Turning ports into turning points

2019 ICTSI Sustainability Report



International Container Terminal Services, Inc.

About the cover

Most other port operators and developers focus on their role in global trade, and in container shipping. ICTSI, while conscious of its role in that context, also brings two unique strengths to the table.

One, it began as a one-port operation in a developing nation that had just undergone a major socio-political transformation, and later grew to become an acclaimed partner of the Philippine government in one of Asia's earliest port privatization success stories.

Two, part of its strategy is to focus on acquisitions in developing markets, parlaying its hard-earned experience and well-honed expertise into developing high-performing ports that offer all-around value.

As such, ICTSI has come to master the art and science of delivering results that optimize trade facilitation as a tool for economic transformation and support nations' aspirations for ever-greater and ever-more-sustainable growth..

ICTSI is turning ports into turning points.

Turning ports into turning points

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International Container Terminal Services, Inc.

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Acronyms

ICTSI Group-related

ACGT	Advanced Corporate Governance Training
ACTS	Advanced Customer Transaction System, Manila International Container Terminal
AGCT	Adriatic Gate Container Terminal
APBS	ICTSI Asia Pacific Business Services, Inc.
BCT	Baltic Container Terminal
BGT	Basra Gateway Terminal
BICT	Batumi International Container Terminal, Ltd.
BIPI	Bauan International Port, Inc.
CGSA	Contecon Guayaquil S.A. de C.V.
CGT	Cavite Gateway Terminal
CMSA	Contecon Manzanillo S.A. de C.V.
DIPSSCOR	Davao Integrated Port and Stevedoring Services Corp.
GCHR	Global Corporate Human Resource
GCHSSE	Global Corporate health, Safety, Security, and Environment
GCIR	Global Corporate Investor Relations
GCIT	Global Corporate Information Technology
GCLA	Global Corporate Legal Affairs
HIPSI	Hijo International Port Services, Inc.
ICTSI	International Container Terminal Services, Inc.
IDRCSA	ICTSI DR Congo S.A.
IEVP	ICTSI Employee Volunteerism Program
IFI	ICTSI Foundation, Inc.
IRB	ICTSI Rio Brasil 1
ISPL	ICTSI South Pacific Ltd.
LGICT	Laguna Gateway Inland Container Terminal
MCT	Mindanao International Container Terminal Services, Inc.
MGT	Matadi Gateway Terminal
MICT	Manila International Container Terminal
MICTSL	Madagascar International Container Terminal Services, Ltd.
MITL	Motukea International Terminal Ltd.
MNHPI	Manila North Harbour Port, Inc.
MTS	PT Makassar Terminal Services
OJA	PT PBM Olah Jasa Andal
OPC	Operadora Portuaria Centroamericana S.A. de C.V.
PIAN	Parola Inter-Agency Network
PICT	Pakistan International Container Terminal Ltd.
PSWMP	Parola Solid Waste Management Project
ROHQ	ICTSI Ltd. – Regional Operating Headquarters
SBITC	Subic Bay International Terminal Corp.
SCIPSI	South Cotabato Integrated Port Services, Inc.
SDU	Sustainability and Development Unit, Manila International Container Terminal
SPIA	Sociedad Puerto Industrial de Aguadulce S.A.
SPICTL	South Pacific International Container Terminal Ltd.
TABS	Terminal Appointment Booking System, Manila International Container Terminal
TECPLATA	TecPlata S.A.
TMT	Terminal Maritima de Tuxpan S.A. de C.V.
TSSA	Tecon Suape S.A.
VBS	Vehicle Booking System, Victoria International Container Terminal
VICT	Victoria International Container Terminal Ltd.
YICT	Yantai International Container Terminals Ltd.

Others

ABAC	ASEAN Business Advisory Council
ACC	Automated Container Carrier
ACGR	Annual Corporate Governance Report
ACGS	ASEAN Corporate Governance Scorecard
AI	Artificial Intelligence
AMTF	Afzaal Memorial Thalassemia Foundation
ASC	Automated Stacking Crane
BFP	Bureau of Fire Protection, Philippines
BHW	Barangay health workers
BMI	Body-Mass Index
BOC	Bureau of Customs, Philippines
BOD	Board of Directors
CA-4	Central America-4 Free Mobility Agreement
CANACAR	Camara Nacional del Autotransporte de Carga
CBA	Collective Bargaining Agreement
CCT	Center for Community Transformation
CEO	Chief Executive Officer
CH4	Methane
CFS	Container Freight Station
CO_2	Carbon dioxide
COP	Colombian Peso
CP	Cerebral palsy
CRM	Commercial and Risk Management
CSR	Corporate Social Responsibility
DENR	Department of Environment and Natural Resources, Philippines
DEPED	Department of Education, Philippines
DRC	Democratic Republic of the Congo
DSWD	Department of Social Welfare and Development, Philippines
DTI	Department of Trade and Industry, Philippines
DPS	Department of Public Safety, City of Manila, Philippines
EDO	Electronic Delivery Order
EIA	Environmental Impact Assessment
ECD	Empty Container Depot
EMEA	Europe, Middle East and Africa
ERM	Enterprise Risk Management
ERT	Emergency Response Team
ESG	Environmental, Social, Governance
GHG	Greenhouse Gases
GJ	Gigajoules
GRI	Global Reporting Initiative
HCCA	Hazardous Cargo Control Area
HFC	Hydrofluorocarbon
HSE	Health, Safety and Environment
IBBC	Iraq Britain Business Council
ICD	Inland Container Depot
IIEE	Institute of Industrial Electronics Engineering, Pakistan
IMS	Integrated Management System
IMO	International Maritime Organization
IP	Indigenous people
ISO	International Organization for Standardization
ISPS	International Ship and Port Facility Security Code
IT	Information Technology
JAWS®	Jobs Access With Speech
KPI	Key Performance Indicators
kVA	kilo-volt-ampere
kW	kilowatt
LED	Light emitting diode
LGU	Local government units
LMC	Labor-Management Council
LOA	Length overall
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
LTISR	Lost Time Injury Severity Rate
ManCom	Management Committee
MHC	Mobile Harbor Crane
N_2O	Nitrous oxide
NGO	Non-government organization
NF_3	Nitrogen trifluoride
OHSAS	Occupational Health and Safety Assessment Series
OMPCL	World Organization of Cities Logistics Platforms
PBSP	Philippine Business for Social Progress
PHP	Philippine Pesos
PIAs	Placental implantation abnormalities
PFC	Perfluorocarbons
PGK	Papua New Guinea Kina
PLC	Publicly-listed company
PM	Prime Mover
PMO	Prime Mover Operator
PNG	Papua New Guinea
PNSB	Philippine National School for the Blind
PPA	Philippine Ports Authority
PPE	Personal Protective Equipment
PSE	Philippine Stock Exchange
PTI	Pre-trip inspection
QC	Quay Crane
Ro-Ro	Roll-on, Roll-off
RPM	Radiation portal monitor
RTG	Rubber Tired Gantry
RMG	Rail Mounted Gantry
SIE	Seguro Integral para Exportadores de banana, Ecuador
SDG	Sustainable Development Goals
SEC	Securities and Exchange Commission, Philippines
SF_6	Sulfur hexafluoride
SOLAS	Safety of Life at Sea (International Convention)
SR	Sustainability Report
SSC	Shared Services Company
TEU	Twenty-foot equivalent units
TOS	Terminal Operating System
UN	United Nations
USD	United States Dollars
ULAB	Used lead acid batteries
UTCM	Union Transportista de Carga de Manzanillo, Mexico
VF	Voice of the Free Foundation, Inc.
WAFMAX	West African Maximum Class Vessels

Turning ports into turning points

31 Years

31 Terminals

18 Countries

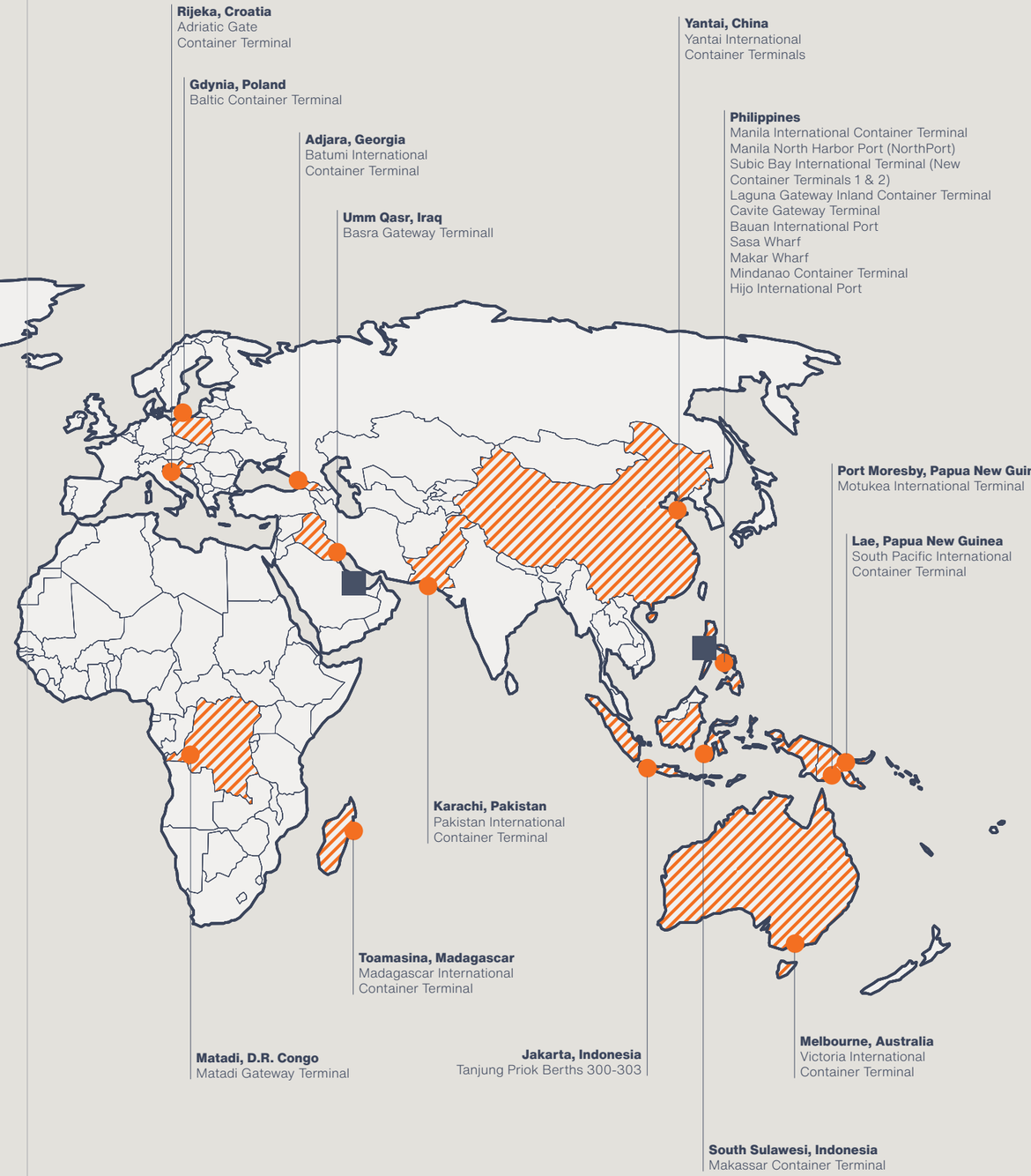
06 Continents

Corporate Offices
Manila, Philippines
ICTSI Asia Pacific
Manila, Philippines

ICTSI Americas
Panama City, Panama

ICTSI Europe, The Middle East and Africa (EMEA)
Dubai, United Arab Emirates





International Container Terminal Services, Inc.

Highlights

Employee LTIFR
2.71↓

CGSA Back-to-Back Carbon Neutral Certifications with 2019's ISO 14064-3:2006 International Certification

Customer Satisfaction Survey (MICT, 2019)

91.11%

Average satisfaction rating for 2019
MICT Customer Care and Concierge performance, with correct and timely response to queries and concerns

Total Energy Consumption (Millions)

1.55↓
Gigajoules

7,700+
Learners benefited through ICTSI Foundation Educational Assistance

137
Scholarships ongoing in 2019

10 Years
of the ICTSI Foundation

300 Thousand
Benefited and assisted since 2009

ICTSI among Asia's Best in Corporate Governance

Business Performance in Container Throughput

10.18
Million TEUs

CMSA reaches 4 Million TEUs

Board of Directors strengthened and Digital Governance & E-learning for Anti-Corruption, pushed

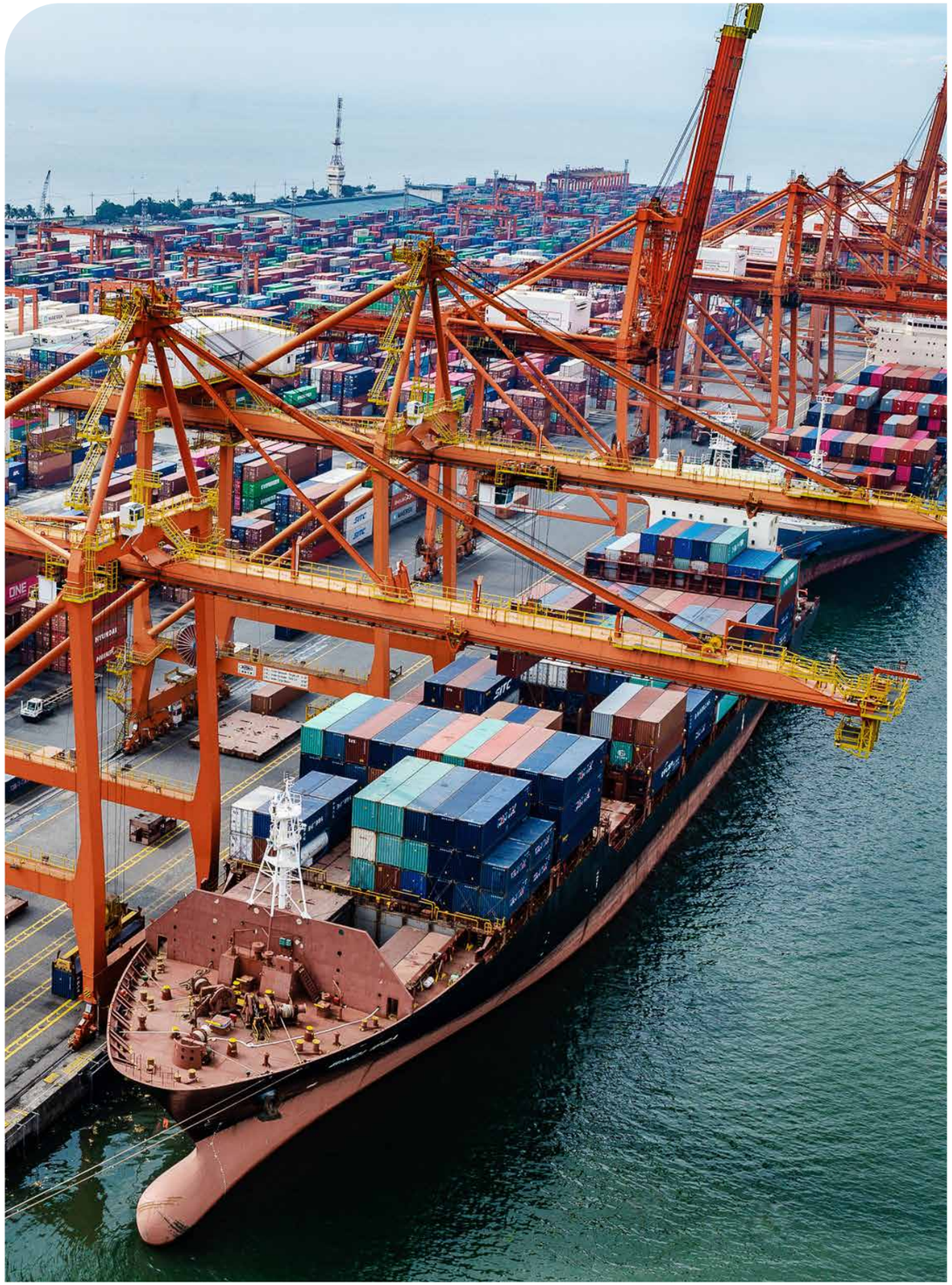
Employees
8,996
Employed across 31 terminals and 18 countries

Total Income*

1,510.8
Million USD

* Total income includes gross revenue from port operations, interest and other income

***Bloomberg* ranked ICTSI as top 7 in the PH for ESG Reporting**



Message from the Chairman

Welcome to our third foray into sustainability reporting for our entire business organization, International Container Terminal Services, Inc. (ICTSI). This third edition puts front and center our long-term work and continuing commitment: turning ports into turning points.

Our theme speaks of ICTSI's work—for 31 years and running—as a partner of governments seeking to privatize maritime port assets, especially container terminals. We help transform entire port complexes, as well as dedicated container terminals located within larger port facilities, maximizing such assets for trade facilitation, as a crucial plank in the larger development vision of a nation.

We also know how truly transformative our business can be: continually enhancing our operations to better support sustainable development, and venturing beyond the confines of the immediate port community to serve our host communities and other sectors.

Marking milestones that matter for others

In our sustainability journey, where we are marking the start of our fourth decade, we have anchored our growth on one of our most deeply entrenched principles: the value of the long view. With this 2019 edition, we are technically marking the third milestone in our sustainability reporting commitment.

In our maiden report, we focused on Manila International Container Terminal (MICT)—our first terminal, and now our flagship—in terms of Economic, Social, and Governance (ESG) material issues and disclosures.

In our second report covering 2018, we expanded the reporting coverage to include seven other major ports: Tecon Suape, S.A. (TSSA), the first of our two ports in Brazil; Contecon Guayaquil S.A. (CGSA) in Ecuador; Madagascar International Container Terminal Services Ltd. (MICTSL) in Madagascar; Pakistan International Container Terminal, Ltd. (PICT) in Pakistan; Basra Gateway Terminal (BGT) in Iraq; Contecon Manzanillo S.A. de C.V. (CMSA), the first of our two operations in Mexico; and, Operadora Portuaria Centroamericana S.A. de C.V. (OPC) in Honduras.

In that second edition, we reconsidered the material issues in a larger context: i.e., as applicable to all eight major operations. We set preliminary or fundamental targets anchored on industry benchmarks, and as supported or confirmed by globally recognized certification standards. Realistically, these were short-term targets that we acknowledged as being subject to recalibration in the medium term.

In this edition, we are now seeing the performance in 2019 versus those baselines, including incremental changes and reductions in several key areas of negative impacts.

Fittingly enough, we also celebrate, in the year in review, the 10th anniversary of the ICTSI Foundation. Even as we retrospectively note the 300,000 lives that have been impacted so far (over the course of the Foundation's existence), this report also presents the Foundation's still-expanding work through development partnerships for communities.

Continually strengthening our governance

Our new Purpose and Values better capture what now animates the Company, particularly the leadership, as we have marked 30 years of operations, and have already embarked on the next decades: our goal to make ports around the world a driver for positive and sustainable growth.

As our experience in each of our 31 operations shows, ICTSI has unequivocal support

We continue optimizing efficiencies, not only within individual ports, but as we sought greater synergies between operations that exist in one region or nation.

for today's global regulatory and collaborative regimes, where the private sector is either a valued partner, or an innovative proponent, in sustainable development.

Alongside other maritime sector players, we are taking increasingly bold and comprehensive systemic steps to address climate change and its attendant risks, and poverty and persisting economic disparities. This publication includes reportage on our continuing support for the United Nations Sustainable Development Goals (UN SDGs).

Led by the Board of Directors and the Board Committees, we moved to reinforce our governance framework in 2019. Early in the year, the Board elected the Company's third Independent Director, Mr. Cesar A. Buenaventura. We emerged with a restructured—and stronger—network of Board Committees.

Auspiciously enough, as we face our next decades, we tackled digital governance at our Advanced Corporate Governance Training: the role of artificial intelligence (AI) and data analytics, and leveraging these technologies to fine-tune corporate strategy, and to make the work of governance increasingly effective.

Advancing with a better footprint

One of the major developments in the maritime sector is the preparation for the implementation of new International Maritime Organization (IMO) regulations, particularly those directly affecting ships—how they are built, and run, and on what fuel, and the rate of emissions. As in governance, technology is proving pivotal in complying with these regulations, and beyond that, in contributing to industry decarbonization efforts.

The potential good that technology brings daily was evident in our yards in 2019, especially as we made strides in reshaping our equipment portfolio, raising the proportion of energy-efficient and green-fuel powered units in our cargo handling fleet. We continued optimizing efficiencies, not only within individual ports, but also as we sought greater synergies between operations that exist in one region or nation (the Philippines, Papua New Guinea, Mexico, and Brazil being prime examples). Fuel consumption, truck turnaround times, and emissions are three of several key metrics we continue to monitor and manage, with consistent reduction targets.

Our efforts across the operations also brought positive results: for instance, back-to-back Carbon Neutral Certifications for Ecuador's CGSA, which received the ISO 14064-3:2006 international certification for carbon neutrality. In China and Australia, fresh measures to safeguard water quality and usage were established with the completion of YICT's new on-site wastewater treatment facility—potentially saving 5,000 cubic meters of tap water—and the inauguration of VICT's eco-friendly wash bay, with 97 percent of treated wastewater available for recycling.

Transforming our host economies and communities

Our business strategy of focusing on developing markets continued to pay dividends in the form of development.

Even as *Lloyd's* List ranked ICTSI eighth among 2019's leading box operators, we posted a container throughput performance of 10.18 Million TEUs.

More important, we made great strides in creating sustainable and inclusive economic opportunities in our operations—notably, in Papua New Guinea (PNG), as we entered into agreements with host Tatana and Baruni communities, enabling the latter to acquire a 30 percent stake in MITL. Moreover, ICTSI South Pacific, ICTSI's PNG subsidiary, was honored at the Navis Inspire Awards 2019 with an Award of Excellence for Learning and Development, citing the "transformative initiative for the nation with modern import/export...logistics being a gateway for further national economic development."

Twin milestones were marked in our Americas operations, as CMSA in Mexico and OPC in Honduras were certified internationally with the seal of "Fair Logistics" by Texas-based World Organization of Cities and Logistics Platforms (OMPCL).

Celebrating Development for People

For our ports' HSSE ramps-ups, we continued to identify "Zero Harm" as a paramount priority, and enhanced our emphasis on port safety and security as it relates to customers. SCIPSI, one of our ports in the Philippines' burgeoning Mindanao region, was cited as having the Best Reward and Recognition Program for employees at the 2019 The Investors in People Awards in London.

At the 9th Asian Excellence Awards, Rafael D. Consing Jr., ICTSI Senior Vice President and Chief Financial Officer, was named Asia's Best CFO (Investor Relations) while Arthur R. Tabuena, ICTSI Treasury Director and Head of Investor Relations, was recognized as the Philippines' Best Investor Relations Professional.

Atty. Lirene C. Mora-Suarez, ICTSI Asia Pacific Regional Legal Manager, was named Woman Lawyer of the Year during the 4th Philippine Law Awards 2019 by *Asian Legal Business*. Our Global Corporate Legal Affairs team, meanwhile, was a finalist in the Most Innovative, Best Transportation & Logistics, and Best Philippine In-house Legal Team categories.

