

Ready for Tomorrow

ABP Sustainability Strategy

First Edition | February 2023

ABP is **Ready for Tomorrow**



Climate change is an era-defining challenge, but it is also an opportunity to become more resilient, to scale innovative new industries, and to leave an optimistic legacy for generations to come.

These are challenging times. We must navigate a cost-of-living crisis, geopolitical uncertainty, and rapid climate change - all at the same time.

For me personally it is important to make a commitment to sustainability and to do so for the long-term. As CEO of ABP, I have a responsibility to act in the long-term interests of our employees, our customers, our local communities, and our investors. To prepare for tomorrow by acting today.

ABP is the largest ports group in the UK and so it is incumbent upon us to demonstrate leadership across the sustainability agenda. We are seeking to create a positive impact on the environment we operate in and on the broader society that we are part of. We are committed to becoming a Net Zero business by 2040 and supporting our customers to achieve their own decarbonisation ambitions.

ABP has focused internally to be credible externally. We are in a unique position to support the acceleration of the UK's energy transition by providing the necessary port infrastructure to accelerate offshore wind, hydrogen and carbon capture and storage

developments; projects which are unlikely to materialise without the adequate port infrastructure being in place. We are also working on transition plans with customers in hard-to-abate industries like steel manufacturing, cement, and oil refining.

Collaboration is at the centre of all solutions to the climate challenge. No company, NGO or government agency can drive the agenda alone. We must work together to speed up the planning process for the development of new energy infrastructure, and we must incentivise British involvement in high growth industries like floating offshore wind.

ABP is ready for tomorrow. Let's work together to turn this generational crisis into a generational opportunity: to create a decarbonised, dramatically more sustainable future and deliver the significant investment, economic growth and thousands of new, high-quality jobs that should come with it.

Henrik L. Pedersen
CEO of Associated British Ports

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ABP Keeping Britain Trading

ABP owns 21 ports around the coast of England, Wales and Scotland. We handle every imaginable cargo from containers to biomass to cars and the raw materials that go into the products we buy every day.

We have 29MW of renewable power capacity on our ports, which helps to minimise our demand on the already stretched UK power grid.

ABP is a ports owner and operator first and foremost, but the purpose that drives us is *Keeping Britain Trading*. We help imports and exports flow smoothly 24/7 all year round, contributing £7.5 billion to the UK economy every year.

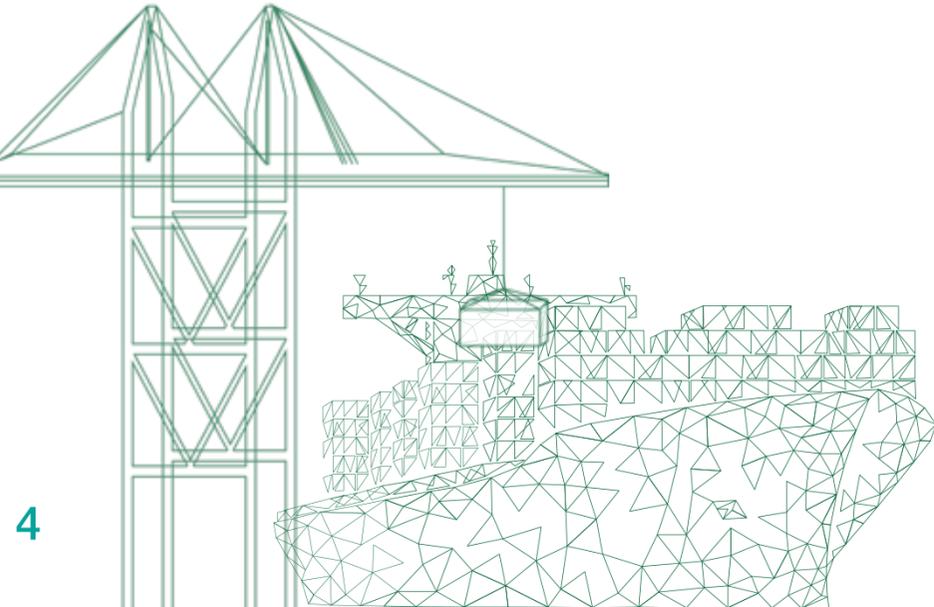
The UK is legally committed to becoming Net Zero by 2050 and so our corporate purpose has, by extension, taken on new meaning. As supply chains and coastal industries adapt to a Net Zero future, ABP's ports will have to adapt too.

ABP directly employs over 2,500 people across England, Wales and Scotland and supports over 119,000 jobs across wider supply chains.

Our 21 ports support 119,000 jobs and contribute £7.5 billion to the economy every year

Supporting UK industry, including:

-  Hydrogen and CCS
-  Offshore wind
-  Containers
-  Energy generation and storage
-  Ro-Ro
-  Port-centric manufacturing
-  Vehicles
-  Dry bulks
-  Rail
-  Cruise



Sustainability requires a **balanced approach**

ABP is taking a well-founded and fact-based approach to driving sustainability throughout our organisation.

We believe that positive environmental and social change can only happen on a national scale if the right economic incentives are in place to reward positive behaviours and penalise negative ones.

Our sustainability investments are financially viable and aligned with ABP's broader company strategy. For us, sustainability is not only good for society – it is also good for business.

It makes sense for us to invest in low-carbon equipment because our customers are increasingly demanding more sustainable supply chain solutions.

And it makes sense for ABP to invest in new infrastructure to support the clean energy transition, as this drives economic growth, green jobs and more prosperous coastal communities around the UK.

Sustainable Society

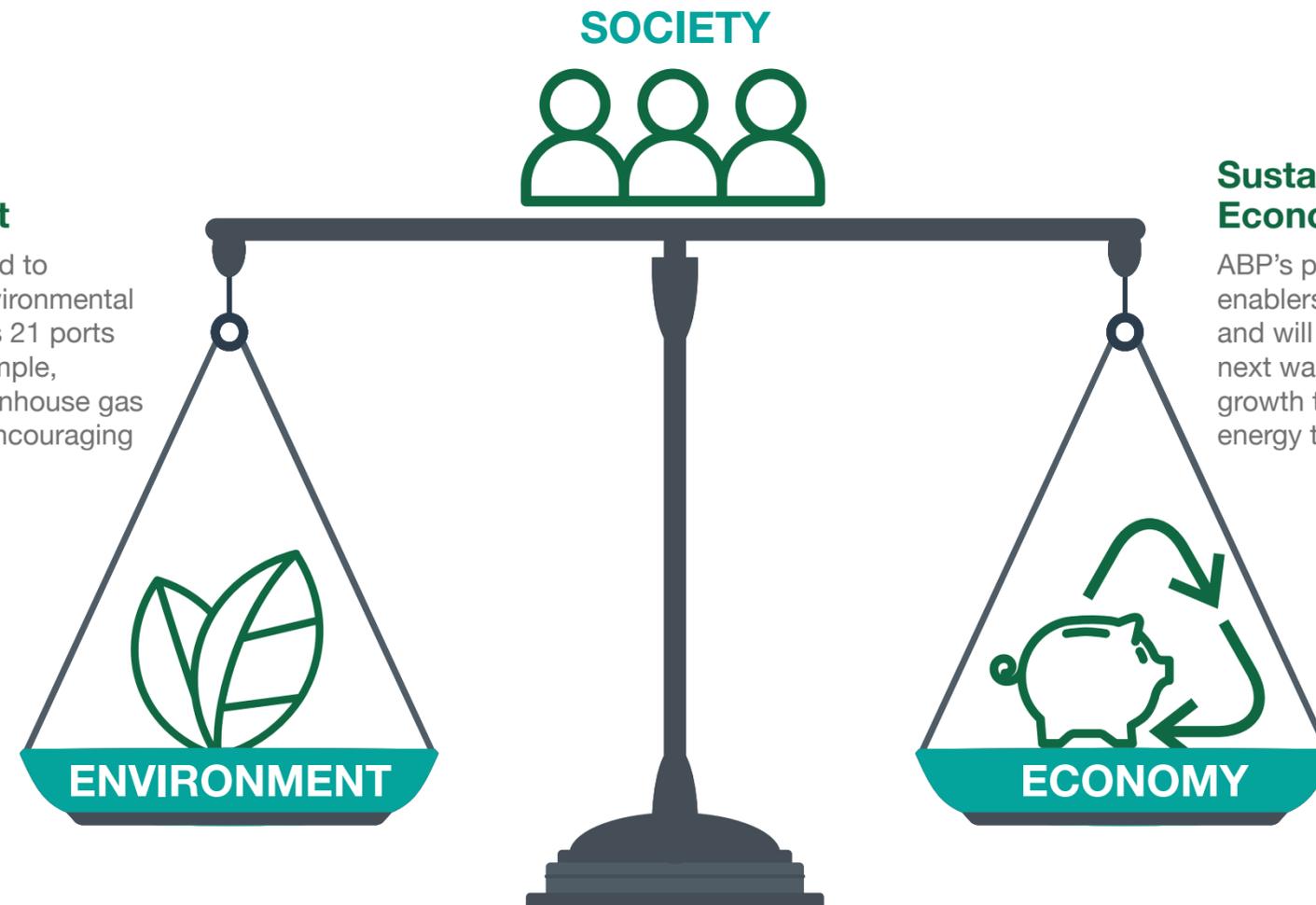
Growth underpinned by ABP's sustainable port infrastructure will enable social development in often hard-hit coastal communities.

Sustainable Environment

ABP is committed to improving its environmental impact across its 21 ports through, for example, reducing its greenhouse gas emissions and encouraging biodiversity.

Sustainable Economy

ABP's ports are critical enablers of UK trade and will support the next wave of economic growth through the energy transition.



Introducing our strategy **Ready for Tomorrow**

ABP has a track record of delivering ever more sustainable port operations, having reduced its carbon footprint by 38% between 2014 and 2021. But we recognise that we need to do more to enable the UK's clean energy transition.

