LONG BEACH CONTAINER TERMINAL

Photo Courtesy of the Port of Long Beach

The Future is NOW

net zero EMISSIONS by 2030

Progress Report 2025 3

Statement from the CEO

Courtesy of the Port of Long Beach

We are excited to share the significant progress we are making in the drive toward Net Zero by 2030. Indeed, 2024 was a banner year for advancing our zero-emissions goals while processing more than 2.83 million TEUs.

Over the past year, LBCT made important gains in our key focus areas: planning, equipment and facilities finance, and community engagement. Thanks to our in-house Zero Emissions Now (ZEN) team, we now have contracts with leading firms to manage our zero-emissions equipment and infrastructure grants and advance the design and construction of our facilities. Today, 69% of our yard equipment now runs on electricity while we've cut our electricity consumption on a per-TEU basis by more than half since 2015.

In March, LBCT obtained private financing to fund more fully modernized vehicles, equipment, and infrastructure. In September, the current administration informed us we are on track to receive a previously approved federal grant awarded under the previous administration. These funds allow LBCT to continue transitioning vehicles and equipment to zero-emissions models.

Our commitment to being a good neighbor is stronger than ever. Over the past year, we expanded our community engagement and workforce development activities, active participation in school programs, and green initiatives such as planting trees in West Long Beach.

We accomplished all this in the face of increasing market and regulatory uncertainty. Consumers, producers, and every link of the supply chain that connects us all are now grappling with tariffs and inflation. While state and regional regulatory agencies remain laser-focused on reducing emissions, federal priorities have changed.

Is LBCT on the right track? The answer is yes, according to GRESB, the leading independent organization that assesses the sustainability practices and performance of companies. This year, LBCT earned GRESB's top rating: 100% for our exemplary performance in resiliency planning and risk management and five stars for our robust systems and strategies mitigating safety, asset management, and climate-related operational and financial risks.

Our new branding and website reflect our commitment to revolutionizing container handling for a clean and prosperous future. We couldn't do it without you – our dedicated workforce, industry partners, investors, and and community. Thank you all for your unwavering support and for helping us transform LBCT into a global model of efficiency, responsibility, and sustainability.

Anthony Otto, Chief Executive Officer
Long Beach Container Terminal

net zero EMISSIONS by 2030

Progress Report 3 | 2024-2025

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Courtesy of the Port of Long Beach

LBCT Today: Net Zero Overview

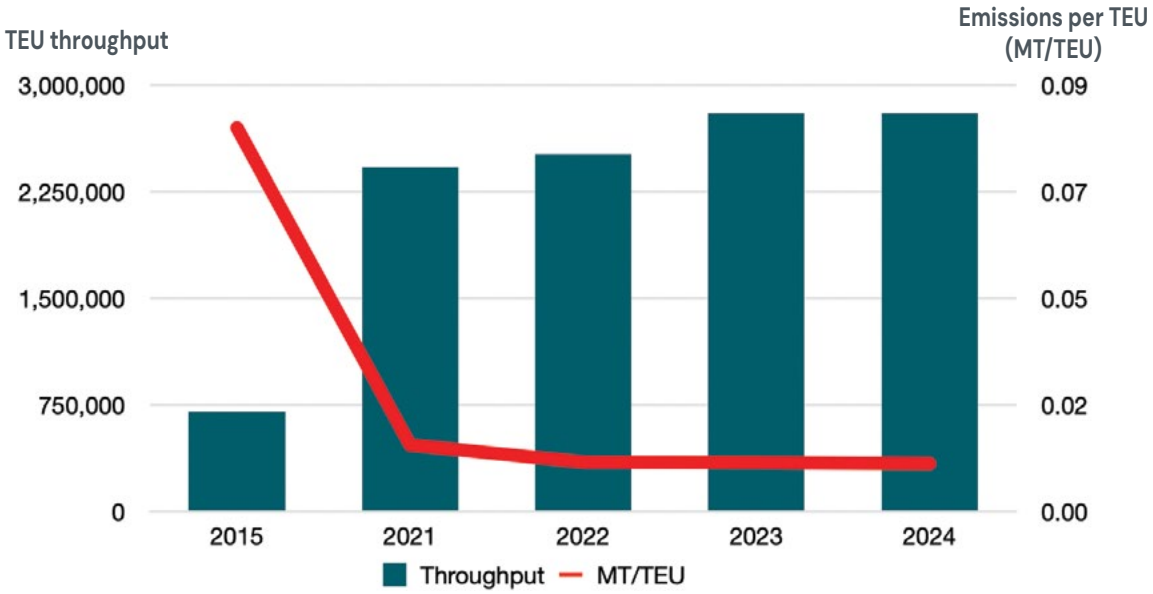
Long Beach Container Terminal (LBCT) proudly operates the most technologically advanced, efficient and environmentally friendly marine terminal in the United States. Using nearly all electric and zero-emissions equipment, LBCT is a model for green growth: moving cargo faster, safer and more sustainably than any other container terminal in the country. LBCT is a leader in environmental stewardship in the maritime and transportation industries, but our work is not done. LBCT created its Net Zero Climate Action Plan in 2022, and we expect to complete our transformation before 2030.

Emissions

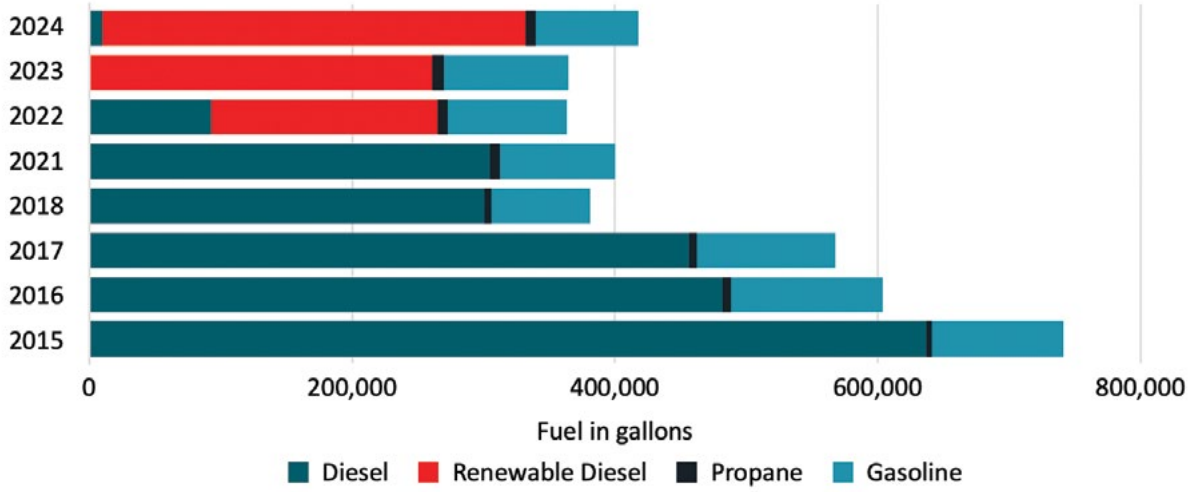
LBCT continues to shrink its carbon footprint, and we are on track to eliminate carbon emissions from all equipment we own and operate. For 2024, greenhouse gas (GHG) emissions, shown as carbon dioxide equivalent (CO_2e) emissions, are down 88% since 2015. Over this same period, LBCT more than quadrupled its annual cargo volume for a total of 2.83 million TEUs in 2024.

As LBCT lowers its overall use of fossil fuels, the current mix uses more renewable diesel. This cleaner-burning option reduces GHG emissions, improves engine performance and lowers fuel and maintenance costs.

