

ESG & Sustainability Report

1 April 2022 - 31 March 2023

Welcome

to our first ESG & Sustainability Report

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River Clyde, Scotland

Our Values

Working
together we act
in a **responsible**
way to deliver
excellence and
enable success

Together we succeed through collaboration.

Responsible we build on trust; we do things sustainably.

Excellence we enable success to benefit our world.

Enable we deliver through performance, service and innovation.

Chief Executive Officer Message

Welcome to our first annual ESG & Sustainability report, which showcases the achievements we've made in delivering Peel Ports Group's ESG strategy and the ongoing projects we have in the pipeline.

Last year we launched Enabling the Future, our sustainability programme designed to drive forward and support the adoption of enhanced sustainability across the business, building on a culture which nurtures high performance and responsible teams.

It is this responsible business culture which today drives our business.

As one of the UK's largest port operators, and a major employer in the areas in which we operate, we are fully aware of the role we need to play in driving the sustainability agenda.

We took the lead within our industry when we announced our commitment to become a net-zero business by 2040, and this level of ambition has been replicated across our other focus areas of sustainability, including our approach to equality, diversity and inclusion as well as social issues.

I am particularly proud of the significant projects and initiatives we've introduced to reduce our carbon footprint over the last twelve months, and whilst we have some way to go, this sets us in good stead for the year ahead.

This report represents a stepping stone in our journey to delivering sustainable growth for the business and we remain fully committed on building on the achievements we've made to date, while working to further embed sustainability as a driver for our future success.



Claudio Veritiero

Chief Executive Office
Peel Ports Group

Executive Sponsor Message

It's a pleasure to welcome you to our first annual ESG & Sustainability report.

As the lead in driving and coordinating our ESG efforts across the business, I take pride in seeing all the achievements we've collectively made as a team captured in this first report.

We've adopted the UN Sustainable Development Goals which naturally align to the business and where we feel we can make the most meaningful impact. These goals are the pillars of our ESG strategy and will ensure we are laser-focused on better, more valuable outputs from each of our actions.

We recognise people are at the heart of our business, and we are introducing a number of initiatives which will support efforts to become a more inclusive workplace, and attract the future diverse talent the business needs.

To inspire the next generation, we've committed to enhance our apprenticeship programme and launched new leadership and training initiatives to ensure our teams are well prepared and skilled to deliver our ambitious goals.



This past year we've made considerable strides in the delivery of our net-zero 2040 strategy, and this represents a testament to the efforts of various teams across the group and the commitment made by every single employee.

We've also focused on delivering a significant amount of social value projects which support local and regional initiatives. As a major employer across different regions, we place value on providing support in the communities we serve.

For more information on any of our ESG workstreams, please contact me or a member of the team. We welcome feedback and we're keen to improve.

Contact us:
enabling.futures@peelports.com

Lewis McIntyre

Interim Chief Financial Officer
Peel Ports Group



Who we are

The second largest UK port operator, safely handling around 70 million tonnes of cargo each year.

We enable businesses to benefit from a wide range of innovative and sustainable solutions, via our strategically located ports, terminals and state of the art technology.

We are focused on supporting customers in getting their goods closer to the end destination by sea, and via our ports, reducing reduce congestion, road miles and carbon emissions across the UK.

20 strategically located ports and terminals	£1bn invested in the last ten years	70 million tonnes of cargo handled each year	215,000 annual vessel movements
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What we do

As a dedicated and passionate ports company, we recognise the importance of supply chain reliability and resilience. Each of our ports is located strategically close to major national manufacturing, logistics, and population centres, meaning our services benefit from minimal road miles.

In addition to the physical ports, the group also offers enhanced services to customers through shipping line, BG Freight and freight forwarding business, Peel Ports Logistics.



Port of Liverpool

Port Clusters



- | | |
|--------------------------------|--------------------------------|
| C Clydeport | GY Great Yarmouth |
| H Heysham | R Runcorn |
| L Liverpool | HB Humber Bulk Terminal |
| M Manchester Ship Canal | E Ellesmere Port |
| D Dublin | LM London Medway |

Our Strategy

Our ESG strategy is underpinned by the UN Sustainability Goals. This forms the blueprint for the actions we take and will guide our key areas of priority. Against these Goals, we have assigned commitments and set clear targets to achieve in each of these areas.



ENABLING THE FUTURE

Enabling the Future is our ESG programme which communicates and showcases our responsible and sustainable business agenda.

It captures all we are collectively doing to have a positive impact, taking pride on what we do and also how we do it.

Enabling the Future has four themes which capture and align our delivery strategy and the UN Goals

- Jobs for the Future
- Everyone Welcome
- Our World
- Our Community

ESG Governance

To ensure compliance, we have a dedicated Governance & Ethics Committee, coordinated by the General Counsel & Company Secretary, and its members include senior leaders from the Group's central functions, including the Chief Financial Officer.

Responsible for driving consistency, the Committee assesses and challenges policies and procedures, with ultimate oversight of the Group's compliance with laws and regulations.

Further information about our Governance and Ethics, including our policies, is available online.

Scan to find out more...

peelports.com/group-policies





The UN Sustainable Development Goals

In 2015, the UN facilitated 193 world leaders agreeing on 17 Sustainable Development Goals, known as the Global Goals or UN SDGs.

Through these Goals, the world has the chance to create a better planet for all by 2030 by ending global poverty, fighting systemic inequality, and addressing the increasing urgency of climate change.

The SDGs are the only universally established framework designed to save people and our planet. The responsibility lies with businesses, governments, and civil society to support these

Goals and continue to develop a better future for all by tackling the urgent economic, social, and environmental challenges our world faces.

Peel Ports Group recognise the significance of these Goals and have developed our sustainability strategy to specifically incorporate four of the SDGs we feel we can best contribute to. Our duty and ability as a business is clear, and it is time to take action.

Our Priorities

Responsibility is at the heart of our mission. Across our locations, in every type of operation, we aim to promote a fairer, healthier world for all, and protect and reinvigorate the environment we operate in.

Recognising the importance of making the most meaningful impact possible, we took part in a workshop to identify the Goals our business could best assist in achieving.

This allowed us to look introspectively at our operations and see where we could make the most impact. Following the workshop, we agreed on four priority Goals:



8 DECENT WORK AND ECONOMIC GROWTH

**Goal 8:
Decent Work and Economic Growth**

Promote economic growth and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

**Goal 9:
Industry, Innovation, and Infrastructure**

Build resilient infrastructure, promote sustainable industrialisation, and foster innovation.

13 CLIMATE ACTION

**Goal 13:
Climate Action**

Urge to take action to combat climate change and its impacts.

14 LIFE BELOW WATER

**Goal 14:
Life Below Water**

Aim to protect and ensure the sustainable use of oceans.

By selecting four Goals as a priority, we can effectively balance our strategy and ensure higher output and more valuable outcomes from our actions. However, we recognise the importance of all 17 Goals and will aim to contribute to the other 13 where we can.

For each of these priority Goals, we set a number of commitments and targets to allow us to measure our progress. Each year, we will reassess our progress and adapt our strategy to aim higher in the areas where we are exceeding targets, and reallocate resources to those we are yet to meet.