Scope and method

As a business, ABP has a positive impact across the full Environmental, Social and Governance (ESG) spectrum. Given our well-established programmes within the Social category (see page 34) and robust corporate Governance (see page 25), the focus of our sustainability strategy development work has been on our Environmental footprint.

The strategy was developed in close collaboration with our entire ABP workforce, including colleagues at all levels and in all regions. Methods included interviews, workshops and a company-wide ideas competition, which resulted in 181 submissions. The top suggestions, as voted for by ABP colleagues, have been included within the strategy. We also gathered and analysed data on our existing asset base, current environmental footprint and the respective markets for port-specific plant and equipment.

Our strategic focus

The result of our analysis and engagement is a strategy that is based around a Net Zero target for our own operations (Scopes 1 and 2). But given the diversity of ABP's locations and operations, our strategy is much broader than a Net Zero target alone. We are also signalling our intent to deliver ever-better port air quality, encourage biodiversity and improve both our waste and water management.

Our strategy is called *Ready for Tomorrow* and it marks an important step on ABP's voyage to becoming a more sustainable company. It will take time and there will undoubtedly be challenges along the way, but we are committed to Keeping Britain Trading sustainably.

Limitations

Strategies are not static documents. We see this strategy as the starting point for action rather than a blueprint for the future.

Due to the lack of official guidance for ports globally, we could not make a firm commitment to reducing Scope 3 emissions at this stage, but will endeavour to work with the relevant bodies to develop a standard methodology for ports. And we freely admit that our data around some of our strategic themes is not yet as comprehensive as it is for greenhouse gas emissions, but we are investing in enhanced data gathering and analysis capabilities in 2023 to address this.



Max Harris
Group Head of Strategy

Ready for Tomorrow
is a practical yet ambitious strategy that challenges ABP to become a more sustainable business.

Investing in Tomorrow



Marina Wyatt
Chief Financial Officer

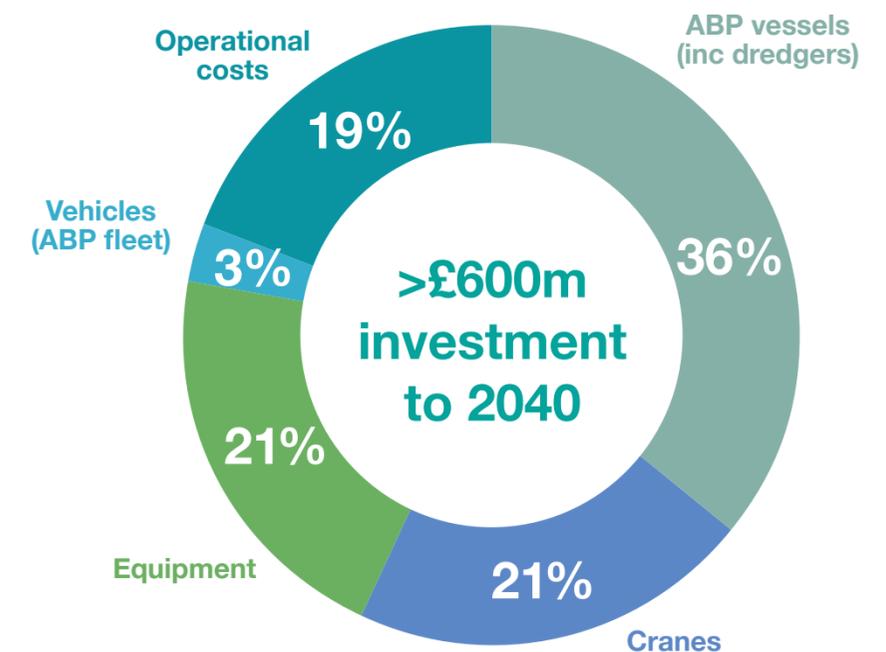
We plan to invest around £2bn in decarbonising our own operations and commercial infrastructure projects. We know our investment is affordable and we can deliver it.

Our approach to sustainability is credible, fact-based and transparent.

To make our sustainable future a reality, we need to back our vision with sound financial investment. That is why we have gone through the process of evaluating different scenarios, which allows us to plan for significant investments with confidence.

But the most important investment ABP can make is in our people and their skills. This will be delivered in large part by the ABP Academy, our in-house training provider, which is IEMA-approved, so that our colleagues feel confident and empowered to deliver the improvements needed to make our business more sustainable.

Figure: ABP's Investment in Decarbonising our Operations



ABP is investing around **£2bn** in green infrastructure and equipment with:

🔄 **£600m** to decarbonise our own infrastructure and equipment between now and 2040
(see chart for breakdown)

🔄 **£1.4bn** in infrastructure and facilities supporting customers involved in the energy transition.

Collaboration is vital



Julian Walker
Chief Commercial Officer

Collaboration is essential so that we can operate at the scale and pace needed for the UK to meet its Net Zero targets.

If we are going to make Net Zero a reality, it is essential that there is a partnership approach, both between industry players, but also between governments and industry itself.

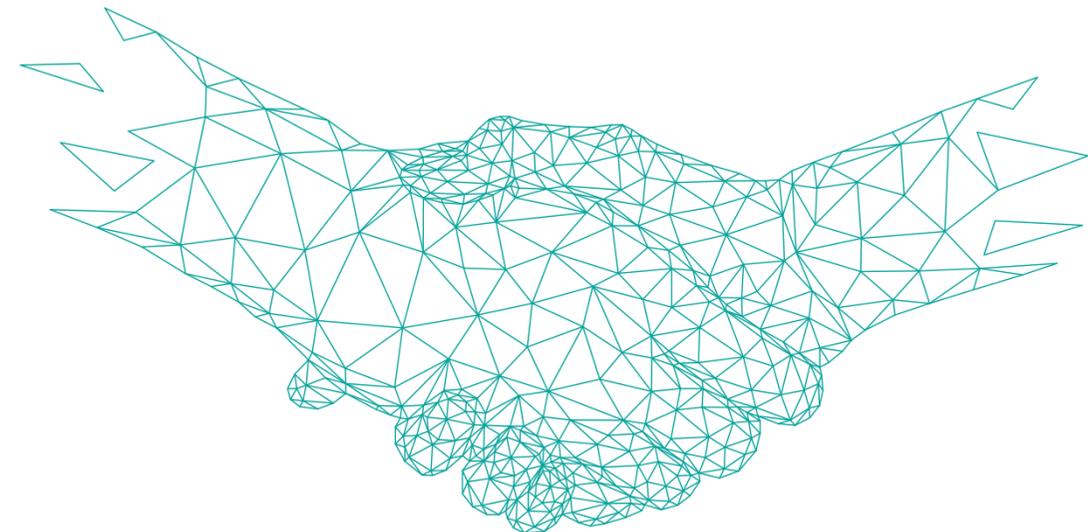
Governments can help early movers, like ABP and other industry players, by setting the right enabling frameworks in terms of both policies and incentives. A good example of this would be around planning and consenting. Clarity and efficiency in these areas would help make sure that we can invest with the certainty and on the timelines that we need in order to deliver the projects required to achieve a more sustainable future.

We are ready to work together with industry, governments and local

communities to deliver sustainable economic growth which will create high-quality green jobs in coastal locations.

At the same time, it is also important to recognise key milestones we have achieved so far. We are grateful to our partners across industry, government and communities for helping us work towards our goal of achieving Net Zero by 2040.

As a leader in the maritime industry, ABP is ready to play its important role in making the UK a green growth superpower.



Sustainable Ports

Introducing our five strategy themes

Through engagement, research and analysis we have identified the topics that are most material to ABP's key stakeholders. This strategy signals our commitment to improve our performance in these areas.



Net Zero

Our operations generate greenhouse gas (GHG) emissions from the fuel and electricity consumed by our vessels, equipment, vehicles, and facilities. We have a role to play in both reducing our own fuel and power consumption – and therefore emissions – and in enabling the UK's energy transition to limit the impacts of climate change.



Air quality

Air quality is important as it affects not only our employees and customers, but also the local communities surrounding our ports. Therefore, we have a responsibility, together with the shipping lines and inland-logistics providers using our ports, to outperform national ambient air quality objectives.



Biodiversity

Our port estate includes terrestrial and marine habitats for flora and fauna, which should be protected – and enhanced where possible. So we will seek to drive a net positive biodiversity impact from our development projects and day-to-day operations, which we will be able to measure and value.



Waste

Our operations generate different types of waste. Partnering with our employees, we want to limit the amount of waste created, ensure we segregate and recycle as much of it as possible, and minimise the amount that ends up being incinerated or in landfills.



Water

Water is an increasingly scarce resource that is vital for all of us, so we aim to look after it. We want to improve our water monitoring, reduce our consumption, and reuse it where possible.



Net Zero Today

Our ports form part of the UK's heavy industry with plant and equipment requiring a significant amount of power to operate effectively and safely. For certain pieces of equipment, this power can only be achieved today through combustion engines burning diesel or marine gas oil.