Interestingly, one of our long-running ICTSI Foundation scholars, Judymar Salva, a scholar of the ICTSI Foundation for eight years since high school and a graduate of Business Administration of Tagoloan Community College, joined our MCT port in Mindanao as a Billing Assistant.

Good Global Citizenship

We are much encouraged that in 2019, *Bloomberg* ranked ICTSI's ESG performance as seventh best in the Philippines, based on the Company's inaugural SR.

At the top of the Organization, our Sustainability Champions have ever more crystallized the value of reporting. At the level of rank and file, we continue to realize one inherent strength of the organization: that even in the earliest years of our corporate life, at the individual level, the employees had long bought into the goal of volunteerism, and at the port level, each port was already engaged in the life of the host community. Rather than merely superimposing a framework that was alien to our organizational and sectoral realities, we were actually more clearly identifying principles that had been intrinsic to our corporate DNA. In some cases, we were laying out policies and processes for the first time in support of such principles. In many other cases, we were simply standardizing and harmonizing these policies and processes–communicating them more formally across the spectrum and global operations of the Organization–and intentionally providing more opportunities for learning their values and constantly following them.

While we remain cautiously optimistic about global business prospects, we are more confident about our capacity to continue what we do best: leveraging our strengths as a Good Global Citizen, supporting partner-governments and nations in transformative growth, turning ports into turning points.

Enrique K. Razon Jr.
Chairman & President

Sustainability context

Company overview

ICTSI acquires, develops, and operates container ports and terminals worldwide. Established in December 1987 in the Philippines, ICTSI has become a leading operator, innovator, and pioneer in its field. Soon after consolidating and strengthening our flagship operations at the Manila International Container Terminal (MICT), ICTSI launched an international and domestic expansion program. As of yearend 2019, ICTSI operates 31 terminals in 18 countries across six continents, and employs 8,996 people.

Business profile

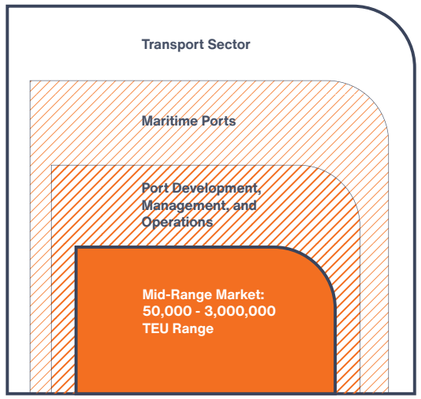
Organization

The Company is a privately-held corporation with principal offices at the ICTSI Administration Building, Manila International Container Terminal, South Access Road, Port of Manila, Manila, Philippines. ICTSI has been publicly-listed in the Philippine Stock Exchange (PSE) since March 1992.

Services and markets

The Group operates principally in one industry segment which is cargo handling and related services. ICTSI's core business includes the operation, management, development, and acquisition of common-user container terminals, focusing on facilities with total annual throughputs ranging from 50,000 TEUs to 3,000,000 TEUs. The primary mechanisms for the operation of these terminals are long-term concession agreements between ICTSI or its subsidiaries and local port authorities (such as the Philippine Ports Authority) and other national government entities.

ICTSI caters to the following commercial customers and port users: shipping lines; cargo owners/shippers; and landside/hinterland logistics players such as independent brokers, along with freight forwarders, especially trucking



Sectoral & Market Focus

ICTSI Port Services

Vessel and Container Handling	Cargo Storage	Container Stripping and Stuffing	Services for Refrigerated Containers or Reefers	Weighing	Roll-on / Roll-off	Bulk and General Cargo Handling



Purpose and Values

Our Purpose

To make ports around the world a driver for positive and sustainable growth.

At ICTSI, we work tirelessly to develop and operate efficient and sustainable port facilities and deliver the highest possible benefits to our customers, partners, people, shareholders, and to the communities we serve.

Our Values

ICTSI's commitment to our partners and communities began more than three decades ago in the Philippines. Our projects and terminals now extend across six continents and are anchored around many of the same founding values that have underpinned our sustainable approach to growing our business and our host economies. Our five values guide our behavior and form the foundation of our purpose:

Respect for all. We place the utmost importance on safety, community, and diversity. The well-being and health of all our stakeholders is our number one priority. We strive to have the highest standards in place to ensure that our people and stakeholders are safe, respected, and treated fairly.

Trust. We lead with integrity, respect, and compassion for our people, partners, communities, and our environment. We take great pride in working responsibly to earn trust and keep it.

Collaboration. We are a diverse and inclusive company working together and exploring new ways of doing things to deliver the best possible outcome for all stakeholders. As a responsible business, we embrace equality of opportunity and empower all our people to adapt, collaborate, and innovate across borders.

Tenacity. Our people work tirelessly with utmost determination to achieve their goals and deliver on commitments to partners, shareholders, host communities, and the environment.

Passion. We are pioneers in an industry with deep linkages to the host economies and communities in which we operate. Our people relish the challenge of exploring new opportunities, operating terminals, creating sustainable benefits for our host communities, protecting the environment while also delivering returns to our shareholders.



companies and truck drivers; and government agencies such as the Philippines' Bureau of Customs, and industry associations (such as trucking associations) with satellite offices or operations within the port premises.

ICTSI owns or operates container ports or container terminals that are part of larger maritime port complexes across three geographic regions, namely: Asia, the Americas, and Europe-Middle East-Africa (EMEA). A map of ICTSI's global portfolio of container terminals and port projects is found on pages 8 and 9 of this report.

ICTSI ports serve as the primary transit points between two sub-sectors in the transportation sector: the shipping (the maritime or waterside part of the supply chain) and freight transport (towards the hinterland, the landside of the supply chain). In maritime transport, "hinterland" refers to the region or geographical area where a container terminal plays a significant role. The role especially refers to the terminal's support or facilitation of import and export activities (involving raw materials, semi-finished or finished goods), upon which the region's or area's commercial traders, export processing zones, and other similar hubs, depend on.

Supply chain

ICTSI's own supply chain covers a broad range of suppliers. These include suppliers of products and services that are required during the port infrastructure development/redevelopment process, or continually required throughout ICTSI's day-to-day port management and operations.

These include, but are not limited to, the construction sector; capital markets; legal services, and special services such as audit/consultancy; cargo handling and container yard equipment and vehicle/fleet suppliers; data processing/ICT suppliers (hardware, software/systems, consultancies); banking and insurance (for both human resources and capital assets); pre-need/health/medical for employees; power supply and other utilities (e.g. Meralco); and, safety and security, cleaning, and housekeeping.

In 2015, ICTSI opened its shared services company (SSC), ICTSI Asia Pacific Business Services, Inc. (APBS). APBS was established to deliver business process outsourcing and other related services to the subsidiaries and affiliates of the ICTSI Group in the Asia-Pacific Region, as well as other clients worldwide. APBS operates as a separate support organization to provide cost-efficient services to ICTSI's business units, while streamlining business processes, enabling best practices, creating operational efficiencies, and delivering a superior customer experience.

In the selection and accreditation of suppliers, ICTSI adheres to international standards such as the International Organization for Standardization and the International Maritime Organization, as well as local standards and policies set by the Department of Trade and Industry in the Philippines, and counterpart agencies in the respective jurisdictions of the various subsidiaries worldwide. Beginning 2019, the Company has begun applying environmental and social screening standards to new suppliers. (More information on suppliers and screening may be found in the Corporate Governance section of this report.)

Overview of 2019 Portfolio

Existing Operations

Manila International Container Terminal (MICT), Manila, Philippines

Subic Bay International Terminal Corp. (SBITC), New Container Terminal-1&2, Subic Bay Freeport, Philippines

Laguna Gateway Inland Container Terminal (LGICT), Laguna, Philippines

Bauan International Port, Inc. (BIPI), Batangas, Philippines

Davao Integrated Port and Stevedoring Services Corp. (DIPSSCOR), Davao City, Philippines

South Cotabato Integrated Port Services, Inc. (SCIPSI), Gen. Santos City, Philippines

Mindanao International Container Terminal Services, Inc. (MICTSI), Misamis Oriental, Philippines

Hijo International Port Services, Inc. (HIPSI), Tagum City, Philippines

PT Makassar Terminal Services (MTS), South Sulawesi, Indonesia

PT PBM Olah Jasa Andal (OJA), Tanjung Priok, Jakarta, Indonesia

Pakistan International Container Terminal Ltd. (PICT), Karachi, Pakistan

Yantai International Container Terminals Ltd. (YICT), Yantai, China

Contecon Manzanillo S.A. de C.V. (CMSA), Colima, Mexico

Contecon Guayaquil S.A. de C.V. (CGSA), Guayas, Ecuador

Tecon Suape S.A. (TSSA), Pernambuco, Brazil

TecPlata S.A., Buenos Aires, Argentina

Baltic Container Terminal (BCT), Gdynia, Poland

Batumi International Container Terminal, Ltd. (BICT), Batumi, Georgia

Adriatic Gate Container Terminal (AGCT), Rijeka, Croatia

Madagascar International Container Terminal Services, Ltd. (MICTSL), Toamasina, Madagascar

Basra Gateway Terminal (BGT), Umm Qasr, Iraq

Operadora Portuaria Centroamericana S.A. de C.V. (OPC), Cortes, Honduras

Victoria International Container Terminal Ltd. (VICT), Melbourne, Australia

Matadi Gateway Terminal (MGT), Matadi, D.R. Congo

Sociedad Puerto Industrial de Aguadulce S.A. (SPIA), Buenaventura, Colombia

Manila North Harbour Port, Inc. (MNHPI), Philippines

Greenfield Projects

Cavite Gateway Terminal (CGT), Cavite, Philippines

Terminal Maritima de Tuxpan S.A. de C.V. (TMT), Veracruz, Mexico

New Projects Secured

South Pacific International Container Terminal Ltd. (SPICTL), Papua New Guinea

Motukea International Terminal Ltd. (MITL), Papua New Guinea

ICTSI Rio Brasil 1 (IRB), Rio de Janeiro, Brazil

ICTSI 2019 Fast Facts

	2018	2019
Revenues from operations (Gross of port authorities' share)	1.39 Billion USD	1.48 Billion USD
Total Cargo Handled (ICTSI Global)	9.74 Million TEUs	10.18 Million TEUs
Total Capitalization		
Debt	1.31 Billion USD	1.66 Billion USD
Equity*	1.95 Billion USD	1.63 Billion USD

* Restated due to the adoption of new accounting standard in 2019

Business distinctive

As an independent business with no shipping or consignee-related interests, ICTSI works and transacts transparently with any stakeholder in the port community.

Sustainability

In ICTSI's work in nations, the Company has been delivering substantial and significant results as an acclaimed private sector partner that develops high-performing ports which offer all-around value.

This is where ICTSI offers a unique strength. After all, the Company has over three decades' depth of experience and expertise in creating ports that drive economic transformation and support people's aspirations for sustainable growth. And it has done so very effectively in terminals in developing markets.

The Company drives sustainable development through parallel tracks: global corporate policies and programs, projects conceptualized and implemented by individual ports, and efforts

Membership

that are either spearheaded or supported by the ICTSI Foundation. In recent years, the Philippine operations have also embarked on the ICTSI Employee Volunteerism Program, which provides additional support for corporate, port, and Foundation projects.

These parallel initiatives may be found across ICTSI's operations spanning 18 countries in six continents. It is worth noting that ICTSI Global and the subsidiary ports are pushing for increasingly sustainable operations, with expanding or intensifying positive impacts on six key areas: the economy, governance, the environment, customers, employees, host communities and society at large.

Support for the UN SDGs

Having long held to the principle of sustainability (embodied in "the value of the long view"), the Company has consistently worked to ensure that its operations and transactions support and advance to good global citizenship.

Committed to the continuing effort to more systematically and deeply integrate sustainability principles in strategic visioning, planning, and execution—creating positive impact across operations, across borders, and across generations—ICTSI has successfully maximized opportunities to support the United Nations Sustainable Development Goals (SDGs).

These range from:

- Partnerships with governments to privatize port assets while supporting national and regional development goals through trade facilitation. To these ends, ICTSI creates and constantly upgrades major maritime port infrastructure, bringing world-class efficiencies to ports. (This is especially crucial for the concessions located in developing markets.) These facilities support entire industries and sectors such as through just-in-time deliveries that keep the supply chain responsive and reliable.
- Pioneering—especially in developing/emerging markets—in instituting international standards in labor, health and safety, and security; introducing technologies and innovations; and, establishing quality, environmental, and other management systems. The onboarding process for new port personnel often involves cross-training (e.g., the PNG team being trained in the flagship Philippine operation).
- Greening operations: welcoming opportunities to either develop livable port cities, or re-establish existing port facilities in new sites outside of city limits; or utilizing planning and technology to better manage aspects of the container flow.

Running parallel to such business initiatives, the ICTSI Head Office, the Subsidiaries, and the ICTSI Foundation, are constantly collaborating to support the UN SDGs by providing access to quality education, training in employable skills, and technical-vocational facilities; clean water, health services, and sanitation; environmental education, management support, and ecological solid waste management-based livelihood opportunities; and resources for indigenous peoples and other marginalized sectors.

Governance overview

ICTSI and its Board of Directors, officers, and employees are committed to sound, prudent, and effective overall management; effective risk management; the provision of efficient management information systems, providing access to reliable financial and operational information; cost-effective and profitable business operations; and compliance with laws, rules, regulations, and its contractual obligations. ■

Participation in External Initiatives

Global Reporting Initiative (GRI). The Company first adopted the GRI Standards in 2017 to enable it to report on its various sustainability initiatives, and continued to use the GRI Standards for this report.

International Maritime Organization (IMO) *The International Ship and Port Facility Security Code (ISPS Code)*. ICTSI container terminals that are operational (as of yearend 2019) are ISPS Code Compliant.

International Convention for the Safety of Life at Sea (Solas Convention). In compliance with the Amendment on Verified Gross Mass Requirement, ICTSI provides weighing facilities.

International Organization for Standardization (ISO). ICTSI ports that are operational (as of yearend 2019) are certified compliant with at least one type of ISO standard.

US Department of Energy National Nuclear Security Administration Megaports Initiative. Post-9/11 terror attacks, ICTSI's flagship MICT was equipped (with technologies such as radiation portal monitors and handheld detection devices, and with training and support) to detect weapons of mass destruction.

ASEAN Business Advisory Council. ICTSI is a member of the ASEAN Business Advisory Council – Philippines chapter. ICTSI President and CEO Enrique K. Razon Jr. is a member of the ASEAN Business Club.

Business Alliance for Secure Commerce (BASC). ICTSI (Americas operations) CGSA in Ecuador is a member, and is BASC-certified.

Federation of European Private Port Companies and Terminals (FEPORT). ICTSI (Europe-Middle East-Africa operations) subsidiaries BCT (Poland) and AGCT (Croatia) are member-ports.

United States Bureau of Customs and Border Protection Container Security Initiative. A security regime that helps ensure all containers that pose potential risk for terrorism are identified and inspected at foreign ports before they are placed on vessels destined for the United States.



Manila International Container Terminal at night. ICTSI ports run 24/7 supporting trade facilitation and economic development of its host economies.

About this report

Supporting sustainability: our reporting commitment and the UN SDGs

Turning ports into turning points: ICTSI Sustainability Report 2019 is the third sustainability report for the ICTSI Group.

Beginning with fiscal year 2017, ICTSI began documenting its sustainability journey with the launch of its Annual Sustainability Report. Launched in 2018, this initial submission focused on the MICT as the flagship operation and the benchmark for the Group.

The corporate commitment to conducting annual sustainability reporting, ensuring sustainable operations, and the larger commitment to driving sustainable development all fall under ICTSI's overarching principle: Good Global Citizenship, which guides the Company's relationships and actions.

ICTSI is committed to principled Corporate Stewardship of its people, customers, corporate resources, and the environment. ICTSI is also committed to substantive Development Partnerships, where both communities and sectors are empowered. The long-term and overarching vision remains fixed: ensuring that the broadening impact of genuine Good Global Citizenship is squarely apace with ICTSI's expanding corporate footprint.

ICTSI has also formally committed to support the accomplishment of the UN SDGs.

As such, in all six main sections of this report, ICTSI initiatives (featured in the Sustainability Stories) are clearly identified in terms of which UN SDGs they contribute towards. These 2019 sustainability stories may feature initiatives launched or implemented on a Group-wide basis, or as led by a specific Corporate Office or subsidiary terminal, or with the ICTSI Foundation as proponent.





OUR SUSTAINABILITY REPORTING JOURNEY

			
Edition Covered	**2017**	**2018**	**2019**
Published	**2018**	**2019**	**2020**

Coverage: Operation	• Selected metrics: Group-wide
	• For performance in Environment, Governance, Economy, Employees, Customers, Society: MICT, as the first venture for ICTSI, and the flagship operation in the entire ICTSI Group
		• Selected metrics: Group-wide
		• For performance in Environment, Governance, Economy, Employees, Customers, Society: eight major terminals
		  • MICT, Philippines
		  • TSSA, Brazil
		  • CGSA, Ecuador
		  • MICTSL, Madagascar
		  • PICT, Pakistan
		  • BGT, Iraq
		  • CMSA, Mexico
		  • OPC, Honduras
			• Selected metrics: Group-wide
			• For performance in Environment, Governance, Economy, Employees, Customers, Society: eight major terminals
			  • MICT, Philippines
			  • TSSA, Brazil
			  • CGSA, Ecuador
			  • MICTSL, Madagascar
			  • PICT, Pakistan
			  • BGT, Iraq
			  • CMSA, Mexico
			  • OPC, Honduras

Coverage: Main Performance Areas	• Environment, Governance, Economy, Employees, Customers, and Society	• Environment, Governance, Economy, Employees, Customers, and Society	• Environment, Governance, Economy, Employees, Customers, and Society

Coverage

This edition primarily contains data applicable to the calendar year beginning 1 January and ending on 31 December 2019. Where necessary—to provide historical background or other forms of context on a specific port, program, or project—information pertaining to other years may be cited; nevertheless, the calendar year 2019 remains the predominant reference point for the reporting of sustainability data here.

In terms of scope of operations covered—for data measurement, generation, processing, and presentation—this edition contains sustainability performance information on what are deemed to be the eight major ports in the ICTSI Group, within the following regions:

Asia Pacific

- Manila International Container Terminal (MICT), Manila, Philippines
- Pakistan International Container Terminal, Ltd. (PICT), Karachi, Pakistan

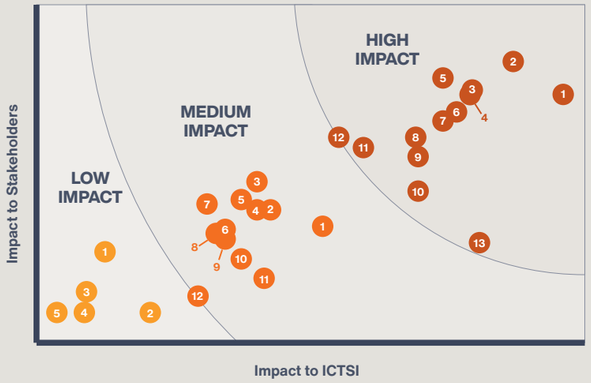
The Americas

- Tecon Suape, S.A. (TSSA), Pernambuco, Brazil
- Contecon Guayaquil S.A. (CGSA), Guayaquil, Ecuador
- Contecon Manzanillo S.A. de C.V. (CMSA), Manzanillo, Mexico
- Operadora Portuaria Centroamericana S.A. de C.V. (OPC), Puerto Cortes, Honduras

Europe-Middle East-Africa (EMEA)

- Madagascar International Container Terminal Services Ltd. (MICTSL), Toamasina, Madagascar
- Basra Gateway Terminal (BGT), Umm Qasr, Iraq

Materiality Heat Map



LOW IMPACT

1. Water management
2. Materials stewardship
3. Human rights
4. Biodiversity
5. Greenhouse gas emissions

MEDIUM IMPACT

1. Workforce engagement
2. Compliance
3. Indirect economic impact
4. Tax management
5. Corporate governance
6. Transparency
7. Stakeholder engagement (other)
8. Waste management
9. Sustainable supply chain
10. Ethical conduct
11. Energy efficiency
12. Diversity and inclusion

HIGH IMPACT

1. Customer satisfaction
2. Economic performance
3. Fair labor practices
4. Safety and well-being
5. Customer data privacy and security
6. Talent acquisition
7. Customer health and safety
8. Government engagement
9. Learning and development
10. Pay and benefits
11. Local hiring practices
12. Community relation and initiatives
13. Climate change

Note: The human rights matters covered in the Low Impact category refer to rights other than those already covered in the Medium and High Impact categories: such as but not limited to workforce engagement, diversity and inclusion, fair labor practices, safety and well-being, customer health and safety, and pay and benefits.

As first set out in the 2018 edition, the MICT, TSSA, CGSA, MICTSL, PICT, BGT, CMSA, and OPC were assessed to be "major terminals" based on their size or scope of operations, strategic value to the nation and/or region where they operate, and level of performance in key sustainability metrics such as impacts on the environment, on society, on the economy, and governance. Additionally, these major terminals have a strong position or dominant share in their respective markets, and, for the year in review, accounted for 66% of the ICTSI Group's total throughput, and 75% of revenues.

In terms of comparability (as summarized in the figure below), the data presented here are patterned after and comparable with the data presented in the 2018 edition, particularly when the data pertain to key sustainability performance metrics and disclosures in these six areas: Environment, Governance, Economy, Employees, Customers, and Society.

Framework, standards, & materiality

ICTSI continues to adopt the Global Reporting Initiative (GRI) Framework. Launched in 2016, it is one of four globally accepted reporting frameworks recommended by the Securities and Exchange Commission of the Philippines (SEC) for use by publicly-listed corporations in the county (where ICTSI headquarters are located).

Prepared in accordance with the GRI Standards: Core Option, this report presents data on the GRI Topic-Specific Standards and Topic-Specific Disclosures as based on the 2019 operations of the eight terminals covered.

The Company reports its qualitative impacts on the economic, environmental, and governance spheres, as well as workforce, customers, and communities.

As in the two previous editions, the reporting boundaries—particularly in terms of issues, concerns, and illustrative examples—were established based on the sustainability issues identified as material, and subsequently ranked according to significance.

The materiality identification process involved desktop research of media and peer analysis, and stakeholder interviews and analysis. Subsequent workshops were held to assist internal stakeholders in assessing the materiality of each issue, using a tailored scoring matrix that assessed the issues across two dimensions: ICTSI Impact and Stakeholder Interest.

