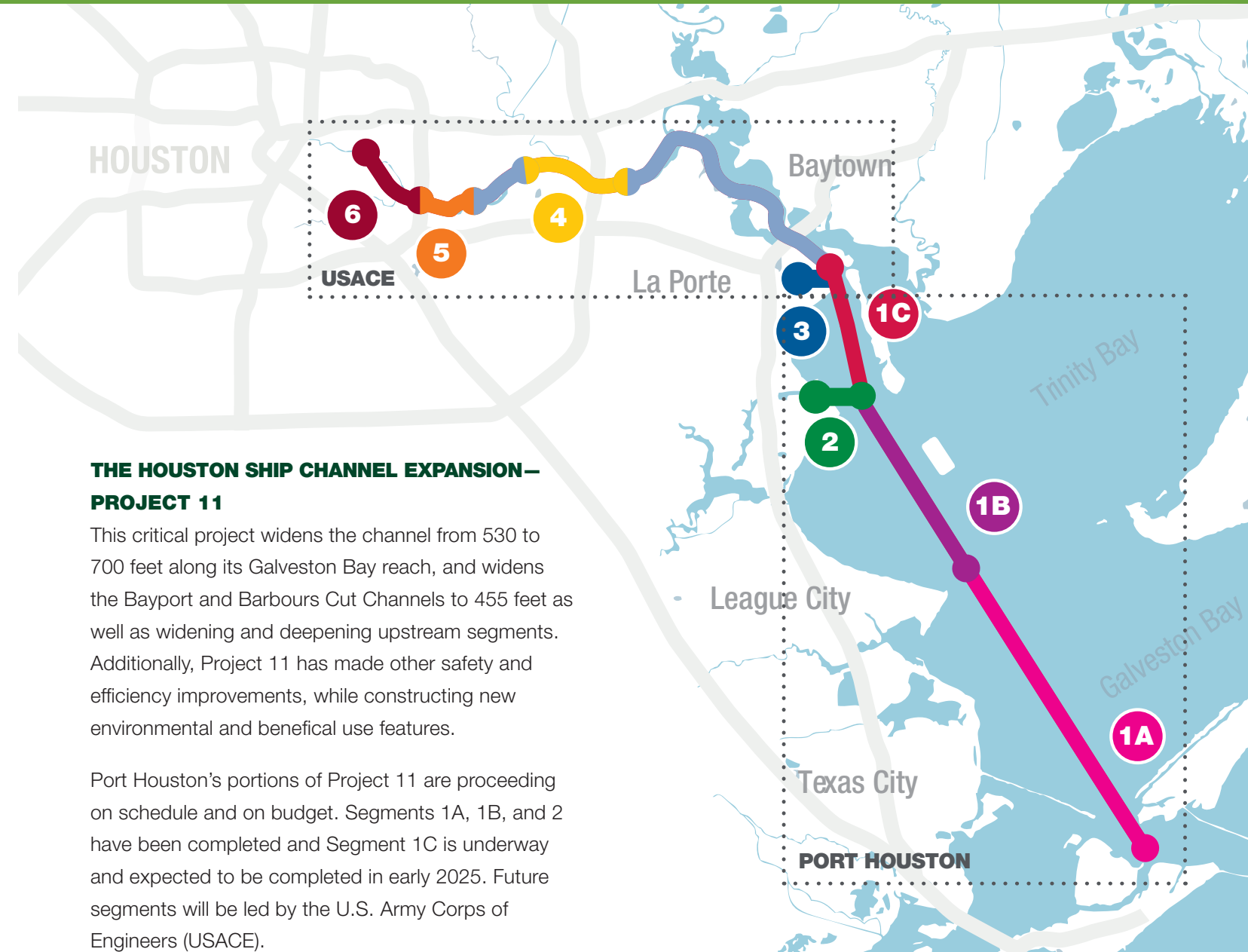
Trend: Tenant Audits



Recognized for Environmental Leadership

In 2024, Port Houston received an award from the Texas Commission on Environmental Quality (TCEQ) at the Governor's Texas Environmental Excellence Awards in the category of Pollution Prevention. This award recognized our work to reduce emissions at our terminals, including piloting an electric yard truck, purchasing hybrid electric RTG cranes, and using LED lighting.

Also in 2024, the North American Marine Environment Protection Association (NAMEPA) awarded Port Houston its 2024 Port Award, recognizing Port Houston's efforts in environmental stewardship, youth maritime education, and beneficial marsh and reef construction in Project 11.



THE HOUSTON SHIP CHANNEL EXPANSION—PROJECT 11

This critical project widens the channel from 530 to 700 feet along its Galveston Bay reach, and widens the Bayport and Barbours Cut Channels to 455 feet as well as widening and deepening upstream segments. Additionally, Project 11 has made other safety and efficiency improvements, while constructing new environmental and beneficial use features.

Port Houston's portions of Project 11 are proceeding on schedule and on budget. Segments 1A, 1B, and 2 have been completed and Segment 1C is underway and expected to be completed in early 2025. Future segments will be led by the U.S. Army Corps of Engineers (USACE).