UN Sustainable Development Goal 8

Decent Work & Economic Growth



Our targets and commitments

We commit to providing a rewarding, inclusive, and safe environment for our employees.

We will commit 50,000 hours each year to training, professional development, and personal well-being

We will recruit a total of 100 apprentices and graduates by 2028, with at least 50% of the intake from diverse and inclusive backgrounds

We aim for zero harm across our activities by 2028

Background

We believe in promoting a decent working environment and fair conditions, to allow the economy to grow in a positive and sustainable way.

Sustainable Development Goal 8: Decent Work and Economic Growth aims to substantially reduce unemployment, whilst making working conditions fairer across the globe.

Full and productive employment drives our purpose and we take pride in the vast number of initiatives implemented to sustain the positive working conditions of our people.

Our actions

Delivering our EHS Strategy

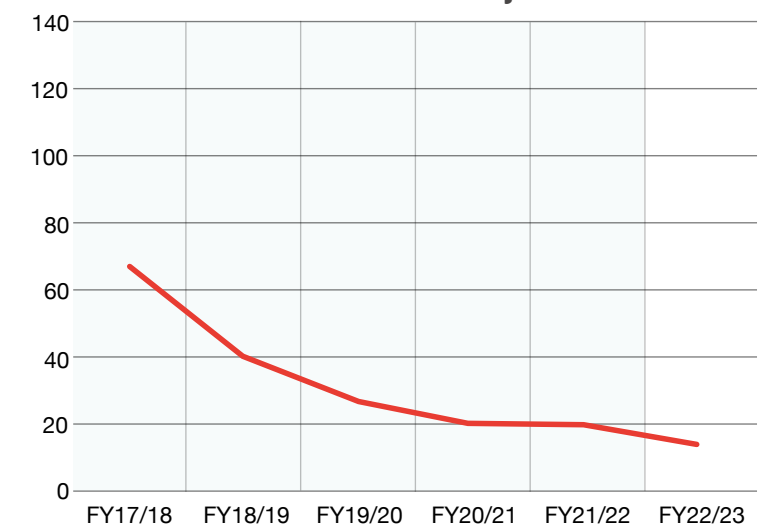
Year on year, we continue to report strong progress in health and safety performance. Our current 3 year environmental, health and safety (EHS) strategy was launched in 2022. To deliver our strategy we set out an annual plan setting key targets for the business, creating systems, tools and processes to help us on our journey towards zero harm.

In 2022/23 we launched the following:

- A new electronic authorisation to work and permit to work system, designed to improve consistency
- Updated our assurance and audit programme focussing on a layers of defence model. Utilising software to facilitate improved audits from facility checks through to legal compliance audits, essential to our continued programme of improvement.
- Trained **143** mental health first aiders, aligned to our 'Protecting Health' strategy theme, supporting our workforce through difficult times.

In total, **97%** of our **104 targets** were delivered in this financial year.

Peel Ports Group, Total Recordable injuries



NB: TRIR is Total Recordable Injury Rate - Measures Lost Time, Restricted Workday and Medical Treatment injuries

Decent Work & Economic Growth



Our actions

Spotlight on the Daniel Adamson steamship

At Peel Ports Group, we're committed to creating genuine social value in the communities we operate in. One of our most unique social partnerships is with the 'Daniel Adamson' tugboat. Nicknamed 'The Danny' by the local community, the Art Deco steamship travels across the North West to deliver on its mission of engaging more people in the maritime sector. We have pledged financial support across the past 7 years since the restoration began, helping the boat's organisers to continue offering guided tours and enjoyable activities for all ages.

In recent years, the team operating The Danny has worked closely with a number of key organisations across Liverpool to deliver community programmes and educational workshops on the boat. This includes the Sefton Sea Cadets, Liverpool John Moores University, the Museum of Liverpool, the Liverpool Maritime Museum, the Canal & River Trust, and the mental health charity MIND.

The Danny is only able to continue its meaningful work with the help of local organisations and volunteers. Volunteers have offered a huge range of skills to help restore and run the ship, while we and our fellow community partners provide financial support to ensure its upkeep. Peel Ports Group also grant The Danny full access to all of its waters, including areas otherwise unavailable to the public.

It's no secret the maritime sector has struggled with staff recruitment and retention in recent years. We're facing an ageing workforce and a looming skills shortage, just like many other industries. For us, the key to combatting this is to engage with more young people through these community partnerships to showcase the promising careers

within the maritime industry. The Danny has been a fantastic catalyst in helping us achieve these goals.

Additionally, we're committed to providing local jobs for local people, and our partnership with The Danny has facilitated several opportunities to engage with local schools and colleges. We're confident that, in supporting The Danny, we're helping promote a bright future and exciting career prospects within maritime, available on the doorstep of Merseyside residents.

Ultimately, The Danny brings people together, with its rich history and interesting backstory. The boat connects generations and disciplines, by offering educational opportunities that foster inter-generational understanding, fuel creativity, and build confidence.

To find out more visit: www.thedanny.co.uk



Decent Work & Economic Growth



Our actions

Armed Forces Covenant

Peel Ports Group have been actively supporting the Armed Forces Community since 2015 when the Armed Forces Covenant was first signed. The Group currently hold a Silver Award.

By creating a Corporate Covenant we are publicly expressing Forces-friendly credentials as part of our recruiting and selection processes. We will encourage the employment of members of the Armed Forces community as well as promoting and supporting employees to become members of the Reserve Forces by accommodating their training and deployment where possible.

As a business we recognise the value of skills, technical knowledge and values based work ethic that serving personnel, veterans and military families can bring to our operations.



The 5% Club

To recognise the importance of apprenticeships within the maritime sector, Peel Ports Group became a member of The 5% Club. The 5% club is a committed group of employer members that exists with the purpose to share prosperity by increasing the number, quality and range of earn & learn opportunities across the UK.

By joining The 5% Club, we aspire to achieve 5% of our workforce in earn and learn positions (including apprentices, sponsored students and graduates on formalised training schemes) within five years of joining the club.



Ensuring ethical labour practices

Having a robust, ethically sourced, and diverse supply chain in place is a non-negotiable priority for us here at Peel Ports Group.

We have a key role in the UK's broader supply chain and economy, so our part of the chain has to be as ethical as possible.

For us to have confidence in our claims, we must ensure ethical labour practices are being integrated into our suppliers' operations and our suppliers are educated on any risks associated with modern slavery, with the capabilities to mitigate these effectively. We have been doing this for three years through our Chartered Institute of Procurement & Supply (CIPS) corporate ethics certification, which verifies our compliance with the highest professional ethical standards globally.



Further to this, we have also partnered with leading utilities industry network Achilles. Together, we are introducing a series of Ethical Labour Audits to evaluate our own and our key supply chain partners' ethical performances. We will assess whether the operational practices are appropriate, proportionate, and ethical across all locations.

Early Careers Ambassadors – appointing ambassadors for community engagement

We believe that for talent to flourish, it must be nurtured and inspired. Young people are the future of our operations, so 36 Early Careers Ambassadors have been appointed across the group. These ambassadors allow our new starters and apprentices the opportunity to ask questions and further their personal and career development.

Our ambassadors also partake in outreach to local schools and colleges, sharing the important work we do at each of our locations and offering career advice to students. We want to showcase career pathways and inspire young people on the exciting career opportunities available.