Stakeholders Engagement Map

	APPROACHES	KEY TOPICS & CONCERNS RAISED
PUBLIC SECTOR	• Website • Direct communication • Annual audited financial statements • Annual corporate governance report • Annual, quarterly, and monthly reports • Disclosures and other required reports	• Concession matters • Regulatory and reportorial requirements
PORT USERS	• Website • Client online dashboard • ICTSI mobile app • 24/7 web-based communication systems • Quarterly customer satisfaction survey • Customer care local hotline • Weekly client visits (priority customers) • Monthly association meetings • Quarterly trainings and seminars • Annual customer appreciation/thanksgiving events	• Customer satisfaction • System issues • Billing issues • Operational issues
EMPLOYEES	• Direct meetings • Website • Ad hoc correspondence • Quarterly Ugnayan sa Pantalan • Annual employee relations activities • CBA (every five years) • Volunteering activities in coordination with ICTSI Foundation • Other employment engagement activities	• Performance management • Employee welfare • Labor-management relations
SHAREHOLDERS	• Website • Quarterly Investors' Briefing • Investor (Equity) Conferences • Annual Shareholders Meeting • Annual Audited Financial statements • Annual Corporate Governance Report • Interim Quarterly Unaudited Financial Statements	• Quarterly and year-to-date consolidated financial and operational performance of existing portfolio • Performance of existing/organic terminals • Status of new projects • Prospects and projects in the pipeline
CREDITORS	• Website • Investor (Debt) Conferences • Direct communication/Regular discussions with credit risk officers of relationship banks • Annual Shareholders' Meeting • Annual Audited Financial Statements • Annual Corporate Governance Report • Interim Quarterly Unaudited Financial Statements	• Liquidity management • Quarterly and year-to-date consolidated financial and operational performance of existing portfolio • Performance of existing/organic terminals • Status of new projects • Prospects and projects in the pipeline
SUPPLIERS	• Website • Direct communication • New supplier accreditation and annual supplier reassessment	• Supplier performance • Contract requirements
COMMUNITIES AND PEOPLE GROUPS	• Monthly newsletter • Quarterly consultation with concerned government agencies, communities, and partners • Annual ICTSI Foundation Accomplishment Report • Forum with partners • Direct communication with the communities • Participation in events • Leadership trainings • Government-coordinated projects • Volunteerism through local community projects • Assessment after every project • Annual scoping in all communities • Monthly meeting with EcoPatrols • Quarterly meeting with different clusters • Ad hoc discussion with stakeholders	• Health • Education • Shelter • Livelihood/Job creation • Community development • Volunteering activities • Environmental management
TRADE UNIONS AND INDUSTRY ASSOCIATIONS	• Direct communication • Ad-hoc get-togethers • Monthly Labor-Management Council meeting • Quarterly Ugnayan sa Pantala	• Employee welfare • New policies or programs about to be implemented • Individual concerns

Stakeholders: identification & engagement

As illustrated in the Sustainability Context section of this report, ICTSI operates in the transportation sector, particularly the maritime ports sub-sector. In using or referring to this Report, and in assessing ICTSI's performance in the priority topics covered, it is helpful to keep in mind not only the broader context (i.e., the transportation sector), but the particular sub-sector (i.e., marine ports).

In this sub-sector, ICTSI operates as a transnational business entity, part of a complex network of direct and indirect port users, and extensive backward and forward linkages of suppliers and clients/customers, respectively.

The Stakeholder Engagement Map outlines the various specific stakeholders, the approaches that the Company adopted in 2019 to engage these stakeholders, and the key topics and concerns raised by the latter.

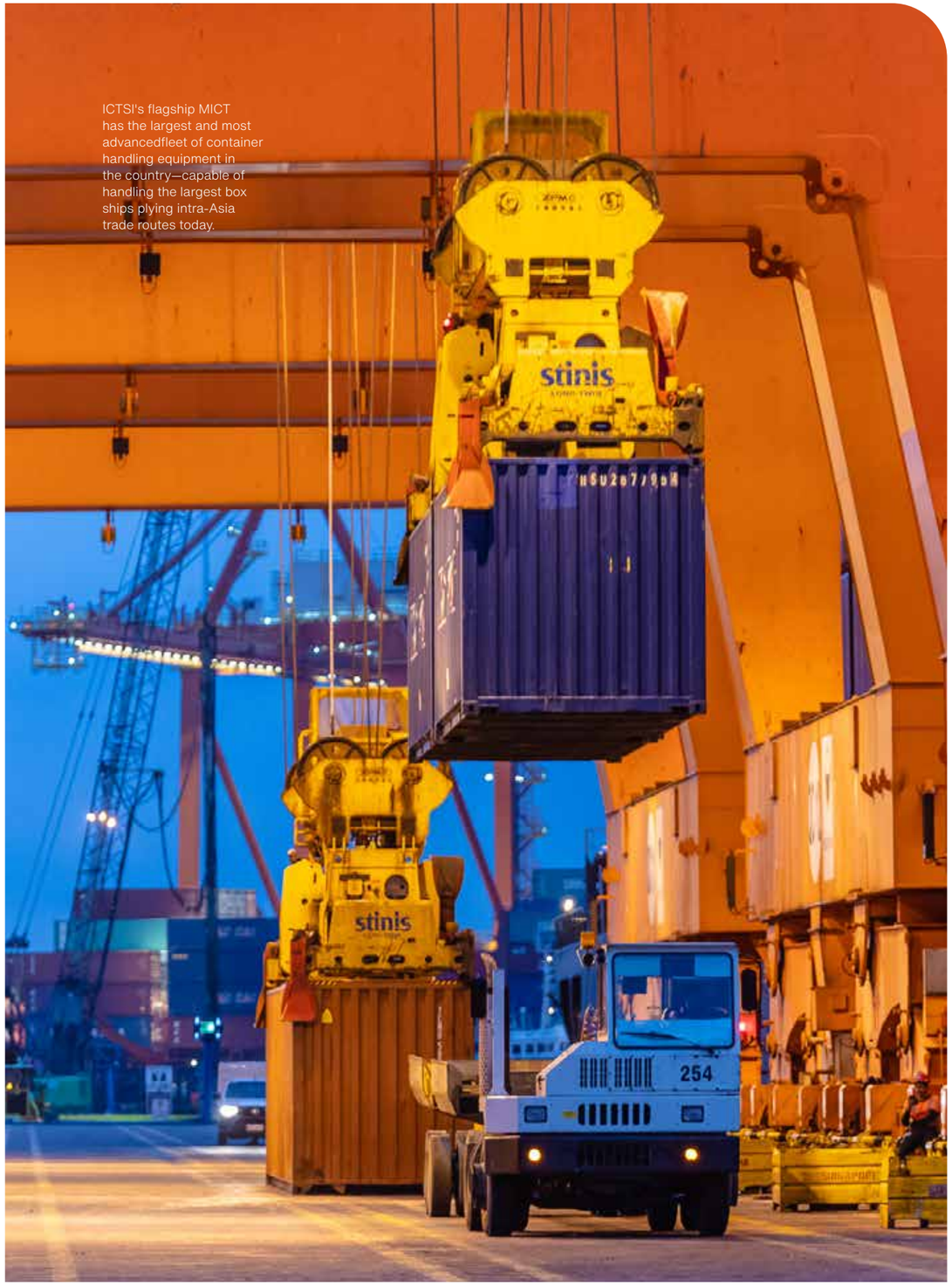
Notes

While the 2017 report focused primarily on the sustainability performance of the MICT, the 2018 and 2019 editions had an eight-port coverage. The expansion had served as a key preparatory step towards eventually getting all ICTSI ports on board with the undertaking and being able to set baselines as well as targets moving forward.

Where 2018 and 2019 data for a topic-specific disclosures are both available, these are shown side by side. Derivation processes, limitations, and other clarificatory notes are shown wherever appropriate.

While 2019 data on topic-specific disclosures focus on the performance of the eight major ports, sustainability policies, standards, systems, practices, or processes that are already in place in other operations are also mentioned.

Reasonable care has been exercised in ensuring comprehensive coverage of sustainability issues, impacts, approaches, and initiatives. Equal care has been given to ensure ease of access to data. Online, links are provided to the other ICTSI reports as soon as these are published, and copies duly provided to the relevant report users, including but not limited to shareholders, financial institutions, and regulatory bodies exercising jurisdiction over ICTSI terminals in the Philippines and across the Company's Asia Pacific, Americas, and Europe-Middle East-Africa regional operations. ■



ICTSI's flagship MICT has the largest and most advancedfleet of container handling equipment in the country—capable of handling the largest box ships plying intra-Asia trade routes today.

01 Environment



ICTSI is continuously transforming its equipment and vehicle fleet towards a greater proportion of fuel-efficient, reduced-emissions models. The flagship, MICT, features new eco-friendly hybrid RTG cranes.

Transformation Through Conservation

With 90 percent of the world's trading activities conducted by sea, the role of maritime transport and trade in accelerating sustainable development cannot be overemphasized. As the international community pushes to implement programs towards sustainability, the strategic importance of container ports/terminals as cross-cutting contributors of positive change underscore the importance of mainstreaming sustainability principles in all areas of our operations.

ICTSI is working hard to embed this commitment in our strategy, business processes and decision-making. Across eight major terminals around the world, our organization is adopting green initiatives and delivering transformation in areas of energy consumption, carbon footprint, and waste management.

Navigating an environmentally sustainable path to growth

ICTSI recognizes that an environmentally sustainable port infrastructure requires continuing efforts to reduce adverse environmental impacts. The success of our enterprise is anchored on a triple bottom-line view that balances the need to ensure optimal economic returns and social gains with the need to adopt a responsible environmental outlook.

Pursuant to this view, ICTSI ports continue to implement measures to improve air quality by reducing air emissions, enhancing energy efficiency, and ultimately reducing our contribution to climate change. The use of alternative energy sources, smarter power distribution systems, energy consumption measurement systems, and other innovative technologies are some of our major initiatives to achieve these goals. By ingraining sustainability and environmental protection in our operations, we envision transitioning all our ports into carbon-neutral sites.

Besides ensuring that our major ports comply with relevant environmental obligations in their host territories, we at ICTSI implement best industrial practices in infrastructure construction as well as in the use of equipment and technology to minimize our environmental impact while enhancing operational efficiency.

Leading the charge here is our flagship MICT in the Philippines, which has adopted the use of hybrid RTGs. Running on a combination of 200kVA Li-ion battery and a smaller diesel engine, these RTGs help reduce the terminal's carbon emissions by up to 40 percent, provide up to 60 percent fuel efficiency and are considerably quieter to operate.

Across the ICTSI group, a number of initiatives were also put in place to address the dual goals of increasing productivity while simultaneously reducing fuel use and emissions. ICTSI leverages digital technologies to achieve further truck movement efficiencies, resulting in fuel savings, time savings, and lower emissions. For instance, the implementation of the Terminal Appointment Booking System in the Manila Port (encompassing the MICT and MNHPI) and the Vehicle Booking System in VICT continue to generate the aforementioned business and environmental benefits, while helping reduce traffic congestion for the public. These benefits were further amplified with the enhancements of both systems, where booking by block was enabled. With this functionality, available zones for booking can be matched to available equipment in the yard. Consequently, more slots can be added to the available zones, while trucks can be served even more quickly, as equipment are ready to serve them. The introduction of this feature drove down truck dwell time at the MICT.

Ecological regatta

CMSA participated in a boat racing event that promoted environmental awareness and recycling. CMSA personnel designed and built three boats using waste materials generated from the terminal's everyday operations. The ecological regatta is annually organized by the Manzanillo Port and draws participants from various institutions in the maritime community. ■

INTERNATIONAL CERTIFICATIONS

ISO 14001:2015 Environmental Management System	• Manila International Container Terminal (Philippines) • South Cotabato Integrated Port Services, Inc. (Philippines) • Pakistan International Container Terminal (Pakistan) • Contecon Guayaquil SA (Ecuador) • Tecon Suape SA (Brazil) • Baltic Container Terminal (Poland) • Yantai International Container Terminals (China) • Contecon Manzanillo SA (Mexico) • Operadora Portuaria Centroamericana (Honduras) • Madagascar International Container Terminal Services Ltd. (Madagascar) • Basra Gateway Terminal (Iraq)
ISO 50001 Energy Management System	• Baltic Container Terminal (Poland)
ISO 14064-3:2006 Greenhouse Gases	• Contecon Guayaquil SA (Ecuador)



ICTSI ENVIRONMENTAL TRAINING

To help build port workers' capabilities in environmentally sustainable operations and to advance its environmental advocacies in the port and among host communities, ICTSI conducts capability-building and learning activities. These activities include the following modules and topics:

- Basic Pollution Control Officers Training
- Wastewater Treatment Facility Operations
- Chemical Spill & Response
- 8-hour Environmental Training for Managing Heads
- Dangerous Goods Regulations
- ISO 14001:2015 Environmental Management System Awareness
- ISO 14001:2015 Environmental Management System Lead Auditors Training
- ISO 14001:2015 Environmental Management System Internal Auditors Training
- Waste Analysis Characterization Study
- Environmental Aspect/Impact Evaluation and Control
- Understanding Material Safety Data Sheets
- Environmental Laws, Rules and Regulations
- Ambient Air, Water, and Noise Monitoring
- Environmental Impact Assessment
- ISO 5001:2011 Energy Management System Foundation Course
- ISO 5001:2011 Energy Management System Lead Auditors Training
- ISO 5001:2011 Energy Management Internal Audit Course

VICT builds eco-friendly wash bay for terminal equipment

What it's all about: VICT has built an eco-friendly wash bay for the cleaning and maintenance of all portable machines on site. Designed for the safe washing of the terminal's 11 automated container Carriers (ACCs), the facility is fully enclosed to prevent the potential overspray of cleaning materials that could contaminate the surrounding waters and vegetation.

The multi-level facility has an internal staircase to grant comfortable access to all areas of the machines, which stand at 11 meters high and five meters wide. It also has nine hose reels in various positions, as well as the ability to run two lancers simultaneously.

Why it matters: VICT's wash bay facility supports Australia's high standards and robust regulations concerning the quality of water used in commercial activities (which includes container washing and disposal of the wash water), especially when it comes to ensuring biosecurity.

An onsite treatment plant processes wastewater from the facility. It is equipped with a dosing system that measures and maintains the water's pH and ORP (oxidation-reduction potential) within safe levels. About 97 percent of the treated wastewater is recycled and stored in a 10,000-liter tank for use in the next wash.

Who benefits: This process reduces VICT's water consumption and minimizes trade waste costs of contaminated water. The facility also uses biodegradable detergents to neutralize harmful chemicals used onsite.

Since the ACCs have a strict maintenance regime, they require regular servicing with a set list of requirements for each service. With the new wash bay, the ACCs service schedule now includes washing for every 1,000 hours of use. Being the world's first fully-automated container terminal, VICT's wash bay allows for the continuous maintenance and cleanliness of these machines to better deliver on the extra capacity and longevity required to support the continued trade growth in the Port of Melbourne. ■

Reducing carbon footprint across the globe



From lead acid batteries to free reads: With its container-handling equipment and vehicle fleets, ICTSI has established battery recycling as a crucial part of its efforts to reduce, if not eliminate its environmental impact, starting in the Philippines. Through the Balik-Baterya program (literally, return of batteries) by the Philippine Business for Social Progress (PBSP) and car battery manufacturer Motolite, ICTSI's ULAB wastes are being turned over for recycling, bought at a premium price, and then redeemed through funds for CSR co-ventures by the ICTSI Foundation and PBSP. Since joining in 2011, ICTSI has turned over for recycling more than 68,000 kilos of ULABs, amounting to more than Php1.9-million.

In 2019, the Foundation, under its "My Reading Nook" Program, used part of its battery redemption funds to donate a new single-storey library in Misamis Oriental. The Foundation hopes to instil a love for books among Sta. Cruz Elementary School's kindergarten and elementary students, who are part of MCT's hinterland community in Tagoloan.

Second carbon-neutral certification: Fresh off its first certification for carbon neutrality—conferred in 2018 and marking compliance with ISO 14064-3 standards—CGSA in Ecuador obtained the ISO 14064-3:2006 international certification in 2019.

The certification lauds the company's policies towards greater sustainability initiatives. TÜV Rheinland's audit included an analysis of CGSA's carbon data and emissions, and verification that the terminal continues to sponsor the conservation of vast tracts of the country's intact natural forests. CGSA has also received the Ecuadorian Environmental Certification for being an "eco-efficient" company for three straight years.

Adoption of RTGs: Known for their fuel saving, eco-friendly technology, hybrid rubber-tired gantry cranes or RTGs can reduce carbon emissions by up to 40 percent, raise fuel efficiency by up to 60 percent, and are quieter to operate.

MICT acquired 16 units of RTGs in 2019. The acquisition supports MICT's bid to be at the forefront of innovation on port equipment and adaptive technology, increase productivity, and reduce its environmental impact, particularly its carbon footprint.

Energy-efficient lighting: PICT has switched to a LED lighting system for its container yard area. The new system is more energy efficient than the conventional system it replaced, as it utilizes 95 percent of energy and dissipates the remaining five percent through heat.

Aside from reducing carbon emissions, the new lighting system also lowered PICT's power consumption by more than 100KW/hr, even as it increased security and efficiency during night operations by providing better visibility for employees. ■

Other measures include gate automation and gate system upgrades to reduce queueing times; fleet changes to introduce faster and more fuel efficient equipment; and, utilization of machine learning and analytics to improve and automate yard strategy to reduce truck dwell times. Altogether, these measures are expected to reduce cycle times of more than 20 minutes per truck visit. These reduced cycle times translate to reduced fuel consumption and lower emissions. The increasingly efficient truck movements within the yards also help lower truck dwell time, resulting in proportional further reductions in fuel usage and emissions.

Other advances include the implementation of a Facilities Management System that would enable real-time monitoring of power consumption and generate reports. Such a system will help seamlessly provide empirical data that can be used to identify top power consuming facilities in the terminal, for the enhancement of the comprehensive management policy. The data will also be helpful as terminals set more specific reduction targets.

Installation of wastewater treatment facilities such as the recently completed one at YICT in China, innovative wash bay unveiled at VICT in Australia, and use of LED lighting systems for yard illumination in PICT in Pakistan add to the ever-evolving solutions to protecting and greening the environment around our ports.

(It is worth noting that from a long-term perspective, our automated terminal in Melbourne is serving as an incubator for new technology with far-reaching environmental benefits. These technologies can be selectively deployed on an as-needed basis across our portfolio.)

Group-wide resources—financial, human and technological—are allocated to manage energy consumption and emissions for each terminal. These include resources that go towards promoting environmental awareness to our employees and business partners and supporting meaningful environmental programs and activities in their localities. These include reforestation efforts and coastal cleanup drives with concerned community groups.

ICTSI's proactive steps for managing our environmental footprint are governed by the formal framework of the ISO Environmental Management System. Presently, ICTSI has 11 terminals that maintain this ISO Certification, which helps us open up to greater possibilities for clean energy and energy-efficient technologies, and support climate change adaptation and mitigation schemes. The over-all vision is for all terminals to eventually become certified.

Energy

Electricity

2018	2019
Total Electricity Consumption (Millions)	
0.48* Gigajoules	0.47 Gigajoules

Fuel

2018	2019
Total Fuel Consumption (Millions)	
1.22* Gigajoules	1.08 Gigajoules

	2018	2019
Diesel (Millions)	1.14* Gigajoules	1.00 Gigajoules
Petrol (Millions)	0.01 Gigajoules	0.01 Gigajoules
Heavy Fuel Oil (Millions)	0.07* Gigajoules	0.07 Gigajoules

Total energy consumption (Millions)

2018	2019
1.70* Gigajoules	1.55 Gigajoules

Notes on fuel and electricity consumption:

1 On standards, methodologies, assumptions, and/or calculation tools used: the figure on electricity consumption is the aggregate of the electricity used for the year which were measured/billed by the respective utility companies. On the other hand, fuel consumption figures were monitored by the Engineering Department.
2 Source of the conversion factors used: http://www.onlineconversion.com/energy.htm
3 For 2019 there was negligible usage of LPG and natural gas

Energy intensity ratio

Megajoules / Total Moves

2018	2019
121*	98



Notes on energy intensity ratio:

1 Total moves (which include actual yard moves for the eight major terminals) are used to calculate the energy intensity ratio.
2 Energy from fuel and electricity are included in the computation of the ratio.
3 Energy consumption factored in the computation is limited to consumption within the organization

* Amount restated as a result of enhancement of reporting process.

Emissions

Direct GHG Emissions (Scope 1)

2018 2019

Total Direct GHG Emissions (Scope 1)
In Metric Tons of CO_2 Equivalent

91,319* **81,151**

2018 2019

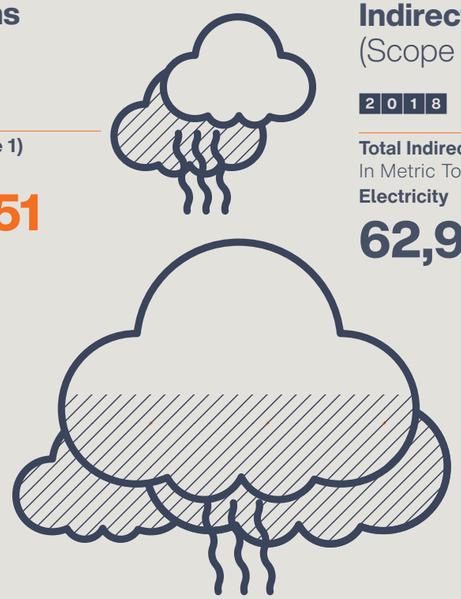
In Metric Tons of CO_2 Equivalent

Diesel
84,999* **74,729**

Petrol
823 **859**

LPG
275 **47**

Heavy Fuel Oil
5,222* **5,516**



Indirect GHG Emissions (Scope 2)

2018 2019

Total Indirect GHG Emissions (Scope 2)
In Metric Tons of CO_2 Equivalent
Electricity

62,901* **63,131**

Notes on direct (Scope 1) GHG emissions:
1 No data available for specific breakdown of gases (by type) included in the calculation (i.e., whether CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all).
2 No data available on Biogenic CO_2 emissions.
3 Base year for the calculation is 2018.
4 The corresponding emission factor for each type of fuel was used as the conversion factor.
5 Consolidation approach for emissions is operational control.
6 Standards, methodologies, assumptions, and/or calculation tools used: Total GHG emissions from fleet = (quantity of consumption * emission factor kgCO_2e per unit)/1000.

Notes on indirect (Scope 2) GHG emissions:
1 No data available for specific breakdown of gases (by type) included in the calculation (i.e., whether CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all).
2 Base year for the calculation is 2018.
3 The corresponding energy factor for the different countries with operations provided by the IEA was used as the conversion factor.
4 Consolidation approach for emissions is operational control.
5 Standards, methodologies, assumptions, and/or calculation tools used: Greenhouse Gas protocol; electricity end use GHG emissions = (Quantity of consumption * the emission factor)/1000.

GHG Emissions Intensity Ratio

Metric Tons of CO_2 Equivalent / Thousand Moves

2018 2019

11 **9**

Note on GHG emissions intensity ratio:
1 The organization-specific metric (the denominator) chosen to calculate the ratio was based on Total Moves (which includes the actual yard moves for the eight major terminals).

* Amount restated as a result of enhancement of reporting process.

Spreading the Green—and the Advocacy



Since the start of its concession, Honduras' OPC has committed to reforestation, in coordination with the local community. In 2019, OPC joined students, employees, volunteers, and personnel from the local environment department for a multisectoral tree planting activity at the Franklin Delano Roosevelt Institute and surrounding communities.