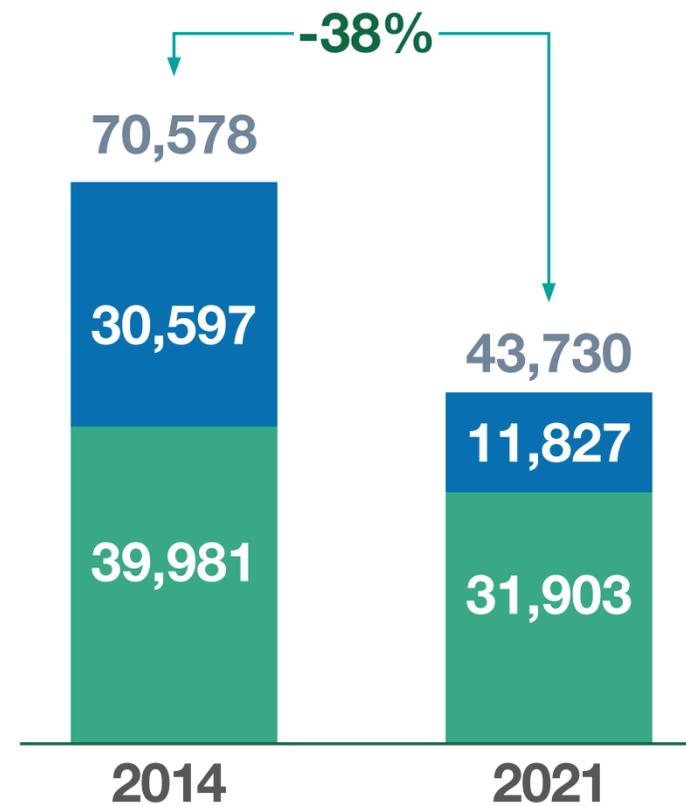
ABP's consumption of fuel and power generates greenhouse gas emissions which exacerbate global warming. As a critical enabler of trade and the UK's strategic industries, ABP must play its part in decarbonising the economy. As a sign of how seriously we take it, ABP is committing to producing Net Zero greenhouse gas emissions by 2040 – 10 years ahead of the UK's legal commitment to achieve Net Zero by 2050.

Since we started measuring greenhouse gas emissions in 2014, ABP has made great progress. We reduced Scope 1 and 2 emissions by 38% between 2014 and 2021.

But in many ways that was the easy part – the low-hanging fruit. Now we are choosing to eliminate emissions from the heavy equipment that is essential to *Keeping Britain Trading*. It's a great challenge and one that we relish.

***Emissions are normalised to exclude Immingham Bulk Terminal and Hams Hall, which are no longer operated by ABP.**

Figure: GHG Emissions (tCO₂e)*



- Scope 1:** Direct emissions from operations owned or controlled by ABP (e.g. from fuel use).
- Scope 2:** Indirect emissions from electricity, heating/cooling, or steam purchased for own use.



We reduced Scope 1 and 2 emissions by 38% between 2014 and 2021.

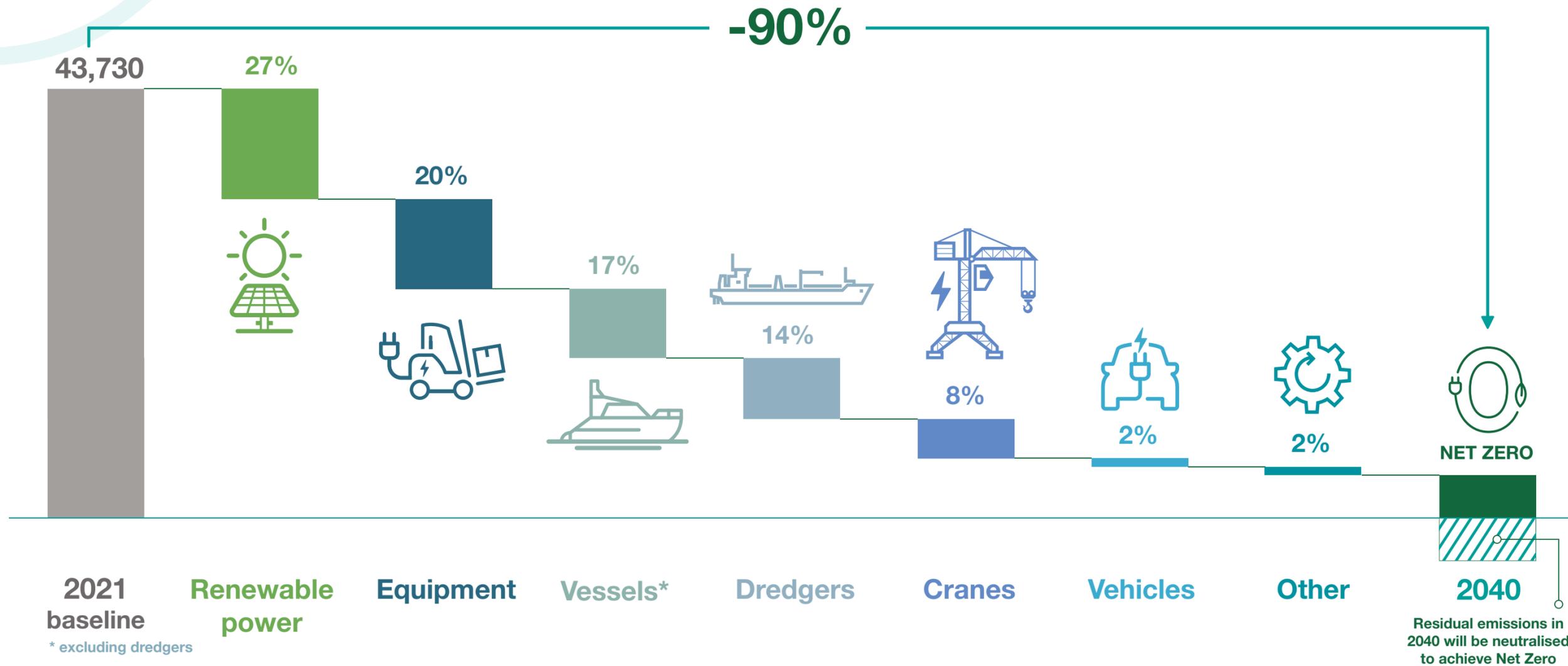


Net Zero Tomorrow

ABP's primary Net Zero scenario revolves around replacing our assets with zero-carbon alternatives and purchasing or generating our own renewable power. We have made the conscious decision not to incorporate use of offsets or biodiesel in our primary scenario.

We will use biodiesel only as an interim option where appropriate. We are tackling the decarbonisation challenge head on and the purest way to do that is to replace diesel-burning assets altogether.

Figure: GHG emissions reduction by emission source (tCO₂e)



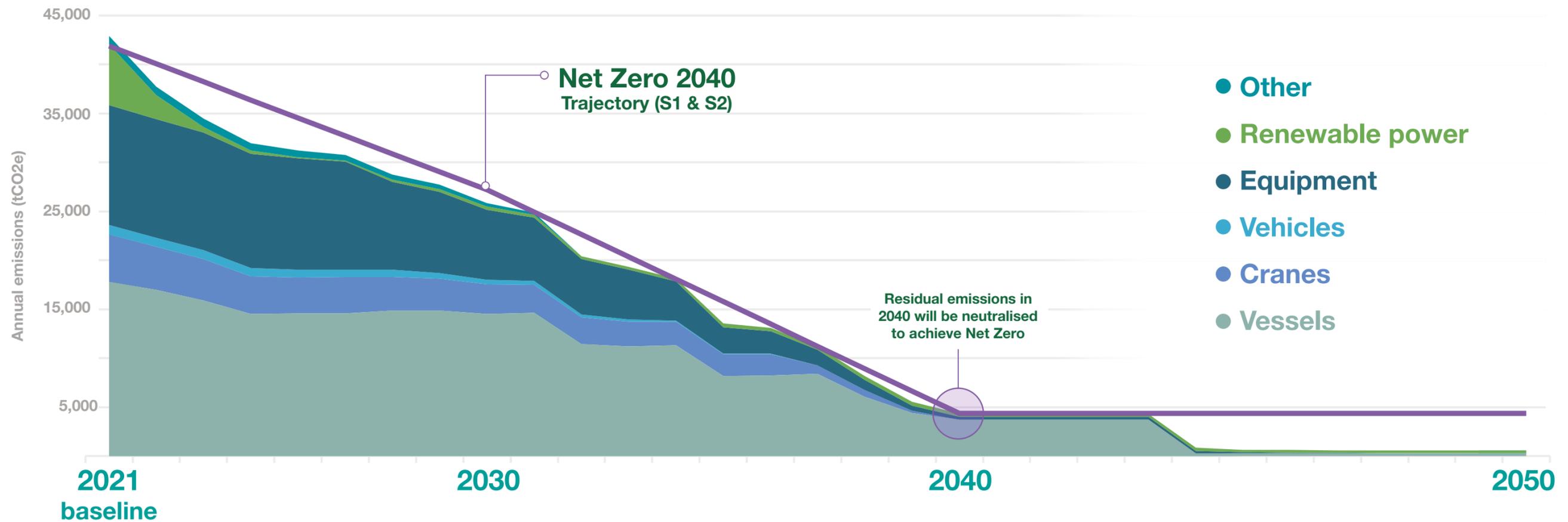


Pathway to Net Zero 2040

We recognise that the voyage to Net Zero will not be easy, given economic headwinds, an evolving regulatory environment and uncertain timescales for zero-carbon port equipment to be proven. We have committed to 2040 as our Net Zero year based on analysis of our current asset base and reasonable assumptions around the speed of equipment innovation and likely costs. It represents a fact-based, achievable target and we have a plan to deliver it.

Our strategy is to eliminate the source of emissions primarily through replacing diesel-burning assets, rather than through burning alternative fuels which may provide only partial benefits. We deemed earlier Net Zero target years to be too dependent on optimistic assumptions and we do not wish to commit ABP to something so significant without a robust evidence base.

Figure: ABP's Net Zero 2040 trajectory (Scope 1 and 2)





Replacing diesel-burning plant and equipment

Vessels



ABP's vessel fleet includes pilot launches, survey vessels and dredgers to maintain sufficient water depth around the ports.

Decarbonisation options for ABP's vessel fleet:

- 🔄 Replace with diesel-efficient vessels (short-term option)
- 🔄 Replace with electric or hydrogen-powered alternatives (long-term option)
- 🔄 Use of alternative drop-in fuels such as biodiesel, as an interim step.

Cranes



ABP's current crane fleet includes a mix of diesel and electric cranes.

Diesel cranes include material handlers, mobile harbour cranes, and rubber-tyred gantry cranes.

Decarbonisation options for ABP's diesel cranes:

- 🔄 Replace with electric alternatives
- 🔄 Replace with diesel-efficient cranes (short-term option)
- 🔄 Use of alternative drop-in fuels such as biodiesel, as an interim step.