Decent Work & Economic Growth



Our actions

Supplier Code of Conduct

We have developed our own Supplier Code of Conduct, outlining ethical and environmental practices we expect our suppliers to follow. To date, over **70%** of our supplier base have signed up to our Supplier Code of Conduct, including all major suppliers and labour providers.

Following an overwhelming positive response to our Supplier Code of Conduct, we decided to extend the coverage to include waste management and further compliance requirements. This is set to be implemented in 2024.

To further promote a sustainable supply chain, all our suppliers must support our social and environmental objectives, including the key areas that underpin these: health and safety, environment, human and labour practices, and innovation.



Supplier Ethical Data Exchange

Driving innovation across the industry is undoubtedly a collaborative effort. Only by working with our suppliers can we make long-lasting, meaningful change. That's why we have signed up to become a member of Supplier Ethical Data Exchange (Sedex), the world's largest supplier data platform. We are now part of a network of over 74,000 companies across the globe, showing our commitment to ethical supplier management and aligning with major industry players.



Sustainable supply chain

Our business centres on efficient operations and delivery of supply chain services. Our suppliers are an important part of our business and we are committed to working with them to deliver sustainable improvements and innovation. By working closely with our supplier base, we can deliver positive change all the way through our procurement process.



Supporting local businesses

% of Spend	OPEX	CAPEX
Top 20 Suppliers of Total	69%	74%
Top Circa 200 Suppliers of Total	95%	98%
SMEs of Top 200	35%	15%
Local SMEs of SMEs	68%	49%
Local Micros of Local SMEs	49%	54%

- **SME** = <€50m turnover or balance sheet and 250 employees
- **Micro** = €2m turnover or balance sheet and 10 employees
- Significant support for local businesses and local economy with SME supplier base

UN Sustainable Development Goal 9

Industry, Innovation and Infrastructure



Our targets and commitments

We commit to operating sustainable, smart ports which facilitate low carbon transport modes.

We will ensure that 50% of the energy provided to our ports and tenants will be renewable by 2030

We will ensure that all new buildings have an EPC rating of B and all existing buildings will have a rating of C by 2028

We will collaborate on 15 innovative projects with industry and educational institutions by 2028

Background

We need to promote innovative and sustainable technologies to ensure we, as a business, meet inevitable future industry challenges.

Anticipating these challenges and investing in resilient infrastructure now allows us to safeguard our business for all who rely on it.

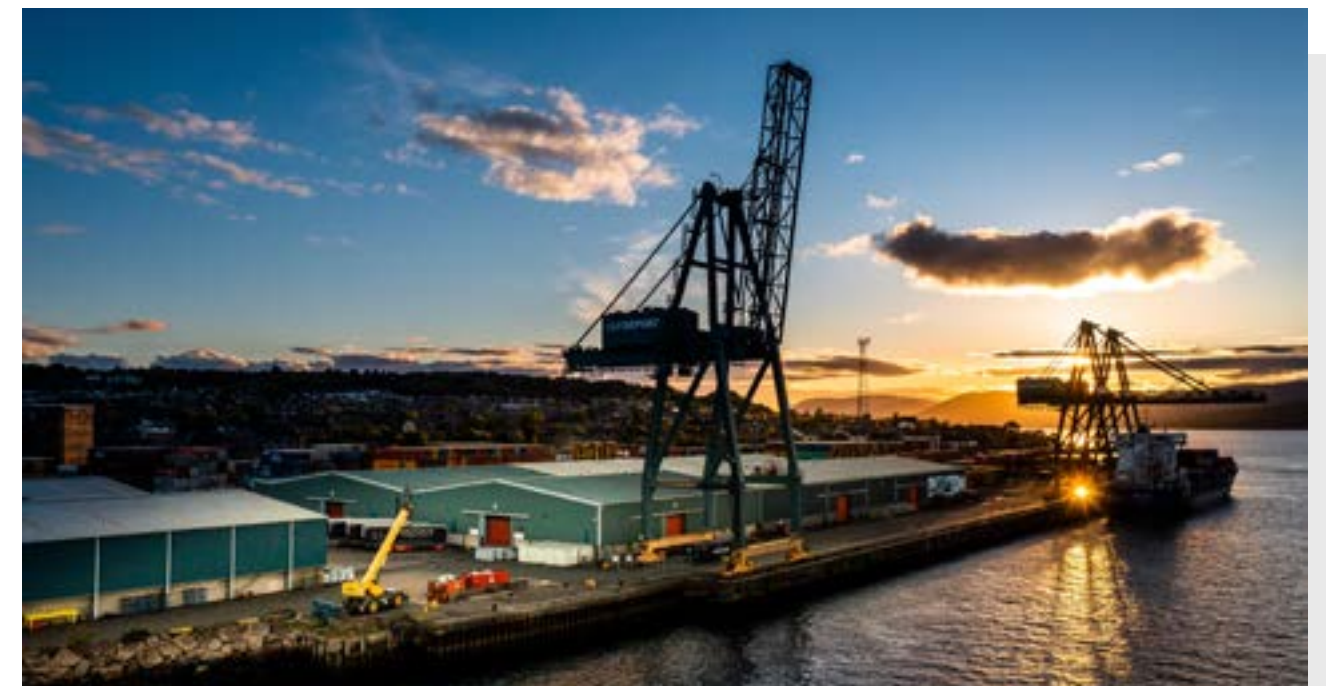
This is particularly essential for Peel Ports Group, as a business where innovative infrastructure is an integral component in successful supply chain delivery.

We understand the urgency for infrastructural investment, so much so that we have prioritised Goal 9 in our strategy.

Our actions

Delivering innovative and resilient infrastructure

We are well underway upgrading our infrastructure and developing innovative terminals that are resilient and anticipate future challenges we may face. Our business relies on ensuring our equipment and systems architecture is sustainable and efficient for our customers, which is why we continue to develop innovation across our sites.



Industry, Innovation and Infrastructure



Our actions

Hunterston Port and Resource Campus

We are proud of the developments at Hunterston Port and Resource Campus (PARC), a nationally significant industrial and multi-modal port near Glasgow.

The PARC has the potential to support North Ayrshire communities and local economies, by providing thousands of direct and indirect jobs with huge potential for developing ground-breaking innovation.

In recent years, Hunterston PARC, part of Clydeport, has undergone a complete environmental and social transformation at the hands of Peel Ports Group.

Originally established in 1979 as an iron ore and coal-handling port at Fairlie on the Firth of Clyde, it was our 2003 takeover of the site that signalled the beginning of a regeneration process to future proof the deep-water port for sustainable use.

Today, the vision for Hunterston PARC is to create an energy and marine campus that brings together industry-leading operators, world-class universities, and the latest innovators to deliver technological advances in areas such as power generation and aquaculture.

With plans for sustainable industries such as renewable energy, aquaculture, and offshore energy at the port, Hunterston PARC has the potential to develop a wide range of job opportunities which will help regenerate the local community.