It is worth noting that the activity, done in celebration of the National Day of the Tree, also marked a milestone in OPC's commitment: the 500 trees planted that day pushed OPC's reforestation efforts to the 20,000-tree mark. OPC also celebrated Green Day with an environmental awareness talk with 150 children, to educate the youth on the importance of caring for the environment.

In Pakistan, PICT employee-volunteers collaborated with students from the Institute of Industrial Electronics Engineering (IIEE) during Earth Day 2019. The joint initiative aimed to help the employees and the students develop a sense of ownership of nature while fostering a positive relationship between the two sectors, as they work towards the good of society and nature. ■



In 2019, OPC's reforestation efforts in Honduras reached the 20,000 tree mark.

Performance areas and positive results

Energy efficiencies

The continued growth of the global containerized trade and transport industry escalates the development of port infrastructure, consequently driving the energy consumption of these coastal terminals. The increasing scale of trade of refrigerated containers or reefer cargo, for one, which carries their own unique power, handling, and logistics demands, illustrate how more and more energy is required to power the whole transport process.

As sustainability initiatives veer towards monitoring the performance of port-related services in terms of energy consumption and resulting emissions, and operators comply with more stringent port regulations and environmental policies, ICTSI's eight major terminals continue to ramp up their adoption of energy efficient measures and strategies.

The increasing attention for ways to conserve electricity has led to other practices towards reducing consumption of fossil fuel-based energy sources. To maintain its regulatory compliance, ICTSI's terminals are committed to managing and controlling energy consumption and emissions, and these commitments are contained in reports that are periodically audited internally and externally to identify and adjust accordingly the appropriate actions to take.

It is worth noting that these commitments led in 2019 to a 9 percent reduction in total energy consumption, from 1.70 million GJ in 2018 down to 1.55 million GJ.

Emissions reduction

Carbon emissions create important sustainability challenges particularly in ports where air pollution generated by cargo movement operations directly impact human health and the environment.

Beginning 2017, ICTSI's eight major ports have individually conducted port emissions assessments to determine and disclose the actual amount of fuel particulate matter and greenhouse gas pollutants from their operations. These assessments are done on all stationary facilities (e.g. electrical grid, power plant, and administrative offices) and mobile equipment (e.g. cargo handling equipment, heavy-duty and light transport vehicles). In the eight major terminals and the rest of the Group, the overall GHG reduction approach is anchored on a gradual shift to an eco-friendlier fleet of cargo handling equipment and vehicles: those that are more fuel efficient, or with hybrid engines (i.e., using two or more types of power), and that generate less emissions.

The Company is pleased to report that, side by side with the reduction in energy consumption is the decline in greenhouse gas emissions. For the period in review, direct GHG emissions amounted to 81,151 metric tons of CO_2, representing an 11 percent decrease from the 2018 record of 91,319 tonnes.

Indirect sources of CO_2 emissions on the other hand, increased slightly by 0.4%, amounting to 63,131 metric tons in 2019 compared to 62,901 metric tons in 2018, since the locations with decreased indirect energy consumption came from locations with lower emission factors.

ICTSI is greatly encouraged by these initial results. We will continue to improve on the methods and approaches being pursued by its eight major terminals towards the development and implementation of cost-effective emissions reduction strategies that can provide financial as well as environmental benefits.

Cleanup commitment



Coastal cleanup activities were conducted in various ICTSI ports worldwide. In Croatia, AGCT volunteers, assisted by the Diving Club Rijeka, organized a cleanup of the seabed fronting the port. In Georgia, Batumi International Container Terminal (BICT) joined the first coastal cleanup along Batumi Boulevard as part of Maritime Waste Management initiative by the Women's International Shipping and Trading Association in Georgia. The Philippines' premiere domestic hub (linking Metro Manila to the rest of the archipelago) NorthPort, meanwhile, continued its weekend coastal cleanup of the waters surrounding Manila North Harbor. ■

Waste Management

ICTSI recognizes that the proper implementation of waste management plans can help reduce waste generation and minimize the potential effects of waste materials on the surrounding environment.

All major terminals have existing waste management policies that address environmental impacts; these policies are reviewed and approved at the highest executive levels, which are committed to managing and controlling wastes in their respective operations.

Over the past two periods in review, ICTSI's eight major terminals around the world significantly intensified efforts to reuse, recycle, and recover waste materials, underscoring the economic and environmental benefits of having an efficient waste management plan.

Total Hazardous Waste handled, excluding ULAB, decreased by 11 percent, from 948 tons in 2018 to 840 tons in 2019. ULABs meanwhile, decreased by 21 percent to 1,188 pieces in 2019. Figures for non-hazardous waste similarly went down by 1 percent, from a total of 4,383 tons to 4,354 tons in the same period.

There were no incidents of spillage for the year in review.

The safe handling, storage, and disposal of waste facilities is carried out by licensed contractors and other certified service providers. ICTSI is highly cognizant of the role that its ports and terminals play in helping the maritime trade sector transition to increasingly greener logistics systems and processes. ■

YICT boosts sustainability effort with wastewater treatment facility



What it's all about: YICT completed its on-site wastewater treatment facility in 2019, marking a significant milestone in its goal for greater sustainability. The system is designed for recycling wastewater from reefer cleaning during pre-trip inspections (PTIs), and the proper disposal of sewage sludge resulting from the water treatment process.

Why it matters: Given how refrigerated shipping containers ("reefers") carry all kinds of goods, specifically temperature sensitive cargo such as frozen meat and or even certain chemicals, thorough cleaning is critical in preventing cross contamination between different cargoes being stored or transported.

The container cleaning process is part of YICT's PTI, which also involves checking the reefers' structural integrity and ensuring the correct functioning of the cooling unit, temperature control, and other components. Since the cleaning process produces huge amounts of wastewater, the water treatment plant removes any hazardous waste from the dirty water before recycling it for additional cleaning purposes.

YICT's facility is also equipped to handle sewage sludge (resulting from the wastewater treatment process).

Who benefits: Data gathered during its first four months of operation showed that the wastewater treatment facility helped YICT save potentially 5,000 cubic meters of tap water and reduce sewage discharge by 8,400 cubic meters per year.

YICT is situated in the Shandong region of China, a powerhouse region for manufacturing and agriculture, and its international-standard operations support the province's vegetable and fruit trade. The port is committed to first-rate handling of fresh produce, such as Yantai apples for export. With so much global trade on these perishable goods, YICT's wastewater treatment facility helps improve its sustainability as it performs its inspection and cleaning process, thus becoming a vital contributor to ICTSI's goal of increasingly greener logistics.

Latest among other initiatives: Recycling water and reducing sewage waste are the latest steps undertaken by YICT towards environmental conservation and sustainability. In 2018, the company commissioned a solar generator to power its maintenance workshop and Engineering office building. ■

SPIA makes steady progress in Biodiversity and Forestry Programs



Two ongoing programs initiated by SPIA in Colombia have been steadily progressing since their respective launches. These environmental initiatives are verified by the local authorities on a yearly basis, and are part of the terminal's larger commitment to environmental protection which also includes air-water-noise monitoring, landscape monitoring, and compensation program. The Biodiversity Program involves efforts to protect wildlife in the region. The additional 41 individual creatures protected in 2019 bring the total (from 2013 to date) to 4,778. On the other other hand, the multi-phase Forestry Program continued in 2019, its Pilot Phase having run from 2013 to 2018, with 52,500 trees planted on 105 hectares of land. Phase I, slated to run from 2017 to 2022, has thus far resulted in 229,157 trees planted in over 465 hectares. ■

Waste

Hazardous

	2018	2019
Oily Waste	599* Tons	679 Tons
Busted Flourescent Lamp	1* Ton	1 Ton
Clinical Waste	124 Tons	1 Ton
Others	224* Tons	159 Tons
Used Lead Acid Batteries (ULAB)	1,499* Pieces	1,188 Pieces

Total Hazardous Waste (excluding ULAB amount in pieces)

2018	2019
948* Tons	840 Tons

Note: disposal methods were determined based on local regulatory requirements and applicable best practices.

Non-Hazardous

	2018	2019
Solid Waste	4,105* Tons	4,046 Tons
Others	278 Tons	308 Tons

Total Non-Hazardous Waste

2018	2019
4,383* Tons	4,354 Tons

* Amount restated as a result of enhancement of reporting process.

Governance

02



ICTSI Chairman and President Enrique K. Razon Jr. expresses gratitude to clients, host governments, business partners, stockholders and the indefatigable men and women of the ICTSI Group who continue to support the Company to being one of the world's best terminal operators.

An evolving framework for unchanging principles

One of the most important assets of a corporation is its people. All employees play a role in making the operations, successful and sustainable. A distinct role and challenge fall on the ones responsible for steering it institutionally: the executive leaders. ICTSI takes great pride in the people who are part of the Company—all across the organization—and believes that good corporate governance is essential to sustainable growth on all fronts.

We clearly see that our capability to lead in business and social transformation rests on our effort to continuously transform our leadership. We can only hope to continue making a difference as we keep raising the bar in our vision and implementation of corporate governance codes and policies; strengthening our Board of Directors; leveraging our influence for a more socially and environmentally responsible, locally supportive supply chain; and, empowering our own people to daily make business decisions that consider, protect, and advance the legitimate interests of our various stakeholders.

An ever-stronger framework for the next decades

Despite its multinational presence and culturally diverse workforce, ICTSI has long upheld shared core values and principles. When ICTSI first embarked on its Corporate Governance Report in 2013, the Company already had in place a comprehensive governance framework.



By 2019, that framework covered crucial areas, with policies and codes governing business conduct, conflict of interest, whistleblowing, insider trading, dividends, and related party transactions; employee welfare (including strict disciplinary actions on violators), drugs and alcohol, fatigue management and leave benefits, training and development, employee relations; health, safety, security, and environment (HSSE) concerns; suppliers, customers, and data privacy.

ICTSI's Code of Business Conduct serves as the collective framework of the Company's business beliefs, values and commitment, rolled out to the executive arm and to valued personnel and business partners. It was developed internally and is approved by the CEO to ensure that employees of the Company conduct themselves ethically and prevent corruption in its operations. The Company puts great emphasis on the Code (expounded further in this section) to exemplify the highest standards of honesty and integrity, which is one of the reasons why the Company has kept an excellent reputation through its years of international growth.

ICTSI also recognizes the value of supporting trade, not only at the international level but also at the micro level. This involves sourcing locally whenever possible, and requiring such local suppliers to undergo social and environmental

Governance structure

Board of Directors

Enrique K. Razon Jr.
Chairman of the Board & President

Members

Jose C. Ibazeta
Stephen A. Paradies
Andres Soriano III
Octavio Victor R. Espiritu*
Joseph R. Higdon*
Cesar A. Buenaventura*

*Independent Directors

BOARD COMMITTEE MEMBERSHIP 2019-2020

	Audit Committee	Corporate Governance Committee	Nomination Sub-Committee	Remuneration Sub-Committee	Board Risk Oversight Committee	Related Party Transaction Committee
Jose C. Ibazeta	–	–	C	–	–	–
Stephen A. Paradies	M	–	M	M	C	M
Andres Soriano III	–	–	–	C	–	–
Octavio Victor R. Espiritu	C Independent	M Independent	M Independent	M Independent	M Independent	M Independent
Joseph R. Higdon	–	M Independent	–	–	M Independent	–
Cesar A. Buenaventura	M Independent	C Independent	–	–	–	C Independent

Notes:
[1] Changes to the Board of Directors were made prior to the ICTSI Annual Stockholders Meeting. The remainder of the term of Mr. Jon Ramon Aboitiz, who passed away on November 30, 2018, was served by Mr. Cesar Buenaventura, who was elected by the Board on February 13, 2019.

[2] The changes made in the Board Committees are disclosed in the ICTSI 20-IS, SEC 17-A, and Annual CG Report, which all reflect three (3) independent directors, and render the Company 94% compliant with the Securities and Exchange Commission's Corporate Governance Recommendation on Board Committees.

ICTSI among Asia's best in CorpGov



ICTSI was proudly recognized by leading investment institutions and agencies as among the top Asian companies that has shown all-around governance excellence and financial management.

Hong Kong-based *Corporate Governance Asia*, the region's most authoritative journal on corporate governance, during the recent 9th Asian Excellence Awards named ICTSI as one of the Best Investor Relations Company in the Philippines. For his superior leadership and excellence in driving ICTSI's overall management and growth, Enrique K. Razon Jr., ICTSI Chairman and President, was hailed Asia's Best CEO (Investor Relations).

On the other hand, Rafael D. Consing Jr., ICTSI Senior Vice President and Chief Financial Officer, was named Asia's Best CFO (Investor Relations) while Arthur R. Tabuena, ICTSI Treasury Director and Head of Investor Relations, was recognized as the Philippines' Best Investor Relations Professional.

Adding to the long list of awards recognizing ICTSI for governance excellence, *Alpha Southeast Asia* cited the Company as one of the best managed companies in the Philippines – clinching five awards in the 9th Institutional Investor Awards for Corporates. ICTSI led publicly-listed companies in the country as having the Strongest Adherence to Corporate Governance and Most Organized Investor Relations Company; whilst second best in having the Best Senior Management IR Support and Most Consistent Dividend Policy.

In the same awards tilt, Mr. Consing was also named as Southeast Asia and Philippines' Best CFO. This is Mr. Consing's second time to receive the PH's Best CFO award from Alpha Southeast Asia, bagging the recognition for the first time in 2017.

Still in recognition of the Company's commitment towards responsible stewardship, the Institute of Corporate Directors (ICD) rated ICTSI for being one of the high-ranking PLCs in the Philippines based on the Asean Corporate Governance Scorecard (ACGS).

Lauded for its 2018 results, the Company maintains commendable compliance with the best practices in the following areas: Board responsibilities, disclosure and transparency, rights of shareholders, equitable treatment of shareholders; and role of stakeholders.

Also for the sixth year in a row, ICTSI was honored by Hong Kong-based financial magazine *The Asset* as one of the elite companies in Asia that has shown excellence in Financial Performance, Management, Corporate Governance, Social Responsibility, Environmental Responsibility and Investor Relations.

ICTSI's Global Corporate Investor Relations Department is recognized as Best Investor Relations Team, while the Company's programs and activities supporting diversity, inclusivity and gender equality for women in Papua New Guinea is lauded as a Highly-Commended Initiative for Diversity and Inclusion.

Also in recognition of ICTSI's efforts supporting the global fight against modern slavery, ICTSI earned a Special Recognition for Business Responsibility and Ethics during the recent 2019 Sustainable Business Awards. This is for leading the efforts to stop human trafficking across local and global supply chains, made possible through a Php5-million grant by ICTSI Foundation, Inc. (IFI), ICTSI's corporate social responsibility arm, to the Voice of the Free Foundation, Inc. (formerly the Visayan Forum) in 2018. ■



screenings. In 2018, ICTSI implemented the use of its e-Sourcing System as a medium to send requests for quotations and for suppliers to submit their quotations accordingly. In September 2019, procurement practices were further streamlined with the full digitization of the Procure-to-Pay (eP2P) system. Aimed towards strategic sourcing, the eP2P system likewise strengthens the enforcement of the Company's procurement policies in a way that is streamlined and embedded in the buying process; and promotes more efficient transactions with suppliers from proposal submission, to awarding, and to invoice submission.

For the year in review, one notable development in the area of training was the focus given to Digital Governance, particularly within the roster of C-suite executives, led by ICTSI Chairman and President himself, Mr. Enrique K. Razon Jr.

Corporate Governance

ICTSI submits a Manual on Corporate Governance to the Philippine government, through the Securities and Exchange Commission (SEC) – serving as the framework of rules, systems, and processes that governs the performance of the Board of Directors and Management. On top of that, it also outlines the Directors' and Management's duties and responsibilities to stockholders.

The Company also publishes a Corporate Governance Report, with the maiden report dating back to 2013 as a component of the ICTSI Annual Report that was launched on the Company's 25th year. The Annual Report is one of the Company's avenues to update its stockholders with all requirements on Corporate Governance. For benchmarking against global standards on good corporate governance, ICTSI also provides responses to the ASEAN Corporate Governance Scorecard.

Board of Directors

At the end of the year 2018, there was a vacancy in the Board. ICTSI took steps to adopt the recommendations in the SEC Code of Corporate Governance for publicly listed companies and the ASEAN Corporate Governance Scorecard (ACGS). More than just complying with the prevailing law that two of the seven seatsv in the Company's Board should be Independent Directors, ICTSI wanted to further promote best practices in good corporate governance.

Thus, in February 2019, the Board elected the Company's third Independent Director, Mr. Cesar A. Buenaventura. The Board also reorganized the Board Committee memberships to strengthen compliance with the recommendations in SEC Memorandum Circular No. 19-2016, i.e., the Code of Corporate Governance for Publicly Listed Companies.

DLSU confers honorary doctorate in logistics to Enrique K. Razon Jr.

The De La Salle University conferred the honorary doctorate in logistics to Enrique K. Razon Jr., ICTSI Chairman and President, during the institution's 184th Commencement Exercises last 16 February 2019 at the Plenary Hall of the Philippine International Convention Center. In his commencement address, Mr. Razon stressed the importance of education, citing the competitiveness of today's world and the advantage of having skills in technology. ■

Refining the Board Committee

In 2018, the independent directors of ICTSI constitutes at least 20% of the membership of the Board, or two of the seven seats in the ICTSI Board. In accordance with prevailing laws and voluntary standards, ICTSI wanted to further promote best practices in good corporate governance and elected a third Independent Director in February 2019. Currently, the Independent Directors are Mr. Octavio Victor R. Espiritu, Mr. Joseph R. Higdon, and, Mr. Cesar A. Buenaventura who shall each serve a maximum cumulative term of nine years. They are all independent of management and free from any business or other relationship which could reasonably be perceived to materially interfere with their exercise of independent judgment in carrying out the responsibilities as a Director.

The Board also reorganized the membership of the Committees to further strengthen compliance with the recommendations by the Securities and Exchange Commission (SEC) in its Code of Corporate Governance for Publicly-Listed Companies (PLCs). In accordance with the code:

- The Audit Committee is composed by a majority of Independent Directors, and its Chairperson is also an Independent Director who is not a chairperson of the Board or any other Committee;
- The Corporate Governance Committee is fully comprised of Independent Directors;
- The Board Risk Oversight Committee is composed by a majority of Independent Directors, and its Chairperson is not a chairperson of the Board or any other Committee; and
- The Audit Committee is composed by a majority of Independent Directors, and its Chairperson is also an Independent Director. ■



The Annual Stockholders' Meeting of the Company serves as an avenue for Management to present the Company's performance and strategy; and for shareholders to vote on both Company issues and elect the Board of Directors.

Alongside the election of the third Independent Director, the Board reorganized the membership of the Board Committees to further strengthen compliance with the recommendations by the SEC in its Code of Corporate Governance for Publicly-Listed Companies. The Company's Corporate Governance Committee is entirely composed of the three Independent Directors, who meet at least twice a year to oversee the implementation of the corporate governance framework.

In 2019, Christian R. Gonzalez, Global Corporate Head, and Rafael D. Consing, Jr., recommended to the Board's CG committee the creation of an additional and separate Board Sub-Committee under the Corporate Governance Committee that would focus solely on ESG. This was instituted for implementation in 2020.

Approach to enterprise risk management

ICTSI and all its subsidiaries (ICTSI Group) identify and manage its risks to support the Company's Purpose and Values, as set out in the respective subsidiary's strategic plans.

The ICTSI Group recognizes that risks cannot be eliminated, rather, it ensures that existing and emerging risks are identified and managed within acceptable risk tolerances.

ICTSI's Board of Directors is committed to directing an organization that ensures risk management is an integral part of all activities and a core capability. The executive management of ICTSI fully supports the implementation of the Enterprise Risk Management Policies and Procedures approved by the ICTSI Board of Directors and is responsible for the development of risk management processes and the implementation of risk reduction strategies.

Environmental impact assessments

Before operations commence in a greenfield development, Environmental Impact Assessments (EIA) are conducted as part of risk management. These assessments also cover consultations with local communities.

For port projects involving extensive redevelopment, EIA reviews or updating may be indicated as needed.

PICT rolls out Navis N4 3.6

PICT updated its terminal operating system to N4 3.6, the latest version of Navis' flagship terminal operating software. As part of the transition to the latest version of Navis N4, PICT also upgraded its I.T. infrastructure with the latest security patches to further strengthen data security and integrity. All in all, N4 3.6 eases the operational work for the end user and improves productivity for internal customers. ■

Defining a new Purpose and Values for ICTSI

As part of efforts to chart a new direction for the future—while remaining mindful of the values that have driven the Group towards success, ICTSI Management began its fourth decade by defining a new Purpose and Values for the organization—anchored on the same founding values that have underpinned the Company's sustainable approach to growing its business and host economies.

Shaping how ICTSI intends to work and interact with all stakeholders, the Company's new Purpose statement—"To make ports around the world a driver for positive and sustainable growth"—highlight ICTSI's desire not only to develop and operate efficient and sustainable port facilities, but also improve on the lives of its customers, partners, people, shareholders, and the communities that the Company serves.

With its focus on operating gateway ports in developing economies, ICTSI delivers the most meaningful results as a private sector partner committed to facilitating trade and advancing economies, and ultimately, advancing nations' sustainable growth.

Driven by the same founding values that became the hallmark of ICTSI's relationship with its partners and communities across the globe, ICTSI's new set of Values—Respect for All, Trust, Collaboration, Tenacity, and Passion—capture the qualities expected of the Company and its employees as it they strive to deliver on their commitments. ■

Sustainability and climate change

ICTSI recognizes that it has an important role to play in the development of nations, and as a good corporate citizen, it acknowledges that climate change is an important issue that everyone needs to address. As such, during the latter part of 2019, the Management instituted the following for implementation in 2020:

- A board-level sub-committee, under the Corporate Governance committee focused on Environment, Social, and Governance (ESG) issues, risks, and concerns will meet on a quarterly basis, that will provide oversight of the Company's sustainability strategy, policies,
- programs, and performance, including climate change;
- Phased enhancement of reporting processes over critical sustainability issues to ensure future regular reporting, focusing preliminarily on legal and compliance, governance and human resources, with other processes to be improved in succeeding years.

The Sustainability Steering Committee, composed of key management personnel, will continue to be responsible for the execution of the sustainability strategy, policies and programs that are currently implemented or which may still to be formulated.

ICTSI also continues to re-assess the risks in its operations to include climate change-related risks. It recognizes that there has been a growing body of literature providing evidence of potential impacts to port operations brought on by climate change. An initial study on the major terminals show how these will be impacted differently by climate change, which shows that the future climate change adaptation and mitigation strategies will need to be tailored specifically to the circumstances of each terminal. As such, ICTSI will continue to collaborate with its external stakeholders in 2020 so that it can properly assess and evaluate how sea level rise, increased temperature change, extreme winds and increased precipitation from extreme weather events will impact its major terminal operations based on the Intergovernmental Panel on Climate Change (IPCC) scenarios, as well as create and deploy viable climate change adaptation and mitigation plans in its terminals.

