TRAPAC LOS ANGELES

SUSTAINABILITY REPORT 2021

TraPac

Safety • Service • Sustainability

LETTER FROM OUR CEO

A Challenging Year

Dear Reader,

2021 brought market challenges that catapulted our industry to the forefront of every news headline around the world. The Port of Los Angeles witnessed historic level volumes and processed more cargo than any port in the Western Hemisphere. This put pressure on not only our own workforce, but on every node of the supply chain. With containers being stacked up on terminals with nowhere to go, vessels were waiting weeks and in some instances months, out at anchor. Our team was required to work harder than ever to keep up with the demand that seemed to have no end in sight. With the pandemic still disrupting our lives both at home and at work, this was a daunting task. It was certainly one of the most polarizing times in the history of containerized shipping.

Despite these challenges, 2021 was also a year of tremendous accomplishment thanks to our resilient team. We recorded significant productivity milestones ranging from the most throughput ever handled in our history, to offering customers new landside services to keep up with the ever-increasing demand for faster delivery. TraPac worked tirelessly to get cargo moving and into the hands of consumers; servicing hundreds of ad-hoc vessels charted by some of the world's largest retail companies. We also became more actively involved with the International Seafarers Center of POLB-LA (ISC); a local non-profit group dedicated to supporting seafarers get the services they need after months of being at sea.

Across our company, we challenged our staff to maximize existing assets and densify our operation while still maintaining focus on environmental stewardship. Our employees rose to the challenge and ramped-up their efforts in key areas to deliver results. For example, we partnered with leaders in the clean energy field at America's Zero Carbon Action Plan (ZCAP) to demonstrate a first-of-its-kind cargo handling hydrogen tractor truck. We completed our second Green Marine Verification and achieved a perfect score in the areas of Green House Gases and Spill Prevention and Storm Water Management. To further reduce our carbon footprint, we retrofitted 200 of our high mast light fixtures and replaced with new LED fixtures. In line with our net zero CO2 target for 2030, we took steps to accelerate our equipment transition to greener fleets and replaced propane trucks with hybrid electric vehicles for our work force.

In addition to our work in sustainability, we made efforts to ensure that the health and safety of our employees remained our core focus. In 2021, we processed over a 130 Over-the-Road truck training requests, a program aimed at reducing the risk of unsafe driver behavior. Our safety committees were expanded to include more participation and interactive discussion with the purpose of bringing safety into focus for all departments. TraPac was proudly presented with the Pacific Maritime Association Coast's Three-Year Reduction Award, an award given to companies who have reduced their lost-time incident rate three consecutive times over a four-year period. Zero workplace injuries is a key pillar to our organization, and I am confident we will continue to see reductions.

With the unavoidable setbacks created by the supply chain disruptions, there was a negative impact on total carbon emissions relative to the increase in volume. While we recognize that there is more work to do, we are proud of the progress we are making today. We look forward to sharing our results with you as we work towards building a better future for our employees, communities, and supply chain partners.

Dan Bergman, Chief Executive Officer

ABOUT TRAPAC LOS ANGELES

TraPac was established in 1985 as a wholly owned subsidiary of Mitsui O.S.K. Lines, Ltd. (MOL) to operate a competitive container terminal featuring state of the art technologies and facilities in the Port of Los Angeles. In 2014, TraPac Los Angeles became the first facility on the West Coast to introduce automation of loading/unloading operations. With an equipment investment over $200 million dollars, the results dramatically reduced terminal emissions. TraPac was the very first container terminal in the world to implement automated on-dock rail, using a combination of automated straddle carriers and rail mounted gantry cranes bringing total volume capacity from 882,000 TEUs annually to 1.6MM TEUS. As pioneers in the industry, TraPac continues to invest in sustainable technology and equipment to find solutions that improve overall efficiency and operational safety. TraPac is headquartered in Los Angeles, California.

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PREMIUM SERVICE FOR PREMIUM SHIPPERS

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OUR FOCUS

SAFETY

Providing a safe environment has been one of the core tenants of TraPac's operating philosophy since we were founded more than 30 years ago.

SERVICE

TraPac continues to invest in efficiency technologies that improve cargo velocity and reliability as part of our commitment to premium service for premium shippers.

SUSTAINABILITY

TraPac is committed to being a responsible corporate citizen that is recognized for its leadership in environmental, economic, and social sustainability programs.