Earlier this year, Hunterston PARC was granted national development status under the Scottish Government's NPF4 framework, which recognises Hunterston as a strategically important site in supporting the delivery of Scotland's new national development strategy and the country's transition to net zero by 2045. As part of this plan, the site will undergo redevelopment to enhance the port's potential for electricity generation from renewables such as offshore wind, along with other commercial uses including research, development, and aquaculture, to drive forward Scotland's circular economy.

Hunterston PARC offers an unrivalled combination of extensive land, facilities, and connectivity, which will make it a leading player in the Scottish economy. As proof of the site's potential, our tenant XLCC has secured planning permission for a subsea cable factory, which will create 900 new jobs, with thousands more in the wider supply chain.

Nurturing local business is a key driving force behind Hunterston PARC. Family-run seafood specialist Cumbrae Oysters Ltd, doubled its existing three-acre facility at our site to meet its global export demand. The ongoing development and work completed offers a prime example of how large-scale ecology investment can be achieved hand in hand with a strong focus on co-existing with its natural environment.

Of the 1,000 acres that make up Hunterston PARC, less than one third is currently industrial land earmarked for a variety of green and blue business sectors, such as offshore renewable energy.

The remainder, around 700 acres, is given over to tidal sands, a lagoon and island for migrating birds, and wild woodlands. The site is adjacent to the nationally important Southannan Sands Site of Special Scientific Interest (SSSI), designated for its intertidal marine habitats and saline lagoons.

As a local landowner, Peel Ports Group take their responsibilities to the environment extremely seriously and are committed to protecting and enhancing biodiversity. All developments to the site are made in line with the need to extend and enhance the natural environment, using wildlife corridors and sustainable drainage systems.

Hunterston PARC will continue its mission to create an industry-leading energy and marine campus in the coming years, using the port's strong links with the economy, environment, and local community to drive innovation.



Industry, Innovation and Infrastructure



Our actions

Peel Ports innovation challenge

In partnership with Liverpool City Region Founders, we developed a week-long sustainable innovation challenge, to support the Peel Ports Group Net Zero 2040 commitment, as well as our Enabling the Future initiative.

The challenge facilitated student collaboration from the University of Liverpool and Liverpool John Moores University. Mixed teams from both universities worked together to present potential solutions to real-world challenges faced by ports, all underpinned by the theme of sustainability.

Across five days, students were given the opportunity to meet with industry expert mentors to develop their ideas and receive constructive guidance and feedback. They then delivered their pitches to the panel of judges from Peel Ports Group and the Port City Innovation Hub for the opportunity to win £1,000. The winning team received a follow-up invitation to pitch their idea at the Peel Ports Group headquarters in Liverpool.



Energy hubs

Society is amidst an energy crisis. Now, more than ever, we need to be investing in energy infrastructure. Using sustainable technologies to generate green energy is crucial to reducing our reliance on non-renewable sources and transitioning towards renewable energy generation.

Peel Ports Group continue to implement energy hubs across our sites to enhance sustainable energy generation. One such project is in Great Yarmouth, the centre of the world's largest market for offshore wind. At this site, there are projects worth more than £39 billion spanning the next 30 years being delivered directly from the borough. Peel Ports Group has invested thousands into port infrastructure to ensure proper maintenance, operations, and longevity.



The Great Yarmouth and Lowestoft Enterprise Zone comprises six sites across the coastal towns, thereby supporting the cluster of energy businesses. Not only is this port a strategic centre for offshore wind, but it has huge potential for job creation. It is projected this site will create 18,500 new jobs over the next 25 years.

Vehicle Fleet & Wheeled Assets

In an effort to decrease our day-to-day business emissions, we are committed to the integration of electric vehicles across our fleet. We took receipt of our first electric vehicle in 2019. Our vehicle fleet is now **97% electric**, including those already in operation or on order, resulting in the removal of an estimated **63tCO₂e** from our annual operational footprint. To date, we have invested more than **£500,000** into charging infrastructure, making owning electric vehicles more accessible to employees and visitors to the ports.

An assessment of alternative fuels for our manual handling equipment (MHE) and straddle carriers was undertaken.

Conventional diesel has been substituted hydrotreated vegetable oil fuel (HVO) across a large percentage of our assets. Approximately **3.3M litres of diesel** has been substituted in FY23 reducing emissions by **11,861tCO₂e**.

Where manufactured product permits and there is an infrastructure to accommodate, we have identified opportunities to **electrify 13%** of our MHE.

We are continuously working with our supply partners to remain aware of emerging technologies and solutions for our operations that will progress our journey to net zero.

Waste management innovation

Across the last year, we have reinvigorated and set plans to re-engineer our waste management practices to better quantify and characterise our waste streams so as to bring about positive change in line with the waste management hierarchy.

It is fundamental we adapt our current processes to establish a foundational baseline before progressing to more innovative on-site waste management and recycling facilities.

Starting in October 2022, our partnership with Mitie Waste & Environmental Services sees Mitie managing sustainable waste operations across the Port of Liverpool and the Manchester Ship Canal.

The aim of this project is to increase our recycling performance and reduce carbon emissions and cost related to waste collection.



This model will then be adapted to complement operations at the rest of our ports for an eventual universal outcome.

Waste data has not been integrated into this annual report whilst we generate a more accurate baseline. It is a key deliverable of our Environment, Health & Safety Plan 2023/2024 to report waste performance data in the FY24 Sustainability & ESG Report.

This is a significant milestone within the Safety Plan 2023/24.

Industry, Innovation and Infrastructure



Our actions

Renewable Generation & Energy Management

As a ports group we purchase **156MWh of electricity annually**. We recognise the need to make our energy portfolio resilient to unpredictable or uncontrollable factors. To do so, we are investing in renewable energy generation.

Opportunities for wind, solar and hydro have been identified with projects being progressed at multiple port locations across the group. There is a commitment to have on-site solar generating capability before the end of FY24.

A renewable power source needs to work in tandem with; energy efficient technologies, maintenance, operations & personal behaviours to conserve and achieve efficient energy usage. A comprehensive energy management system incorporating monitoring and targeting is necessary to achieve these goals.

We have developed our Resource Management Policy and documented energy management system to align with the requirements of ISO50001 and will work towards formal accreditation in FY24. ISO50001 is a widely recognised system of energy management modelled on legal compliance and continuous improvement. As part of commitment to energy efficiency, 12 energy champions have been identified and received bespoke training from an external provider. Monitoring and targeting software has been introduced and energy management plans are being developed for significant energy users.



Capital provision for energy efficiency projects has been integrated into the Business Plan.

£8M has been made available over the next 3 years. A total of 81 projects have been identified with the potential to deliver approximately 10% energy savings. Opportunity areas include;

- Accurate supply metering & sub-metering
- LED lighting for sheds and lighting towers
- Rainwater harvesting to top up dock levels
- Optimised lock operation

Greenock Cruise Terminal

We're excited to have taken part in the development of Greenock Cruise Terminal, a partnership between Peel Ports Group and Inverclyde Council. The terminal will include a £14 million cruise berthing facility and visitor centre at Greenock Ocean Terminal.

This project is set to increase the number of cruise ship passengers to Scotland by up to 150,000 passengers annually.

Moreover, the state-of-the-art terminal will feature a roof top restaurant and art gallery, contributing to an estimated £26 million in annual visitor and crew spend in the local Scottish economy. This demonstrates that our projects positively impact on local communities and create jobs.