Equipment



ABP's current equipment fleet includes:

Diesel fork trucks, reach stackers, loading shovels, tugs, skid steers and other vehicles, excl. road sweepers.

Decarbonisation options for ABP's other diesel equipment:

- 🔄 Replace with electric alternatives
- 🔄 Use of alternative fuels such as biodiesel, as an interim step.

Vehicles



ABP's current vehicle fleet includes mostly diesel vehicles and a growing number of electric vehicles.

Vehicles are categorised as cars and vans (incl. minibuss).

Decarbonisation options for ABP's diesel vehicles:

- 🔄 Replace with electric alternatives.



Reducing value-chain emissions

Although we have decided not to publicly state a Scope 3* target, we do already play an important role in helping our customers to reduce their own Scope 1 and 2 emissions.

Global shipping accounts for 3% of global CO₂ emissions and is only recently beginning to commission alternatively-fuelled ships. ABP is committed to supporting the shipping industry's transition to a low-carbon future.

We also play a key role in helping to reduce supply chain emissions, by encouraging transport of cargoes by rail to and from our ports. We even support coastal shipping to reduce road miles required for our customers.

There is much more to do in this area – we have barely scratched the surface, but we are determined to partner with innovative companies looking to deliver their own sustainability ambitions.

Shore power for cruise



In April 2022, the Port of Southampton celebrated a major milestone with the successful commissioning and use of its shore-power facility for cruise ships. With these upgrades, shore power-enabled ships can plug in at the port's Horizon and Mayflower Cruise Terminals and achieve zero emissions at berth. This is particularly significant as around 88% of new cruise ships are shore-power ready.

The total shore-power project cost was £9m, supported by a grant from the Solent Local Growth Deal, arranged through the Solent Local Enterprise Partnership (LEP). This project provides an example of how clean maritime technologies can be deployed to support our customers by reducing their GHG emissions and improving port air quality.



TimberLINK Service



In September 2022, ABP celebrated the renewal of its long-term contract with the sustainable TimberLINK service at its ports of Ayr and Troon. Operated by ABP on behalf of Scottish Forestry since 2000, the timber service plays a vital role in supporting port-centric manufacturing in the area, by reducing logistical supply chain costs for local businesses and strengthening Ayrshire's timber industry cluster.

As part of the service, over 100,000 tonnes of timber and forest products are transported annually from the ports at Ardrishaig, Sandbank and Campbeltown, to the ports of Ayr and Troon, where they are dispatched to local wood-processing plants. This saves an estimated one million lorry miles per year, relieving road-network congestion on the West Coast of Scotland, which helps reduce carbon emissions and support the local tourism industry.



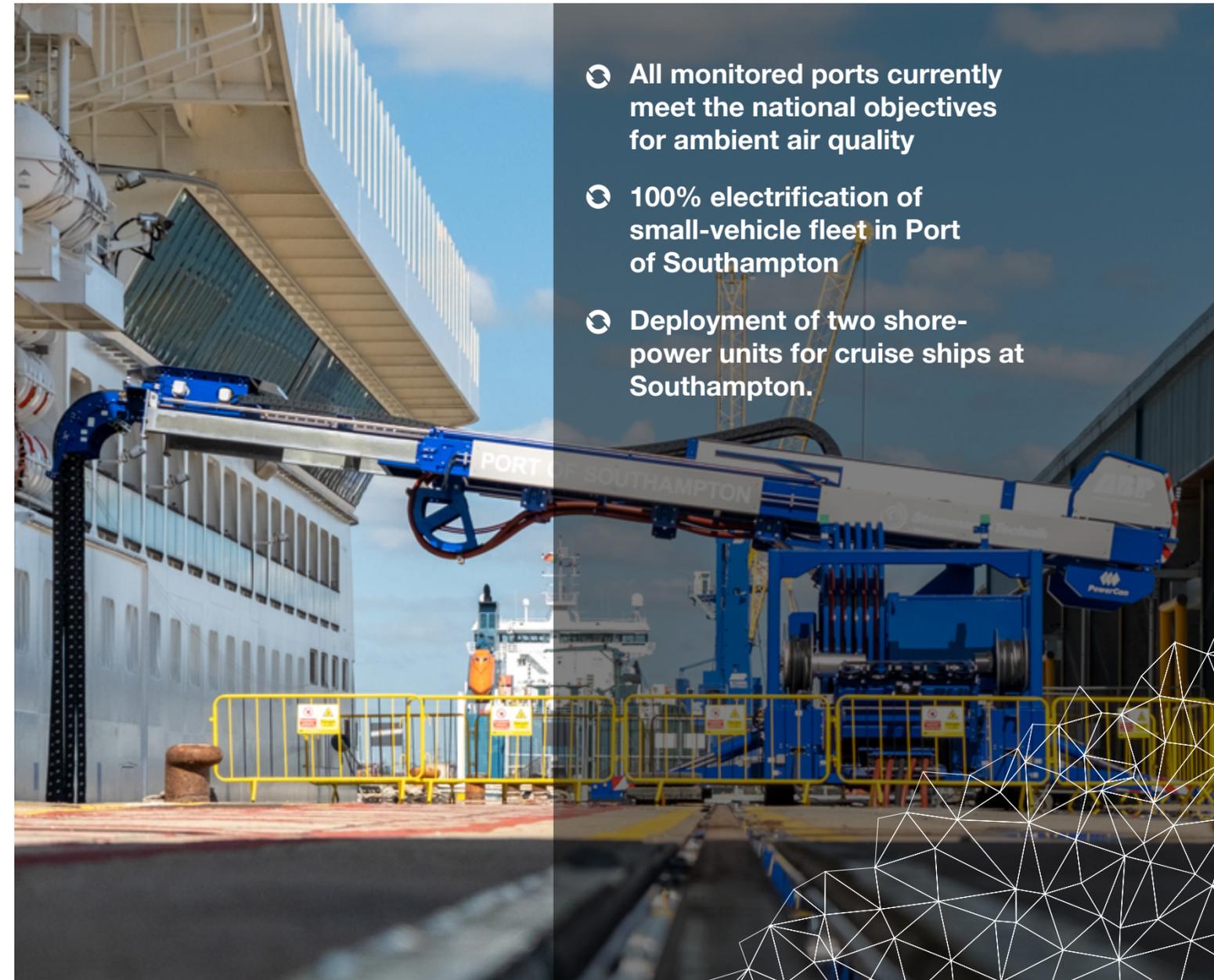
***Scope 3:** Indirect emissions from sources not owned or directly controlled by ABP but related to it.

Air quality Today

The gases and particulate matter emitted from ships calling at our ports, from road and rail transport and from ABP's own operations negatively affect the ambient air quality, which impacts employees, customers and local communities.

Air quality is measured and regulated separately from GHG emissions and it is of strategic importance for many of ABP's stakeholders, particularly in ports where we are close to urban centres, such as Southampton.

We have installed one of the largest privately owned networks of air quality monitoring systems in the UK. In June 2018, the Port of Southampton was the first ABP port – and one of the first ports nationally – to publish its air quality strategy, and has recently published an update on its achievements and future plans.



- 🔄 All monitored ports currently meet the national objectives for ambient air quality
- 🔄 100% electrification of small-vehicle fleet in Port of Southampton
- 🔄 Deployment of two shore-power units for cruise ships at Southampton.



Nitrogen oxides (NOx) emissions

The work we and our partners are doing is having a positive impact in keeping NOx levels below the national objective.

National objective	40µg/m³
Annual levels in Port of Southampton	29µg/m³



Air quality Tomorrow

ABP is working collaboratively with customers, shipping lines and local communities to deliver improvements in ambient air quality.

We will aim to expand our key initiatives to achieve ever better air quality, in addition to our Net Zero GHG initiatives which also have a positive impact on air quality.

Key initiatives

Initiative

Description

Shore power

Use electric power from shore to adapted vessels when in port to reduce marine fuel use

Group-wide EV policy

For light vehicles (cars, vans and minibuses) to reduce local emissions at the ports