Port Houston has prioritized sustainability in its Project 11 dredging contracting by using some of the cleanest dredges available. For example, two of the dredges used for Segments 1B and 1C are equipped with the latest technology in air emission engines, EPA Tier 4. Additionally, upon completion, Project 11 is expected to improve regional air quality between 3 and 7% by increasing the efficiency of vessel movements and reducing congestion in the Houston Ship Channel.

Project 11 also includes a focus on beneficial use for new work dredged material. Port Houston and the 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. To date, construction of the oyster reefs is nearly complete (264 acres) and the remaining Project 11 environmental features are expected to be completed in 2025.

Social

At Port Houston, we continue to strengthen the communities around us through a variety of programs and projects. Whether it's revitalizing green spaces, providing community grants, supporting small, minority, and women-owned businesses, or building the regional maritime workforce, we have focused on listening, partnering, and investing both time and money that is truly making a difference.



PARKS & GREEN SPACES

This year we signed an agreement with the Armand Bayou Nature Center under which they will maintain our Memorial Tract property, which spans about 140 acres. Armand Bayou is known as one of the largest urban wilderness preserves in the U.S. and is home to diverse wildlife and native plants, right in our backyard. Plans for the property include bird watching for the community to enjoy nature and wildlife in the area. Port Houston also submitted this initiative for federal funding, providing the \$6.27 million local match.



COMMUNITY ENGAGEMENT EVENTS

This is our third year to plan and host a community resource fair, featuring more than 50 community partners that provide their services in areas like food, healthcare, workforce, and more. This is our biggest community engagement event, but just one of the moments this year when we connected community members with valuable resources.



COMMUNITY GRANTS

In 2024, Port Houston's Community Grants program awarded \$400,000 to 19 programs, making a real, positive impact on our neighbors. Since the program's inception in 2020:



More than 10,000 people have been assisted



1,600 people provided with food



700 trained for the workforce



S/MWBE BUSINESS EQUITY PROGRAM

Port Houston values equitable access to opportunities as the cornerstone of a sustainable and prosperous future for the Port. We are guided by the principles of fairness, inclusivity, and accountability, ensuring that our procurement processes and business practices reflect the diversity of our region.

In 2024, Port Houston surpassed \$1 billion in awards and commitments to small, minority, and women-owned businesses (S/MWBEs) since launching our Small Business Development Program in 2002 and the MWBE program in 2021, reflecting a strong commitment to empowering underrepresented communities.

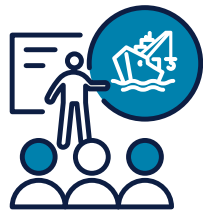
Other S/MWBE initiative facts:

- There are 1,780 certified businesses in our directory, an increase of 13% over the same period last year.
- Opportunity U, a 10-week capacity-building program designed to help S/MWBEs compete for contracts at Port Houston, graduated 53 participants in 2024.
- We hosted the second-annual Inclusive Procurement Day, an event open to the public that promotes business and procurement opportunities. The event brought more than 225 participants.



CULTURE ENGAGEMENT

In 2024, we introduced impactful initiatives such as training focused on microaggressions and workplace respect, expanded workforce development programs with local schools and universities, and engaged employees through cultural celebrations like Black History Month, Asian American Native Hawaiian Pacific Islander Heritage Month, and Hispanic Heritage Month.



MARITIME EDUCATION OUTREACH

The development of a robust workforce and a talent pool of future maritime leaders remains a priority at Port Houston. We currently have eight Maritime High School programs embedded into seven local school districts. In this year alone, we had 86 graduates in the 2024 class of maritime education. Our Regional Workforce Development Mentorship Program pairs sixteen Port volunteers with sixteen high school students from partner schools Stephen F. Austin, Jack Yates, Texas City ITC, and Pasadena Career and Technical High Schools. In 2024, we also expanded the mentorship program to include four college students from Texas Southern University's Maritime Transportation and Security program.

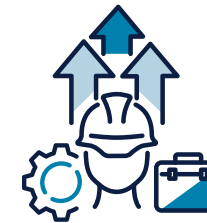
This year we also hosted our annual Community Job Fair in partnership with SER Jobs to promote career opportunities and connect qualified individuals to good-paying industry jobs. In attendance were 39 hiring industry partners and more than 600 job seekers.



ECONOMIC DEVELOPMENT AND FTZ

Port Houston manages and administers Foreign Trade Zone (FTZ) No. 84, fostering economic development through collaborations with privately-owned and Port-owned sites throughout Houston, including Harris, Waller and Wharton Counties. In 2024, we engaged with over 263 state and regional economic development partners, including the Governor's Economic Development Office, the Texas Economic Development Corporation, and the Greater Houston Partnership. We also worked closely with the Houston Industrial Real Estate community, site selectors and FTZ stakeholders, such as the U.S. Foreign Trade Zones Board and Customs and Border Protection.