CO2e Emissions per Container



Fuel Use Distribution in Gallons

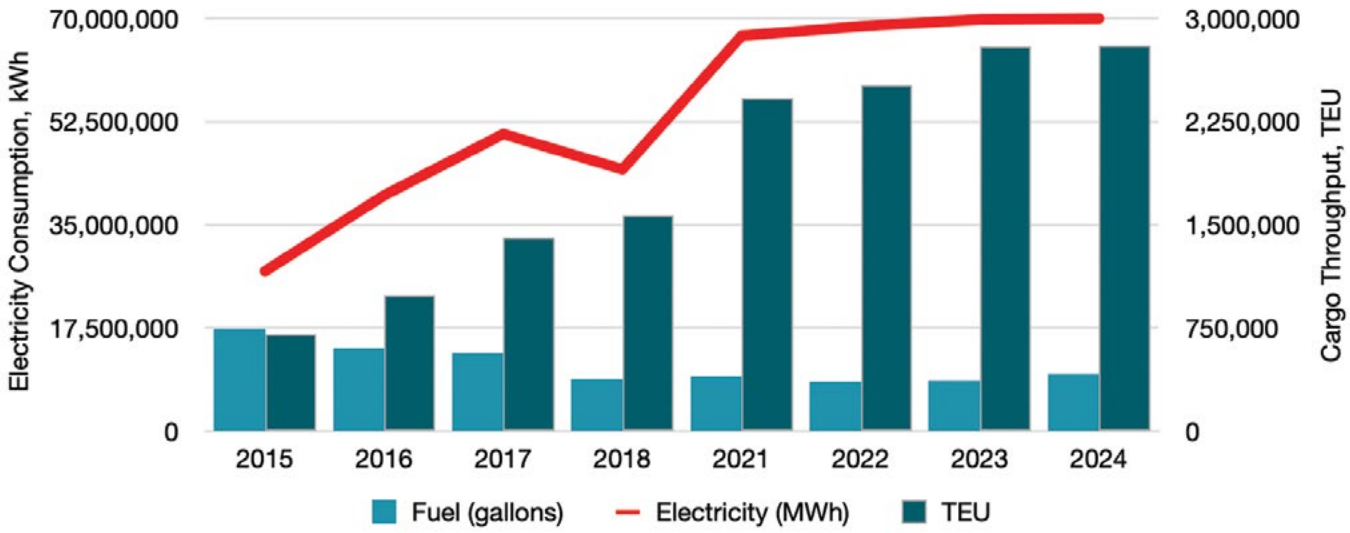


Transitioning to electricity has allowed LBCT to reduce GHG emissions from our operations on an unprecedented scale, but we must still address GHG emissions associated with the production, delivery and use of this energy source. Over the past decade, LBCT's electricity consumption has more than doubled, and we rely on Southern California Edison (SCE) to shift to a more renewable mix of energy. Today, SCE uses approximately 50% renewables and has committed to be 80% by 2030.

LBCT TEU Throughput **Quadrupled** in 10 Years

Year	Throughput /TEUs*	Redevelopment
2015	703,715	Prior to redevelopment
2016	986,065	Construction Phase 1 completed
2017	1,408,322	
2018	1,566,091	Construction Phase 2 completed
2019	1,509,796	
2020	1,954,047	
2021	2,422,422	Construction Phase 3 completed
2022	2,513,901	
2023	2,797,428	
2024	2,831,686	All Cranes delivered, BEX2** completed

2015-2024 Fuel, Electricity, and TEU* Throughput



*TEU = Twenty-Foot Equivalent Unit, Standard Container Metric
**BEX2 = Battery Exchange Building 2

Courtesy of the Port of Long Beach

Scopes & Pathways

To achieve Net Zero emissions, LBCT identified the following three scopes, or groups of GHG emissions, to target. GHGs, which trap heat in the upper atmosphere, contribute to climate change that increases global warming and extreme weather events.

SCOPE 1

Carbon emissions from equipment **owned and operated by LBCT**

Examples
Cranes,
Cargo Handling Equipment,
Utility Vehicles

SCOPE 2

Carbon emissions from the grid: the network of conductors that distribute electricity, operated by Southern California Edison (SCE)

Example
Emissions from LBCT's electricity consumption that powers its buildings, equipment, and terminal systems

SCOPE 3

Carbon emissions from vehicles, vessels, and equipment on the terminal **not owned by LBCT**

Examples
Ships, Trucks, Harbor Craft Tugs, Locomotives, Equipment used by third-party vendors

Pathways

Three pathways chart our course to Net Zero.

READINESS

Through the deployment of fully electrified cranes including dual-hoist ship-to-shore cranes, dual-transaction stacking cranes, and intermodal rail cranes, LBCT is equipped to accommodate almost half the regular freight traffic of the Port of Long Beach. Located in California, the most stringently regulated economy, LBCT now has the lowest worldwide emissions per container. LBCT will eliminate all Scope 1 emissions by installing infrastructure and transitioning fossil-fueled equipment to electric over the next five years.

RESILIENCE

Shifting to electric equipment requires a resilient grid and self-sufficiency to maintain cargo operations at all times. LBCT will achieve resilience through continued investments in renewable energy, a lower-carbon electricity grid in partnership with SCE, and off-terminal carbon investments with the objective of eliminating Scope 2 emissions by 2030. LBCT is also prepared to work closely with partners to invest in and offset Scope 3 emissions before most terminals in the San Pedro Bay Complex will embark on and address Scopes 1 and 2.

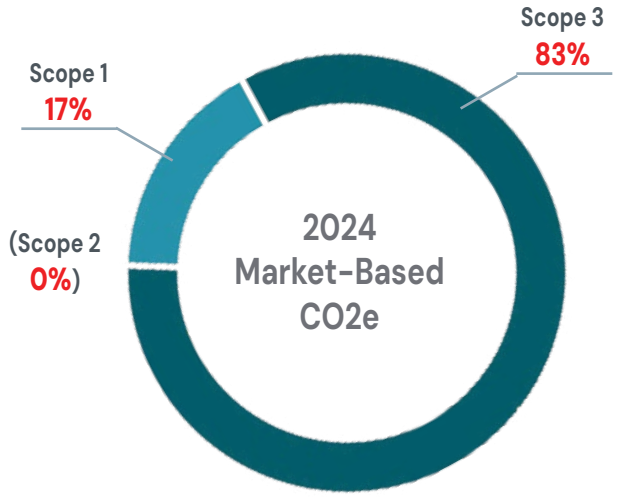
REGENERATION

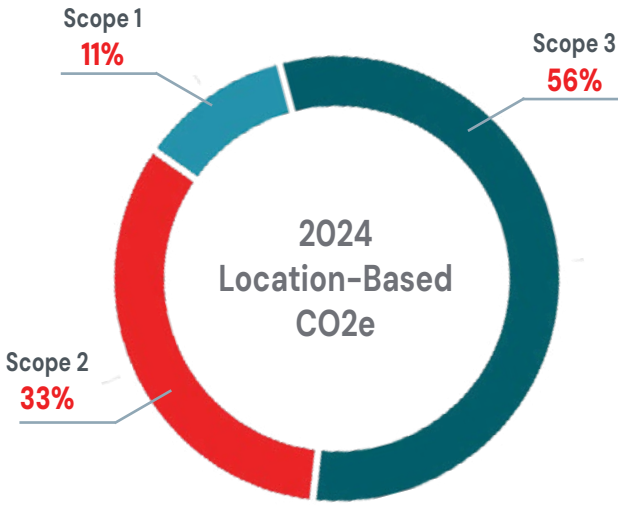
The most forward-looking of all the pathways, regeneration recognizes that true decarbonization requires innovative solutions, including new fuel sources, cutting-edge approaches to renewables and carbon offsets, and major projects that incorporate zero emissions, fuel decarbonization, and community benefits. This pathway also tackles Scope 3 emissions, over which LBCT has little to no control. LBCT has discussed partnering on green corridors and is excited to embark on this journey with the ocean carriers.

LBCT looks at CO2e emissions associated with its terminal operations in two ways: through a market-based lens and a location-based lens. The market-based approach incorporates LBCT's investments that support clean and renewable energy projects throughout California. These include facilities that generate wind and solar power, as well as projects that convert captured methane on dairy farms into electricity. Methane is at least 28 times more potent than carbon dioxide at trapping heat in the atmosphere. This investment zeroes out LBCT's Scope 2 GHG emissions from its operations.

For the market-based approach, LBCT has successfully reduced emissions from the equipment it owns and operates to 17% of all GHGs associated with its terminal operations. Sources that LBCT does not control generate 83% of these Scope 3 GHG emissions.

Location-based emissions from the equipment LBCT owns and operates are down to 11% of all GHGs associated with its terminal operations. Scope 2 emissions is at 33%, and at 56%, Scope 3 emissions continue to make up the majority of GHGs associated with LBCT.