OUR SUSTAINABILITY STRATEGY

Our sustainability strategy focuses on developing innovative solutions that increase efficiency, protect the environment, and enhance customer satisfaction

The volume of shipping containers moving through the San Pedro Port Complex has nearly tripled since the mid-1990s making the port the largest source of air pollution in Southern California. The California ports are therefore facing a suite of measures and strict state regulations to reduce pollution and transition towards zero-emission operations.

TraPac Los Angeles supports the forthcoming regulations targeting emissions from ships and cargo handling equipment which is essential to further reduce the effects of climate change. Improving air quality through investments in low-emission equipment and infrastructure is not only good for the environment but also increases our value as an organization. In addition, we recognize that our customers are actively seeking new methods to reduce the environmental footprint of their supply chains and at TraPac, we are committed to fully integrating sustainability into our operations and living up to the UN Sustainable Development Goals.

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals (SDGs) pledge action on 17 critical social and environmental issues – from ending hunger and poverty to fighting climate change and inequality – by 2030. The private sector and individuals are expected to play a critical role in solving these global issues – governments cannot achieve them alone. We are responding to the global challenge by aligning our sustainability priorities with three of the 17 SDGs.

OUR BUSINESS

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SAFETY FIRST

Our mission is to create a foundation of best-in-class safety programs that protect our people and drive continuous improvement.

At TraPac Los Angeles, we understand how important it is to implement control measures to reduce the risk of serious injury. Over the past years, we made investments in state-of-the-art technologies that have dramatically improved safety and exposure to hazards associated with container handling. Our fully automated process, which occurs behind a fenced-in area, is designed to keep humans and machines separate. Significant safeguards have been implemented for on-road trucks to ensure the highest safety standards for cargo pickup and delivery. For example, drivers step out of their cab during the delivery process and are segregated from the automated operation via a safety sensor system. Proactively managing the safety of these automated processes is vital to maintaining effectiveness and preventing injury. An example of how we do this is the launch of Trucker Training Program in 2019. The program offers inexperienced drivers relevant training to carry out their jobs safely in an automated work environment.

Efforts to address our long-term safety strategy continue with a focus on our approach to safety as a core foundational value. Realizing we had to go above and beyond, we established a new Health Safety Security Environment (HSSE) department and onboarded new staff members who thoroughly reviewed and refined our safety, environmental, and vendor management programs helping to further reduce the risk of incidents. We also launched the DuPont safety leadership training program, a best-in-class safety management system (SMS) designed to reduce incidents and transform our safety culture from the top, down. With these systematic efforts, TraPac continues in its endeavor to create an even stronger safety culture. Our goal is to empower all employees with the responsibility of their own safety and that of everyone – from colleagues to vendors, workers, and visitors.

SAFETY HIGHLIGHT

In 2021, TraPac was presented with the Pacific Maritime Association Coast Three-Year Reduction Award for companies who have reduced their lost-time incident rate three consecutive times of a 4-year period.

2021 COAST ACCIDENT PREVENTION AWARD

SECURITY AGAINST TERRORISM

TraPac is firmly committed to providing its stakeholders, visitors and employees with comprehensive protection and security against terrorism. In 2021, TraPac Los Angeles was re-certified by the Customs-Trade Partnership Against Terrorism (C-TPAT: Aqua Lane) initiative led by U.S. Customs and Border Protection (CBP), which focuses on improving the security of private companies' supply chains with respect to terrorism. To achieve C-TPAT certification: Aqua Lane, TraPac crafted and implemented processes for determining and alleviating security risk factors. For example, revised hazardous container segregation protocols, contractor escort security training, along with improvements to physical security were established above minimum compliance.

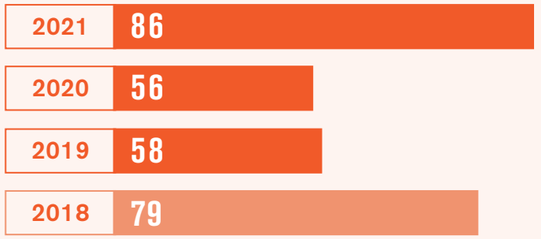
TRUCK TRAFFIC MIGRATION

As part of our continued efforts to minimize delays for cargo owners and mitigate our environmental impact, we dedicated significant focus to the efficiency of our automated truck delivery which reduces harmful pollutants caused by idling on-road truck emissions. This is important given that an average of 1,000 trucks move through our terminal every shift. Burning fossil fuels from idling trucks releases carbon dioxide, a greenhouse gas, into the atmosphere. At TraPac, truckers are directed to an automation area where they wait (engine off) while we bring their containers to them for either a single or 'dual transaction', meaning to deliver and pick up a container in one trip. This significantly reduces the truckers 'idling' time within our terminal. In addition, the faster the speed of transaction, the less 'engine on' idling time is experienced from start to finish.