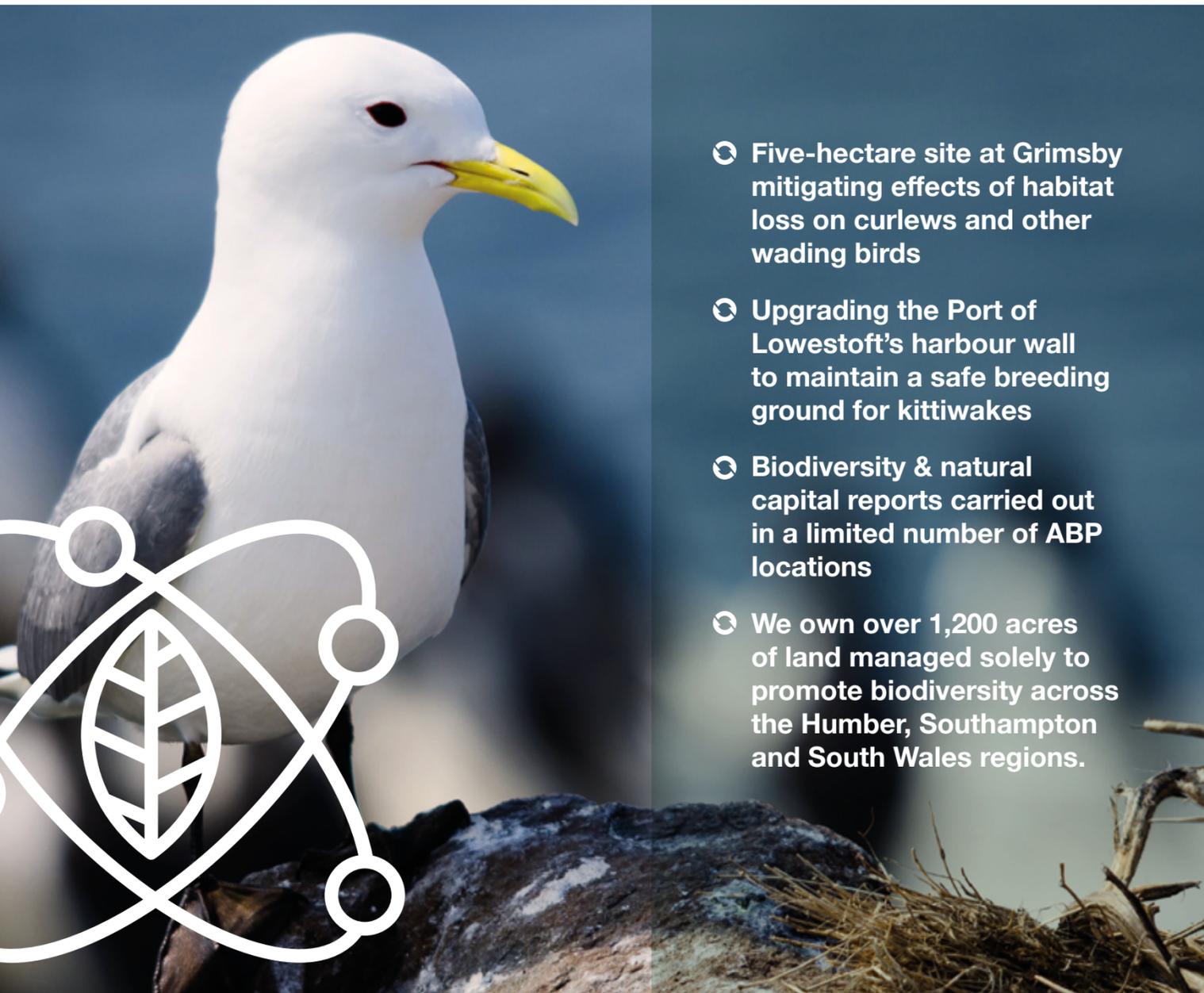
Vessel-speed reduction

Enabled through implementation of new Port Management Information System (PMIS) for customers' vessels and iRams software for ABP's vessels





Biodiversity Today



- 🕒 Five-hectare site at Grimsby mitigating effects of habitat loss on curlews and other wading birds
- 🕒 Upgrading the Port of Lowestoft's harbour wall to maintain a safe breeding ground for kittiwakes
- 🕒 Biodiversity & natural capital reports carried out in a limited number of ABP locations
- 🕒 We own over 1,200 acres of land managed solely to promote biodiversity across the Humber, Southampton and South Wales regions.

Our teams across ABP continuously strive to protect and promote biodiversity. Of course, with our 21 ports spread across a wide range of locations across the UK, the work we do varies enormously.

For example, at our Port of Lowestoft, we have invested in upgrading the harbour wall, which has been a successful breeding site for the local kittiwake population, which is one of Suffolk's two established colonies. These sea birds are a protected species as they're considered to face risk of extinction.

At the Port of Grimsby, ABP has invested in a five-hectare site designed to mitigate the effects of habitat loss on curlews and other wading birds. One of the UK's most important conservation priorities, the curlew has been in decline for many years due to climate change, predation and loss of breeding habitat. The scheme is already showing excellent results, with ecologists recording 225 curlews, 153 redshanks and 13 dunlins in a recent count.

Another example is found at our Port of Hull, whereby we transferred the ownership of natural woodland to Hull City Council to preserve its beauty and enhance accessibility for residents. Since taking over the site, Hull City Council has facilitated re-wilding projects and youth projects to improve the area of wildlife, fostering environmental and land management skills.

In addition to these specific local projects, teams from across ABP regularly volunteer to clean up local beaches and our coastline.





Biodiversity Tomorrow

As our ports are located in terrestrial and marine environments, we are committed to protecting biodiversity alongside our port operations. We want to enhance natural capital with our landholdings to benefit biodiversity and our local communities while tackling climate change.

ABP is a significant landowner. While most of our land is used for commercial purposes, there are pockets of land within our estate that can be enhanced to provide stepping-stones for habitats and species within the wider landscape. Improved ecological connectivity provides greater ecosystem resilience and maximises natural capital. We have around 400 acres which could be used for nature-based solutions projects, including the development of salt marshes, woodlands and the spread of wildflowers.

We are starting by assessing the current value of our land's ecosystem services such as biodiversity, carbon sequestration and recreation. We then want to prioritise and develop nature-enhancement projects and partner with national agencies that promote the protection of the natural environment.

Key initiatives

Initiative

Description

Biodiversity Net Gain (BNG) and natural capital assessment

Develop biodiversity baseline studies for selected sites and assess natural capital value for current non-commercial landholdings

Nature-based solutions projects

Develop feasible projects to enhance natural capital (e.g. biodiversity conservation and development, carbon sequestration to neutralise hard-to-abate emissions in 2040)



We have an opportunity to understand the distinctiveness of our sites and enhance their biodiversity to better connect ABP's ports with the wider ecosystem.



Sophie Young
*Consents & Environment Lead
(and ABP's lead on Biodiversity)*



Waste Today



- 🕒 Performing ABP-wide waste audit to increase recycling, including a waste-management training programme
- 🕒 50% recycling rate by 2023
- 🕒 90% waste diverted from landfill by 2030.

Our operations generate different types of waste and we have already made good progress in increasing recycling rates as well as limiting the amount of waste we send to landfills. But we want to continue improving.

To do so, we are partnering with our employees and a waste operator. Together, we want to limit the amount of waste through stricter procurement policies. Then, we want to ensure we segregate and recycle as much waste as possible, and minimise the amount that ends up in landfills.

Case study:

ABP regularly organises beach cleans and litter picks, which involve our employees taking active steps to clean up areas in and around our ports. For example, in September 2019 we organised an event as part of the Great British Beach Clean, which saw 40 people collect over 40 bags of rubbish, weighing around 250kg at Pipers Vale, near the Port of Ipswich, which helped to make the area safer for local wildlife.





Waste Tomorrow

Waste directly leads to polluted land, air and oceans. ABP, along with other heavy industry companies, must play its part in reducing the amount of waste it creates in the first place, and then reducing the remaining waste that goes to incineration and landfill.

We will continue to build on the progress we have made by equipping our employees with the right training and skills for effective waste management.

Key initiatives

Initiative

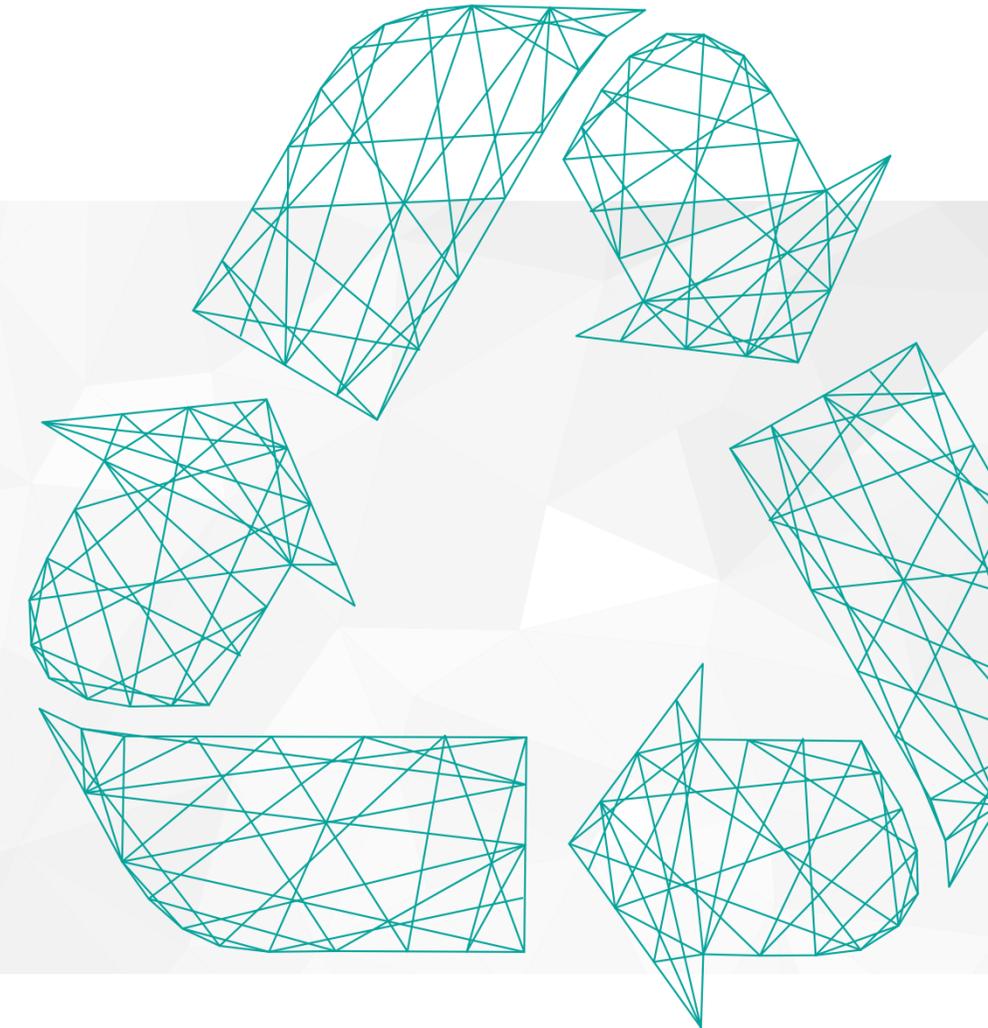
Description

Recycling improvement

Improve waste segregation and collection to achieve higher recycling rates across all ports

Waste-related procurement policies

Establish a procurement policy limiting purchase of single-use products, corporate gifts and merchandise



We are partnering with our employees and waste operator to prioritise waste reduction and recycling.



Water Today

As the climate warms, water will become an ever scarcer resource. ABP's water pipeline infrastructure is showing its age and it is estimated that leaks account for a significant proportion of ABP's water consumption. This is not sustainable from an environmental or a business perspective.