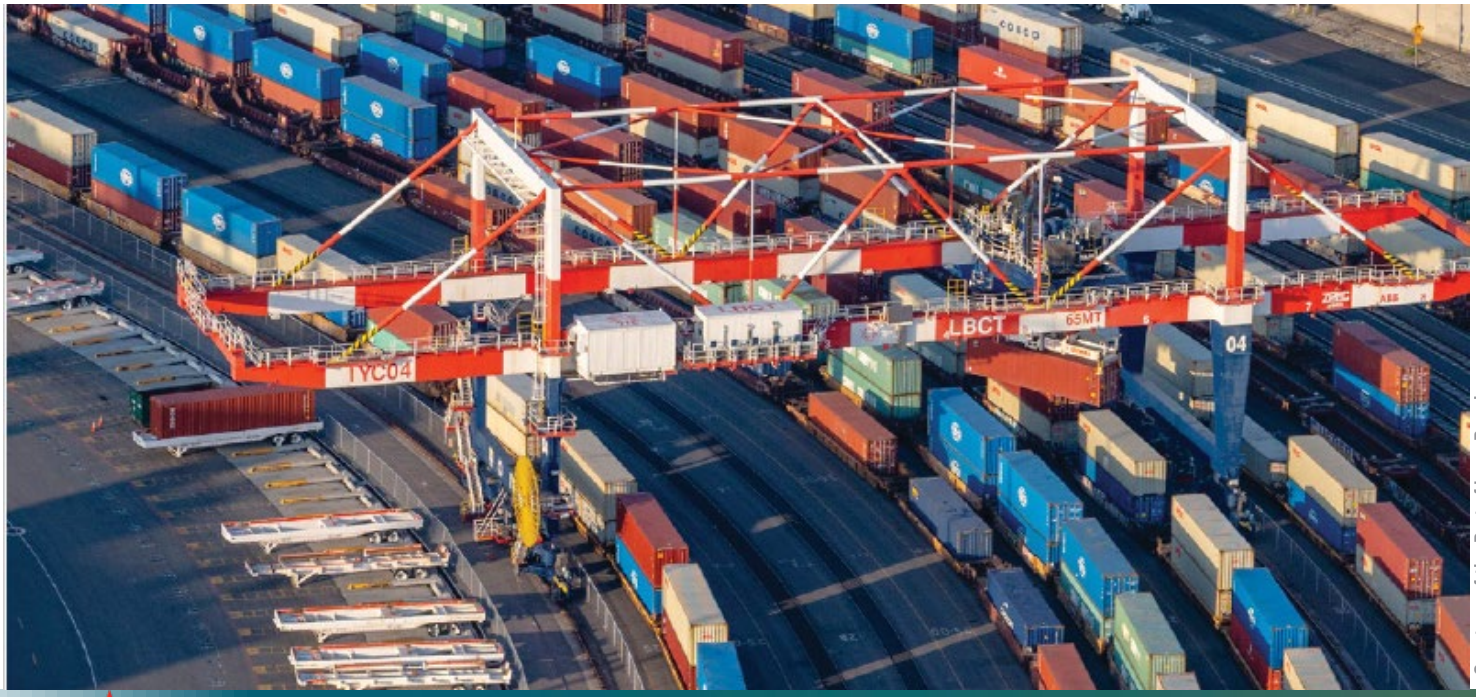


Courtesy of the Port of Long Beach

Progress Highlights

LBCT's strategies and actions for tackling Scope 1, 2, and 3 emissions are strengthening our readiness and resilience and advancing regeneration solutions for conserving and renewing energy sources. Some strategies target individual scopes, while others reduce GHG emissions across two or all three scopes.

- 69% of LBCT's cargo handling equipment runs on electricity, and we are on track to achieve 100% by replacing remaining yard tractors, forklifts, and other equipment by 2030, if not sooner (Scope 1).
- Our design for the infrastructure needed to power this equipment is now 60% complete and due to be finished by Q1 2026, allowing us to move forward with construction shortly thereafter (Scopes 1 and 2).
- We are on schedule to begin building these projects in 2026 and 2027 and complete many of them on or before 2028.
- LBCT works closely with our employees and the International Longshore and Warehouse Union (ILWU) to ensure workers are trained on new equipment and technology (Scope 1).
- LBCT is actively participating in demonstrations of promising new zero-emissions yard equipment and technology (Scopes 1 and 3).
- LBCT continues to invest in a lower-carbon electricity grid in partnership with SCE (Scopes 2 and 3).
- LBCT is reviewing proposals for solar projects to power terminal operations and contribute to SCE's grid stability (Scope 2).
- We continue to invest in offset credits through California Air Resources Board's Low Carbon Fuel Standard (LCFS) program, which supports the reduction of lifecycle GHG emissions from the production, transportation, and use of fossil fuels (Scopes 2 and 3).
- LBCT is working with industry partners to reduce and, where possible, eliminate emissions from equipment and vehicles we do not own that move cargo through our terminal. This includes vessels, trucks, trains, tugs, and vendor vehicles and equipment (Scope 3).
- LBCT actively supports industry initiatives to reduce GHGs worldwide, including working with ports, private industry, policy-makers, environmentalists, and other organizations to create green shipping corridors (Scope 3).



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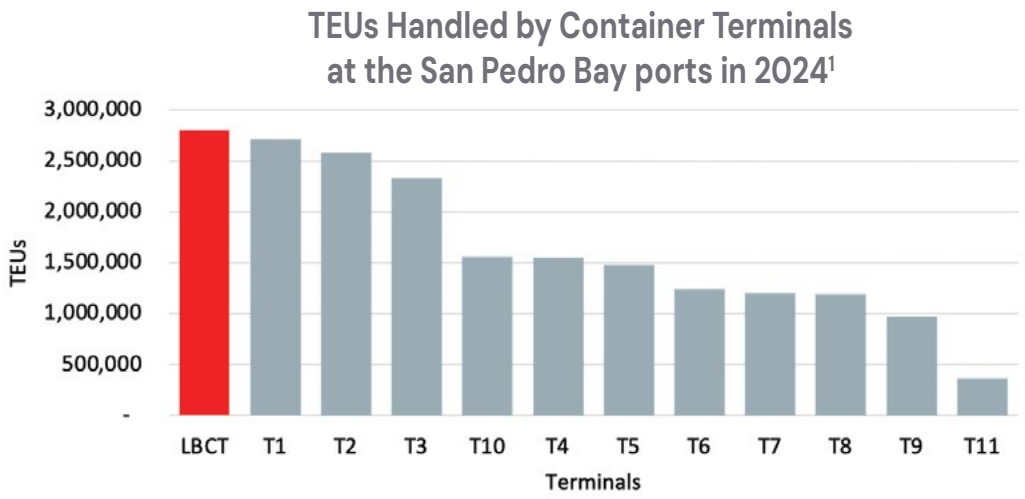


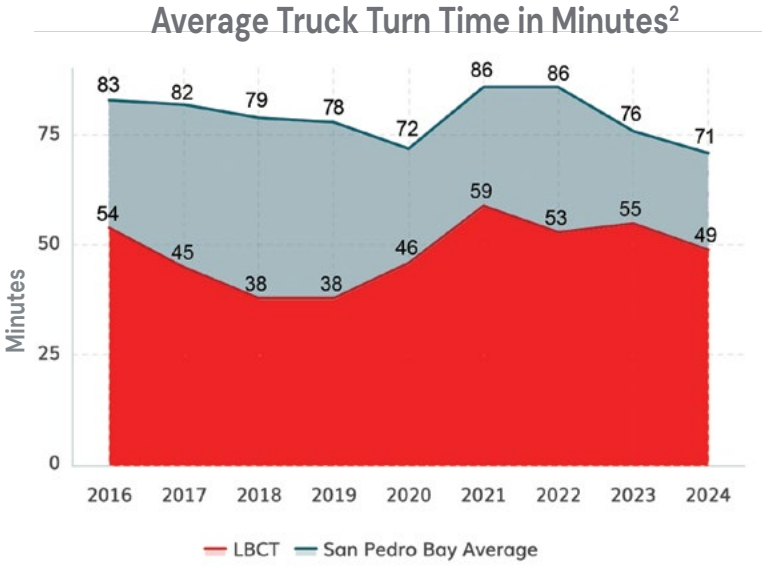
Productivity

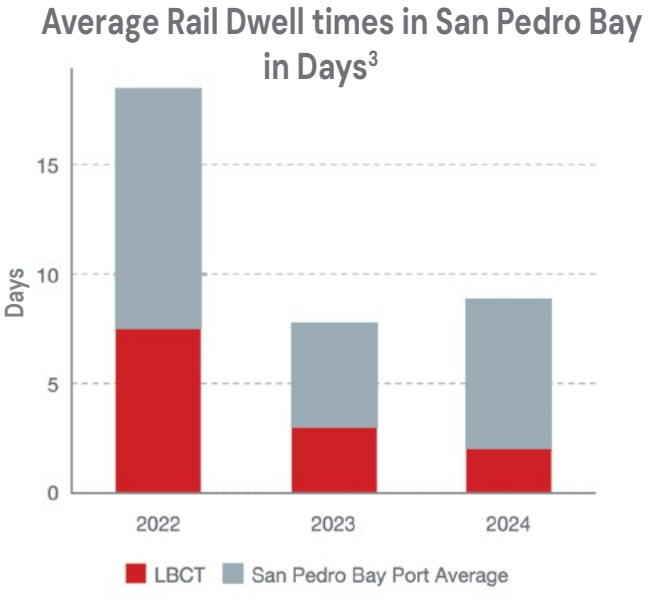
LBCT's unmatched productivity is proof that environmental progress and business success go hand in hand. Efficiency and velocity are crucial for all our customers who count on us to keep their goods moving. They are also critical for reducing pollution from terminal operations.