Code of Business Conduct

The Code of Business Conduct serves as the framework of all the business values and principles of ICTSI which sets out what is expected of every employee and business partner working

ICTSI and Integrity Initiative

As a long-term private sector-led campaign to "promote common ethical and acceptable integrity standards in the business community and among various sectors of society," Integrity Initiative is one of the governance advocacies that ICTSI has signed on to support. Among the drivers of the Initiative are the American Chamber of Commerce of the Philippines, Asian Institute of Management, Coalition Against Corruption, and the European Chamber of Commerce of the Philippines.

ICTSI's commitment is in line with its own leadership's drive to ensure sound governanace, especially through ethical and transparent transactions with port stakeholders. ■

Breakthrough key appointments for ICTSI in 2019

ICTSI welcomed new leaders in its corporate family as part of its Group-wide structural changes.

Australia: Tim Vancampen is the new Chief Executive Officer of VICT. He used to be General Manager of MGT in the Democratic Republic of the Congo.

Africa: Philippe Baudry is the General Manager for MGT. Prior to this role, he was the general manager of Pacific International Lines in Cameroon and held senior positions in the Africa operations of the Grimaldi Group.

Brazil: Roberto Lopes is the General Manager for Rio Brasil 1, the Group's new operation in Rio de Janeiro. He was the former president of Libra Terminais Rio S.A.

Croatia: AGCT found a new leader in Emmanuel Papagiannakis, Chief Executive Officer and Head of Management Board. He was previously the Chief Commercial Officer of VICT.

Philippines: Former Technical Coordination and Planning Director Nathan Clarke was promoted to ICTSI Ltd. – ROHQ Vice President and assumed the role of Head of Global Engineering – Infrastructure and Project Delivery. ICTSI also appointed Humberto Godfried "Tico" Wieske, ICTSI Ltd. – ROHQ Global Commercial Head and former vice president, to senior vice president.

Poland: Wojciech Szymulewicz is currently the CEO of BCT, after leading AGCT's operations as CEO since 2016. ■

Suppliers

SUPPLIERS: ENVIRONMENTAL AND SOCIAL SCREENING		
	Environmental Impacts	Social Impacts
Number of Suppliers (Old and New) Screened	308	227
Number of Suppliers identified as having significant actual and potential negative impacts	25	28
Number of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	4	6
Number of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	1	1

Local suppliers

Total procurement budget spent on local suppliers (in USD)

352 Million

Percentage of procurement budget that is spent on local suppliers

	2018	2019
CMSA Mexico	52%	97%
OPC Honduras	42%	93%
CGSA Ecuador*	97%	59%
TSSA Brazil	96%	96%
BGT Iraq	58%	04%
PICT Pakistan	48%	69%
MICT Philippines	63%	64%
MICTSL Madagascar**	–	28%

Percentage of procurement budget spent on local suppliers

64%

Percentage of new suppliers screened

	2018	2019
Percentage of new suppliers screened using environmental criteria	16%	29%
Percentage of new suppliers screened using social criteria	2%	31%

* In the case of CGSA, major CAPEX (capital expenditure) items included specialized equipment that were not locally available
** For MICTSL 2018 data was not available

with or on behalf of ICTSI. It is implemented and rolled out to all Directors, Senior Management, employees and all covered personnel and is monitored by the Compliance Officer. The Code discusses numerous topics, including Employee Relations, Honest and Ethical Business Practices, Accuracy of Books and Records, Conflict of Interest, Insider Information and Securities Trading, Fair Business Practices and Anti-Trust, Confidential Information and Data Privacy, and Compliance with Local Laws and the Code. As a global port operator, it is the policy of ICTSI to comply with all the applicable laws and regulations promulgated by the governing bodies in every country it operates in.

All goals and targets to ensure ethical conduct in the Company's operations are set and base lined through this Code. Department heads, supervisors or immediate bosses are responsible for implementation. The Company's commitments to ensure responsibility among the employees are also provided in their employmrnt contract and. emphasized during new hires orientation.

The Company puts great emphasis on the Code (expounded further in this section) to exemplify the highest standards of honesty and integrity, which is one of the reasons why the Company has kept an excellent reputation through its years of international growth. Details of the Code of Business Conduct are disclosed and published on the Company website.

Conflict of Interest Policy

ICTSI strictly abides by its Conflict of Interest Policy, which serves as a guide for the employees and consultants of ICTSI and the ICTSI Group of Companies to ensure that business is always conducted in a manner wherein there is no room for personal or financial interests to influence their business judgment and decision making. The Policy was adopted anew in 2018 to ensure strict and updated compliance, together with an Anti-Bribery Policy. The Policy defines a Conflict of Interest situation, and requires all personnel and consultants to read, understand, and comply with the Policy. It also details how to disclose a Conflict of Interest, and how to appropriately address these situations when it arises. All personnel of the ICTSI Group are required to fill out a Conflict of Interest Disclosure Form and an Undertaking prior to their assumption of roles, with the ICTSI Global Corporate Human Resources held responsible for ensuring that the forms are completed. Disciplinary action, and worse, termination are actions the Company can undertake should there be a violation or breach of the Policy.

Notices were likewise sent in January 2019 to suppliers encouraging honest and ethical business practices (Anti-Bribery Obligation) in dealing with the Company: and to report any incident involving any employee, agents, sub-contractor, authorized representative or consultants who may have violated he code.

Supply chain

With ICTSI being a key player in the global supply chain, the Company made sure to expand the scope of its impact management as part of its efforts to guarantee good corporate governance.

In 2018, ICTSI adopted new supply chain measures aligned with GRI Standards, with sustainability objectives such as: screening of new suppliers using environmental criteria, measurement of spending on local suppliers, and assessing each supplier's environmental impact.

In the selection of suppliers, ICTSI ensures that suppliers are selected based on their ability to meet contract requirements including quality system and any specific quality assurance requirements. For example, the procedure in

CMSA and OPC receive 'fair logistics' seal

What it's all about: CMSA in Colima, Mexico and OPC in Cortes, Honduras were given the international seal of fair logistics in June 2019, ensuring transparent and competitive services for customers and port users alike. The acclaimed seal of "fair logistics" by Texas-based World Organization of Cities and Logistics Platforms was given after a rigorous review of logistics services being offered to stakeholders.

Why it matters: With the certification comes the guarantee that the cost of services in both CMSA and OPC are governed by a criteria of transparency and competitiveness, in line with the four principles of fair logistics: transparency in the cost of the logistics services, constant improvement of logistic route analyses, improvement of environmental aspects and support for small and medium enterprises. By having obtained a Fair Logistics certification, CMSA and OPC proves that their services remain highly competitive and will not impact logistics costs.

Who benefits: Clients and stakeholders are assured that ICTSI ports will always provide the same level of service excellence that they have been known for. In achieving the highest standards of efficiency, a ripple effect is created that supports Mexico and Honduras' host economies that go beyond the immediate confines of the port, and across the supply chain. ■



ICTSI Global Corporate Head Christian R. Gonzalez, speaking at The Innovation Summit–Innovative Philippines: Transforming Barriers to Productivity, Transparency, and Inclusive Growth, underscored the need for collaboration and connectivity among port stakeholders in the digital age. Mr. Gonzalez also spoke on ICTSI's commitment to transforming ports around world into drivers of positive and sustainable growth.

supplier accreditation for the MICT is strictly observed in the following:

1. Initial interview of potential suppliers;
2. Submission of the required accreditation documents;
3. Pre-visit activities which include:
   a.) Checking the correctness and completeness of the required documents;
   b.) Interviewing other customers referred by the supplier; and
   c.) Reviewing financial statements submitted by the supplier;
4. Conduct of plant visit;
5. Preparation of final report; and
6. Issuance of certificate of accreditation and updating of directory.

In April 2018, ICTSI implemented the use of its e-Sourcing System as a medium to send requests for quotations and for suppliers to submit their quotations accordingly. This means that suppliers shall send quotes through this system instead of via e-mail, fax, hard copy, phone call, etc. This provides a more systematic process of submitting quotations for a single requirement and promotes transparency and fairness amongst vendors.

With 31 terminals in 18 countries as of 2019, ICTSI recognizes the value of supporting trade, not only at the international level but also at the micro level. This involves sourcing locally whenever possible, and whose process ICTSI requires social and environmental screenings. The strategic supplier screenings serve as a way to prevent and mitigate actual or perceived negative social and environmental impacts along the Company's supply chain. Critical suppliers are also being evaluated annually to review their compliance to legal requirements and are being audited to check the employees' working conditions. The Company is streamlining policies and procedures for screening old and new suppliers in terms of Environmental and Social impacts. These policies also cover the process of collaborating with suppliers that do have potential negative impacts, with the goal of ensuring that such impacts will be indeed addressed.

There are some established goals and targets to ensure a sustainable supply chain in operations.

Specifically for MICT, there are Departmental Objectives and Plans set to address Quality, Environmental and Occupational Safety and Health areas of their processes. All of these are measured quantitatively and the targets are monitored at least semi-annually to make sure that all will be met by the end of the year. Effectiveness is also measured by the Integrated Management System that aims to improve existing Key Performance Indicators (KPIs). If there are missed targets, root cause analysis is done and corrective actions are identified periodically. These become the basis of updating the targets set by the department.

For MICTSL, the main goals are to negotiate better price and quality, security, flexibility, and good delivery time. There is a Procurement Policy approved by the General Manager that has been in place since 2011, with some amendments dated to the year in review. The Policy refers in part to standard purchasing practices and in particular to local regulations, and is translated through KPIs, whose results are discussed during every Management Committee. Through the ISO 9001 certification process, the procurement process is also regularly evaluated.

Furthermore, a Controller (a position created recently and whose mandate will be in effect by 2020) has the responsibility to periodically review and test all the defined procedures in order to assess the sustainability of the process. Additionally, MICTSL is also subject to several audits—including those pertaining to Statutory Audit/HO Internal Audit/Group Auditor—which review the procedures and make recommendations for improvements.

Among the rest of the major operations, other processes were observed. OPC takes into account percentage savings, allotted business days for purchases (local and international), target delivery, compliance, and efficiency of the PO target. TSSA has performance indicators to ensure needs for its internal demands and sets an average of six days as the allotted time to meet requests approved by managers, as well as a timeframe monitoring for the delivery of the supplies. For CMSA, the group of policies are part of the ISO 14000 certification and are approved by the General Manager. These are audited annually for certification purposes and have been consistently well implemented with no major issues.

Communication and training

Continuous development of ICTSI's personnel is an important element in the Company's success. When they grow and comply, the Company likewise thrives. Thus, ICTSI is committed to pursue programs that train not just the Directors and Key Officers but even the people in the local ports they operate in. The Company's Directors and Executives, led by ICTSI Chairman and President Enrique K. Razon Jr., have to undergo a minimum of four hours of trainings, programs, seminars and roundtable discussions on Corporate Governance with service providers and/or private and government institutions accredited by the SEC.

Committed to enhance its Corporate Governance thrusts, ICTSI held its fifth in-house Advanced Corporate Governance Training on August 9 and 13, 2019. Organized by the Global Corporate Legal Affairs (GCLA) department led by Rafael D. Consing, Jr., Senior Vice President, Chief Financial Officer, and Compliance Officer. Facilitated by Ricardo Nicanor Jacinto, as facilitator and former CEO of Institute of Corporate Directors, the main topic of the year's discussions centered on how new technologies like artificial intelligence and data analytics can be leveraged to shape corporate strategy, and underscored the importance of embracing digital innovation as a tool for effective corporate governance.

Across all levels of the organization, there are also communication and training efforts that pertain to anti-corruption policies and procedures. Apart from the members of ICTSI's Governance Body, employees, and business partners across all ports/terminals, the Company's anti-corruption policies and procedures have also been communicated to suppliers and service providers.

Compliance

To reinforce compliance with policies and regulations, ICTSI had appointed its first Compliance Officer in 2014. From 2016 to the present, Mr. Rafael D. Consing, Jr. has served as the Compliance Officer for ICTSI. The officer is responsible for monitoring the Company's full compliance with its Manual on Corporate Governance and the rules and regulations of regulatory agencies. The Compliance Officer also participates in corporate governance training and reports any matters of violation to the Board.

In line with ICTSI's policy to comply with all applicable laws and regulations and its commitment to hold itself to the highest ethical standards and to act with utmost integrity in its business dealings and relationship, the GCLA, in collaboration with the Global Corporate Insurance Team, conducted the Terminal Health Check Program during the last quarter of 2019. The entire program aimed to keep the stakeholders in the local subsidiaries abreast on the salient provisions of the Data Privacy Act, Standard Trading Conditions/Terminal Services Agreement and, most importantly, on the provisions of the Revised ICTSI Anti-Bribery Compliance Policy and Procedure.

The Program is a two-day training course for employees from various departments of each local subsidiary. Composed of lectures, interaction with the participants, workshops, and open forum for questions, the course emphasized the importance of ICTSI's anti-bribery and anti-corruption obligations by reminding employees that the policy sets out operating procedures specifically targeted at combating corruption risks to ensure that ICTSI operates in accordance with applicable regulations. Employees were further reminded of their responsibility to be familiar and to strictly comply with the policy.

GCLA intends to continue this program for the different foreign subsidiaries through emails, podcasts, and other effective means of virtual communication.

In accordance with existing laws, ICTSI is increasingly leveraging its governance mechanism in the environmental and socioeconomic arena. The Company has not identified any non-compliance with environmental law and/or regulations in 2019. Consequently, for socioeconomic laws and/or regulations, the Company has not identified material non-compliance.

For one, there is the Disciplinary Code for HSE Violation Policy implemented in 2019. For socioeconomic compliance, there is a policy requiring an Annual Physical Exam for all employees aimed at maintaining good health and early detection and prevention of illness. There is also the Group Hospitalization Plan, a form of medical assistance that benefits not just the employees but also their qualified dependents.

Annual evaluations of these policies are

Anti-corruption policies & procedures training of employees

Percentage of employees that the organization's anti-corruption policies and procedures have been communicated to within the review period

	2018	2019
Admin - Rank and File	99%	95%
Admin - Management	87%	100%
Operations - Rank and File	73%	91%
Operations - Management	78%	95%

Percentage of employees that have received training on anti-corruption within the review period

	2018	2019
Admin - Rank and File	64%	59%
Admin - Management	35%	65%
Operations - Rank and File	48%	55%
Operations - Management	11%	60%

conducted to test their effectiveness and to determine needs to amend or revise policies accordingly. For instance, the yearly conduct of the employee physical exam is continuously being improved based on assessments conducted during the previous year's activity.

ICTSI also has established environmental compliance targets, most particularly for MICT, where everyone in the organization is responsible in achieving the targets. Some of the existing policies on environmental and socioeconomic compliance are:

- IMS Policy in conformity with ISO Standards.
- MICT No Smoking Policy in conformity with the Republic Act No. 9211 or the Tobacco Regulation Act of 2003, Republic Act No. 8749 or the Philippine Clean Air Act of 1999, Philippine Ports Authority Administrative Order No. 07-2015 and EO No. 26 Providing for the Establishment of Smoke Free Environment in Public and Enclosed Places; May 16, 2017.
- Used and Waste Oil Handling and Disposal Procedure in conformity with Republic Act 6969 or the Toxic Substances, Hazardous and Nuclear Waste Control Act of 1990 and Presidential Decree 1586 or the Environmental Impact Assessment System Law.

For MICT, the Pollution Control Officer (PCO) and the PCO Managing Head oversee all environmental compliance. There is also a program in place called "All4Zero, Zero4All" that aims to ensure that all employees comply with the different policies and programs of HSE in order to maintain safety and prevent accidents within the terminal.

ICTSI provides for the needed resources in order to achieve both environmental and socioeconomic objectives; these resources may be financial, human, or technological in nature. Trainings are also conducted to keep employees abreast on current developments on environment-related topics and legislations. Likewise, ICTSI also makes use of technology in order to help save the environment, such as

rolling out environment friendly, technologically advanced Hybrid RTGs used in operations with the aim of improving the carbon footprint in the terminal and to have better fuel economy. (For a detailed discussion on these, please refer to the Environment section of this report).

IT governance and cyber resilience

ICTSI recognizes that it operates in a world where cyber risks are considerable and present a clear and present danger, in terms of both data security and system resilience to cyber-attack. As such, the Company has taken best practice measures to manage the threat landscape, among which, includes: real-time vulnerability scanning across networks and devices globally—driving vulnerability assessments and remediation support; and global log collection across devices to an outsourced 24/7 Security Operations Center and Security Incident and Event Management service for real-time monitoring and instant and early threat detection and response.

Leveraging on the Group's scale of operations, ICTSI has outsourced its data center operations, with stringent security services and service level agreements included to protect the Company data.

As a provider of "National Critical Infrastructure" in territories where the Company operates (being in the business of port management and operations), ICTSI, in multiple cases, has often met or even exceeded these requirements--based on the Company's proactive and existing approach to cyber security.

In 2019, financial governance has been further strengthened with the deployment of a digital sourcing and procure-to-pay platform. Using the eP2P system, various stages of sourcing, purchasing, goods receipt, and payment are monitored. This likewise ensures that the Company's procurement processes remain resilient to business email compromise and spear-phishing attacks.

To provide a cyber-safe environment for employees against any malicious behavior, targeted phishing, or business email compromise attacks, ICTSI's Global Corporate Information Technology (GCIT) has implemented several measures, including AI-driven real-time end point protection on all company servers and end-user computing devices; and multi-factor authentication for accessing ICTSI services. Policies covering all aspects of IT deployment and use were likewise strengthened: the Security Awareness Training Policy; Workstation Policy; Mobile Device Security Policy; Acceptable Use Policy; Email Protection Policy; Password Policy; and Access Control Policy.

Also as part of continuing IT training and education, employees were given quarterly mandatory cyber security awareness trainings and internal phishing campaigns – both designed to assess awareness effectiveness.

Further, a Global Incident Response Plan, along with a Business Continuity and Disaster Recovery plan are in place to protect the Company's assets against any potential cyber threat or exposure. ■

Another landmark year for ICTSI

It was another landmark year for ICTSI, as the Company received awards and recognition from around the world.

CONFERRING BODY/ ORGANIZATION	AWARD/CITATION, CATEGORY/INDICATORS
Navis Inspire Award The Navis Inspire Awards honors initiatives which demonstrate distinction, a commitment to excellence, and innovation at their facilities.	ICTSI South Pacific won the Award of Excellence for Learning and Development with its transformative initiative to equip its primary gateways with modern terminal operating systems (TOS), catalyzing national economic development.
Asiamoney Established in 1989, the magazine offers analysis on financial and investment markets for capital issuers, borrowers, institutional investors, and monetary decision makers.	2019 Philippines' Most Outstanding Company in the Transportation sector
9th Asian Excellence Awards Given by Hong Kong based *Corporate Governance Asia*, the poll recognizes PLCs which excelled in areas such as management acumen, financial performance, CSR, environmental practices and investor relations.	Enrique K. Razon Jr., Asia's Best CFO; Rafael D. Consing Jr., Asia's Best CFO; Arthur R. Tabuena, Best Investor Relations Professional (Philippines); and ICTSI, Best Investor Relations Company (Philippines)
17th Philippine Quill Awards The country's most prestigious award in the field of business communication – emphasizing the use of communication in achieving goals and in making a difference in society.	Award of Excellence for ICTSI's 2017 Sustainability Report (SR) and Award of Merit for the Public Relations Program for Papua New Guinea Communities
Bloomberg Since 2009, *Bloomberg* has continually compiled ESG data from thousands of companies worldwide from published disclosures and news items, turning these into disclosure scores. These scores, along with other ESG data, help investors assess PLC's with their transparency, risks and opportunities.	ICTSI ranked 7th in the Philippines on ESG (Environment, Social and Governance) performance based on the Company's inaugural SR.
***Lloyd's List* Asia Pacific Awards 2019** Considered as the Oscars of the shipping and maritime industry, the awards tilt recognizes and rewards excellence across all sectors of maritime. Entries are judged by a community of associations and industry leaders, making it a highly desirable accolade of distinction.	Excellence in Port Management and Infrastructure: Victoria International Container Terminal (VICT) VICT was cited for investing heavily to create Australia's first fully automated container terminal which added over 1-million twenty-foot equivalent units (TEU) annual capacity in just two years; along with the terminal's commitment to delivering safer, consistent, predictable and accurate operations.
Pakistan's 34th Corporate Excellence Awards Instituted by MAP in 1982 with the sole aim to recognize and honor companies showing an outstanding performance and demonstrating progress and enlightened management practices.	Pakistan International Container Terminal (PICT)'s 4th consecutive Corporate Excellence Award The award highlighted the Company's adherence to best management practices and its implementation of responsible business operations.

Strengthening ties across ports



Philippine Ambassador to Australia Ma. Hellen B. Dela Vega observes VICT's operations

Mexico

■ The Honorable Walter Oldenbourg, Colima State Secretary for Economic Development visited Contecon Manzanillo in September to reaffirm the Government's firm intentions to further improve its port. Fortino Landeros, CMSA Chief Executive Officer, noted the importance of the port's operation and assured the Honorable Secretary that CMSA fully supports the Government's programs for the Port of Manzanillo and its nearby communities.

■ In December, CMSA Engineer Gonzalo Ortiz, Institutional and Government Relations Director, and Jaime Aguilar, Association of Terminals and Port Operators President, met with Mexico's Chamber of Senators to discuss initiatives to increase the percentage of resources allotted to port administrations in Manzanillo.

Pakistan

■ In 28 January, His Excellency, Philippine Ambassador Daniel Ramos Espiritu, attended a business gathering hosted by Dr. Imran Muhammad, Philippine Honorary Consul General in Karachi; Ismail Suttar, Employers Federation of Pakistan Director; and presidents of the Pakistan Philippine Business Forum (PPBF)–a Karachi-based autonomous body dedicated to promoting bilateral trade between the Philippines and Pakistan. The Ambassador praised the healthy trade relations between the two countries, and congratulated members of different trade sectors, including PICT, for going the extra mile in facilitating trade and contributing to both nations' economies.

■ Additionally, ICTSI Asia Pacific Region Head, Andrew Dawes visited Pakistan and made several courtesy calls to government leaders in Karachi including Pakistan Maritime Affairs Secretary Rizwan Ahmed, Karachi Port Trust (KPT) Chairman Admiral Jamil Akhtar, and Sindh Province Chief Secretary Mumtaz Ali Shah where they discussed matters of mutual interest and reaffirmed PICT's commitment to the Port of Karachi.

Australia

■ Her Excellency, Philippine Ambassador to Australia Ma. Hellen B. De La Vega, visited VICT in August to observe several aspects of the operations of Australia's first fully automated container terminal.

Philippines

■ Philippine Department of Transportation Acting Undersecretary Fernando Juan Perez visited Laguna Gateway Inland Container Terminal (LGICT) in 28 March to check onsite developments and the implementation of Presidential Decree No. 857 as amended, which mandates the Philippine Ports Authority to adopt necessary measures to remedy high utilization in government ports. The MICT moves overstaying containers with customs clearance to LGICT.

■ NorthPort hosted guests from DOT as part of DOT's Regional Tour-Guiding course, a program designed to empower tour guides on how to tell great stories about their destinations. They also hosted a delegation from Cagayan Economic Zone Authority, providing visitors with a brief overview of the terminal's facilities, services and best practices.