Greenock Container Terminal

Since its completion in late 2022, Greenock has facilitated the first direct China-Scotland container service. This direct sailing will significantly reduce transit times, emissions, and potential risks.

We're also planning to install two new cranes at the terminal, making it the largest single investment since its opening in 1969. This enhanced infrastructure aims to attract major investment, accelerate our net-zero goals, and create permanent employment opportunities, boosting the local economy.

Road to rail

As part of our efforts to reduce residual emissions in transport, we have increased investment in rail transport. The Port of Liverpool now facilitates the journeys of up to four container trains per day, to destinations in Scotland and the East and West Midlands. Averaging at around 35 containers per train, each week we reduce HGV movements by around 65,500 fewer trucks, which is 10% of our container volumes.

To expand the benefit of rail to our southern ports, a development is now underway to connect the Port of Sheerness, London Medway to the national rail network. This will enable a full multi-modal service with daily journeys originating and arriving into the Port of Sheerness.



UN Sustainable Development Goal 13

Climate Action



Our targets and commitments

We commit to reducing our greenhouse gas emissions and embedding climate change considerations into long-term business planning.

We will reduce our UK scope 1 and 2 emissions to zero by **2040**

We will measure our scope 3 emissions by **2023** and set a target to reduce these by **2024**

We will create a climate adaptation plan for each port by **2025**

Background

Climate change threatens our very way of life. If we are to have a sustainable future, we need to take immediate action to stabilise our climate.

We must integrate climate action into our plans to ensure a healthy and sustainable future for all, by calculating and reducing carbon emissions, implementing mitigation initiatives, and educating everyone we do business with on the importance of action.

We are acutely aware of the risks posed by climate change, including sea level rise, extreme weather events, and changing ocean temperatures, which can directly affect our operations, infrastructure, and supply chains. Resilience and adaptation are key to a thriving economy, planet, and company.

Climate change poses risks to the stability and safety of our port operations, including potential disruptions to shipping routes, increased storm surge impacts, and damage to port infrastructure. These risks can result in increased costs, decreased operational efficiency, and interruptions to our supply chains.

Our actions

Our journey to net-zero

In November 2021, we committed to producing net-zero greenhouse gas emissions across our port operations by 2040. We were the first major UK ports group to do so.

We have always understood that net-zero is a daunting commitment; however, we knew that the science was telling us that we all need to act with urgency and ambition.



Climate Action



Our actions

Our approach to net-zero

For many organisations, including Peel Ports Group, measuring emissions, and delivering net-zero, is a complicated process. Also, we have to acknowledge concerns amongst the public and stakeholders about the speed and effectiveness of company actions – so-called ‘greenwashing’.

The first principle at the heart of our approach is integrity, which means that we will be:

Complete: we will measure and report all emissions that arise from our operations

Absolute: we will report the amount of emissions produced and reduced

Genuine: we will only take credit for the actions which we ourselves have brought about

Verified: independent experts will audit the emissions we report

Transparent: we will publish our performance and audit reports every year, good or bad.

We will be open about any challenges or barriers we encounter in our journey to net-zero because by being open and frank we have the greatest chance of engaging people to solve the problem.

Which brings us to the second principle: partnership. There are countless decisions made every day by our own staff, partners, and customers which influence emissions. That means we need to be:

Inclusive: by encouraging all employees of the Group, our customers, and other stakeholders to suggest improvements we can make

Enabling: by supporting and facilitating our partners’ own decarbonisation efforts

Engaged: by proactively influencing policy and supporting innovation that affects our sector

Humble: by accepting we don’t have all the answers and being open to feedback.

The third principle at the heart of our approach is that we should be standards and science-based. This means our journey to net-zero will be:

Informed: we will use the best expertise we can find to guide our net-zero journey

Validated: we will independently test our targets to see if they are aligned with a science-based 1.5°C emissions pathway

Systematic: decarbonisation requires us to achieve continuous improvement over a long timescale

Aligned: we recognise climate change is just one of several planetary boundaries at risk and our journey to net-zero must support other sustainable development goals.

Our net-zero targets

We have engaged with external consultants to ensure our targets for net zero are fully aligned with climate science. Specifically, we are ensuring our targets align with the net-zero standard defined by the Science Based Targets Initiative (SBTi).

By aligning with this standard, we are contributing to the efforts to keep global warming below 1.5°C by 2100, as desired by the UN’s 2015 Paris Agreement.

Our science-based targets have both a near-term and a long-term goal, to ensure we make sufficient progress by 2030.

For our port operations, we are committed to becoming a net-zero port operator by 2040 and to reduce our scope 1 and 2 emissions over which we have operational control by 50% by 2030, compared to a 2020 baseline on an absolute emissions basis using a market-based method.

For our shipping operations in BG Freight Lines, we are committed to becoming a net zero shipping operator by 2050 and to reduce our scope 1 and 2 emissions over which we have operational control by at least 42% per tonne of goods per kilometre moved by 2030 compared to a 2020 baseline using a market-based method.



Climate Action



Our actions

Port Operations

Comparison with 2020 Baseline

Peel Ports Operations direct Scope 1 (fuels) and Scope 2 (electricity) emissions have now been independently verified for the four years since our baseline in 2019-2020 (FY20).

The independently verified figures for FY23 demonstrate a 32% reduction in Scope 1 and Scope 2 emissions from Port Operations, compared to our FY2020 baseline using a market-based approach. We are on track to meet our net-zero commitment.

Our Scope 1 and Scope 2 GHG emissions from Port Operations are shown below, expressed in tonnes of carbon dioxide equivalent (tCO₂e).

Comparison between FY22 & FY23

Scope 1 emissions demonstrate a decrease of 51%, from 20,171 tonnes CO₂e to 9,941 tonnes. These emissions reduction have been largely achieved in the “mobile combustion” category of liquid fuels for the port operations, for straddle carriers etc.

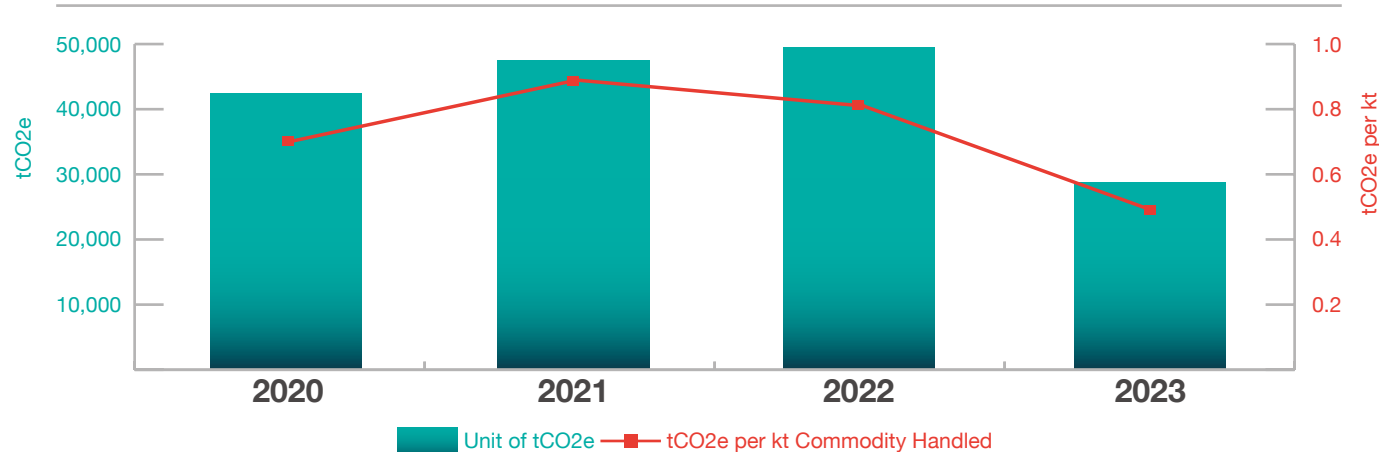
The reported emissions reduction for Scope 2 (electricity use), when calculated using the market-based method of accounting demonstrates a 36% decrease from 29,252 tonnes CO₂e to 18,743 t CO₂e, a reduction of 10,509 tonnes CO₂e.