In 2024, LBCT handled one of every seven containers through the San Pedro Bay ports complex, more than any other container terminal. Last year, we processed approximately 150 container ships and moved more than 2.83 million TEUs. These vessels typically ranged in capacity from 4,000 TEUs to 16,000 TEUs, with the largest ship carrying more than 23,000 TEUs. Vessel dwell time averaged four days.

LBCT also had the fastest turn times for drayage trucks moving through our terminal to load and/or unload containers, and we continue to improve while transporting more cargo. In 2024, trucks were in and out of LBCT in ~49 minutes, down from 55 the previous year. For the San Pedro Bay complex, truck turn times averaged 71 minutes in 2024, down from 76 minutes in 2023.

LBCT also continues to offer the fastest on-dock rail service in the San Pedro Bay port complex, even breaking our own record. In 2024, LBCT's rail dwell times averaged two days, down from three days in 2023 and a week in 2022. For the San Pedro Bay complex, rail dwell times averaged nearly a week in 2024, up from nearly five days in 2023 and down from 11 days in 2022.





Sources

[1] Port of Long Beach
[2] Harbor Trucking Association
[3] Pacific Merchant Shipping Association

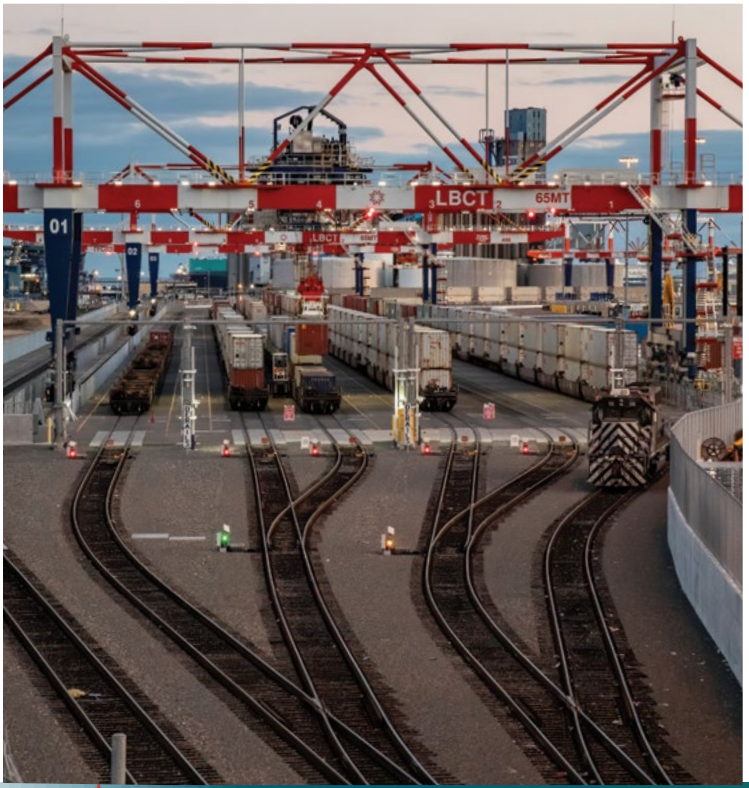
LBCT Continues to Rank #1 in Environmental, Social & Governance Progress

Planning and resiliency are the backbone of good management, proactive decision-making, effective communication, accountability, and compliance. There are multiple benefits, including safer workplaces, higher productivity, favorable financing, lower insurance premiums, and better shareholder value.

Responsible, ethical and sustainable practices are embedded in LBCT's culture. For each of the past four years, we have undergone a rigorous third-party analysis of every aspect of our business to ensure we are operating at the highest level. This deep dive tells us how resilient we are – how well we anticipate risk and manage our company to minimize it.

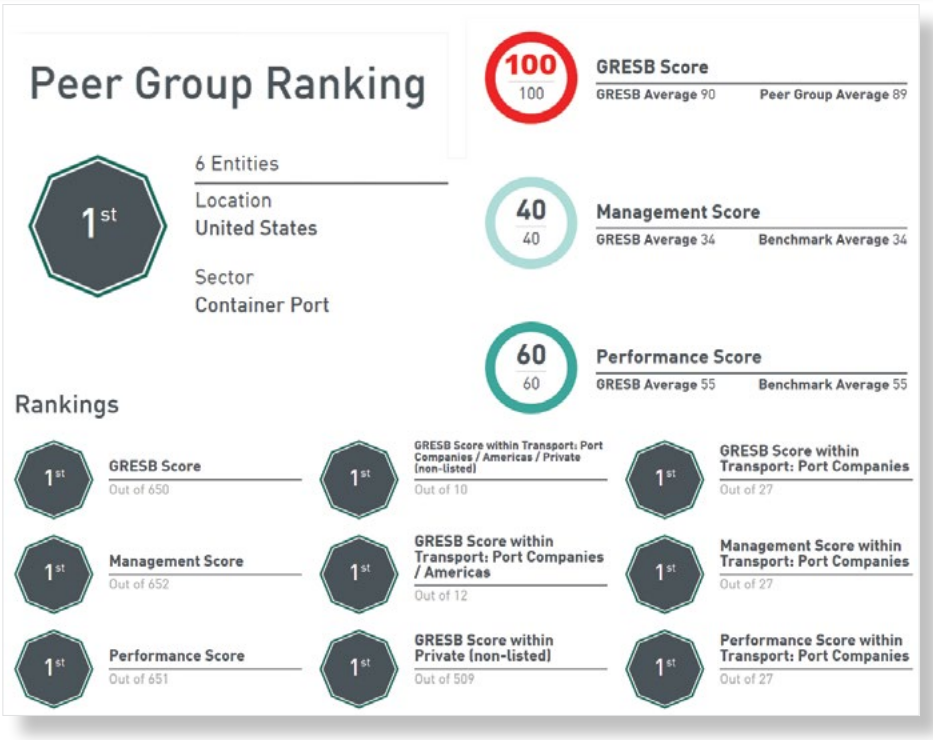
For the 2024 reporting year, we earned a perfect score of **100%**, in the coveted GRESB benchmark for exemplary operations, management systems performance, and risk management. This puts us first among our peers in the maritime industry and the transportation sector. LBCT also earned GRESB's top rating of five stars for our robust systems and strategies for mitigating safety, environmental, workforce management, and climate-related risks to our operational and financial well-being. Our accomplishments include 264 days without a lost-time injury, a national and global safety achievement respected industrywide.

GRESB is the leading organization assessing companies worldwide based on how they manage their assets, infrastructure, and property. Among other tools, GRESB uses risk registers to evaluate how well companies are planning for natural disasters, potential accidents, and other adverse safety scenarios. These include asset emergencies such as equipment failure and possible challenges from labor, the community, and other stakeholders. GRESB's ratings show how serious companies are about identifying and preparing for possible adversity, which determines a company's resilience.



LBCT is especially proud to have scored 100% – steadily increasing our annual score from 58% in only four years. This rapid rise confirms our competency in identifying, controlling, and improving all risks. LBCT proactively manages governance, operations, and maintenance while we continue to offer top-notch service. This commitment has made us the first choice for customers demanding speed, reliability, and sustainability, not just today, but for the long term.

Our perfect score and five-star rating show LBCT is doing our best to manage our company, train staff, and prepare for a resilient and prosperous future. But there is no resting on our laurels. We continue to challenge ourselves every day to make tangible progress.



To meet corporate and government requirements, LBCT prepares multiple sustainability and risk performance reports throughout the year. These comprehensive assessments ensure that LBCT follows best practices in all facets of our operation:

- **Global Real Estate Sustainability Benchmark** (GRESB) *Annual Report*
- **Sustainable Finance Disclosure Report** (SFDR) *Annual Report*
- **Port of Long Beach (POLB) Environmental Covenants** *Bi-annual Report*
- **Macquarie Asset Management (MAM)** *Quarterly Reporting*
- **Manulife Investment Management Reporting 21** *Annual Reporting*
- **Munich Ergo Asset Management GmbH (MEAG) Infrastructure** *Annual Questionnaire*
- **REST Super** *Annual Questionnaire*

Hazard Screening Performed by Ramboll Engineering

Scenario	SSP3-7.0		
Hazard	**Baseline**	**2030s**	**2050s**
Heat Stress	2	3	4
Cold Stress	1	1	1
Heavy Precipitation	2	3	3
Inland Flooding	--	--	3
Coastal Flooding	--	--	4
Tropical Cyclones	1	2	2
Wildfire	2	2	2
Water Stress	4	4	4
Severe Conv. Storms	1	--	--
Relative Humidity	4	4	4

Climate Hazard Rating System

Minimal (0)	Low (1)	Medium (2)	High (3)	Very High (4)
The site is not modeled to be exposed to the hazard in the time horizons assessed	Low exposure to the hazard due to low likelihood *and* magnitude; re-assess in the future	Medium likelihood *and/or* magnitude; impacts should be monitored and re-assessed as needed	High likelihood *or* magnitude of hazard; vulnerability assessment should be performed	High likelihood *and* magnitude, vulnerability assessment needed (highest priority)

Priority Action 1

GOAL

Operationalize net-zero equipment and infrastructure procurement/deployment into annual policy, planning, management, and budgeting processes throughout LBCT

PLANNING & PROCESSES

What We Promised

- Create cross-departmental teams to integrate zero emissions across the company
- Review infrastructure development policies
- Develop budget protocols
- Develop procurement policies and procedures
- Review worker training policies and meet with local training organizations
- Add carbon-neutral requirements to vendor contracts

What We've Done This Year

We are well on our way toward decarbonizing our operations and bringing about long-term resilience. Contracts are in place to ensure we comply with all grant spending and reporting requirements. Our new infrastructure projects meet the highest design standards, and all remaining facilities that support our zero-emissions goals are built to last and completed on budget and schedule.