As water is a finite resource vital for all of us, we must look after it. We are increasing our efforts to maintain potable water in the water system.

This includes the management and monitoring of water consumption to identify losses in the system and ensure its optimum use.

To do so, we aim to improve the monitoring of our water usage, reduce the amount of water we consume, and reuse water where possible to decrease water withdrawal.

We aim to strengthen water management by monitoring water usage, reusing water and reducing overall withdrawal.





Water Tomorrow

In order to achieve more efficient water management across our ports, we will be implementing a range of initiatives, including enhanced water metering and rainwater harvesting.

Key initiatives

Initiative

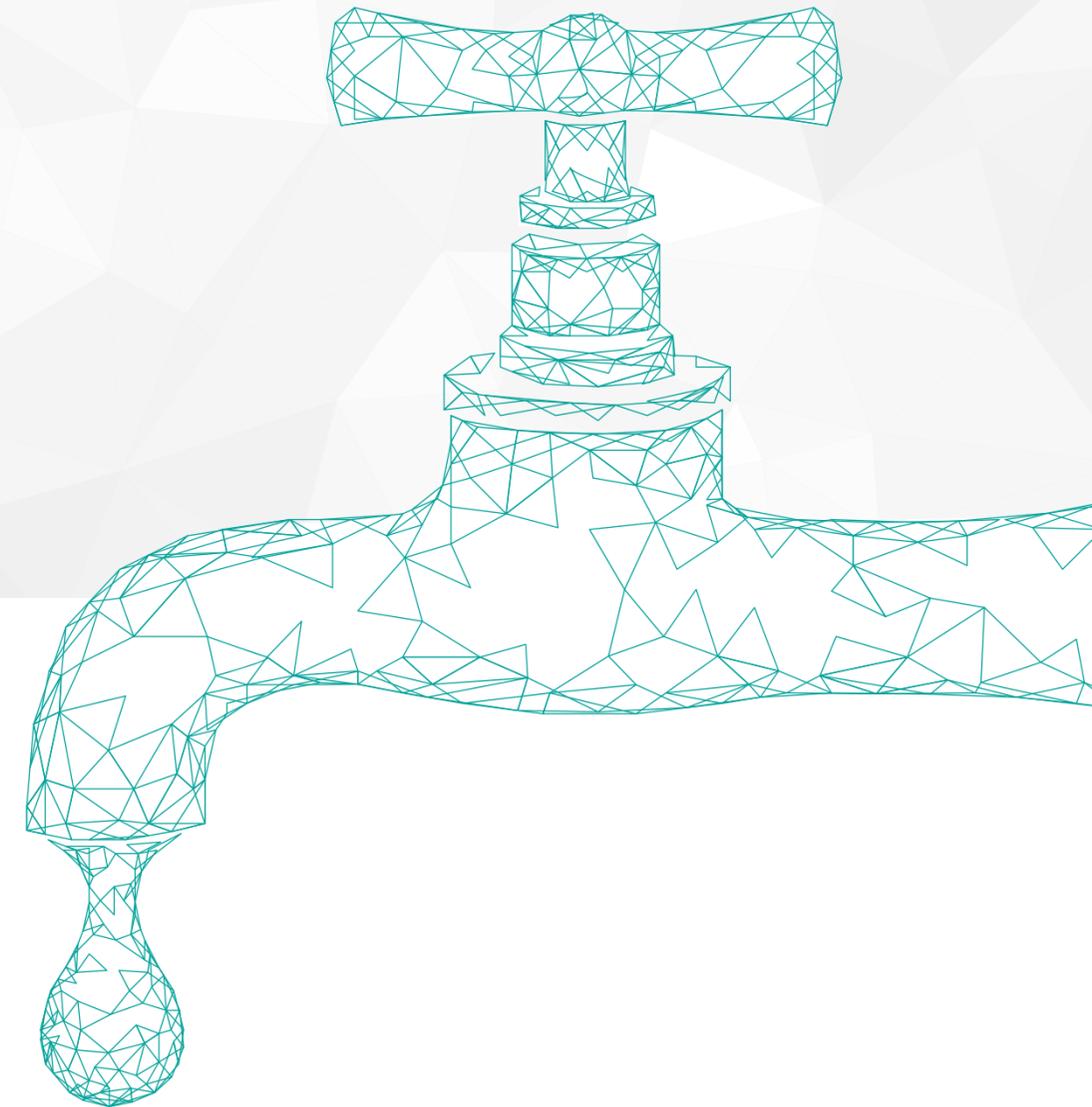
Description

Water metering

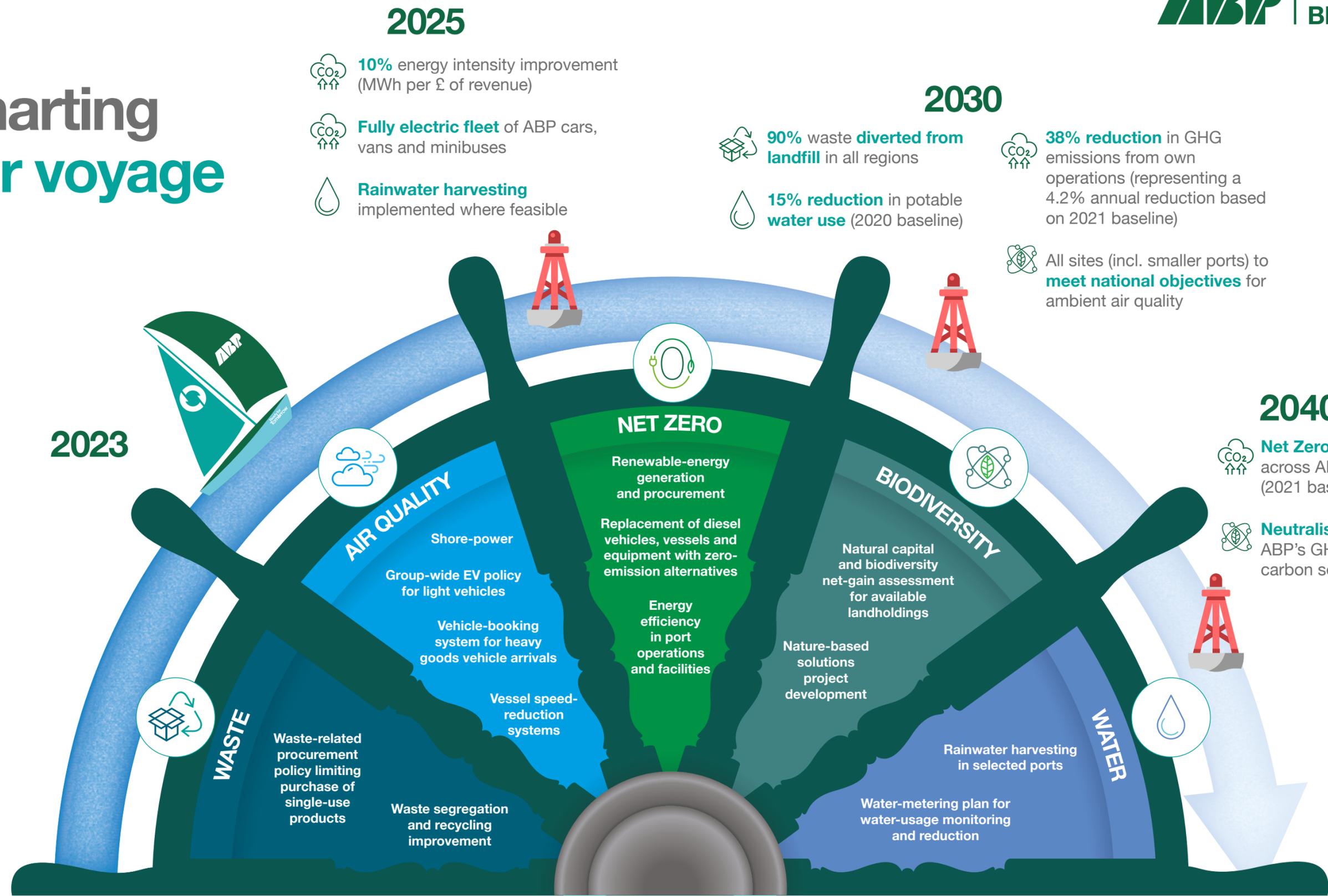
Implement water-metering plan to improve monitoring of water usage, manage leakages, and drive savings projects

Rainwater harvesting

Collect rainwater in water-storage systems and reuse water to reduce potable water withdrawal in selected ports



Charting our voyage



2023

2025

2030

2040

- 10% energy intensity improvement** (MWh per £ of revenue)
- Fully electric fleet** of ABP cars, vans and minibuses
- Rainwater harvesting** implemented where feasible

- 90% waste diverted from landfill** in all regions
- 15% reduction** in potable **water use** (2020 baseline)

- 38% reduction** in GHG emissions from own operations (representing a 4.2% annual reduction based on 2021 baseline)
- All sites (incl. smaller ports) to **meet national objectives** for ambient air quality

- Net Zero** GHG emissions across ABP own operations (2021 baseline)
- Neutralise remaining 10%** of ABP's GHG emissions through carbon sequestration projects

Targets Themes Initiatives

Reporting and governance

Sustainability is a broad and diverse area and therefore requires rigorous governance to oversee delivery efforts. Our strategy implementation will be overseen by the ABP Executive Board.



Environmental management

All 21 of our ports gained ISO Certification in Environmental Management in February 2021, and we continue to invest and roll out programmes and training to promote energy efficiency.