A proportion of this can be attributed to the FY23 billing of a port customer for electricity supplied in FY22, the effect of which is to make our electricity use in FY23 appear lower, and conversely the use in 2022 appear higher.

BG Freight (Shipping Operations)

The total direct Scope 1 emissions of BG Freight have decreased by **18.5%** between FY22 and FY23.

Performance Tracker; Scope 1 & Scope 2; Market Based GHG Emissions from Port Operations;



Scope 3 emissions

Scope 3 emissions are those for which our business is indirectly responsible. There are 15 categories of scope 3 emissions, covering activities that are both upstream (purchased) and downstream (sold) in our value chain.

As with most businesses, our scope 1 and 2 emissions are dwarfed by our scope 3 emissions. However, gathering accurate data on these emissions is a complex undertaking and we are currently working to create an accurate baseline to allow us to set a credible reduction target.

Scope	Activity Type	2020	2021	2022	2023
Scope 1	Stationary combustion	988	1,007	872	733
	Mobile combustion - BG Freight	174,753	180,472	186,207	151,744
	Mobile combustion - others	17,680	20,482	19,158	9,083
	Fugitive emissions from refrigerants and SF6	116	115	141	125
Scope 1 - Total Peel Ports Group (PPG)		193,537	202,076	206,378	161,685
Scope 2	Purchased electricity - location based	16,707	16,385	17,174	11,096
	Purchased electricity - market based	23,606	25,735	29,252	18,743
	Purchased heat, steam, coolth	-	-	-	-
	Scope 2 - Location Based + heat, steam, coolth	16,707	16,385	17,174	11,096
	Scope 2 - Market Based + heat, steam, coolth	23,606	25,735	29,252	18,743
	Total Scope 1 & 2 (Location Based)	210,244	218,461	223,552	172,781
	Total Scope 1 & 2 (Market Based);	217,143	227,811	235,630	180,428
	Total Scope 1 & 2 (Market Based); Ports Only	42,390	47,339	49,423	28,684
Activity	Kilo Tonnes Handled (Total)	66,146	58,692	66,685	64,352
	Kilo Tonnes Handled (Shipping)	5,915	5,605	5,791	5,642
	Kilo Tonnes Handled (Port)	60,232	53,087	60,894	58,710
Intensity*	Intensity (PPG; Port & Shipping)	3.28	3.88	3.53	2.80
	Intensity (Shipping)	29.55	32.20	32.15	26.90
	Intensity (Port)	0.70	0.89	0.81	0.49

FY20, FY21, FY22 & FY23 Independently verified to ISO14064-3

*Intensity units tCO₂e per kt; Market Based Calculations

Climate Action



Our actions

Task Force on Climate-related Financial Disclosures (TCFD)

On 6 April 2022, the UK became the first G20 country to enshrine in law mandatory requirements for Britain's largest companies and financial institutions to report on climate-related risks and opportunities.

These requirements are based on 11 recommendations for disclosure made by the Task Force on Climate-related Financial Disclosures (TCFD), aligned with four themes.

These themes cover governance, strategy, risk management, and metrics and targets. We have made significant progress against these themes, as outlined below, and will include a TCFD aligned disclosure in our FY2023 accounts one year earlier than the mandatory requirement.



Governance

We have a strong governance structure in place to manage climate change, with a Climate Change Committee, which reports to the Executive Board.

Management from across the business are involved in the assessment of risks and opportunities through climate scenario analysis. These risks and opportunities are then managed by workstream owners for both mitigation and adaptation.

Strategy

We are working with external consultants to carry out a detailed climate scenario analysis in order to understand the detailed risks and opportunities presented by different global warming scenarios.

Risk management

We are in the process of identifying the risks posed by a warming climate and the transition needed to achieve net zero. These risks will form part of our overall risk framework.

Metrics and targets

We have measured our scope 1 and 2 emissions and are in the process of measuring our scope 3 emissions. We have science-based targets in place, which are aligned with the net-zero standard from the Science Based Targets Initiative (SBTi).

Climate Resilience & Planning

Ports are inherently vulnerable to the effects of climate change. In addition to climate change mitigation, adaptation and resilience measures are also required to address the impacts of climate change that are already happening. Investing early in resilience and adaptation reduces the risks and costs associated with climate-related impacts, and enables opportunities associated with climate change to be taken.

We have been working with third party experts and have completed high-level climate risk assessments for all port locations.

The assessments quantify the risk of different asset groupings, being adversely impacted by various climate hazards. They consider different climate projections across a number of time spans.

The risk assessments will allow us to identify priority locations and hazards and develop a strategic program of targeted works to further refine the risks, identify and cost risk reduction measures increasing the resilience of our business operations. Adaptation plans will be completed for each port location by 2025.

Acute Risks



- Tidal Flooding (due to extreme sea levels / storm surge)
- Fluvial Flooding (due to extreme river flows)
- Pluvial Flooding (due to extreme precipitation)
- Extreme storms (rain, wind, waves) events
- Extreme temperatures (high, low)
- Other acute risks, including hail, lightning

Chronic Risks



- Sea level rise
- Drought (due to reduced average precipitation)
- Change in precipitation
- Average temperature increase
- Increased frequency of storms (wind, waves)
- Fog