TERMINAL EMISSIONS FOR ON-ROAD TRUCKS

TraPac's average truck turn- time for 2021 was 86 minutes, a 20-minute increase from our 2020 average of 56 minutes. The increase is related to global supply disruptions, as warehouses became overwhelmed, cargo dwelled longer on terminal. Delivery equipment ran overtime as maximum appointments were added to assist the trucking community retrieve cargo. These challenges are expected to continue into 2022, but we our confident our turn-times will revert back to pre-pandemic levels.

TRUCK TURN TIMES (In minutes)



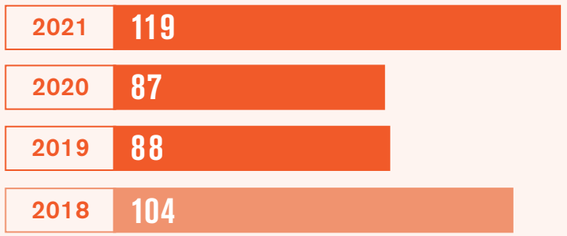
*data includes: in-queue / terminal / out-queue

TOTAL HOURS IDLING

*per 10,000 container moves

GREENHOUSE GAS IN TONNES

(metric tonnes) per 10,000 container moves



*Source: Harbor Trucking Association *Automation yard only

DIGITAL INTEGRATION

There is considerable demand from our stakeholders for digital solutions that speed the processing of information. Therefore, it is imperative for our organization to continually innovate and improve our data sharing processes to advance our supply chain performance.

In 2019, TraPac released Application Programming Interface (API) access to help enable customers to effectively manage their shipments in real-time. TraPac's API allows stakeholders to track import container availability, export booking appointment availability, equipment history, and vessel schedules through a secure channel to the terminal operating system. The project was widely embraced among drayage providers using transportation management systems (TMS) who saw immense benefits such as reductions in truck transit times due to more efficient dispatching, as well as resulting in reduced emissions.

We are enhancing our API further to include empty appointment availability which will provide stakeholders with even greater planning capabilities by improving the visibility of their cargo.

EQUIPMENT ELECTRIFICATION

TECHNOLOGY SHOWCASE

Our corporate approach to equipment procurement assesses safety, environmental and productivity criteria to ensure optimal equipment performance. We are continually looking ahead to the cleanest available cargo-handling technology.

As the first terminal in California to implement automated systems including truck handling, on-dock (intermodal) rail and customs scanning, we were pioneers in the industry taking on the sustainability challenges in its earlier stages.

While our container handling fleet largely deploys the cleanest available cargo-handling technology, including hybrid electric-powered automated straddle carriers, automated electric stacking cranes (ASCs), and electric rail mounted gantry cranes (RMGs), twenty percent of our fleet still operates using diesel powered container handling equipment (CHE). Our "in-use" CHE engines are Tier 4 and fully compliant with regulations set forth by the Environmental Protection Agency (EPA) and California Air Resources Board (CARB). The fleet includes Tier 4 diesel engine utility tractor trucks and diesel-powered side handlers. Our target is to replace all diesel-powered equipment with alternative fuel and/or battery electric equipment.

Currently, we are in our third phase of a five-phase terminal automation upgrade. Transforming from a traditional diesel-powered container handling equipment to automated technology was accomplished through a multi-stage project. The first phase began operations in 2012, which realized an integrated solution using both ASCs and automated straddle carriers in concert with one and other. The second and third phases were followed between 2014 and 2018 by adding 11 more crane blocks and an increasing our auto-strad fleet. The facility infrastructure for the fourth phase of the project has been completed with plans to order additional equipment when further capacity expansion is needed. Phase five is planned to replace the conventional portion of the terminal currently operating in this area with zero-emissions container handling equipment.