ABP's relevant policies and procedures



Environmental

- Environmental and energy policies and management system manual and procedures
- Air-quality management procedure
- Biodiversity procedures
- Marine and pollution prevention guidance
- Waste management procedure
- Cycle to work, EV salary-sacrifice schemes



Social

- Health and safety policy and procedures
- Parental leave and holiday purchase policies
- Long service award policy
- Equal opportunities policy
- Stop smoking policy



Governance

- ESG-reporting procedure
- Anti-corruption and bribery policy
- Anti-slavery and human trafficking policy
- Anti-facilitation of tax evasion policy
- Anti-fraud and whistleblowing policies

Reporting & disclosure



Sustainability progress reported under:

- Statutory accounts, strategic report
- ABP annual review
- Ready for Tomorrow website.

Certifications





Enabling the UK's Clean Energy Transition

ABP's role in the **UK Clean Energy Transition**

ABP's ports play a pivotal role in accelerating the decarbonisation of industrial clusters and enabling the growth of new strategic industries such as hydrogen for transport and floating offshore wind.

1 Helping innovative zero-carbon industries to scale in the UK

2 Enabling traditional industry to pivot to a low-carbon future

3 Decarbonising supply chains



Delivering green growth for coastal communities



Sustainable economy

Port owners like ABP represent some of the biggest investors in UK infrastructure in recent years, constantly increasing and upgrading to facilitate growth and respond to changing trends in global trade.

Added to that, many ports have available land to accommodate new manufacturers, logistics providers, and research and development centres which benefit from the access to global markets that ports offer.

Because of their proximity to skilled labour and access to road, rail and sea links, ports have always created significant cost and efficiency advantages, especially when used for manufacturing sites.

ABP is at the heart of some of the UK's largest industrial clusters, which have a significant role to play in driving economic growth and regeneration in regions and nations around the country. Clusters are concentrations of companies and institutions which benefit from being located together by becoming more productive and competitive.

Their co-location creates an ecosystem where entrepreneurial businesses can generate new ideas to drive prosperity. Through creating favourable conditions for businesses of all sizes to share knowledge and solutions, clusters can unlock the innovation that is inherent in all parts of the UK, making it a global leader in business excellence.



Sustainable society

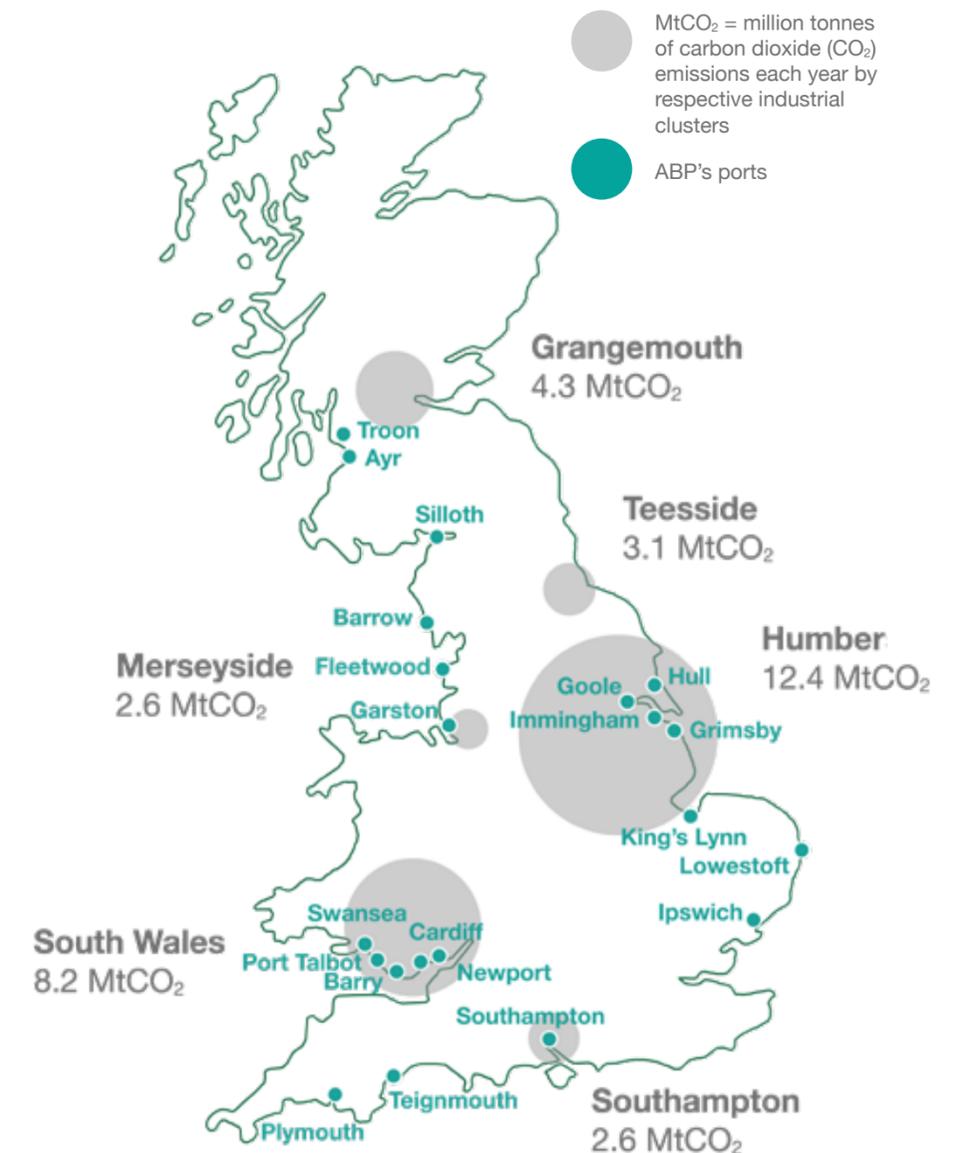
At ABP we believe clusters present a collective opportunity to solve complex problems, which will help improve living standards across UK regions and nations and establish a favourable operating environment for business growth. The Humber has been identified as the first cluster demonstrator project, recognising the region's critical role in accelerating decarbonisation and delivering the UK's Net Zero objectives.

Through this process, the Humber Cluster will safeguard jobs in existing industries while creating new, long-term opportunities in developing green technologies and renewables. The success of a cluster relies on concentrating resources, investment and policies in areas with the greatest potential for growth, for example in renewable energy. Clusters can provide an important platform for collaboration between the private sector and local, national and devolved governments.

By concentrating government policy and investment on shared objectives, and by enabling constructive partnerships, regional policy-makers and businesses can create the conditions that will help to crowd-in investment and facilitate economic growth. Spreading economic opportunities more evenly across the UK lies at the heart of the goal to combat geographic inequality in the UK so that everyone, regardless of their location, can benefit and contribute to society.

Enabling infrastructure is essential to the success of any industrial cluster. As we strive to decarbonise energy generation, transport and industry, our ports will play an ever more important role at the heart of the UK's industrial clusters.

ABP's importance to industrial decarbonisation



Delivering green energy infrastructure

Green Port Hull



Green Port Hull (GPH) was a £310m joint investment between ABP and Siemens Gamesa. GPH created a renewable energy hub with world-class offshore wind turbine blade manufacturing, assembly, and servicing facilities as its centrepiece. The facility is set to double in size as development in the North Sea accelerates.

Immingham Renewable Fuels Terminal (IRFT)



ABP has invested over £150m in IRFT – the world’s largest facility for receiving biomass cargo. The terminal is situated close to Drax Power Station, which generates around 6% of the UK’s power and is crucial to the country’s energy security.

Grimsby Offshore Wind O&M Hub



Grimsby is strategically located adjacent to the world’s largest offshore wind farm, Hornsea 2. It is the UK’s largest offshore wind operations and maintenance (O&M) port, supporting wind-farm operators and the wider supply chain.

Immingham Green Energy Terminal



In 2022, ABP and Air Products announced their intention to partner in bringing the first large-scale, green hydrogen production facility to the UK. The facility, which will be located at the Port of Immingham, will import green ammonia, which will be used to produce green hydrogen to help decarbonise hard-to-abate sectors such as transport and industry.

Viking carbon capture and storage (CCS) project



In 2022, Harbour Energy and ABP announced an exclusive commercial relationship to develop a CO₂ import terminal at the Port of Immingham, the UK’s largest port by tonnage. The terminal will provide a large-scale facility to connect CO₂ emissions from industrial businesses around the UK to high-capacity CO₂ geological storage sites under the North Sea.

Lowestoft Eastern Energy Facility (LEEF)



Designed to support offshore wind farms in the Southern North Sea, the award-winning LEEF project will attract many offshore wind supply chain companies to Lowestoft, bringing new jobs and prosperity to the area whilst safeguarding the important kittiwake population.

Solar and onshore wind energy generation

As part of our commitment to minimising the impact of port operations on the environment across ABP, we continue to deliver major investment in solar and onshore wind generation to reduce our dependence on the grid and use only green energy to power our business.

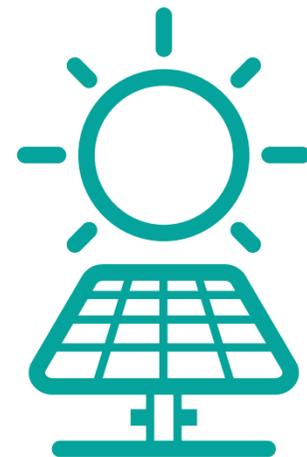
In fact, 17 of our 21 ports have renewable-energy generation projects and ABP has 29MW of operational wind and solar assets; generating approximately 19% of our total annual consumption.

By 2025, our aim is to gain in excess of another 40MW of wind and solar along with some energy storage. This will help facilitate further electrification of equipment and transportation at the ports, provide additional zero-carbon power for our customers and potentially also power small-scale production of zero or low-carbon fuels, such as green hydrogen electrolysis.

ABP has also become one of the largest corporate producers of solar energy, with solar farms in locations such as Barry and Silloth, and large areas of solar arrays at other locations such as Southampton and across our Humber ports, with many installed on the roofs of our warehouses and terminal buildings.

ABP installed the largest commercial rooftop solar array at our port of Hull, which produces 6.5MW energy, reducing carbon emissions by 2,600 tonnes every year.