Climate Action



Our actions



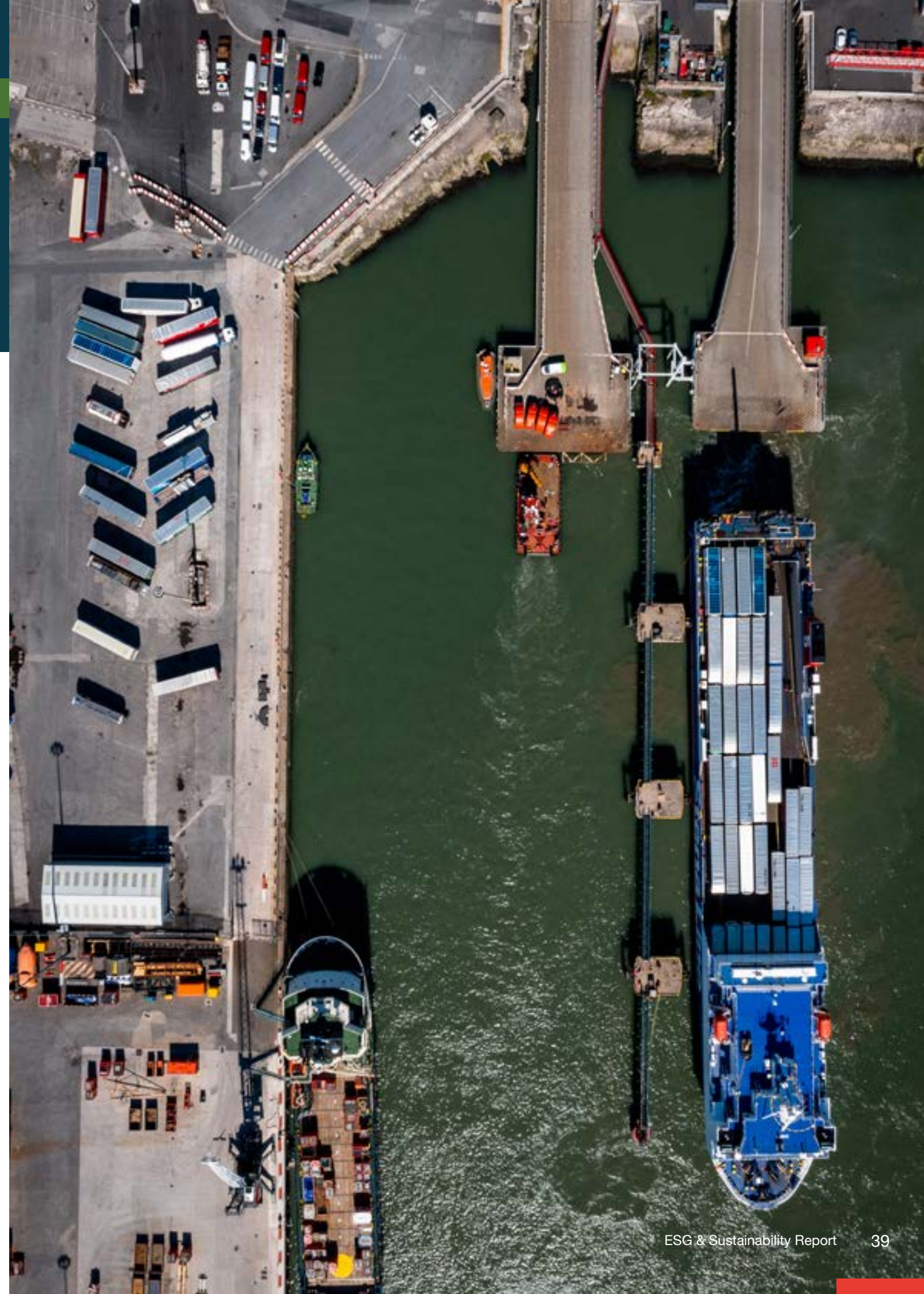
Heysham aims to become the UK's first net-zero port

The Port of Heysham has reduced the carbon emissions of its landside plant, equipment, and vehicles by up to 90%, in what we believe is a first for any UK port.

All its vehicles, plant equipment, forklift trucks, tug masters, and ancillary equipment are operating on either electricity or hydrotreated vegetable oil (HVO).

Whilst using 100% renewable electricity is the ultimate goal, HVO is composed of plant-based oils, which reduces CO2 emissions by up to 90%, and direct emissions of particulate matter, such as dust, smoke, and other fine materials, by up to 65%.

HVO can be substituted directly for diesel fuel and is broadly considered a greener option to diesel due to its lower NOx emissions.



UN Sustainable Development Goal 14

Life Below Water



Our targets and commitments

We commit to protecting and enhancing our marine environment.

We will invest **£40,000** annually towards scientific research focused on the protection, conservation, and enhancement of marine biodiversity

We will enable at least one beneficial reuse of dredged material initiative per statutory harbour authority by **2028**

We will aim for zero pollution incidents across our activities by **2028**

Background

As a ports company, Sustainable Development Goal 14, Life Below Water, holds significant relevance to our operations and activities.

This global Goal aims to conserve and sustainably use the oceans, seas, and marine resources for the benefit of present and future generations.

From our perspective, SDG14 emphasises the importance of protecting marine ecosystems and biodiversity, minimising the negative impacts of our operations on the marine environment, and promoting sustainable use of marine resources. We recognise our activities can have inherent significant environmental impacts, including pollution, habitat destruction, and disturbance to marine life, so we are committed to mitigating these impacts and creating positive change.

Our actions

Marine Biosecurity Plan

Invasive non-native species (INNS) pose a potential risk to the environment and our port operations. To help minimise this risk and protect local environments from invasive non-native species, Peel Ports Group have developed a Marine Biosecurity Plan.

Where possible, we collaborate with stakeholders and regulators to deliver best practice. Previously, we have successfully collaborated with the Angling Trust to install 'check-clean-dry' signs around entrance and exit points across the length of the Manchester Ship Canal, to raise awareness and thus reduce the transfer of INNS amongst the angling community.

We have also been working with Natural England to identify the invasive non-native species present across our ports. During this project, water samples were collected from our marine operational areas to undergo eDNA analysis. This information will allow us to build a baseline of INNS in our ports and identify biosecurity management measures through our Group Marine Biosecurity Plan.



Life Below Water



Our actions

Beneficial re-use of dredge material

As a statutory harbour authority, we must maintain safe navigational access into each of our ports, a process achieved through dredging. Beneficial re-use involves utilising dredge sediment as a resource for environmental enhancement. Peel Ports Group have established Sediment Stakeholder Management Groups across all of our ports to assess opportunities for re-use.

During the landmark COP26, Peel Ports Group became the first port operator to sign the SedNet Sediment Management Pledge, demonstrating our

commitment to assessing sustainable long-term solutions for sediment management across each of our ports. The beneficial re-use initiatives driven by Peel Ports Group will assist the Group in our wider journey towards net-zero and deliver environmental improvements across our ports.

A beneficial re-use project has been underway for several years in the Mersey Estuary, and by continuing to work with regulators and other local stakeholders, similar projects will be implemented across the Group in the coming years.



Working with universities

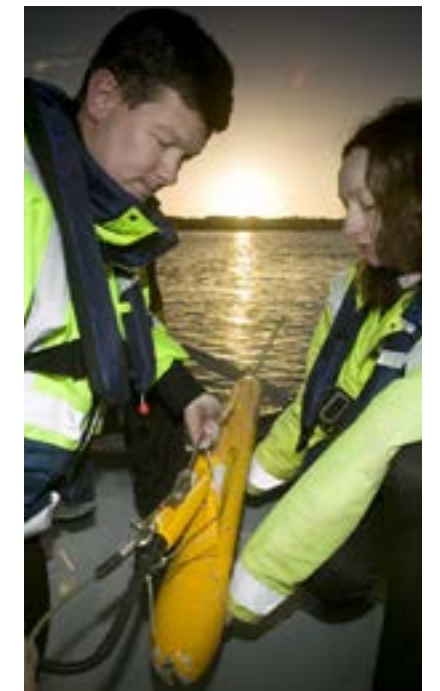
Peel Ports Group are keen to collaborate with universities to undertake environmental research, which would offer mutual benefits for both the Group and the students involved. There are a number of ongoing projects, including:



Collaboration with the University of Birmingham to map out climate change interdependencies for the Port of Liverpool.