In 2021, TraPac became the first container terminal in the Port of Los Angeles to use renewable diesel in our cargo handling equipment. Renewable Diesel is an environmentally superior diesel fuel produced from non-petroleum renewable sources, including vegetable oils and animal fats. The results are lower emissions when compared to CARB's 10% aromatic diesel reference fuel.

TraPac has also enrolled in the Low Carbon Fuel Standard (LCFS) program, a voluntary compliance measure put forth by the California Air Resources Board. The program is designed to decrease the carbon intensity of California's transportation pool through the use of clean technology and encouraging the use of zero-emission vehicle adoption.

"We've invested in the future, using automation technologies to move cargo through the terminal quickly and safely, heighten security for personnel and cargo, minimize customer risk and delays and reduce emissions."

-Mark Jensen,
Vice President, Asset Management

OUR PERFORMANCE

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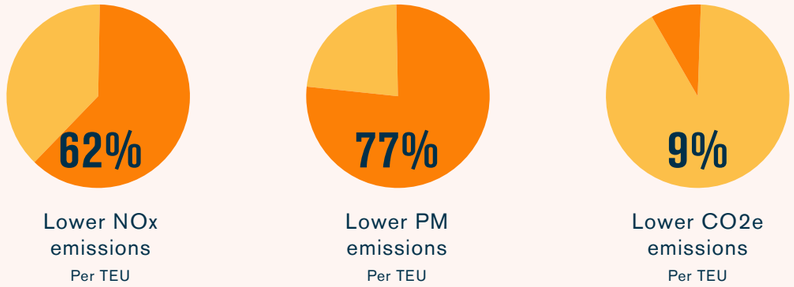
OUR EQUIPMENT PERFORMANCE

IN 2021 COMPARED TO 2013 LEVELS, PRIOR TO AUTOMATION

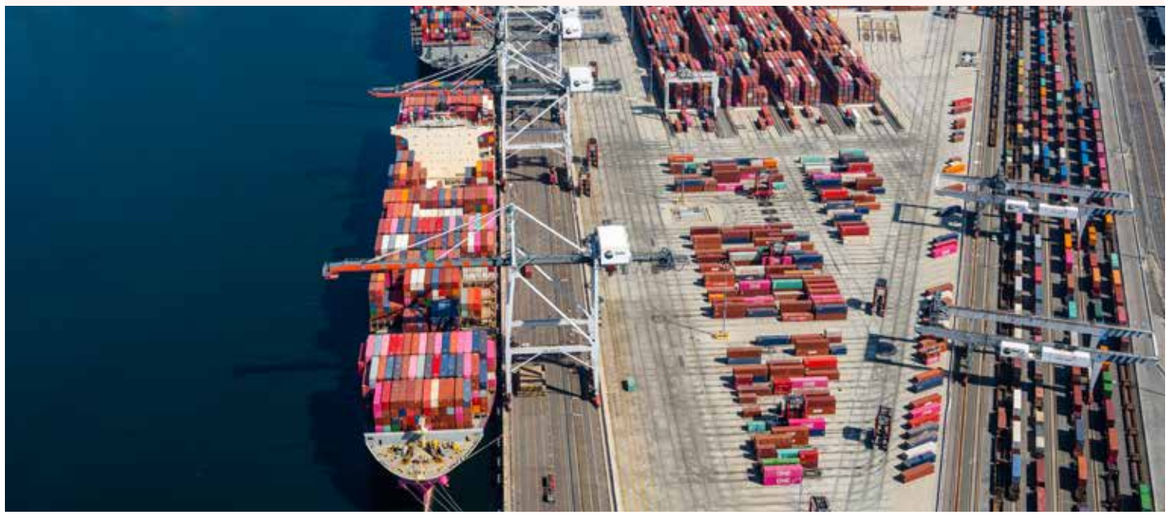


Lower NOx emissions Per TEU

Lower PM emissions Per TEU

Lower CO2e emissions Per TEU

100% of Vessels that call at TraPac use alternative maritime power (AMP) or an equivalent technology to reduce harmful pollutants & greenhouse gases