Argentina

■ TecPlata Chief Executive Officer Bruno Porchietto welcomed Her Excellency Linglingay F. Lacanlale, Philippine Ambassador to Argentina, during her visit to the terminal last 16 September where she was presented with an overview of TecPlata's operations and offered a tour of the terminal's facility at the Port of La Plata. ■



OPC: growing the port and reaping recognition

What it's all about: Towards the end of 2019, the US$145 million greenfield development for OPC which represents the first phase of expansion work in Puerto Cortes, was inaugurated by Honduran President Juan Orlando Hernandez. The president stressed that OPC's investment reflects the level of confidence of businesses towards the country's vibrant economy, and is expected to generate more jobs and income for Honduran families.

How it helps Honduras: Apart from the new quay cranes and berth, in June 2019 the Company also invested in the most important and modern Logistic Operations Center within a port terminal in Central America, adding to the array of world-class facilities and services that OPC offers. Together with the Honduran authorities, the Company is making enhancements that include simplified and faster port transactions, and the construction of critical road infrastructure to improve cargo movement in the region.

Recognitions reaped: OPC was recognized as the best maritime terminal in the Central America-4 (CA-4) region and 24th best in Latin America, according to The United Nations Economic Commission for Latin America and the Carribbean (CEPAL). CEPAL publishes the port rankings annually, covering 31 countries and 118 ports in Latin and Central America. With OPC's volume growth of 4.5 percent in 2018, the port rankings perfectly underscore the Company's commitment towards the development of Honduras' largest port along with its crucial role in advancing economies in the CA-4 region. In the same year, OPC was proudly recognized as among the most attractive companies to work for in the logistics and distribution category, according to Central America-based recruitment portal Tecoloco.com. Last but not the least, OPC earned the reputation as one of the safest ports in the world, as it is the only terminal in the region that is a member of the Container Security Initiative, which means that containers will be thoroughly inspected, and will arrive in the US pre-registered resulting in lower cargo cost and increased competitiveness for exporters using Puerto Cortes.

What's next: More large-scale projects are in the pipeline for the coming years, including the construction and expansion of the container yard, and implementation of advanced port technologies for greater efficiency. ■

Economy

03



ICTSI's second phase expansion of Contecon Manzanillo supports its bid to become Mexico's primary import and export gateway.

The business of transportation—and transformation

With the Company's main purpose of making ports around the world a driver for positive and sustainable growth, we look far beyond just the sector and industries, to the national economies and regional trade, across all our container terminal and port projects.

This goal drives ICTSI's unceasing efforts to develop and operate efficient and sustainable port facilities that reach long-term profitability, thereby creating economic value and development—especially as majority of the operations are in emerging markets. Driving domestic, regional, and transcontinental trade, the Company has direct impacts on the economic performance of all stakeholders, including local and national governments.

Furthermore, ICTSI always keeps an eye looking forward, exploring new opportunities to establish partnerships with governments who want to privatize port assets and upgrade their region/country's port network; attain its full potential for greater trade facilitation; and improve the overall connectivity for cargo movement.

Facilitating trade and enhancing connectivity

The sustainable growth that ICTSI works for goes beyond port profitability and a region's economic development; it includes transforming the lives of stakeholders such as communities; providing employment to the locals; improved work conditions and benefits; greening the supply chain and managing the carbon footprint; and creating better and more efficient infrastructure and connectivity in both land and sea. Finally, ICTSI understands the need for collaboration and connectivity among port stakeholders in the digital age—especially to realize the commitment to transform ports around the world into drivers of positive and sustainable growth.

ICTSI endeavors to improve maritime access in its areas of operation, investing in port and terminal infrastructure to expand capacity and accommodate larger vessels. The Company is always constantly working on dredging and increasing of cargo handling capacities such as investing on RTG cranes, while accounting for the reduction of emissions in its port vicinity and reducing environmental footprint in its operations. ICTSI also upgrades its terminal operating systems in order to cope with increased traffic, while also anticipating new services.

Furthermore, ICTSI continues to bring innovation in the port sector by adopting technologies from advanced economies where it operates—such as VICT, the first fully-automated container terminal in the world.

ICTSI's partner-governments, international organizations, and trade bodies have recognized respective terminals for helping drive economic development in their nations and regions through facilitation of logistical trade. (A detailed list of awards and citations may be found in the Governance section of this report.)



Basra Gateway Terminal receives seven new rubber tired gantries at its newest berth, BGT East.

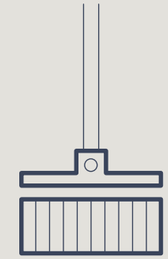
ICTSI among the top global port operators

ICTSI proudly remains one of the world's top box port operators, according to UK-based Lloyd's List, which ranked ICTSI as 8th worldwide. To top it off, the quarterly journal Container Shipping & Trade cited ICTSI's transition from niche to global mainstream market, with 31 terminals in 18 countries. The assessment was based on the 2018 performance, characterized by the container shipping industry's slow but steady recovery. ■

Croatian PM inspects AGCT expansion

AGCT was honored to receive Croatian Prime Minister Andrej Plenković, together with Maritime Affairs, Transport, and Infrastructure Minister Oleg Butkovic and other senior officials of the Croatian Government, who visited the terminal to inspect the ongoing construction works at the intermodal yard and railway station. ■

Business performance in container throughput



2018

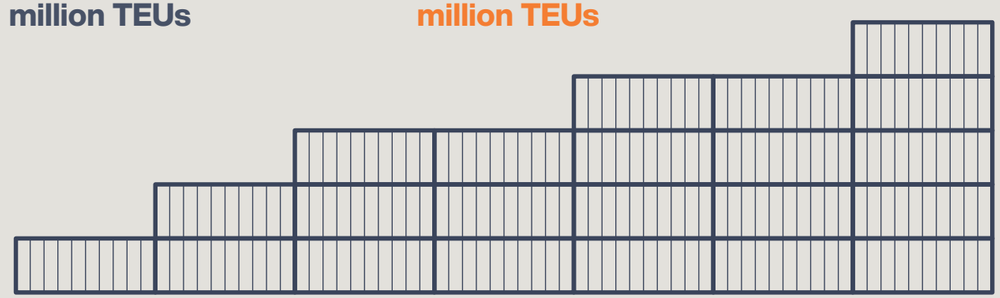
9.74

million TEUs

2019

10.18

million TEUs



Economic performance[1]
(in million USD)

	2018 (As Restated)[2]	2019
Direct economic value generated		
Total Income[3]	1,419.3	1,510.8
Economic value distributed		
Operating cost	461.2	429.1
Employee wages and benefits	182.4	197.1
Payment to providers of capital	257.5	378.8
Payment to governments	444.3	476.1
Community investments	3.4	9.8
Economic value retained	70.6	19.9

1 On an accrual basis, based on audited consolidated figures
2 Restated due to adoption of accounting standard in 2019
3 Includes gross revenues from port operations, interest and other income

VICT was accorded the

Excellence in Port Management and Infrastructure Award

and cited for investing heavily to create Australia's first fully automated container terminal.

During the 2019 Navis Inspire Awards, ICTSI South Pacific was awarded for the successful operation of MIT in Port Moresby and SPICT in Lae. Under this transformative initiative for the nation, modern import/export containerized logistics serve as a gateway for further national economic development. Meanwhile, MGT was awarded with the Investor Recognition Award by DR Congo's National Agency for Investment Promotion, which recognizes outstanding investments that have greatly contributed to the country's economic growth, in line with the country's Investment Code.

In addition, the UN Economic Commission for Latin America and the Caribbean named OPC as the best maritime terminal in Central America-4 (CA-4) region and the 24th best in Latin America.

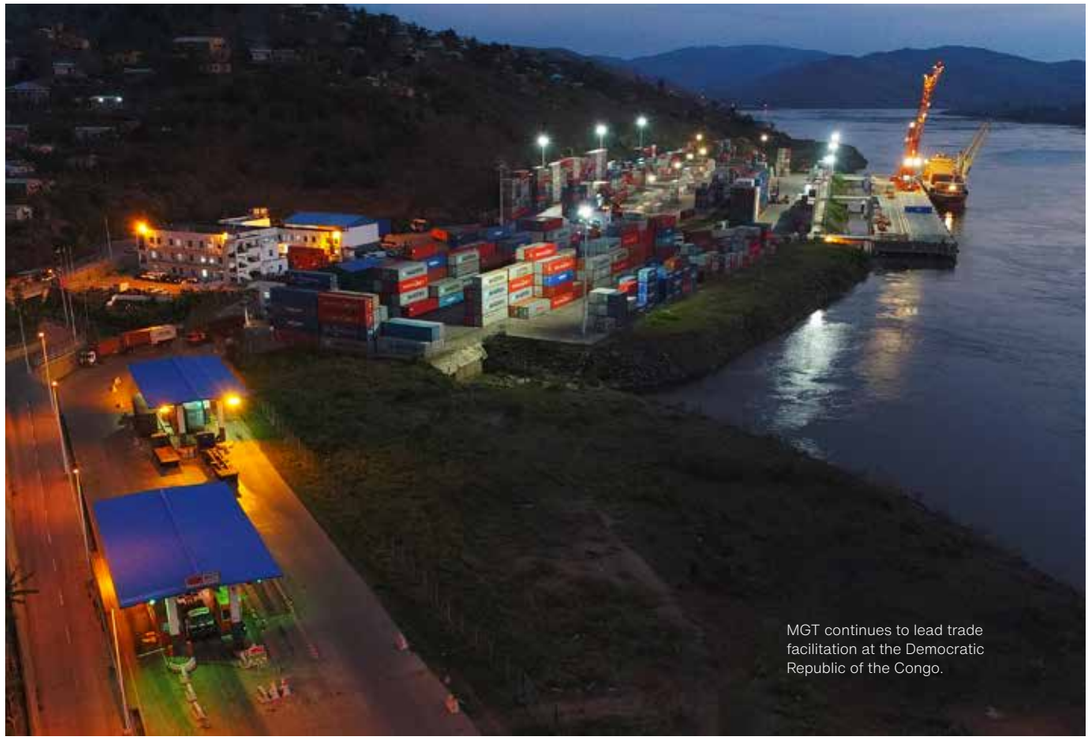
During the *Lloyd's* List Asia Pacific Awards 2019, VICT was accorded the "Excellence in Port Management and Infrastructure" award, cited for investing heavily to create Australia's first fully-automated container terminal which added over 1-million TEUs annual capacity in just two years; along with the terminal's commitment to delivering safer, consistent, predictable, and accurate operations.

Boosting economies on various fronts

Georgia: BICT is developing two hectares of its total land area for container freight station operation. This includes a 2,500-square meter warehouse and 180-meter rail spur for cross-stuffing from railcars to containers and vice versa, helping clients reload and store their cargo before clearing Customs. BICT is also developing 1.1 hectares for full container and vehicle (stripped from containers) storage, along with 2.7 hectares for empty storage and truck parking. BICT's expansion will raise annual container handling capacity to 200,000 TEUs and boost its general cargo and dry bulk handling capacities. It aligns with the Georgian Government's objective of growing Georgia's role as a transport-logistic hub serving the Caucasus and Central Asia.

Ecuador: CGSA supports growers at the world's largest banana-exporting port with a comprehensive insurance program, expanding coverage for transporting prized produce. Through the Seguro Integral para Exportadores de banano (SIE), Ecuador's first integral insurance for banana exporters, growers get a single global insurance coverage for banana exports—from container handling, to transport, and to third-party damages. This is an indispensable tool in the commercialization of Ecuadorian bananas to international markets. Banana growers are assured that their product is covered until delivery to the destination of their customers. Additionally, the increased logistics collaboration between the port and different supply chain stakeholders in Guayaquil ensures that the country stays on as the world's largest exporter of bananas. Lower risks for the export of goods is seen to help cut logistics costs, and positively impact Ecuador's economic and social development.

Philippines: The City of Manila recognized ICTSI and its subsidiary NorthPort among the top business taxpayers for fiscal year 2018. ICTSI was named the city's second highest business tax contributor, and sixth top real property taxpayer, while NorthPort was the city's second top real property taxpayer. These paid taxes spur broad-based, inclusive economic gains for the city, and the country's overall port system. Additionally, ICTSI continues to lead innovation in the Philippine port sector by sharing technologies from advanced economies where it operates. ■



MGT continues to lead trade facilitation at the Democratic Republic of the Congo.

MGT: the best infra project in DR Congo

What it's all about: Approximately 150 kilometers upstream from the Atlantic, Matadi Gateway Terminal (MGT) is the most important port on the Congo River and the natural gateway to the capital Kinshasa. It boasts the most modern and world-class port infrastructure and facilities in the Democratic Republic of Congo (DRC). In September, MGT received the Investor Recognition Award by DRC's National Agency for Investment Promotion, which recognizes outstanding investments that have contributed to the country's economic growth, in line with its Investment Code.

Why it matters: ICTSI is one of the first multinationals that made a stake in DRC and believed in its potential in 2014. The recognition affirms MGT's contributions, as the country's premier maritime gateway, to the improving business and investment climate and DR Congo's greater economic goals.

What's next: The second-phase expansion is in place for the strategic dredging of the Congo River up to a draft of 12.5 meters, which opens the door to Panamax class vessel calls. This is aligned with actual and projected container growth rates for the DRC and corresponds to cargo owner and shipping line requirements for the medium term, as DRC is poised to be an emerging market country within the next 10 years. A third phase, further easing access for the slightly larger WAFMAX vessels, is also under development. ■

Economic contributions

For the year in review, ICTSI posted a net income decrease of 51.6 percent to USD 100.4 million over its 2018 economic performance. On the other hand, consolidated gross revenues from port operations increased by 6.9 percent to USD 1,481.4 million for the year ended December 31, 2019 from USD 1,385.8 million for the same period in 2018. The revenue increase can be attributed mainly due to volume growth, tariff adjustments at certain terminals, new contracts with shipping lines and services, increased revenues from non-containerized cargoes, storage and ancillary services, and the contribution from the new terminal.

The volume growth was up 4.5 percent mainly due to the improvement in trade activities; new contract with shipping lines and services; continuous volume ramp-up at certain terminals; and contribution of new terminal, ICTSI Rio.

Connectivity contributions

Over and above the profitability of the terminals, the respective nations and regions where ICTSI operates are able to benefit from economic windfall. The Company works, in some cases, with its partner governments, to build better roads and infrastructure that offer stakeholders improved intermodal capabilities supporting ease of travel and increasing connectivity.

ICTSI, for example, has been working with relevant authorities to enhance the rail link between Matadi and Kinshasa: a connection designed to become the only direct uninterrupted rail link between a port gateway and the capital city. Meanwhile, OPC works with the Honduran government to help improve systems and build road networks that will expedite the movement of cargo at the port.

In the year in review, PICT, at a call to the Honorable Sindh Governor Imran Ismail Andrew, reiterated the ICTSI Group's support and commitment to the emerging development projects in the region that will benefit the port's hinterland and stakeholder communities. In turn, Governor Ismail commended PICT for providing value-added services and for closely collaborating with the business community to improve the ease of doing business in the Port of Karachi, Pakistan's busiest maritime gateway.

AGCT also upgraded its rail facility with two new rail-mounted gantries (RMGs) over four rail lines, increasing the total terminal yard capacity and configured to optimize road and rail connectivity. In these mentioned examples, it can be realized how ICTSI sees importance in allowing smoother transport flows within port areas through reduction of congestion and cargo dwell times. Moreover, by improving facilities, stakeholders are ensured of fluidity in the storing and handling return of empty containers. ■

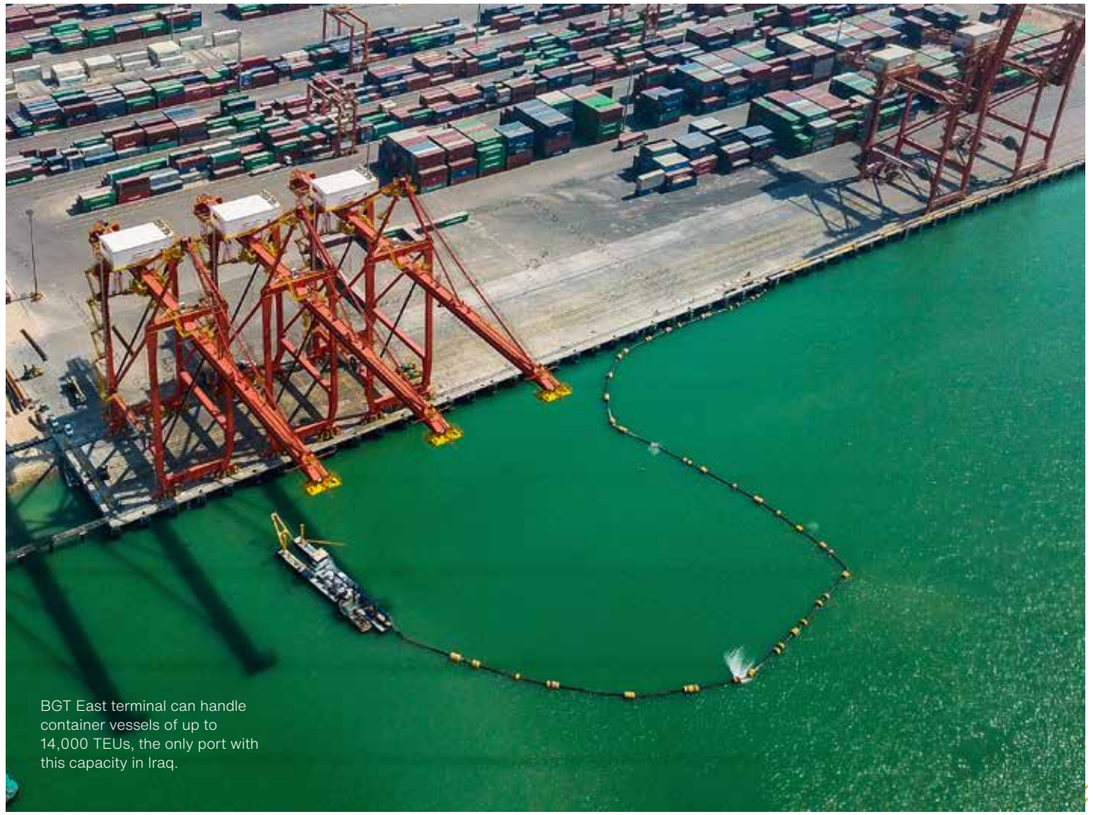
CGT hosts trade forum for South Luzon industries

CGT hosted a forum on Trade Facilitation Initiatives in Southern Luzon last 8 March in Tanza, Cavite. The forum, graced by Philippine Trade Undersecretary Rowal Barba, Bureau of Customs (BOC) spokesperson Atty. Erastus Sandino Austria, and Cavite Economic Zone division chief Levi Vizmanos, centered on how CGT provide importers and exporters in the region an alternative means to transport their cargo to and from the international terminal. Through the barge, CGT can efficiently and quickly transport containers from MICT to Cavite and vice versa, unlike trucks affected by truck bans and road congestion. The PhP1.5- billion common-use greenfield barge terminal has an annual capacity of 115,000 TEUs, more than enough to meet Cavite's capacity demand. ■



CEPAL: Puerto Cortes named best port in CA-4

The UN Economic Commission for Latin America and the Caribbean named OPC the best maritime terminal in Central America-4 region and the 24th best in Latin America, underscoring the company's commitment to the development of Honduras' largest port, along with its crucial role in advancing economies in the CA-4 region. ■



BGT East terminal can handle container vessels of up to 14,000 TEUs, the only port with this capacity in Iraq.

BGT opens new berths

What it's all about: In 2014, ICTSI signed a contract with the General Company for Ports in Iraq to manage, operate and rehabilitate terminal facilities in North Port Umm Qasr, Iraq, and to develop and expand container handling capacity via new infrastructure development. ICTSI has progressively built on this initial commitment through BGT, which operates a high-capacity container terminal together with specialized facilities for the handling of general cargo, ro-ro, dry bulk and project cargo for the oil and gas sector.

In October 2019, BGT inaugurated two new deepwater berths which, for the first time, gave Iraq's main dry cargo port of Umm Qasr the ability to handle container vessels of up to 14,000 TEUs. They are fitted out with state-of-the-art container handling equipment and IT systems, and three new quayside gantry cranes each with an outreach of 56 meters and able to handle up to 21 rows of containers on the deck of a vessel. On the landside, seven new, six-high-stacking, RTGs joined three existing units, bringing the total fleet to 10 RTGs.

Why it matters: This marks the completion of ICTSI's overall USD250-million phase 2 expansion program at BGT and allows cargo importers and exporters to benefit from substantial scale economies.

Milestones: BGT celebrated two important milestones in 2019: it handled its 1 millionth ton in July, and two-millionth TEU in September. ■

Employees

04



Collaboration forms part of key values that ICTSI employees possess.

Fostering a supportive culture for people

The Company's first three decades were marked by expansion, with a solid base of regular, full-time employees. For a good number of these employees—particularly those in the flagship, which had been the first port acquired by ICTSI under a privatization project—the career trajectories are notable for spanning years and decades.

Committed to fostering a supportive culture for people to grow and map out meaningful careers, the Company continually assesses and raises the bar for its performance as an employer. Its performance priorities cover employment and benefits, occupational health and safety, training and education, diversity and equal opportunity, as well as labor rights, standards, and relations.

Continually enhancing the port as a workplace of choice

Within the 31 terminals that span three regions of operations—the Asia Pacific, the Americas, and Europe-Middle East-Africa, there are understandable diversities of practices pertaining to employees and workplace cultures, owing to the different social, cultural, and economic milieus therein.

Nevertheless, ICTSI adheres to core employment principles and is still continuously seeking to set common benchmarks in the terminals, even as the terminals demonstrate the common commitments in terms of varying mechanisms, as appropriate for their respective jurisdictions.

Employment & benefits

Hiring and employment

In terms of hiring, ICTSI has a longstanding policy of local hiring, with concomitant policies for upskilling and training or retraining of available local labor, as needed.

It is usually the head of the Human Capital/HR Department, or the president or CEO of the terminal who approves the policy. These policies are periodically evaluated, based on the local, legal, and operational needs, and updated as necessary. The effectiveness of these policies is continually assessed through management meetings, measured vis-à-vis business objectives, and amendments made accordingly.