Working with the University of Manchester to understand variations in carbon storage properties from sediment which has been recently dredged and sediment from areas not regularly dredged.



A one-year undergraduate Hydrographic Surveyor Student Programme hosted by our Group Marine team, where students can gain valuable career experience and practical skills.

ESG Performance Dashboard

Environment

Energy

12
Energy
Champions



Fuel Transition

Transition from Diesel to HVO

3.3M Litres



Reduction of 11,861tCO₂e FY23

CO₂

**Reduction in
Scope 1 & Scope 2**

Port Operation Greenhouse
Gas Emissions from FY20
baseline



Climate Adaptation

100%
Physical Climate Change
Risk Assessments;

Covering all port clusters



Social

HR

36
Early Careers
Ambassadors



HR

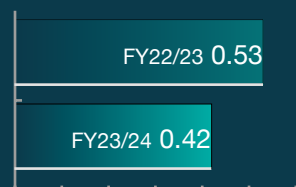
39
Active
apprenticeships



Safety

0.42
Total Recordable
Injury Rate (TRIR)

>20% Reduction
from FY23



Health

143
Mental Health
First Aiders



Governance

ESG Rating

+39%

Improvement in GRESB
ESG rating from 2022



Audit / Standard

76%

of port locations with
Triple ISO accreditation
(14001, 9001, 45001)



Exec Committee

ESG Committee

formed July 2021;
quarterly meetings



Exec Committee

**Climate Change
Steering Committee**

formed 2021



Policy

First ESG Conference

and Launch of 5 Year
Sustainability Strategy
March 2023



Policy

**New
Whistleblowing
Policy**

Launched 2022



Audit / Standard

**Internal Auditors
Trained;**

Integrated
Management Systems



Audit / Standard

18

Group EHS compliance
audits completed

FY23



ESG Data

BUSINESS	
Commodity Handled (kt)	64,352
GOVERNANCE	
ESG Rating; GRESB; 2022	3 Star
ISO Accreditation (9001,14001, 45001) % Port Locations	76
Group EHS Audits	18
IMS; Internal Auditors Trained	34
Delivery against EHS Strategy Plan	97%
EMPLOYEE SAFETY	
Total Recordable Incident Rate (TRIR)	0.42
Visible Felt Leadership Tours (VFL)	5,757
Hazard Observations Raised	4,144
ENVIRONMENTAL	
GHG; Scope 1 & Scope 2 (Market Based) Including BG Freight Shipping (tCO2e)	180,428
GHG; Scope 1 & Scope 2 (Market Based) Port Operations (tCO2e)	28,684
GHG; Intensity Scope 1 & Scope 2 (Market Based) Including BG Freight Shipping (tCO2e/kt)	2.80
Electric Vehicles; % of Vehicle Fleet (Available/On-Order)	97%
Manual Handling Equipment; Electrified	13%
Transition from Diesel to HVO; (ML)	3.3
Non-Renewable Electricity Purchased; (MWh)	156
Energy Champion Training	12
Air Pollution; Non-Compliance	0
Water Withdrawals; 3rd Party Potable; (ML)	378.8
Water Withdrawals; Brackish; Dock System; (ML)	626,626
Beneficial Reuse of Dredging Material; Port Clusters	1
Climate Change; Physical Risk Assessments	100%
Environmental Nuisance Complaints	22
Freehold property within the Group having a Statutory Designation (Ha)	5,288

EMPLOYMENT	
Number of Full Time Employees	2046
DIVERSITY & INCLUSION	
Ratio of Employees identifying as Women to Men	10/90
Gender Pay Gap	10.1%
TRAINING	
Courses Delivered	334
Hours	52,505
Hours/Employee	32
EARLY CAREERS DEVELOPMENT	
Apprenticeships	39
Early Career Ambassadors	36
Career/Engagement Events	10
PAY & BENEFITS	
Employees paid real living wage	99%
Armed Forces Covenant	Silver Award
HEALTH WELLBEING & SOCIAL	
Mental Health Champions	143
SUPPLY CHAIN	
Supplier Health Checks	24
Supply Chain; Ethical Labour Audits	1
Suppliers; Signed Code of Conduct; % Spend	70%
Spend with Local SME; (£M)	>60
COMMUNICATION & ENGAGEMENT	
Peel Ports Group ESG Conference	Mar-23
Safety Climate Survey	100% of Employees
Customer Satisfaction Survey; Net Promoter Score	18

Sustainability Ratings, Memberships and Awards

Ratings & Certification



GRESB

Participating member since 2019;
1 star improvement FY2022

Memberships & Affiliations



Support the Goals
Since 2022



Armed Forces Covenant
Silver Level since 2015



Supply Chain Sustainability School
Gold Partner since 2022



Listed on the CIPS Corporate Ethics Register



Sedex
Buyer Membership since 2023

Awards

Maritime 2050 Award

Clean Maritime Operator, Maritime UK
March 2023

Supply Chain Sustainability School

Gold Membership
September 2022

Insider North West International Trade Awards Winner

Impact Award
December 2022

Sustainability Award

by leading industry event Multi-modal
June 2022

Green Apple Environmental Award

Carbon Reduction (Transport/Freight)
November 2022

Maritime 2050 Award presented by Maritime UK

for seizing the opportunities set out in the Government's maritime 2050 strategy
March 2022



GRI Alignment

Peel Ports Group has reported the information cited in this GRI content index for the period FY23 ending 31st March 2023, with reference to the GRI Standards.

GRI Standard	Disclosure	Page Number(s)
GRI 2: General Disclosures 2021	2-1 Organizational details	1
	2-3 Reporting period, frequency, and contact point	1
	2-6 Activities, value chain and other business relationships	8,9
	2-9 Governance structure and composition	36
	2-12 Role of the highest governance body in overseeing the management of impacts	36
	2-13 Delegation of responsibility for managing impacts	11,36
	2-22 Statement on sustainable development strategy	6,7
	2-28 Membership associations	19,49
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	24-29
	203-2 Significant indirect economic impacts	19, 24-29
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	34-36
	303-5 Water consumption	46
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	25, 41,42
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34
	305-2 Energy indirect (Scope 2) GHG emissions	34
	305-4 GHG Emissions intensity	46
	305-5 Reduction of GHG emissions	27

GRI Standard	Disclosure	Page Number(s)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	15
	403-5 Worker training on occupational health and safety	15
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	15
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	46
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	46
	405-2 Ratio of basic salary and remuneration of women to men	47
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	16, 24-29

Acronyms, Definitions and Units

Acronym (Units)	Definition
PPG	Peel Ports Group
GRI	Global Reporting Initiative
GRESB	Global Real Estate Sustainability Benchmarking
SBTI	Science Based Target Initiative
TCFD	Taskforce Climate Related Financial Disclosures
EPC	Energy Performance Certificate
MWh	1,000,000 watts
tCO ₂ e	tonnes of carbon dioxide equivalent
kt	1000 tonnes
ML	1,000,000 litres



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NET ZERO
2040

ENABLING
THE FUTURE



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