ENVIRONMENTAL PERFORMANCE

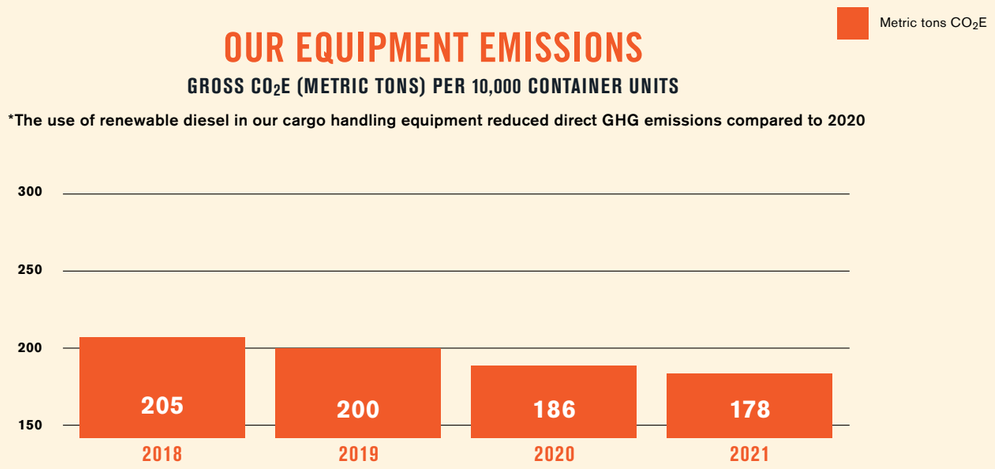
GHG EMISSIONS FOR SCOPE 1 AND 2, (tonnes, same as metric tons)

CATEGORY	SCOPE EMISSIONS DEFINITIONS	2019	2020	2021
Direct GHG emissions (Scope 1 GHG emissions)	Direct emissions from owned or controlled sources	8,931	11,160	9,271
Indirect GHG emissions (Scope 2 GHG Protocol)	Indirect emissions from the generation of purchased energy	6,801	7,643	5,335

OUR EQUIPMENT EMISSIONS

GROSS CO_2E (METRIC TONS) PER 10,000 CONTAINER UNITS

*The use of renewable diesel in our cargo handling equipment reduced direct GHG emissions compared to 2020



INDIRECT EMISSION REDUCTIONS

OCEAN GOING VESSELS

In California, ocean-going vessels release nearly twice the smog-forming emissions of nitrogen oxides as all of the automobiles in the state. Additionally, when a container ship idles while at berth, it emits more pollution than 40,000 cars release each day (according to emissions data from state and federal environmental regulators). 100 percent of the vessels calling at TraPac use alternative maritime power (AMP) or equivalent technology to reduce greenhouse gases. We have a number of programs and technologies to help mitigate vessel emissions, including:

Capture and Control System (Bonnet Technology)

Alternative Maritime Power (AMP)

Alternative Maritime Power (AMP)

AMP enables a ship to plug into the electrical grid for on-board power so it can shut down its auxiliary engines while at berth. In addition to eliminating 95% of all vessel emissions while at berth, AMP also lessens noise pollution and frees up engines for maintenance.

Bonnet Systems

For ships that are not AMP-capable, the bonnet technology captures emissions at the smokestack and processes the exhaust through a series of emission control systems. TraPac invested approximately $5 million in testing and demonstration of the bonnet technology and is proud to offer this option so that all vessels that come to TraPac can reduce harmful emissions while at our berths.

Vessel Speed Reduction (VSR) Program

When container ships call at our terminals, we monitor their participation in the ports' voluntary VSR programs, which instruct ships to slow to 12 knots within 40 nautical miles. The VSR program conserves fuel and reduces all harmful pollutants.

Vessel Fuel Switching Program

TraPac's Marine Operations Director Bill Schopp, a 30-year veteran of TraPac was recognized by the Port of Los Angeles for his significant contributions to the Vessel Fuel Switching Program (VFS). VFS requires container ships that use high-sulfur heavy fuel oils to switch to lower sulfur marine gas oils while in port. These efforts substantially reduced ship stack emissions and improved air quality across the region and along the California coast.

OUR PERFORMANCE

TIME AT BERTH WITH ENGINE OFF				
TOTAL	2018	2019	2020	2021
Hours of Alternative Maritime Power Used	7,813	7,935	12,965	11,151
VESSEL EMISSIONS AT BERTH				
CO2E emissions (metric tons)	2018	2019	2020	2021
Ocean Going Vessel (OGV) emissions at berth	5,504	6,475	11,795	14,639

*On July 31, California Governor Gavin Newsom signed emergency proclamation suspending AMP usage in order to free up energy capacity amid extreme heat wave.