All 21 of our ports gained an ISO Certification in Environmental Management in February 2021, and we continue to invest and roll out programmes to promote energy efficiency, including the installation of low-energy LED lighting. ABP also ensures that all our sheds include the option for solar panels.

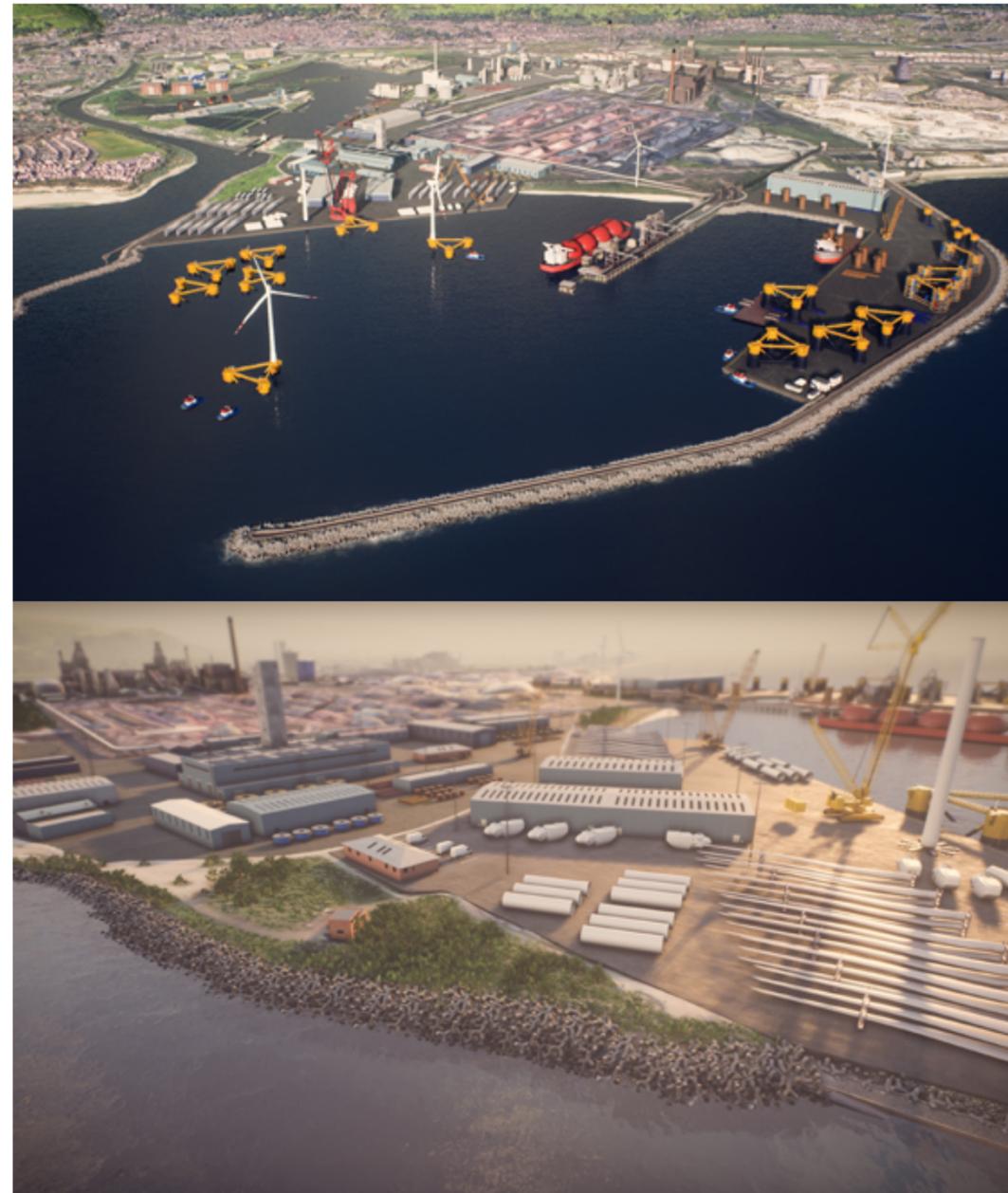


Kick-starting the green industrial revolution in Wales

By 2030, floating offshore wind (FLOW) turbines will be moving into the commercial mainstream. The turbines built will be megastructures, with blade tips as high as London's Shard building.

Hundreds of turbines will be needed, and only ABP's Port Talbot has the scale and capacity to deliver. This will create a transformational opportunity in a new, high-productivity, strategic industry – spinning out skilled jobs, triggering the growth of a new supply chain, and creating new export opportunities.

This is a big opportunity for Port Talbot. We can use this time to modernise, invest, and grow, just as those before us did. The alternative – allowing ourselves to be overwhelmed by change – would see us left behind. If we want to create a future we like, we need to take a step forward. This is what FLOW will help us do.



As the UK moves to Net Zero, Wales is positioning itself for a technological revolution in the way that energy is created, distributed and used. ABP's Port Talbot can make a big contribution to this major strategic priority for both the Welsh Government and business investors.

Investing in our people

Despite global economic challenges, we have continued to invest in improving working conditions for our people.

As a leading employer in the UK maritime sector, we realise that, in order to attract the best talent, we need to innovate. That is why we prioritise building on our safety and skills programmes to help create a productive and empowering work environment, where our colleagues can thrive.

Safety



Safety is a core value for ABP and as part of our Beyond Zero safety programme, we strive to create a safer working environment for colleagues. ABP has already made great progress when it comes to investing in safety improvements, including becoming the first UK ports operator to adopt women's Personal Protective Equipment (PPE) workwear in 2019.

Building on this, ABP has developed a new range of PPE with an SA8000 certification of social responsibility, in partnership with ARCO, experts in safety, and MASCOT workwear, who share ABP's commitment to the UN's Sustainable Development Goals. We have also invested in an award-winning immersive safety training programme - Thrive in 2021 and other courses, which help equip colleagues with the right skills to create a safer workplace for everyone.

Skills



Investing in training is a key part of our journey towards building a sustainable business. Our employees benefit from access to the ABP Academy, our in-house training provider, which provides a range of courses, which cover topics such as practical skills in workplace safety and IT but also extend to leadership and mentoring training.

In 2023, ABP became the first ports group in the world to be approved by the IEMA (Institute of Environmental Management and Assessment) to act as a training provider for IEMA courses. As a result, ABP employees have started benefitting from the IEMA-accredited course "Environmental Sustainability Skills for the Workforce" to help them deliver our sustainability strategy.

Since re-launching our Graduate Programme in 2019, ABP has supported 25 graduates and the number of apprentices working for the company in various roles from marine to office-based has risen to 64.



Investing in **technology**

A further way in which we are improving the working conditions for our people is by investing in technologies to improve existing systems, training and data. Digital innovation enables better data flows and insights, which result in more accurate decision making, which in turn improves sustainability.



Since the Port of Southampton became the first British port to install a private **5G network** in 2021, we have seen the huge potential of this forward-thinking investment in digitalisation to deliver optimised operations and save time for both employees and customers.

In line with our aim to future-proof our business, we are investing in a range of innovative technologies to build the smart ports of the future. As an example of this, ABP has collaborated with cross-sector partners to win government backing for the **'Intelligent Drones for Port and Highways Technology' (InDePTH) project**. The project involves building and testing the use of drones to carry out automatic 'beyond visual line of sight' (BVLOS) missions to monitor and control critical national infrastructure such as highways and ports.

We have also been trialling **new safety devices**, both worn as wristbands and machine devices, to increase the safety of our employees in higher risk areas, portside operations, and lone working. Working in collaboration with Rombit, IT Innovation and the Port of Garston, the safety devices have been trialled, and refined in design to adapt to ABP's requirements. ABP has also developed in-house **Virtual Reality (VR) modules** to harness technology to enhance health and safety training for employees

(See VR visual to the right of this page). This training can be scaled and shared with ABP customers and is linked to a cloud-based analytics platform, which enables further insights.

In 2021, we announced that we were introducing new safety technology across our 80-strong fleet, including 30 electric vehicles, at our Port of Southampton. This **telematics system** increases visibility and real-time actionable insight, streamlining and safeguarding operations for the port.

A tracking platform displays vehicle speeds and acceleration, cornering, braking and maintenance needs, helping us identify any improvements it can make to help ensure optimum safety and fuel efficiency. By increasing fuel efficiency and reducing journey times, this technology also has

environmental benefits, contributing to the reduction of carbon emissions.

In February, ABP successfully completed the rollout of a new **Terminal Operating System (TOS)** – CommTrac v4 – at the Port in Newport, South Wales. This new system has been deployed to help streamline the management of AgriBulk operations at ABP's second-largest bulk handling port in their Wales and Short Sea Ports region.

This follows the implementation of a new **Automotive TOS** at the Port of Southampton in 2021.

The new system helps to optimise imported vehicle movements during stevedoring operations by carbon emissions and helps bring greater efficiencies to the supply chain.



Investing in a sustainable society

Diversity & Inclusion (D&I)



ABP is committed to promoting D&I.

Since the launch of our D&I strategy in 2020, ABP has delivered activities to create an inclusive and diverse work community. Four employee-owned D&I networks were formed: Ability (mental health and disability), FREe (faith, religion, and ethnicity), ABP GEN (gender) and LGBTQ+. Each network is sponsored by members of the Executive Team, who are visible D&I champions.

ABP is committed to increased gender diversity, something which is reflected in its Executive Team, with 30% female representation. In December 2020, ABP achieved Women in Maritime chartered-company status to build on this commitment.



Supporting communities

Being good neighbours to the communities surrounding our ports is important to us. This not only means supporting charitable causes but also contributing to regional economies and creating high-quality jobs.

Some of the community events we support, include sponsorship of marathons in Southampton, Newport, Cardiff and the Humber. We also organise beach cleans and tree planting initiatives, including a project to plant 21,000 trees across UK regions, in partnership with Trees for Cities, which will form part of The Queen's Green Canopy.



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