Port Houston's stewardship of FTZ 84 resulted in nine new FTZ sites being added in 2024. These developments contributed to \$25-\$50 billion in merchandise received and \$1-\$5 billion in exports while supporting the creation of approximately 9,000 jobs. This aligns with Port Houston's focus on providing economic opportunities to the local workforce, fostering community development, and contributing to regional prosperity.



EMPLOYEE DEVELOPMENT

In 2024, we placed special emphasis on ensuring available employee training programs across all levels of our organization. The Administrative Professional Circle, Supervisor Development Program, Management Development Program, and Executive Development Program all fit this need. We also launched a cross-training program we call BRIDGE (Building Relationships and Integrating Departmental Growth for Employees) and the opportunity for staff to take conversational Spanish lessons. The Port Houston Academy is also available for nominated staff to increase their knowledge and skills in the areas of financial and business acumen, project leadership, stakeholder relationship management, and executive communications. These programs, combined with weekly forums, apprenticeship and skills training, internal mentorship, and required compliance training, provide many opportunities for staff to build their capacity, knowledge, and skills.



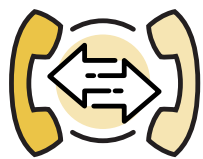
Safety

At Port Houston, we believe safety is everyone's responsibility. We empower our staff members to report safety concerns and suggest changes that can help us improve. We also extend our priority of safety beyond our own staff. For example, we are helping ensure terminal contractors and other visitors are aware of our safety protocols. In 2024 we conducted drills, participated in trainings, and focused on outreach to help build a culture of safety within and beyond our own walls.



OCCUPATIONAL HEALTH & SAFETY

In 2024, the Port Houston team updated the Terminal User Safety Manual to communicate safety procedures, standards, and work-related rules to tenants, stevedores, contractors, truck drivers, and visitors to Port Houston facilities. We also established new committees to help make the workplace safer, like the Motor Carriers Safety Committee and the Port Partners Safety Committee.



EMERGENCY MANAGEMENT

At the Port Houston Emergency Operations Center this year we held a tabletop exercise where 32 Port Houston staff members from across the organization discussed their roles and responsibilities during a tropical weather event. Topics and scenarios were presented covering the preparedness, response, and recovery phases of a hypothetical hurricane impacting the Houston area. Once the exercise was complete an After-Action Review was conducted to determine the strengths and areas where our hurricane plans can be improved.



SECURITY

In 2022, a revised ISO 28000 (the requirements for security management) standard was released, with compliance mandated by 2025. Port Houston successfully met the new requirements and underwent an audit for the updated standard in 2024. The certification audit scheduled for June 2025 will officially validate our adherence to the ISO 28000:2022 standard. Port Houston was the first port to achieve ISO 28000 certification in 2007 and continues to be the only port in the U.S. with this certification.



CYBER SECURITY AND INFRASTRUCTURE

We conducted a security education, training, and awareness drill and are proud to report that Port Houston is the first and only port in the U.S. to successfully conduct a penetration test of this sophistication, integrated with current FBI-led intelligence operations. This drill not only set a new standard for security preparedness but also provides a model for other U.S. ports to follow. The intelligence gathered has received high praise from the FBI, further emphasizing the importance of this ongoing partnership.

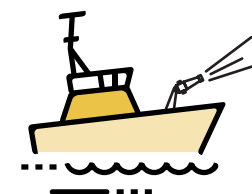


POLICE

Reflecting our commitment to building a skilled workforce, in 2024 we implemented a Police Cadet program. This allows individuals without prior law enforcement experience to gain employment with the Port Police Department while attending the police academy at Houston Community College. Upon successful completion of the academy, participants will be hired as probationary Port police officers.

In 2024, as part of the Patrick Leahy Bulletproof Vest Partnership, Port Houston received a federal grant to cover 50% of the cost to purchase 23 new bulletproof vests for use by our Police Department as part of their uniform requirements. This funding will ensure the safety of our police officers who protect and secure Port Houston and its operations.

Total federal funding - \$17,178



FIRE

The Port of Houston Fire Department has introduced Officer Development Programs aimed at cultivating leadership skills among aspiring Captains and Senior Captains. These programs focus on fostering the qualities needed for effective leadership, such as motivation, coaching, communication, and interpersonal skills. The key aspects of the programs include:

- 1. Certification Requirements:** Participants must meet certain state certification standards, including Fire Officer and Fire Instructor credentials.
- 2. Practical Experience:** The curriculums require on-the-job training, which includes completing shifts at different fire stations and being mentored by current senior officers.

The Port of Houston Fire Department has also enhanced its New Hire Mentor Program by introducing a comprehensive six-month program. During this program, new hires will rotate through all three fire stations and work across all three shifts for one month at each station. This approach allows new team members to learn from a variety of leadership styles and operational perspectives.

The Fire Department is also involved with the Lone Star Harbor Safety Committee and the Central Texas Coast Area Committee, which has had significant local and national impact. By serving as subject matter experts in marine firefighting, Fire Training Officers, Fire Inspectors, and other department personnel are not only enhancing local preparedness but also contributing to broader safety initiatives.

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