(L) Gene Seroka, Executive Director, Port of Los Angeles with (R) Bill Schopp, Director Marine Operations

HEALTHY OCEANS

PROTECTING OCEAN HEALTH THROUGH DATA COLLECTION

We pledge our commitment to safeguarding our oceans and its marine life by taking meaningful actions to preserve its resources for generations to come.

We must manage our oceans in a sustainable way to ensure its health for future generations – this requires continuous scientific observation and data collection. TraPac has a dedicated environmental team that works directly with local and environmental agencies to address the reduction of harmful substances going into the ocean through storm water discharge.

TraPac's storm water discharges are regulated by the Industrial General Permit ("IGP"). The State Water Resources Control Board (State Water Board) and Regional Water Quality Control Boards (collectively, the Water Boards) implement and enforce the IGP. The Water Boards work for the protection of groundwater and surface waters in the State of California. TraPac adheres to the requirements of the IGP and implements best management practices (BMPs) at both its Los Angeles and Oakland terminals. Over the past three years TraPac has dedicated resources and developed programs to ensure results are above and beyond compliance.

STORM WATER QUALITY RESULTS 2019-2020

Analytical Parameters	pH (s.u.)	Total Suspended Solids3 (mg/L)	Oil & Grease (mg/L)	Aluminum (mg/L)	Iron3 (mg/L)	Lead (mg/L)	Zinc3 (mg/L)
2019 Average	N/A	29.6	5.5	0.23	0.3	N/A	0.23
2020 Average	N/A	58	9.3	.072	0.8	0.0064	0.67
2021 Average	N/A	58.1	9.33	0.717	0.766	0.006	0.672
TARGET BASELINE	N/A	100	15	0.75	1.0	0.262	0.26

*These values are the calculated average of all sampling results for the reporting year.

CORPORATE SUSTAINABILITY PROGRAMS

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We believe in investing in transparent and meaningful relationships with our employees, customers, business partners, and communities where we operate.

Enhancing Transparency with Stakeholders

To be a good partner in the communities where we work, we need to build partnerships through positive engagement and collaboration. In 2019, we launched the TraPac Trucker Outreach Program, an in-person group session designed to comprehensively address topics – from driver safety and security to improving operations and air quality.

Our goal is to establish an effective communication channel with drayage providers while continually improving their terminal experience through truck efficiency and white-glove customer service. TraPac also became a member of the Harbor Trucking Association, a coalition of intermodal carriers who advocate on behalf of licensed motor carriers serving America's west coast.

Office Sustainability Programs

TraPac promotes responsible and sustainable corporate policies and office practices. Our corporate headquarters was designed with conserving energy and environmental resources in mind.

- **LEED Certified Building:** TraPac's corporate office obtained the Leadership in Energy and Environmental Design (LEED) Gold certification level.

- **Solar Panels:** TraPac installed solar panels on our corporate office, parking lot, and backlands, providing renewable power to offset some fossil-based energy use.

- **EV Charging:** TraPac offers easy EV charging access for employees at our corporate office in Los Angeles.

- **Bike lockers:** Secure bike lockers and showers are available for cyclists.

Corporate recycling is a renewed area of focus and TraPac continues to move toward an eco-responsible environment. TraPac is AB 341 compliant in the state of California. All our waste goes to an advanced Materials Recovery Facility (MRF) where recyclable items are separated from waste to ensure compliance.

TraPac Trucker Outreach Meeting, Oakland, CA

SOCIAL RESPONSIBILITY

Our mission is to give back to our local communities through supporting positive after-school mentorship and health programs, with a focus on underrepresented groups.

Boys and Girls Club of Los Angeles

Our longstanding financial support for the Boys & Girls Club of Los Angeles helps provide quality after-school programming for students, including youth from families that have lower income, potential first-generation college students and others, that enriches their lives through academic success, developing healthy lifestyles and becoming civically engaged.