Commitments to managing employment are in line with existing local laws and applicable international labor regulations. These commitments include the establishment of procedures, criteria,

ICTSI EMPLOYEES BY REGION AND DIVISION

Terminals*	Admin	Operations	Total
Philippines	350	2,150	2,500
APAC	390	1,357	1,747
EMEA	261	1,260	1,521
Americas	532	2,496	3,028
Others	181	19	200
Total	**1,714**	**7,282**	**8,996**

* Figures shown in the table refer to all 31 terminals

Employment overview

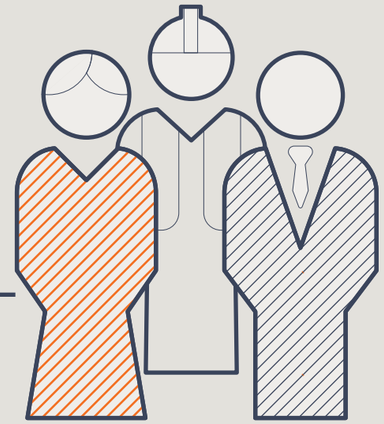
(for 8 major terminals)

Total number (rate of) new hires per age group

	2018	2019
Under 30 years old	431 (7%)	267 (4%)
30 to 50 years old	429 (7%)	313 (5%)
Over 50 years old	27 (0%)	10 (0%)

Total number (rate of) turnover per age group

	2018	2019
Under 30 years old	120 (2%)	118 (2%)
30 to 50 years old	347 (6%)	390 (6%)
Over 50 years old	128 (2%)	113 (2%)



Total number (rate of) new hires by gender

	2018	2019
Male	810 (14%)	503 (8%)
Female	77 (1%)	87 (1%)

Total number (rate of) turnover by gender

	2018	2019
Male	537 (9%)	559 (9%)
Female	58 (1%)	62 (1%)

Governance Body* gender diversity

GENDER	2018	2019
Male	70 (58%)	80 (63%)
Female	50 (42%)	47 (37%)
Total	**120**	**127**

Governance Body* age group diversity

AGE GROUP	2018	2019
Under 30	20 (17%)	21 (16%)
30 to 50	75 (62%)	71 (56%)
Over 50	25 (21%)	35 (28%)
Total	**120**	**127**

Diversity of employees by employee category (8 major terminals)

EMPLOYEE CATEGORY	2018	2019
Admin - Rank and File	470	735
Admin - Management	287	262
Operations - Rank and File	4,536	4,196
Operations - Management	583	511
Total	**5,876**	**5,704**

* Governance Body is defined as the Company's Board of Directors, Key Officers, and Global Corporate employees for the group. ("Key Officers" includes employees with positions from Vice President and above.)

and objectives, and corresponding evaluations of compliance with the same. The post-evaluation phase includes provisions for amendments to the above, as are deemed necessary.

For instance, TSSA has put forth its voluntary commitment to prioritize local hiring. Its performance evaluation in this area draws insights from issues noted in the Collective Bargaining Agreement or CBA in effect. On the other hand, PICT conducts periodic audits specifically geared towards ensuring compliance with employment management commitments.

For the eight major terminals, employment goals and targets are aligned with targets of the employment process, addressing needs of individual performance, and ensuring the right fit between employees and positions.

Respective heads of Human Resources have the leading role in reporting on employment management, with data and insights on specific areas (e.g., departments, divisions, groups, etc.) being supplied by directors and heads of such areas.

For the major ports, common grievance mechanisms in place include monthly evaluation meetings, "suggestion stations," payroll guidance, and complaint transparency for employees so that they can freely raise their concerns to upper management, and itinerant HR conducting interviews on needs and areas for improvement.

Leaves

An integral part of the Company's support for employee welfare is ensuring a work environment where employees who have or are about to have children feel sufficiently secure in their jobs, and are consequently able to avail of parental (paternal or maternity) leaves; are able to return to work; and–upon their return after the maximum leave period prescribed by local laws–are still employed in their respective positions, their previous leave availment notwithstanding.

Wages and benefits

It is worth noting that ICTSI works within a broad range of jurisdictions across three regions of operation (Asia Pacific, the Americas, and the combined Europe-Middle East-Africa), spanning six continents. Expectedly, there are variances in the terms of reference contained in each concession agreement.

In such contexts where ICTSI operates under a long-term concession contract, the Company provides wages and benefits that are above the minimum mandated by the locale or region's wage boards or counterpart agencies.

Group-wide, there is a general preference for regular employees. However, there are select areas of operation where temporary or part-time employees may be required.

The following types of benefits are provided to regular employees, but are not provided to temporary staff or part-time workers: leave credits, employee loan, annual performance bonus, terminal efficiency allowance, uniforms (separate from the PPE sets provided to selected employees with PPE requirements), medical insurance, pension fund, scholarships, vacation bonuses, transportation, meals, and daycare assistance.

From targets achieved to dream homes fulfilled:

MICT grants houses and lots in annual raffle for high performers

What it's all about: MICT continued to recognize and reward the hard work and loyalty of its high-performing employees, as it ran the 4th edition of its Employee House Raffle Program.

Under the program, MICT conducts an annual special raffle for its qualified rank-and-file and supervisory employees, with house and lot packages given to the winners. Since 2016, MICT has given away more than 40 houses to deserving employees.

Each 104-square meter two-storey house, complete with its own perimeter fence, is situated in a sprawling gated community within the heart of Cavite's Tanza municipality, south of Manila. All the houses have finished ceiling, flooring, and bathrooms, and have a garden, a carport, and space for future expansion.

Why it matters: ICTSI's rewards program is a way of thanking employees for being instrumental in the success and growth of the Company, according to Christian R. Gonzalez, ICTSI Global Corporate Head. At the same time, it helps fulfill the dreams of long-time hardworking employees.



Across its global operations, ICTSI has progressively initiated programs towards greater employee engagement and retention—providing a legible career path for employees and giving incentives beyond those mandated by governments.

Who benefits: For employees like Raul Avila, who has been part of the Company's Materials Management Department since 1988, his new house and lot is an "answered prayer" after his name was picked in the annual raffle.

Avila says that the new house is an added bonus as he prepares for a well-deserved retirement: "When I started here, I didn't know how my kids will go to school, how we can all survive. But with ICTSI, we managed to survive, and I was able to provide education for all of my four children."

What's next: ICTSI plans to roll out alternative employee rewards programs across its global operations as a demonstration of the priority it gives to overall employee development. ■

Employer of choice

Aside from having a reputation for providing topnotch services to clients such as shipping lines and freight forwarders, ICTSI has also become an employer of choice across the globe. The Company and its subsidiaries have continued to upgrade and innovate for more than 30 years, continually enhancing port efficiencies, safety, and security; and upskilling its workforce by encouraging their professional development.

Honduras: In 2019, OPC was deemed the most attractive company to work for in Honduras based on the annual survey of employers conducted by Tecoloco, a Central American recruitment services firm. OPC was also cited as one of the first companies within the general ranking that benchmarks all industries.

Tecoloco's external perception survey—spanning Central America—asked Honduran workers which companies they believe are the most attractive to work for based on factors such as remuneration, benefits, growth, opportunities, and work environment.

OPC CEO Mariano Turnes said that 99 percent of those surveyed believe OPC is an attractive company to work for. For OPC, it was their belief in the Honduran people that inspired them to invest there five years ago. Today, OPC has boosted the economy with more than 1,300 direct and indirect employees, creating over 4,000 job opportunities via investments and contracting services. OPC continues to push for social progress and development among port stakeholders and communities, helping Honduras become more competitive and take a step closer to achieving its vision of becoming a premier logistics hub in the Americas.

Pakistan: PICT has consistently won workplace safety awards; in 2019, it received the Employer's Federation of Pakistan (EFP) Best Practices Award on Occupational Safety & Health.

PICT's Quality, Health, Safety, Environment (QHSE) Manager Saud ur Rahman said the award highlights the Company's commitment to a safe and healthy workplace for employees and stakeholders. It is also part of PICT's legacy, as the Company strives to become Pakistan's container terminal of choice and one of the world's most reliable international gateway ports.



Philippines: For Judymar Salva, working as a Billing Assistant at the Mindanao Container Terminal (MCT) is a dream come true. The 22-year-old Business Administration graduate of Tagoloan Community College had been a scholar of the ICTSI Foundation for eight years since high school. Judymar consistently displayed dedication and commitment to her studies—qualities that convinced the Foundation that she would perform well and uphold the highest standards of service. As part of the MCT team, she works even harder to achieve her dreams of a bright future. ■



Health and safety

Global HSE

The well-being and health of all its stakeholders is of paramount importance to ICTSI at the leadership levels, throughout the organization, and in all its operations. Anchored on this commitment, the ICTSI Board of Directors sets the overall HSE vision, goals, and directions Group-wide. A priority initiative was the establishment of a Group-wide management structure with a clear accountability framework, as well as mechanisms for collaboration and consultation. The structure supports a robust feedback system for evaluating, finetuning, and further strengthening HSE policies and practices.

Governance and monitoring of Health, Safety, and Environment (HSE) was initially reinforced in 2015 with the establishment of the Global HSSE Department. The establishment of the department aimed to harmonize the existing occupational health and safety (OHS) policies present or in force in the 31 terminals, and to standardize the approach for addressing key health and safety risks in the operations. (For purposes of Global HSSE discussions, "terminals" refers to all 31 terminals/ports in the ICTSI Group and is not limited to the eight major terminals that are the focus of this report, unless otherwise stated.)

It is worth noting, however, that the harmonization of HSE standards must be undertaken with due consideration for two important factors: the nature, terms, and scope of the concession agreement, and the prevailing laws in force in a specific jurisdiction where the terminal or port is located.

HSE guidelines are in place in each terminal and comprehensively cover employees, institutional- or enterprise-level customers, as well as other port users such as contractors' personnel, and visitors (especially those from among these port user groups that may have exposure to the terminal operations at either the container or marine yards).

As a demonstration of the priority given to HSE, the Group through its various terminals has established programs to address key risks and achieve its overall objective of zero harm to people. The programs are designed to reinforce vital aspects of HSE such as Health & Safety Leadership & Accountability, Risks and Hazards Management, Workforce Engagement, Contractor Safety Management, Traffic Safety Management, Emergency Management and Response, Implementation of Good Practices, Incident Reporting & Root Cause Investigation, and Management Review & Continual Improvement.

All4Zero, Zero4All:
ICTSI kickstarts race to zero-harm workplace

What it's all about: The ICTSI Group started 2019 with a clear-cut policy direction for its ports and terminals: a zero-harm workplace. On January 29, ICTSI flagship MICT launched its first Health and Safety Leadership Workshop to brief personnel about the Group's mechanisms for helping employees prevent illness and injuries.

The workshop focused on clarifying leadership roles towards developing a culture that promotes injury prevention and health education by influencing employee behavior.

Why it matters: ICTSI Global Corporate Head Christian Gonzalez stressed that the Group's most important asset is its employees. At the end of the workshop MICT Management Committee members signed a commitment to a list of objectives and activities, in line with the Group's goal of achieving zero injuries.

During the workshop, MICT unveiled its health and safety battle cry and symbol: All4Zero, Zero4All, which represents the Company's mantra of fostering a zero-injury workplace for its employees.

Who benefits: ICTSI Global HSSE Head Edmund Trazo said the new battle cry aims to rally people to make health and safety as their own personal values. In explaining the battlecry, All represents the Group's employees, contractors, and other port users, while Zero represents the its vision and goal of an injury-free workplace.

All across the group, ICTSI is committed to fostering a strong "safe workplace" culture, where everyone is motivated to eliminate all work-related injuries and illnesses.

In the theme, "4" represents the four fundamental principles necessary to achieve the goal: Accountability, Behavior, Compassion, and Diligence. The first use of the word "All" is a call for everyone to commit to these four principles, and thus make "zero injuries" attainable. The "Zero for All" phrase is a meant to adopt and promote the value of health and safety beyond the confines of the workplace. ■



Health & Safety leadership and accountability
Leadership and Accountability drives the Group's over-all Health and Safety (H&S) management strategy. Management is responsible to ensure that the well-being and safety of all its stakeholders is the leading priority and that terminals plan, execute, verify and validate the effectiveness of controls aimed at eliminating or minimizing risks associated with its operational activities. Management roles are now being clarified towards developing a culture that promotes injury prevention and health education by influencing employee behavior. Trainings and workshops are conducted to help line managers and supervisors develop and continually enhance a consistent, positive, and visible leadership approach towards health and safety. Line managers are encouraged to lead regular walk-about inspections around the terminal, observe employee and contractor personnel perform work activities and appropriately engage or coach them to help them carry out their tasks in a safer and more efficient manner.

Risks and hazards management
Management of risk is a continual process and is a foundation of ICTSI's H&S Management System. Constant efforts are being done to identify hazards and assess the risk associated with the Group's business activities. Line managers are expected to carry out risk assessments and take appropriate actions to manage the risk and prevent or reduce the impact of potential incidents. A key aspect of the risk management process is to mitigate the risk using the "hierarchy of controls": a system where hazard control methods are prioritized based on their effectiveness and level of protection offered. The hierarchy covers elimination, substitution, engineering controls, administrative controls, and use of Personal Protective Equipment (PPE) as hazard control methods, listed by order of importance, with elimination of the hazard as the most ideal control measure. Hence, where reasonably practicable, Management requires that all risks are controlled at source by an engineered solution and other more effective but pragmatic controls (rather than relying on PPE use).

Implementation of health and safety management systems

	2018 and 2019
Percentage of major terminals with implemented occupational health and safety management system	100%
Percentage of major terminals with implemented occupational health and safety management system that is internally audited	100%
Percentage of major terminals with implemented occupational health and safety management system that is audited and/or certified by an external party	88%

1 Percentages above cover all employees and contractor personnel in the major terminal.
2 Other terminals that have not yet achieved external certification of their implemented health and safety management system continue to prepare for external certification.

Group-wide, all 31 terminals have routine systems and processes in place to identify hazards and assess risks. Periodic evaluation schedules are also in place to ensure timely or necessary improvements in the systems and processes.

Workforce engagement
ICTSI believes that commitment to health and safety is not something that can be just switched on and off. Employees are expected to be committed to health and safety both on and off the job, and actively advocate it among colleagues, family, and friends. H&S training sessions, accident prevention seminars and other promotional activities (newsletters, safety videos, committee meetings, toolbox meetings, etc.) are regularly carried out not only for ICTSI employees and contractors but for all port users. These are all designed to promote H&S awareness and help the port community adopt the safety mindset, make it intrinsic to all processes and systems, translate it regularly into sound work practices, and maximize opportunities to hone such safe practices.

All terminals have mechanisms for worker participation and consultation in the development, implementation, and evaluation of the health and safety management system. These terminals provide programs that ensure direct interaction with workers for their input, feedback, areas for improvement, formal training, and the like.

Moreover, these terminals have a formal joint management-worker health and safety committee. The committee's key activities include walkthroughs/inspections in work areas, with mandatory reporting of safety and health related hazardous actions and conditions, as well as analysis of recent incidents. Assigned committees conduct regular meetings.

Contractor safety management
Contractors provide valuable services for ICTSI and their services are either engaged on a regular basis or on an infrequent basis. Oftentimes, work carried out by contracted personnel is non-routine and involves varying degrees of risk. Regardless of the contract, the Group is committed to ensuring that contractors have equal priority as employees with respect to health and safety, and that contractor personnel perform their tasks safely.



OPC: one of the world's safest terminals

OPC, the CA-4 reigon's only terminal to take part in the US Customs and Border Protection's Container Security Initiative (CSI), offers one of the safest working environments. In CA-4, only OPC has these three ISO Integrated Management Systems cerifications: ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), and—most crucial for employees—ISO 45001:2018 (Occupational Health and Safety Management Systems, with focus on labor welfare). Compliant with the ISPS code and the International Maritime Dangerous Goods Code, OPC has an in-house-developed Environment, Health, and Safety (EHS) application for "near miss" and hazards reporting and Safety/ Environment Campaigns (such as an HSE Week) involving port personnel and vendors. ■

MICT personnel undergo traffic management training

MICT, in collaboration with the Metro Manila Development Authority Traffic Academy, hosted a traffic management training seminar attended by members of the Operations Gate, Human Resource, Security, and HSE departments. The seminar tackled road safety and traffic management with specific talks on traffic direction and control theory, international signs and pavement markings, and traffic accident assistance, which taught participants to make accident sketches. ■

Traffic safety management

Most of the hazards in the terminals occur when mobile equipment or vehicles interact with each other, or are operated in the presence of pedestrians. To mitigate the risks associated with these hazards, terminals carry out regular risk assessments to cover all aspects of its operations. The risk assessments consider the location of the gates, vehicle and pedestrian traffic routes, storage areas, handling areas, cranes, and gantries to help ensure that there is an effective and safe flow of traffic around the terminal.

Site rules for pedestrians and drivers are documented and are shared to all port users during H&S Inductions. Many of these rules and guidelines cover correct usage (e.g., of PPE, flashing beacons, seatbelts, and correct routes and crossings) and observance of limits and restrictions (e.g., speed limits, no entry, no parking, and the like). Access to operational areas are strictly controlled and only authorized personnel are allowed on site. Signage and markings are also in place and areas for queuing, loading and unloading, operating twist locks, and securing of loads are properly designated. All drivers of roadgoing vehicles (e.g., third-party trucks) undergo H&S inductions to be familiarized with the terminal and traffic lay-out.

Emergency management and response

Each terminal has developed site-specific emergency response plans, which contains among others, the structure and membership of the emergency response teams, the necessary tools and equipment, the appropriate training and drills for all personnel and the specific procedures/guidelines (based on a risk assessment) to carry out a response to any type of possible incident in the terminal and protect employees, contractors, visitors and the public.

All terminals have, on call 24/7, their respective Emergency Response Team (ERT). ERTs are composed of personnel from key departments, especially Engineering, Operations, and HSE. Two types of emergency response training activities are conducted per terminal: general training covering evacuation procedures, basic first aid, and the like; and more specialized training intended solely for members of each terminal's ERT. ERT training modules cover the management or handling of various types of emergencies: fires, chemical spills, extreme weather conditions, earthquakes, and medical. Additionally, depending on the operating environment, ERT members may be provided specialized training in handling specific security risks.

Under the health and safety management system, the Company (as represented by each of the 31 terminals) ensures ERT capabilities. This also involves providing adequate equipment and facilities, including an ambulance or dedicated vehicle (for transporting patients/victims) and a fire truck, on standby, in every terminal. ERTs also closely coordinate with the port authorities, local law enforcement, and other government as well as private entities involved in emergency response. Such networks and linkages pave the way for joint exercises in emergency response. For all port users who will be entering areas exposed to actual port operations (e.g. container yard), Personal Protective Equipment (PPE) units are provided. Employees or port workers are provided annually with ample supplies of PPEs of specific types corresponding to their job or task requirements.

Implementation of good practices

As part of its continual improvement efforts, the Group is fostering collaboration among terminals, with the sharing of good practices highly encouraged. The implementation of these various good practices into terminal or port operations aims to eliminate serious injuries and fatalities and reduce risk to its employees, visitors, contractors and others who may be affected by its business activities.

To these ends, several ICTSI terminals have also secured and maintained external certification on international H&S management system standards to help ensure they engage in a continuous cycle of evaluation, correction, and improvement of operations and processes.

Enhancing emergency response, coordination

The ERTs in ICTSI terminals continuously enhance their response capabilities, and streamline and strengthen coordination with external parties such as government agencies.

In 2019, terminals such as CGT, MICT, PICT, and SPICT organized training sessions, drills, and help post-activity discussions.

- **CGT** and the local fire bureau organized an emergency response training to ensure every department is capable of properly handling natural calamities and other emergency situations.
- **PICT**'s QHSE Department conducted an emergency evacuation drill, with 450 personnel marked safe at the end of the activity, followed by a search by security staff to ensure everyone was accounted for. PICT also collaborated with the Karachi Port Fire Service to hold a firefighting drill, focusing on streamlining ERT mobilization and coordination with the local fire department for faster reponse.
- **SPICT** conducted simulations of an "explosion" and fire in its Dangerous Goods area, and an emergency scenario featuring injured personnel and equipment at serious risk of damage. ERT members also learned more about emergency management.
- **MICT**'s emergency planning training included simultaneous fire and evacuation drills that were led by the HSE Department, and joined by medical and ERT staff. A simulated high-angle rescue was also performed. Observations and recommendations of Office of Civil Defense, Philippine Ports Authority, and Bureau of Fire Protection representatives were shared to the ERT and HSE Department in the debriefing. ■

PICT sets the pace as Pakistan's first ISO 45001:2018 certified terminal

What it's all about: In August of 2019, PICT became the South Asian country's first terminal to obtain an ISO 45001:2018 certification: the world's first integrated international standard for occupational health and safety.

Located at the Port of Karachi, PICT demonstrated compliance with the new global standard to ensure a safe and healthy workplace for its employees, successfully migrating from the old OHSAS 18001 standard to the new ISO 45001:2018 following a rigorous verification and audit process carried out by certification agency Bureau Veritas S.A.

Why it matters: The ISO 45001:2018 outlines stringent requirements for an occupational health and safety management system. PICT's new certification exemplifies ICTSI group's commitment to its customers and employees of an occupational hazard-free workplace, in line with the terminal's drive towards Zero Harm.

PICT Chief Executive Officer Khurram Aziz Khan said the new certification demonstrates PICT's commitment to enhance employee well-being and achieve customer service excellence by implementing best practices in quality, health, and safety.

Who benefits: The new ISO certification demonstrates that PICT employees are working in an environment that continually protects and highly prioritizes their occupational safety.

ICTSI is committed towards providing a safe and healthy workplace for employees, contractors, and port stakeholders alike by implementing and maintaining HSE management systems across its global operations, and mitigate the risks related to its business activities.

ICTSI Senior Vice President and Regional Head of Asia Pacific Andrew Dawes said the ICTSI group has been steadfast in its drive to prevent serious incidents and ensure that every employee, contractor, or visitor coming in every ICTSI port goes back home safely. ■

MCT conducts material handling, work-value enhancement trainings

As part of continuing manpower capability-building, the HRA department of MCT (Mindanao) held two training sessions for personnel: one on good housekeeping practices for the Engineering & Maintenance and Purchasing personnel, and another on employee work values, as guided by the Company's purpose. ■

At the terminal level, efforts are ongoing to ensure that all operations will eventually achieve external certification.

Health & Safety training

ICTSI employees benefit from occupational health and safety training courses. Modules vary according to staff position and tasks to be performed, with the sessions (from general induction to role-specific training) typically conducted in coordination with the Human Resources and other relevant departments. To illustrate: PICT's training modules include equipment-specific training for operators; emergency response training such as firefighting and basic first aid, and onsite job-specific toolbox talks.

Incident reporting & root cause investigation

To help prevent recurrence and improve performance, all H&S related incidents including near misses and hazards, are openly reported, investigated, analyzed and documented. Line management is responsible in ensuring that incident investigations are carried out to identify root and system causes and its corresponding corrective actions and preventive measures are implemented to reduce future injuries and incidents. For major incidents such as those resulting to fatalities multiple serious injuries, a comprehensive investigation is being performed by a cross-functional team with action plans formally reviewed by Senior Leadership.