Over the past year, our ZEN team diligently reviewed qualified proposals, ranked and rated them, and interviewed top candidates to select the consulting firms best suited to helping LBCT complete our Net Zero programs. Today, the following contracts are in moving forward:

Grant Management LBCT has engaged Deloitte & Touche to manage the grant funds received to convert the vehicles and equipment we own to zero-emissions models. LBCT continues to aggressively pursue all available grants to leverage our resources responsibly while closing the funding gap (see page 18).

Terminal Design LBCT has brought in three engineering firms, P2S, Hatch and KPFF, to complete the remaining terminal design projects. This past year, the design process has moved from 30% to 60% completion, with 100% expected in early 2026.

Project & Construction Management LBCT has contracted with Burns & McDonnell for project and construction managment. B&M is overseeing charging installations that will support approximately 125 new battery-electric models of yard tractors, forklifts, and other cargo handling equipment. The contractor will also assist in acquiring the right components to ensure the charging installations deliver safe and reliable power.

LBCT also updated the Net Zero budget. Initially, the plan was estimated to cost about $200 million to fully implement. Approximately 69% of the budget represented equipment acquisition, charging infrastructure, and renewable on-site energy generation. Early on, however, we understood that the 2021 Build America, Buy America Act could impact pricing and procurement. In 2024, these impacts were compounded and led to price fluctuations that drove up costs, raising the estimated budget to $250 million. This sharp escalation called for a new strategy. In updating our budget, we developed a cost-effective alternative procurement plan that reduces infrastructure requirements for the near term. This new plan brought our overall estimated program costs down to $205 million.

Estimated Costs for Remainder of Net Zero Plan (2025-2030)

Zero-Emission Equipment & Infrastructure	$	169.0M
Renewable Energy	$	24.0M
Community Partnerships/Environmental Programs	$	4.5M
Education and Workforce Programs	$	4.3M
Planning, Technical Support, Miscellaneous	$	3.3M
Total Estimated Costs	**$**	**205.1M**

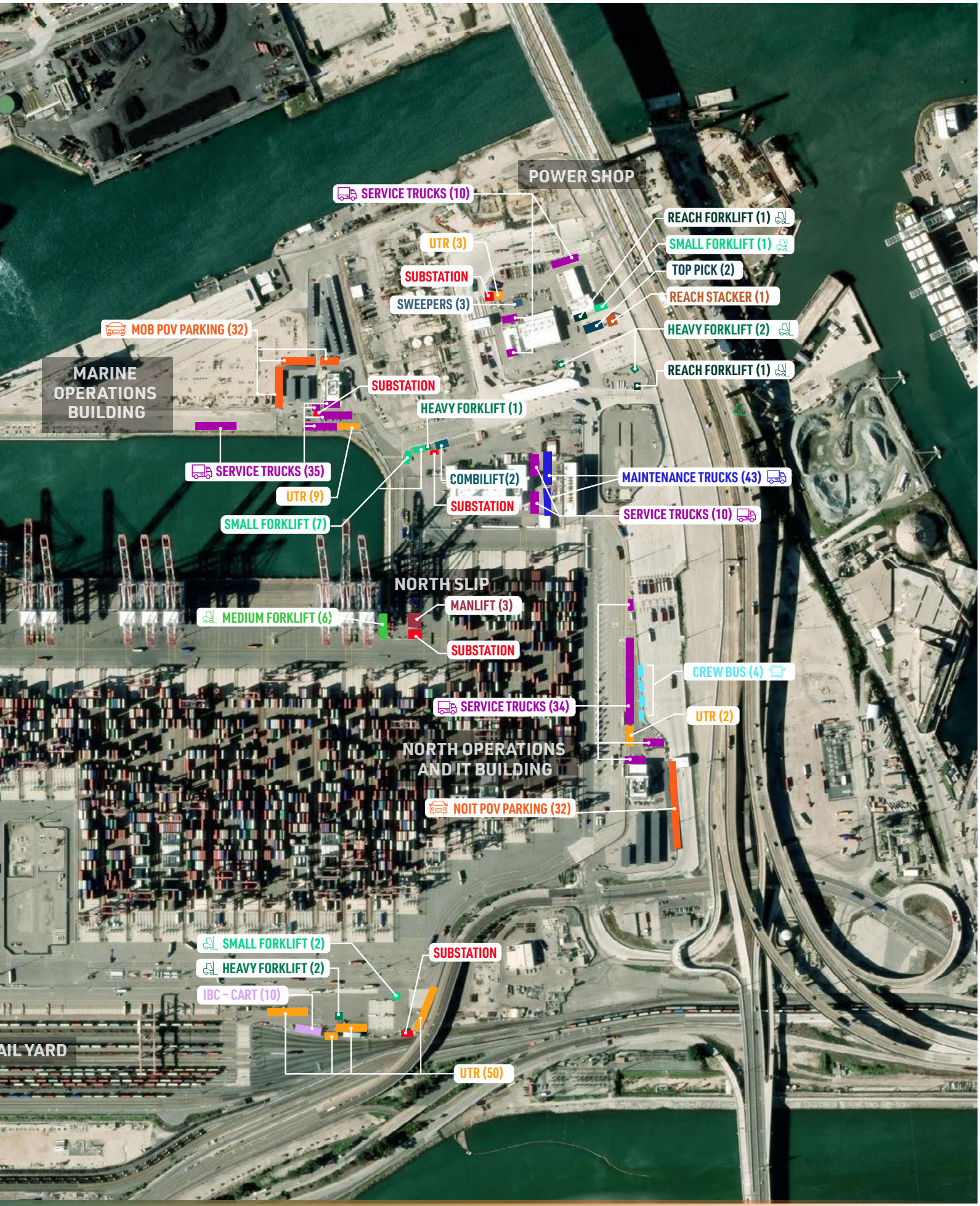
LBCT continues to invest heavily in education and workforce programs, which form an integral part of the Net Zero 2030 Plan. As the most sophisticated container handling facility in the U.S., LBCT is committed to preparing a workforce to operate and maintain new equipment. Over the last year, our Workforce Education Team has continued to build on our relationships with Harbor Occupational Center, Long Beach City College (LBCC), California State University, Long Beach (CSULB), and three local high schools: ILWU and development of the Port of Los Angeles and Port of Long Beach Goods Movement Training Campus. Scheduled to open in 2029, this new facility will be the first of its kind in the nation, equipping dockworkers, truck drivers, warehouse employees and other essential logistic workers with the skills they need to operate new equipment with the latest technology. The Pacific Maritime Association and the California Workforce Development Board are partnering with the Ports and the ILWU to make the project a reality.

Clear planning and terminal processes are foundational to our success. The ZEN leadership team (see page 25) does this by collaborating on a regular basis with LBCT staff across all departments and our in-house and Workforce Education and Community Outreach Team.