FIRST Robotics

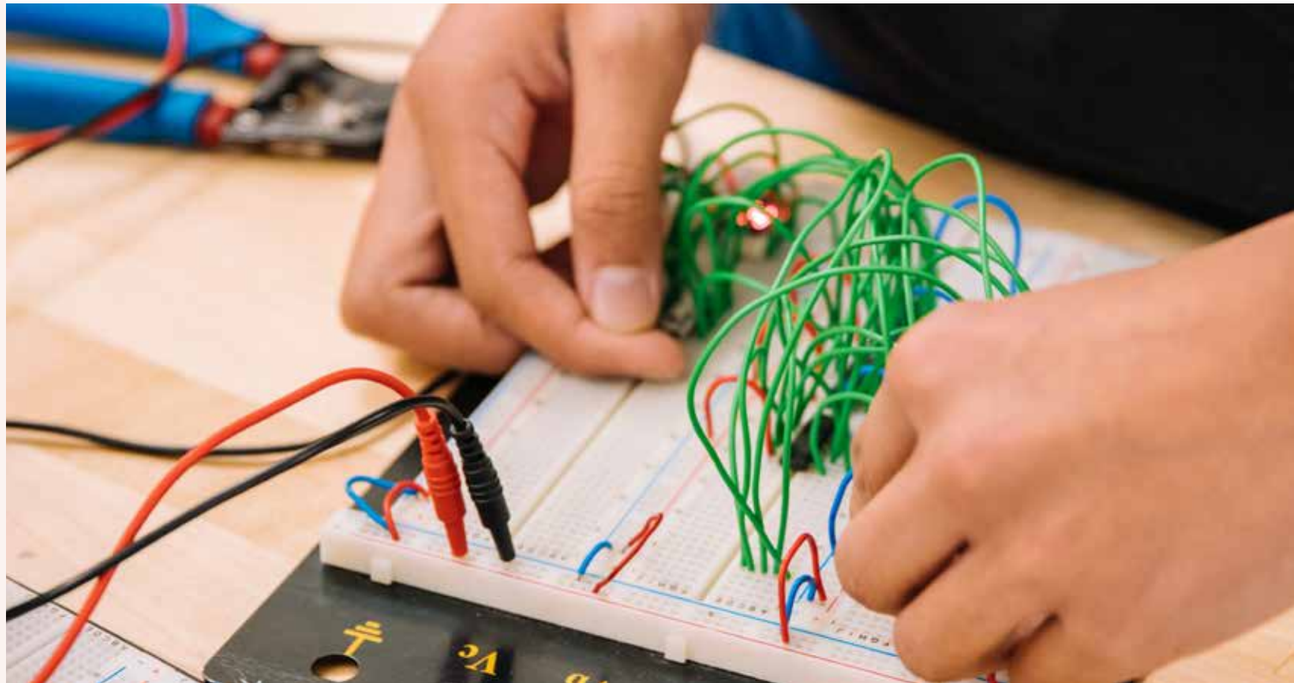
TraPac is a proud sponsor of FIRST® Robotics (For Inspiration and Recognition of Science and Technology) a charitable organization that immerses children in robotics education through competitions to design. Through charitable contributions, TraPac provides a local high school team with the equipment, registration and travel fees needed for competition. Our goal is to encourage local youth to develop the essential skills they need in the real world and introduce them to science, technology, engineering, and mathematics (STEM) related fields and concepts. Supporting our youth will make the world a better place for all of us and we are committed to their success.

OUR GOAL:

- Inspire the next wave of innovators through STEM
- Get involved in our communities
- Identify and grow our local talent
- Share our expertise with students
- Mentor them to become better programmers, business leaders, and critical thinkers.

Wilmington Community Clinic

Toy drives provide a magical holiday for children who would otherwise not have one. That is why it is so important for us to give back and help those in need. Every year, TraPac participates in the Wilmington Community Clinic (WCC) annual holiday event, by sponsoring families as well as providing toys to individual children. WCC is a non-profit health clinic built in our community to provide medical and health-related services to each person who needs them, regardless of their financial situation.



OUR PARTNERS

TraPac Los Angeles is a member of - or partnered with - the following organizations:

Harbor Trucking Association

COALITION FOR CLEAN AIR

BREATHE SOUTHERN CALIFORNIA

PMA

CERTIFIED • GREEN MARINE • CERTIFIED • GREEN MARINE •

OUR MISSION IS TO PROVIDE THE MOST SUSTAINABLE AND EFFICIENT SERVICE TO OUR PARTNERS.

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