TEAM ZEN
ZERO EMISSIONS NOW

WORKFORCE EDUCATION
WE CANnect
COMMUNITY ACTION NETWORK

LBCT NET ZERO 2030 PLAN: EQUIPMENT DEPLOYMENT


POWER SHOP
SERVICE TRUCKS (10)
UTR (3)
SUBSTATION
SWEEPERS (3)
REACH FORKLIFT (1)
SMALL FORKLIFT (1)
TOP PICK (2)
REACH STACKER (1)
HEAVY FORKLIFT (2)
REACH FORKLIFT (1)
MOB POV PARKING (32)
MARINE OPERATIONS BUILDING
SUBSTATION
HEAVY FORKLIFT (1)
SERVICE TRUCKS (35)
UTR (9)
SMALL FORKLIFT (7)
COMBILIFT(2)
SUBSTATION
MAINTENANCE TRUCKS (43)
SERVICE TRUCKS (10)
NORTH SLIP
MEDIUM FORKLIFT (6)
MANLIFT (3)
SUBSTATION
CREW BUS (4)
SERVICE TRUCKS (34)
UTR (2)
NORTH OPERATIONS AND IT BUILDING
NOIT POV PARKING (32)
SMALL FORKLIFT (2)
HEAVY FORKLIFT (2)
IBC - CART (10)
SUBSTATION
AIL YARD
UTR (50)

Priority Action 2

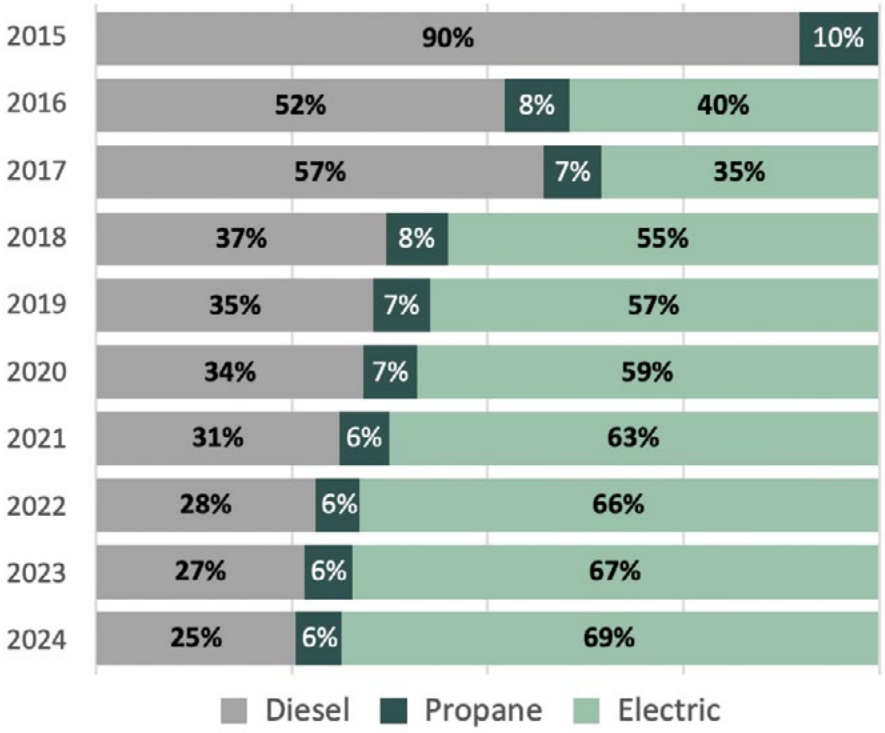
EQUIPMENT, FACILITIES, & INFRASTRUCTURE

GOAL
Convert fossil-fueled equipment and vehicles to zero emissions over the next five to seven years and ensure sufficient infrastructure to support the goal

What We Promised

- Develop a five-to-seven-year equipment plan to replace fossil-fueled equipment and vehicles
- Develop engineering design drawings, construction schedules, and cost estimates
- Conduct annual technology feasibility assessments
- Participate in technology demonstrations
- Require supply chain partners to transition to ZEV
- Install additional solar installations
- Explore new on-site power generation projects to reduce dependence on the grid and reduce Scope 2 emissions
- Conduct an energy audit every three years

What We've Done This Year



LBCT achieved significant milestones with our equipment, facility, and infrastructure initiatives. We continued to grow our fleet of battery electric cargo handling equipment and reduce the number of pieces that run on diesel and propane. Today, 69% of our equipment runs on electricity and 100% of the remaining equipment runs on renewable fuels. These include ship-to-shore cranes, guided vehicles, sorting and stacking cranes, intermodal yard cranes, bulk container carts, yard tractors, and top handlers.

We currently estimate the cost of replacing LBCT's remaining fossil-fueled yard equipment and utility vehicles – along with building the charging infrastructure needed to support them – at $169 million, more than 82% of our entire Net Zero budget.

Equipment and Infrastructure Projects	Status
• 60 new battery-electric yard tractors • Charging infrastructure	• Infrastructure design completion due in early 2026 • Construction completion due in mid-2027 • Equipment deployment planned for late 2027 - early 2028
• 44 pieces of cargo handling equipment: 12 additional yard tractors, 27 forklifts, 2 top handlers, 1 reach stacker, and 2 rail moving carts • 44 charging units	• Infrastructure design completion due early 2026 • Equipment deployment planned for 2027 and 2028
• 151 service, security, and operations trucks • 17 plug-in utility vehicles including work crew and touring buses, sweepers, and manlifts	• Acquisition and delivery starting in mid-2026 • Delivery and deployment planned for 2026 to 2029

LBCT has obtained all required first-level POLB Development Permits for projects underway, and we are 60% complete on detailed engineering drawings from the **P2S** team for all installations across our 300-acre terminal. With **Burns & McDonnell** overseeing project and construction management, we will continue to refine schedules and cost estimates. LBCT could not have done any of this without the engineering support and participation of **Moffatt & Nichol** over the last four years. Thanks to our expert internal team and our consulting partners, LBCT is on track to meet our Priority Action 2 goals.

LBCT embraces renewable energy to ensure power redundancy and resilience for our terminal operations. Solar arrays are proposed at six building locations and on smaller canopy/rooftop structures throughout the terminal. Our solar project also includes a substation-connected battery energy storage system (BESS) integration for operational efficiency. Connecting energy storage directly to a substation provides robust resiliency to support the increasing charging loads. In addition to supporting a reliable power supply for the terminal, an integrated system contributes to grid stability in collaboration with SCE.

To date, we have received project proposals for solar installations. This initiative represents a significant step forward in advancing our Net Zero 2030 Plan and enhancing the operational capabilities of one of the nation's most pivotal container terminals.

generated by Gemini

We are grateful to the following agencies for supporting our Net Zero progress

Port of LONG BEACH
THE PORT OF CHOICE

CARB

South Coast AQMD

U.S. Department of Transportation
Federal Highway Administration

U.S. Department of Transportation
Maritime Administration

Caltrans
CALIFORNIA DEPARTMENT OF TRANSPORTATION

CalSTA
CALIFORNIA STATE TRANSPORTATIC AGENCY

SOUTHERN CALIFORNIA EDISON

Priority Action 3

GOAL

Support supply chain partners in the systemwide transition to Net Zero through policy advocacy, and secure grant funds to offset LBCT's own risk as an early actor

FUNDING & ADVOCACY

What We Promised

- Develop a five-to-seven year funding strategy identifying potential projects and funding sources
- Actively engage the POLB to seek grants on LBCT's behalf
- Pursue and advocate for all available state and federal grants for cargo handling equipment (CHE) & non-CHE
- Educate regulatory agencies on the impacts of proposed laws
- Support customers and vendors in complying with regulations

What We've Done This Year

LBCT continues to update its funding strategy for managing our resources responsibly and leveraging our revenues. To guide us, we have developed a robust Green Financing Framework aligned with Green Bond Principles. This strategy helps LBCT obtain favorable loan rates to finance our next phase of modernization projects. Our funding and advocacy highlights for 2025 include:

- In February, **we obtained private bond financing to fund more sustainable vehicles, equipment, and infrastructure**. We did this with the help of our main investor, **Macquarie Asset Management** (MAM), and **Natixis CIB**, a leading global financial institution with expertise in sustainable financing. The proceeds help keep us on schedule as we transition our operations and spread our capital investments over multiple years. This transaction represents the first green port financing Natixis has done in the Americas.
- In September, **LBCT secured a Federal Highway Administration grant originally awarded in 2024.** Following additional agency reviews, the good news came Sept. 30, 2025, on the last day of the federal fiscal year and before the government shutdown. The process resulted in changes to our original proposal. Under the amended terms, LBCT is required to invest in hybrid trucks (utility, security, and maintenance) instead of fully electric models for our in-house terminal use. These trucks typically operate at low speeds in hybrid battery mode, so we expect to see significant clean air benefits from this purchase. Combined with state funding, this grant also supports additional plug-in vehicles, workforce training, and community outreach projects.
- In September, **POLB awarded LBCT grant funds to help close the funding gap on acquiring 60 utility tractor rigs (UTRs) and chargers to purchase in 2026 and 2027.** Replacing yard tractors is a priority for LBCT due to the significant diesel emissions they generate on the terminal. When these UTRs are deployed, LBCT will further reduce its emissions of ground-level pollutants by a whopping 93%!
- **LBCT procured three electric demonstration yard tractors and scrapped three older diesel models**, thanks to assistance from the **South Coast Air Quality Management District (SCAQMD)** and grants we were awarded in 2023. **Carl Moyer** funds also helped pay for three new plug-in charging stations.
- **LBCT continues to aggressively pursue new grant opportunities**. Presently, LBCT is applying for another seven grants. If successful, we will utilize the additional funds to invest in the final stages of our equipment and infrastructure modernization and Net Zero 2030 plan.

Our state-of-the-art facility represents a $2.5 billion investment to create the most sustainable marine container terminal in the U.S. Since 2021, we have obtained more than $114 million in federal, state and regional grants to subsidize the $200 million+ we still need to eliminate emissions from all LBCT-owned equipment and facilities by 2030. Based on current pricing, we have identified funding partners for new equipment and infrastructure.

Pursuing competitive grants involves a great deal of education, engagement with POLB, and proactive advocacy in Washington D.C., Sacramento and locally. Prudent financial planning also requires anticipating higher prices for equipment due to circumstances beyond our control.

We absolutely support increased manufacturing and related jobs in the U.S., and we are especially excited about the new energy around shipbuilding. However, it will take time for our economy to adapt and build the capacity to meet demand. For decades, U.S. consumers have relied on prices based on lower labor costs and mass production overseas. Bringing steel, components, electronics, tires, and parts requires setting up factories, developing cost-effective business models, funding design and manufacturing, and paying American workers wages three to nine times higher than workers abroad earn. As this fundamental shift unfolds, we are ever vigilant to ensure that our procurement practices align with the Build America, Buy America Act, which requires federal funding for infrastructure projects to be used to buy US-made iron, steel, manufactured products, and construction materials.

As we move forward, procurement in a world of tariffs and increasing inflation presents new challenges and opportunities. Nevertheless, we remain committed to deploying clean, long-life equipment and vehicles, and completing the infrastructure we need to accomplish our goods movement goals. Through the proposal process and certification requirements, we also continue to seek opportunities to partner with vendors who share our commitment to a clean environment.

Courtesy of the Port of Long Beach

Priority Action 4

GOAL
Effectively integrate community considerations into LBCT climate actions

COMMUNITY RESPONSIBILITY

What We Promised

- Evaluate specific clean community readiness, resiliency and regeneration projects
- Partner with the City of Long Beach, L.A. County, and the Port of Long Beach to support the local community and local ecosystems
- Explore ways to prioritize education, workforce development and jobs in the region
- Develop a water conservation and biodiversity program
- Consider solar, wind, and tidal projects, as well as other renewable electricity projects and carbon offsets

What We've Done This Year

LBCT's Community Responsibility actions are built on four pillars – community engagement, workforce development, environmental action, and industry initiatives. Supported by Workforce Education and Community Action Network teams (WE CANnect), LBCT employees at all levels regularly meet with students, teachers, community members, and others to educate them about our business, terminal operations and Net Zero progress. Our activities include tours, presentations, event sponsorships, and support for causes that benefit the community. As a company and individuals, the people of LBCT are committed to improving the quality of life in our community, especially in West Long Beach where truck and rail traffic impact neighborhoods more than any other part of the city.

Long Beach Rescue Mission

Community Engagement

- LBCT's employees added quarterly service days to support an organization close to our hearts, the **Long Beach Rescue Mission**, which helps those facing homelessness, hunger, addiction, and poverty. Additionally, LBCT donated a new commercial stove to the Rescue Mission and contributed to multiple fundraisers throughout the year.
- LBCT supported **Children Today**, which offers child development and family support services to children and families facing homelessness. This year, we worked on maintenance projects at Children Today's center, **EcoHouse**, and donated to its annual back-to-school supplies and holiday toy drives.
- LBCT continued to champion the City of Long Beach's **Westside Promise**, a 10-year community development plan for improving the quality of life for West Long Beach residents and schools.
- This year, LBCT began offering tours to Long Beach City Council Districts and their constituents.

Children Today
Fostering Stability & Success

WESTSIDE PROMISE

Playing an Important Role in Long Beach

Education & Workforce Development

LBCT continued and expanded our programs to educate local students about our terminal operations and spark their interest in international trade, sustainability, and related careers. Our work with students at the Academy of Global Logistics (AGL) at Cabrillo High School, Long Beach Jordan High School's Academy of Architecture, Construction and Engineering (ACE), and Long Beach Poly High School's PAC RIM business and finance pathway includes terminal tours and on-campus activities. This work involves helping students develop workplace skills by mentoring them, conducting mock interviews, and offering feedback on their resumes and projects. We also welcomed teachers from Long Beach Poly's new pathway, Next-Gen Opportunities in Vehicles and Alternative Energy (NOVA), for a firsthand look at goods movement in action.

Throughout 2025, LBCT employees participated in workforce development events that encourage students to explore the wide range of jobs and careers associated with our industry.

- The Long Beach College and Career Expo
- POLB's annual Women in Trade luncheon
- Meet the Trades Day at Long Beach City College (LBCC)

WORKFORCE EDUCATION WE CANnect COMMUNITY ACTION NETWORK

At the college level, our partners include LBCC, Harbor Occupational Center, Orange Coast College and California State University, Long Beach (CSULB). This year, LBCT welcomed students and faculty representing global trade and logistics, engineering, environmental studies, and many other disciplines for tours, simulations, and presentations. These groups include CSULB's Center for International Trade and Transportation and Sustainability Champions. This interdepartmental team of administrators, faculty, and staff are dedicated to educating and mobilizing the CSULB community on sustainability issues on and off campus.

Additionally, Dr. Bonnie Nixon, LBCT's Director of Sustainability, was honored to join the CSULB President's Commission on Sustainability in 2025. Her involvement includes participating in regular meetings, career development workshops, special events, and awards ceremonies.

Environment

Caring for our planet drives many of our Community Responsibility actions. LBCT employees stepped up to sponsor and support the following causes:

- **Planting trees**: LBCT has donated $10,000 to plant 100 trees in West Long Beach. Our employees also turned out to participate in tree-planting events. On Oct. 1, we rolled up our sleeves to plant 21 trees at Muir Academy and celebrate California Clean Air Day with students, teachers, families, and city leaders.
- **LA Wildfire Relief**: Employees raised money and collected clothing and supplies for survivors of the January wildfires that displaced thousands of residents and destroyed more than 16,000 structures in our own LA County.
- **LA River Cleanup**: In October, LBCT sponsored the 35th Annual Great LA River Cleanup organized by Friends of the LA River.

Community Responsibility

This year, LBCT participated in several events that raised money for the nonprofit International Seafarers Center at the Ports of Long Beach and Los Angeles. The Center provides vital services to merchant seafarers far from home, including transportation, communication, temporary housing, mail handling, care packages, and spiritual support.

Individually and with our industry partners, LBCT proudly supports multiple programs that benefit our community. In 2025, LBCT contributed approximately **$50,000** in sponsorships, donations, equipment and supplies to nonprofit organizations dedicated to improving education, health, safety, and the environment, including the following:

Alex's Lemonade Stand*
Boys & Girls Club of the Los Angeles Harbor
Children Today
Conservation Corps of Long Beach
EXP Oceans of Opportunity
Friends of the LA River
Goodwill Southern California County
International Seafarers Center
Loma Linda University Children's Fund
Long Beach Area Veterans Collaborative
Long Beach Century Club
Long Beach Police Foundation
Long Beach Rescue Mission
National Council of Negro Women
Operation Smile
Samoan Heritage Festival
Soccer For Hope*
Special Needs Recreation
Westside Promise Initiative and Festival

*childhood cancer research, awareness and support

LBCT Leads the Industry in Regulatory Compliance

LBCT's investments in efficiency, productivity, and sustainability – coupled with our ability to stay nimble – have positioned us to weather the changing regulatory landscape with minimal impact. Our customers can expect certainty and reliability, regardless of shifting political winds.

We are now in a moment where federal priorities no longer align with state and local environmental goals. Today's federal policies focus on deregulation and tariffs, a change that has led to uncertainty and price volatility across markets worldwide. Funding for programs that reduce emissions and combat climate change has become limited, and a number of environmental grants have been rescinded or are at risk.

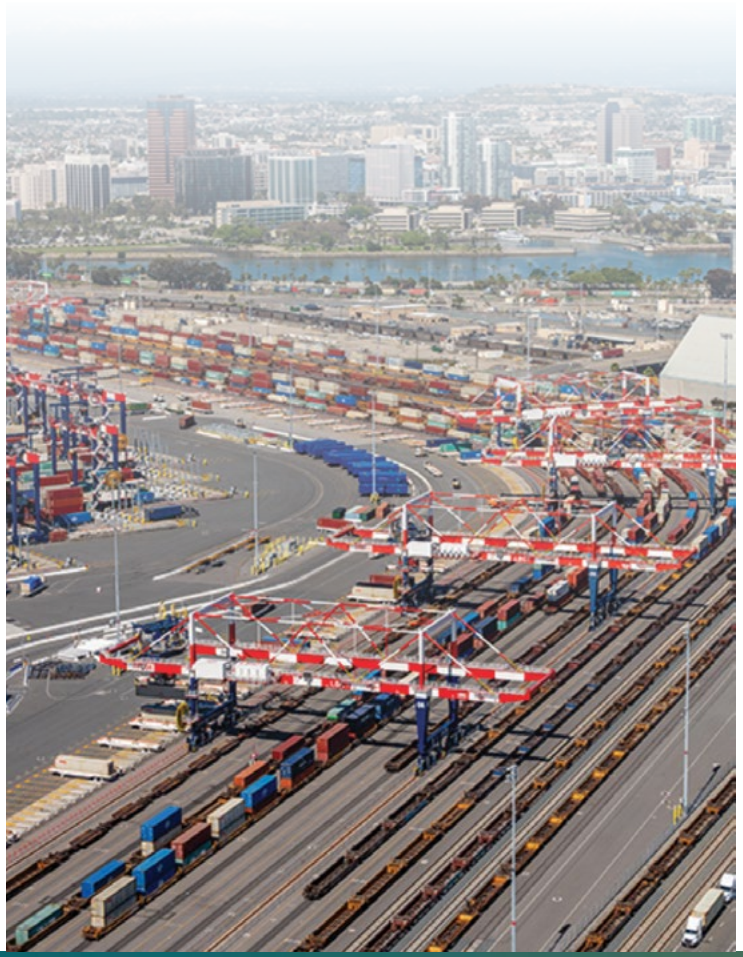
LBCT is enormously grateful to all the agency partners supporting us in our Net Zero 2030 transition. Our staff continues to work tirelessly with agency leadership, elected officials, and other key stakeholders on solutions that work for all.

At the regional and state levels, the South Coast Air Quality Management District (SC AQMD) and California continue to pursue programs and regulations aimed at tracking and eliminating harmful air pollutants. After a decades-long debate over the best path forward for the region, SC AQMD has chosen collaboration over regulation to further reduce emissions from port-related operations. In November, the agency's governing board voted overwhelmingly to establish a cooperative agreement with the ports of Long Beach and Los Angeles. As an early and proactive adopter of clean technology practices, LBCT believes our leadership in sustainability strengthened the case for cooperation.

Pending state law would require large companies to publicly disclose their climate-related financial risks and impacts. Under Senate Bill 261, which is currently on hold, companies must also update the report every two years. LBCT is proud of our tremendous progress in reducing climate-related risk and eliminating emissions from our daily operations. As a leader in sustainable terminal operations, LBCT is more than ready to furnish this information to the California Air Resources Board (CARB), post it on our website at www.lbct.com, and keep telling the public our story about the important work we are doing to help create a clean, healthy, and sustainable future.

SAN PEDRO BAY PORTS CLEAN AIR ACTION PLAN

LBCT also operates under the San Pedro Bay Clean Air Action Plan (CAAP). While CAAP is not a regulation, it sets goals and emissions reduction targets for ships, trucks, trains, cargo handling equipment, and harbor craft. Marine container terminals are at the center of all this activity. LBCT is leading the way to achieve CAAP's goal of transitioning all our cargo handling equipment to zero-emissions models by 2030.



"Fabulous Four"
Team ZEN
Zero Emissions Now

Team ZEN is made up of our very own LBCT Senior Managers who are leading our Net Zero project from concept to reality. Together, they have more than four decades of experience running our state-of-the-art terminal.

Dane Nordbak *(far left in photo)*
Senior Crane Manager

What's exciting is all the new technology. My focus on the ZEN team is design oversight, asset optimization, and equipment maintenance and repair.

The hard part is getting new equipment up and running on a fully operational terminal. The ZEN team vets all the new technology and supporting infrastructure. Currently we are testing new UTRs and plug-in chargers. We also pay close attention to the new equipment other terminals are using. While some look promising, they may not be right for our applications. Every container terminal is different with its own layout and duty-cycle needs. I rely on my ZEN teammates to know what will and will not work within our operations. Today LBCT has more than a decade of experience with new technology and we want to keep moving in that direction. We know there will be hurdles to fully integrate new equipment, but the final outcome will be worth the effort. Every day we are showing that green technologies can and do work at a large-scale industrial facility.

Steven Ybarra *(second from left in photo)*
Senior Yard/Gate Operations Manager

We work as a team, and my area of focus is project management. It's been great to dive in and understand all the details that go into a project of this magnitude. There's a tremendous amount of coordination with the Port of Long Beach and other agencies to make sure we comply with all design, construction, and funding requirements. It's also been fun to work on vendor acquisition, with all the interviews and negotiations to decide who will be the best fit for LBCT.

This uncharted territory is a bit of a whirlwind. One of the biggest challenges is staying within the guidelines and deadlines tied to our grant funding. We don't have time to make mistakes. Everything has to be done right the first time. But this also makes our work exciting. Our senior executive team is very supportive. They handpicked us to lead this project and take it over the finish line. It's great to be part of a company that is so supportive and forward-thinking.

Casey Cordray *(second from right in photo)*
Senior Manager, Marine Operations

It's exciting to be involved with such a large-scale project. I enjoy being part of the team solving complex problems and strategizing on Net Zero 2030 efforts. Our team is involved in every aspect of this ground-breaking initiative, and while I specifically oversee the grant management piece, the team was intentionally set up so that we can work interchangeably.

There is no playbook. We're learning as we go. Starting with early plans and assumptions, we sometimes have to pivot to more fully meet grant requirements. Decoding specific contract language and getting acclimated to state and federal acronyms and legal terms has been a learning experience involving a great deal of research.

Overall, this has been a real team effort with more people behind the scenes than just the project leads. Without the commitment of everyone internally and externally, Net Zero implementation would not be as far along as it is today.

Brian Katzenmeier *(far right in photo)*
Senior Manager, Terminal Services

LBCT's electrification project is changing the way port terminals operate. My role touches every part of our Net Zero plan, including facilities, equipment, financial planning, and community engagement.

What's especially rewarding is that LBCT can implement upgrades while remaining fully operational. In the early stages of the Middle Harbor Redevelopment Project, operation and construction were separate, but now upgrades must be coordinated with ongoing cargo movement, which requires careful planning and communication, while still focusing on safety.

Supporting our local community is just as important. I enjoy volunteering, whether it's planting trees, preparing meals, or organizing backpack drives for kids.

The real achievement is shaping the future without slowing the present. That balance is where innovation happens.

Looking Ahead

LBCT's clean air progress continues while our core business thrives. We are moving cargo more safely, efficiently, and sustainably than ever.

LBCT has accomplished a lot working with our government, industry, workforce, and community partners, and we are proud to be a leader in business and sustainability at America's busiest trade gateway.

In the coming year, LBCT is digitizing the data we collect, manage and disclose. We have invested in a new platform to streamline our internal processes and use artificial intelligence tools to inform our decisions and respond faster to challenges.

LBCT's efforts to increase our energy self-sufficiency, use renewable sources, and advance solutions for reducing carbon emissions from the grid are ongoing. We continue to collaborate with our shipping, trucking, and rail partners and vendors to reduce carbon emissions from the supply chain and around the globe. Educating people of all ages about the important role LBCT plays in the economy, our drive to Net Zero, and our unwavering commitment to do right by all our stakeholders remains front and center.

Risk management, sustainability and resilience are more important than ever. Investors increasingly see anticipating threats before they occur as foundational to a company's financial and operational health. LBCT is laser-focused on improving all our practices that strengthen our ability to grow our business and offer lasting value.

LBCT is delivering on the goals we envisioned more than two decades ago. In 2012, we codified our plans when we signed our green lease. In 2016, we jump-started the transformation when we opened our first fully electrified berth. In 2021, we catapulted our operations into the future by fully opening our state-of-the-art terminal. As 2030 approaches, we are in great shape to put the "final touches" on what we believe to be the world's largest, cleanest, and most efficient marine container terminal.

We want to thank Port of Long Beach CEO Mario Cordero (second from left), who is retiring at the end of 2025. For more than 20 years, his leadership, commitment and drive to transform the San Pedro Bay complex into a cleaner, greener gateway has revolutionized our industry. We wish him well in all his future endeavors.

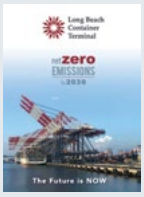

Matson
LBCT

net zero EMISSIONS by 2030

Progress Report 3 2025

Get the Full Story

Each year LBCT demonstrates progress achieved, highlights its wins and opportunities, while transparently presenting challenges.



In 2022, LBCT published the Net Zero 2030 Climate Action Strategy and summarized activities from 2016 through 2021.

In 2023, LBCT published Progress Report 1 highlighting its 2022/2023 activities towards Net Zero 2030.

In 2024, LBCT published Progress Report 2 summarizing 2023/2024 priority actions taken to continue the Net Zero 2030 journey.

This 2025 issue, Progress Report 3, highlights 2024 and 2025, pivotal years for moving from planning to implementing LBCT's Net Zero 2030 measures.

LONG BEACH CONTAINER TERMINAL

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