HEALTH AND SAFETY TRAINING

Emphasizing safe work practices for specialized functions and tasks, ICTSI organizes a comprehensive training schedule for port workers. The H&S-oriented training courses and activities include the following, among many others:

• General Health & Safety Induction for all Port Users	• Incident Reporting & Investigation
• 3rd party Driver Induction	• Integrated Management System (IMS)
• 5S Principles	• ISPS & Maritime Security Awareness
• Basic Life Support and First Aid	• "Man Overboard" Drill
• Basic Occupational Safety & Health	• Personal Protective Equipment
• Bomb Threat & Awareness Drill	• Port Facility & Security Officers (PFSO) Training Course
• Chemical / Oil Spill Response	• Road Safety & Traffic Management
• Confined Space Entry	• Ship-to-shore (STS) Crane Anchoring Simulation Drill
• Defensive Driving Training	• Working with Suspended Loads
• Disaster Response & Recovery Seminar	• Water Safety
• Do's & Don'ts (for Prime Mover Operators, Reefer Technicians, General Port Workers / Stevedores, CFS Operations)	• Working at Heights
• Electrical Safety	• Ergonomics Training & Assessment
• Emergency Evacuation Drills	• Manual Handling
• Extreme Weather Conditions	• Work Environment Monitoring
• Fire Safety	• Drugs & Alcohol Abuse Prevention
• Gun Safety	• HIV Awareness
• Handling of Dangerous Goods	• Pulmonary Tuberculosis (PTB) Awareness
• International Maritime Dangerous Goods (IMDG) Code Awareness	

Vital information gathered from incident investigations are carefully analyzed to identify and monitor trends and develop both global and terminal-specific H&S Improvement Action Plans. Key learning points from investigations (especially for major incidents) are shared across ICTSI terminals so that terminal personnel can take appropriate action to help prevent a similar occurrence in their respective operations.

Corollary to these, all terminals have avenues for workers to report work-related hazards and hazardous situations, as well as "near-miss" incidents. Some terminals are leveraging on technology by using an electronic application for reporting and recording of work-related hazards.

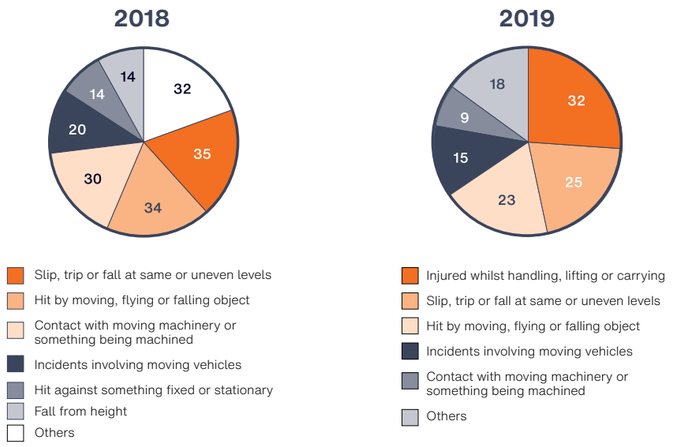
Management review & continual improvement

Because the Company recognizes that there are many opportunities to improve, Management has established key performance indicators (e.g. H&S Training Hours, Number of Near-misses and Hazard Alerts, Health Surveillance, Lost Time Injury Frequency Rate, Total Recordable Injury Rate, Lost Time Injury Severity Rate) and has set goals (e.g. zero fatalities, LTIFR % reduction, etc.) as a demonstration of its commitment to prevent injury and ill-health, comply with applicable legal requirements, and to continually raise the health and safety standards across all of its terminal operations. Global and terminal-specific indicators are measured and analyzed, and

Our progress relating to safety performance

KEY PERFORMANCE INDICATORS	2018		2019	
	Employee	Contractor	Employee	Contractor
Fatalities	1	1	3	0
Lost Time Injuries	118	61	86	38
Lost Time Injury Frequency Rate (LTIFR)[1]	3.85	–*	2.71	–*
Lost Time Injury Severity Rate (LTISR)[2]	56.2	–*	54.7	–*
Manhours[3]	30,662,970	–*	32,882,886	–*

1 Number of LTI cases per million employee manhours.
2 Number of lost days (related to LTI cases) per million employee manhours.
3 Only manhours for employees are currently being tracked
* Values for contractor LTIFR and LTISR are not available since manhours for contractors are not being tracked



ICTSI evaluates safety incident data to help identify performance trends and deploy safety campaigns / programs focused on operational activities or areas with the most risk. Regular reviews enable the Group to improve its safety planning and reporting and optimally allocate its resources to implement fit-for-purpose incident prevention programs.

progress is regularly monitored and reviewed by Terminal Management and senior leaders.

On the other hand, work-related hazards that posed a risk of high-consequence injury were identified, and consequently, preventive actions were taken. (A high-consequence work-related injury is one that results in a fatality, or an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.)

While there was a reduction in LTIs for both employees and contractors in 2019 and the severity of these LTI cases have gone down, the Group unfortunately had 3 employee fatalities during this period. Comprehensive investigations have been conducted to capture key learning points from these incidents with corresponding measures implemented to address the risks related to working with suspended load/lifting activities, working at heights and mobile equipment-pedestrian interface. ICTSI remains committed to its goal of Zero Harm and continues with its programs and initiatives to ensure that 100 percent of its employees, contractor personnel or visitor coming into their premises goes back home safe.

Terminal	Certification
MICT	ISO 45001:2018 Occupational Health and Safety Management Systems
MTS	OHSAS 18001:2007 Occupational Health and Safety Management Systems
PICT	ISO 45001:2018 Occupational Health and Safety Management Systems
SCIPSI	OHSAS 18001:2007 Occupational Health and Safety Management Systems
YICT	ISO 45001:2018 Occupational Health and Safety Management Systems
BCT	ISO 22000:2005 Food Safety Management Systems ISO 22301:2014 Business Continuity Management Systems
ICTSI Iraq (BGT)	OHSAS 18001:2007 Occupational Health and Safety Management Systems
CGSA	OHSAS 18001:2007 Occupational Health and Safety Management Systems
CMSA	OHSAS 18001:2007 Occupational Health and Safety Management Systems
OPC	ISO 45001:2018 Occupational Health and Safety Management Systems

Health care & promotion services

Onsite and per terminal, access is provided to health care services in the following modes: where possible, through the provision of an adequately-outfitted clinic; access (and if needed, transport and assistance) to the nearest medical facility; and/or a medical professional (i.e., physician or registered nurse) stationed onsite.

Moreover, workers are also provided non-occupational medical and health care.

ICTSI provides all workers with health-promotion services and programs to address major nonwork-related and specific health risks. These services include medical exams and health coaching activities which are performed annually. On the other hand, significant negative occupational health and safety impacts or risks (especially those directly related to ICTSI operations, or the delivery of terminal products or services) are addressed through training, inspections, meetings, document procedures, and awareness campaigns.

Diversity of employees by age and gender

(8 major terminals)

Gender	Male		Female	
Age Group	2018	2019	2018	2019
Under 30	1,100	966	127	138
30 to 50	3,556	3,535	290	296
Over 50	757	725	46	44
Total	5,413	5,226	463	478

Local hiring practice

(8 major terminals)

Local hiring practices	2018	2019
Number (percentage) of senior management hired from the local community	12 (24%)	25 (49%)

Diversity and equal opportunity

Alongside policies that prioritize full-time employment (over part-time or contractual work) and local hiring, the Company also pursues a policy of diversity across ethnicity or cultural backgrounds.

ICTSI also pursues a policy of leveraging its multicultural workforce, especially its core of highly skilled, specialized professionals in each port, to achieve improvements in individual employees' skills sets and competencies.

The policy provides for cross-functional as well as cross-cultural training exchanges, where teams from one terminal are seconded to another terminal for knowledge and/or technology sharing, as well as for completion of necessary courses.

Group-wide, among the 31 terminals located in 18 different countries, the Company noted zero incidents of discrimination during the year in review.

Labor rights, standards, and relations

Freedom of association and collective bargaining agreements

The Company recognizes its employees' right to freedom of association, which is aligned with international declaration and conventions. As such, there is no operations in which the right to freedom of association and collective bargaining is at significant risk. Around 86 percent in 2019 (70 percent in 2018) of eligible employees from the eight major terminals have exercised their right to freedom of association and/or collective bargaining, with significant improvement in the figures for BGT, MICTSL and CMSA for the year. In OPC, where there is currently no unionization, employees were still provided the option and there is an enforced "white" collective agreement where all benefits are detailed and the ones who agreed to be part of it are able to enjoy all the benefits provided, which is more than what is statutorily required. Regardless of whether

BGT boosts workforce by hiring homegrown talents

What it's all about: Iraq-based BGT launched a recruitment drive for fresh graduates at the University of Basra, the region's largest public university, as part of the Company's drive to provide opportunities to local talents and develop them into passionate and hardworking teams.

The recruitment drive was organized in coordination with the University of Basra's Career Department. Interested applicants underwent a rigorous hiring process that included several IQ and personality tests, followed by interviews, with the final interview conducted by BGT's senior management team.

Why it matters: BGT, the leading container terminal in Iraq and the region, believes that hiring and training fresh graduates would provide the additional fuel to drive the Company's success further. BGT Chief Executive Officer Phillip Marsham said young people are eager to learn and are extremely determined to prove themselves, making them highly capable of adapting to the Company's style and work culture.

BGT strives to become an employer of choice by recruiting and developing local talent, a strategy shared across the ICTSI Group, where every terminal employs a predominantly local workforce.

Who benefits: Locals, particularly fresh graduates, greatly benefit from the priority given by BGT as it beefs up its workforce through home-grown talents. Ninety percent of BGT's workforce is comprised of Iraqis, allowing the company to leverage its technical expertise combined with local demographics to create the most efficient work environment.

BGT believes that its success is driven largely by the quality of its workforce. BGT's work culture provides employees with the opportunity to learn and motivates them to carve their own career paths, leading to the development of competent and passionate members of the organization. ■

there is unionization in a particular terminal, the Company continues to encourage the right to exercise freedom of association through the formation of labor-management councils, having an inclusive culture, implementation of an "open door" policy, suggestion stations or through "toolbox" meetings/monthly meetings with management and staff representatives that allow for feedback, concerns or other grievances to be shared to management.

Labor-management relations

Policies for managing labor relations are in force Group-wide, albeit with guidelines and mechanisms for engagement varying per terminal.

These are usually approved by the President or CEO of the terminal. Such policy may be set forth through an internal collective employment contract, or as arranged by legal representatives. avenues for employee engagement include annual employment engagement surveys, suggestion box, and objective feedback on performance appraisals.

Commitments pertaining to workforce engagement and management of labor relations are in line with local and regulatory frameworks. Keeping open channels for communication complement the setting of objectives and efforts to establish smooth work collaboration and ownership in the workplace. Itinerant HR, suggestion stations, and surveys also form part of the engagement commitments.

Feedback of cross-functional workforce are accounted for and form the basis of improvements. There are likewise avenues for communications, including mechanisms to capture and address the requests of employees. Applying sanctions based on the law is also included.

Goals and targets to engage workforce labor relations in their operations. The operations generally have periodic (e.g. annual) evaluations, including performance appraisals, to identify areas for improvement.

Point persons on labor engagement are duly designated in the major operations, as follows: HRD (for BGT), HR Manager (CGSA), Labor Relations Chief (CMSA), HRD Industrial Relations Team (MICT), Selection and Development Head (OPC), and Industrial Relations Department (PICT). MICTSL and TSSA have line managers and HR as support to manage labor relations. These point persons are being evaluated based on their performance rating and through assessment of accomplishment of goals.

Grievance mechanisms are in place in all major terminals. Grievance channels include: periodic meetings between management and staff representatives; "open door" policies between employees and management (including HR and other Department heads), and the fostering of an inclusive work culture; the establishment of suggestion stations and fielding of an itinerant HR to collect details on areas for improvement.

Overall, the effectiveness of these mechanisms is being evaluated based on the status of the concerns or disputes (i.e., ideally, resolved), and also based on established deadlines for complying with improvement commitments.

The majority of the major operations have existing CBAs (except for OPC), and notice periods, which is usually 30 days (except for CGSA with 7 days), and provisions for consultation and negotiation are included.

Fostering work-life balance

As part of ensuring overall employee welfare, and in keeping with the Company's support for flourishing relationships with communities, ICTSI and its subsidiary terminals encourage interactions with families.

In 2019, several international holidays and observances and port tour schedules provided opportunities for families of employees, people involved with outreaches, and even students in host communities to visit various ICTSI offices and terminals. In some cases, the port tours provided breakthrough opportunities for the visitors to see the nature of port work.

Training and education

At ICTSI, the culture of excellence is equally applicable to port performance and to people development. The Company emphasizes the importance of training and supports that priority with a comprehensive approach: training opportunities are provided across a variety of functions and needs, and these opportunities may be availed via several options as well.

At the basic level, there are company orientation programs that cater to non-operations personnel, new hires, and retiring employees. There are behavioral training courses as well,

BGT's safety, efficiency drive record volumes; crucial lashing training held

What it's all about: In container shipping, lashing and unlashing procedures remain as some of the more hazardous tasks, heavily dependent on manual labor. Beyond its other measures towards excellence in HSE, BGT also organized a two-day lasher training with the aim of helping its workers prevent zero injuries. The sessions highlighted the needed expertise and proper measures to ensure safety and efficiency during lashing. Operations supervisors also observed actual lashing and unlashing processes to ensure that workers follow the safety mechanisms.

Post-demonstration, the supervisors also discussed their observations with the lashing crew to point out what else could be done to further enhance safety during the process.

Why it matters: The ICTSI group accords top priority to workers' safety. In BGT, where port load volumes are rising, it is imperative to maintain high levels of operational efficiency and safety, especially in the most critical aspects of the job (including lashing).

Who benefits: As BGT maintains its top-notch service, its employees and customers are assured that their safety is its top priority. Even as ICTSI provides workers, particularly those at the frontlines of cargo handling, with a safe and secure workplace, the resulting efficiencies also redound to cost- and time-savings benefits to customers.

In fact, BGT's focus on workers' safety and efficiency helped the terminal to post record volumes in end-September of 2019. ■



YICT holds family weekend

YICT opened its doors to families of employees in May for a fun-filled family weekend, to recognize the sacrifices employees make as they manage their time between family and work. Aside from the immediate families of employees, YICT was also graced by mothers and children from Yantai SOS Children's Village, and the families of the Yantai Baxian Rescue Team. Through this initiative, YICT hopes to establish an inclusive platform where employees and socially charitable families can enjoy each other's company while learning about the terminal's work. Moving forward, YICT aims to deepen ties between enterprises, families, and society, as a growing and socially responsible business. ■

PICT establishes relief areas to combat heatwave

What it's all about: Intense heatwaves have been recorded in areas of Pakistan during the last several years. PICT proactively addressed the heatwave that affected the area in 2019

Why it matters: Recognizing the potential ill effects of the heatwave to workers and port users alike, PICT set up relief areas outfitted with fans and air coolers to prevent as well as respond to heat exhaustion cases. Staff deployed to the relief areas attended to personnel and port users showing symptoms of heat exhaustion, with provisions of cool drinking water, standby first aid kits and medicines, and spaces where people could rest.

Who benefits: Those in the immediate confines of the port—workers and customers alike—benefited directly, and further passed on health awareness benefits to their families, as the terminal prominently displayed educational materials on heatstroke prevention. ■

ranging from organizational development-focused courses on management, leadership, and interactions; to sector-specific modules on port planning, design, operations, and strategy.

Just as crucial are the technical training and skills enhancement modules, which are task-specific and often underscore safe work practices and approaches.

For the year in review, the learning activities held across the eight major terminals as well as other operations included (but were not limited to):

- Work Values
- Teambuilding
- Customer Service
- Equipment Maintenance
- Occupational First Aid (as taught by Red Cross representatives)
- Emergency Response
- Emergency Evacuation Drill

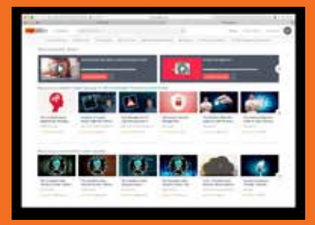
The Company's policy and priorities on training were further bolstered in 2019 with two major initiatives.

The ICTSI Global Corporate Information Technology Department introduced an online training avenue for employees. Global IT, in spearheading the effort to help develop employees professionally and personally, tapped the popular online learning platform Udemy. Through the initiative, ICTSI employees can now access more than 10,000 online courses to help their professional and personal development.

Each employee is given the goal to complete three classes per quarter: one assigned by the Company, one assigned by their direct managers, and another one based on their own interests. The classes, which can be accessed via desktop or mobile, provide a cost-effective means to upskill employees and enhance their knowledge.

Within 30 days after rollout, employees lodged a total of 88 class hours, one-third of which were via mobile devices. Most popular were classes relating to project management, driving business results through key results, and developing requirements through business analysis.

Learning Opportunity



In 2019, ICTSI Global IT launched the online learning facility utilizing the Udemy platform. Initially available for Global IT employees, plans are underway to roll out the program to other departments, Group-wide.

Also in 2019, the ICTSI Group's flagship, MICT, continued its drive to provide continuing professional development opportunities to various groups within the organization.

Previously, MICT has been hosting the MICT HR Training Program. In 2019, this was redeveloped into the MICT Academy, which aims to boost the organization's business performance by empowering its workforce through capability enhancement training.

Apart from Management of Terminal Operations and other workshops, the MICT Academy has also offered the Terminal Executive Diploma Program, focusing on those at the Director level and higher.

Plans are underway to expand more of the MICT Academy programs to serve more terminals in the ICTSI Group. ■

Average hours of training

Training hours by gender

	2018	2019
Male	18.70 Hours	19.54 Hours
Female	16.48 Hours	31.32 Hours

Average hours of training per employee

2018	2019
18.53 Hours	20.53 Hours

Training hours by category

	2018	2019
Admin Rank and File	19.75 Hours	22.23 Hours
Admin Management	24.43 Hours	34.67 Hours
Operations - Rank and File	18.65 Hours	18.58 Hours
Operations - Management	13.64 Hours	26.80 Hours

From Mexico to China, for enhanced equipment maintenance skills

CMSA, encouraging employees' continuing development, sent seven of its maintenance engineers to undergo a 15-day training under Shanghai Zhenhua Heavy Industries (ZPMC) in Shanghai, China. The training was designed to enhance the engineers' equipment maintenance and repair skills, allowing them to reduce equipment standby time, and conduct repairs more quickly. ■



Employer of choice, generation after generation



Father-and-son Alejandro and Mario dela Cruz

The Philippines' busiest port is just one of over 30 box ports worldwide that ICTSI keeps humming: as bustling trade hubs, as drivers of growth, and as gateways of opportunity for people.

Rene Cebu was once a truck driver in another company, but the day came when he was ready to trade his truck keys for a stable job with more employee benefits. In ICTSI, he found that, and saw the tides of change come, not just to the organization, but to his own life.

After 26 years, Rene testifies to the benefits of working for ICTSI. He was able to raise his nine children and send them to school. He was able to move his family from a rented apartment in Tondo to their own home in Quezon City.

ICTSI, Rene said, has been generous to him and his family through the years, treating them to field trips and other perks, and even extending its generosity to his son, Richard, by employing him—a move that has helped their family even more.

Welcome inheritance

For Rene's son, Richard, working in ICTSI is a blessing. He eagerly joined ICTSI as a fresh graduate, full of good impressions shaped by seeing his father's hard work lifting them from poverty. Fast forward five years, Richard learned more about how the port works, as he gained friends who help lighten the mood when things get stressful.

Richard heeded his father's advice to simply love his job. He carries that advice with him as he works through his shifts, creating profiles for ships docking at the Port of Manila, and determining causes of delay in the movement of containers, among others.

But Richard's story is not unique. Seeing their fathers work for ICTSI inspired Jerwin Omela, Argel Palero, Robert Siendo, and Michael Villarin to continue their retired fathers' footsteps.

Oftentimes, retired employees encourage their children to work in ICTSI. The employees themselves attest to the material benefits, and just as important, the continuing professional and character development that takes place.

Argel's long-held dream of working for ICTSI came true when he spent his on-the-job-training at the company; however, Argel initially worked for other companies such as fast food chains, and even a printing press before he could fulfil his childhood wish.

For his part, Mike refused the generous offer of a multinational firm to join ICTSI: a move more akin to a homecoming for him, having grown up with his father's stories and experiences at the pier.

Perks of being world class

Jerwin, meanwhile, says that unlike the other companies he worked for, ICTSI was the only one that gave him financial stability. "Now, I've been able to have my broken motorcycle improved. And now there's always money in my ATM. At my other job, it was always zero [balance]."

Among the benefits they valued the most: free access to the clinic, medical consultations, and medicines—a valuable benefit for ordinary Filipinos for whom in the Philippines where quality healthcare remains prohibitive.

Apart from health and safety, working for a world-class company means handling best-in-class equipment and being first to try new systems. Rene recalls his initial difficulty in adjusting to ICTSI's first computerization efforts: a challenge overcome by availing the training courses that ICTSI provided. Jerwin said that while his skills as a forklift operator were passable enough to get him a job in the yard, his day-to-day experience and training helped him elevate his skills.

After years of training, Mike came to appreciate the value of such intentional skill-honing: no school can teach how to operate cranes or complete the task of bringing down a container van, as these are best taught and learned while on the job. And Mike, well-poised to learn, is now a Superintendent. "They [young trainees] go through operations to train, so that they will really understand work at the pier, and they won't be confused. We are a service [company], so skill and knowledge are really needed."

He also learned how to manage people in a manner that makes them want to stay; he cautions against barking orders left and right, which can cause employees to resent the job and the company. He said ensuring that employees are happy and content means respecting them.

Argel says there are times he would brag to his non-ICTSI friends, citing the benefits, and comparing notes with them. He and his colleagues also appreciate how ICTSI gives employees opportunities to make a difference in others' lives. Jerwin usually volunteers in cleanup operations in Luneta while Argel volunteered to pick up and re-pack relief goods in 2009 when Typhoon Ondoy devasted many parts of Metro Manila.

Stronger together

ICTSI has not only given opportunities to their employees but continues to give hope to the surrounding community. Robert says their community in Tondo benefits the most because any time the yard needs additional hands, on-call workers can easily fill its manpower requirements. Robert likes to think of his company as one that helps keep the community alive.

For Mike, at an early age, his father taught him that a company should be treated like family. A company that takes care of you and your family deserves dedication.

A mutually beneficial relationship between ICTSI and its employees makes them stronger together. The financial stability and other benefits extended by ICTSI to its employees helps earn the loyalty and dedication of the employees. This, in turn, allows the company to grow and reach greater heights.

In fact, for the few who have, for one reason or another, ventured to work overseas, they have found to their surprise that their training in ICTSI is highly regarded by international employers and that the competencies they gained while at ICTSI were of a globally competitive level. (Yes, some of them actually return to ICTSI.)

Alejandro de la Cruz was one of those who saw first-hand how the international business community esteems ICTSI and values the level of world-class training it offers. He once went abroad--armed with the competencies and credentials he earner from ICTSI--and worked there, only to return to the Philippines eventually.

Moreover, Alejandro points out that while he may not have had the chance to go to college, being with ICTSI has given him the opportunity to learn and to grow: from his work attitudes and values, to how he now places more value on his family and his obligations to his community, his church, and the government.

On the other hand, his son Mario (who is now with HR) says being with the Company has taught him the value of respect for all--regardless of one's level of education. In fact, one of his most cherished lessons was not learned in college, but straight from his father's admonition and clear example: "Give importance to your work."

And Mario, true to his father's teaching, is making sure he will do just that, and will also maximize what he considers to be plentiful opportunities for professional growth in ICTSI.

Admittedly, working abroad opens opportunities that can make one rich; however, Mike points to ICTSI's stability, something that makes many employees stay on and encourage even their children to apply in the company.

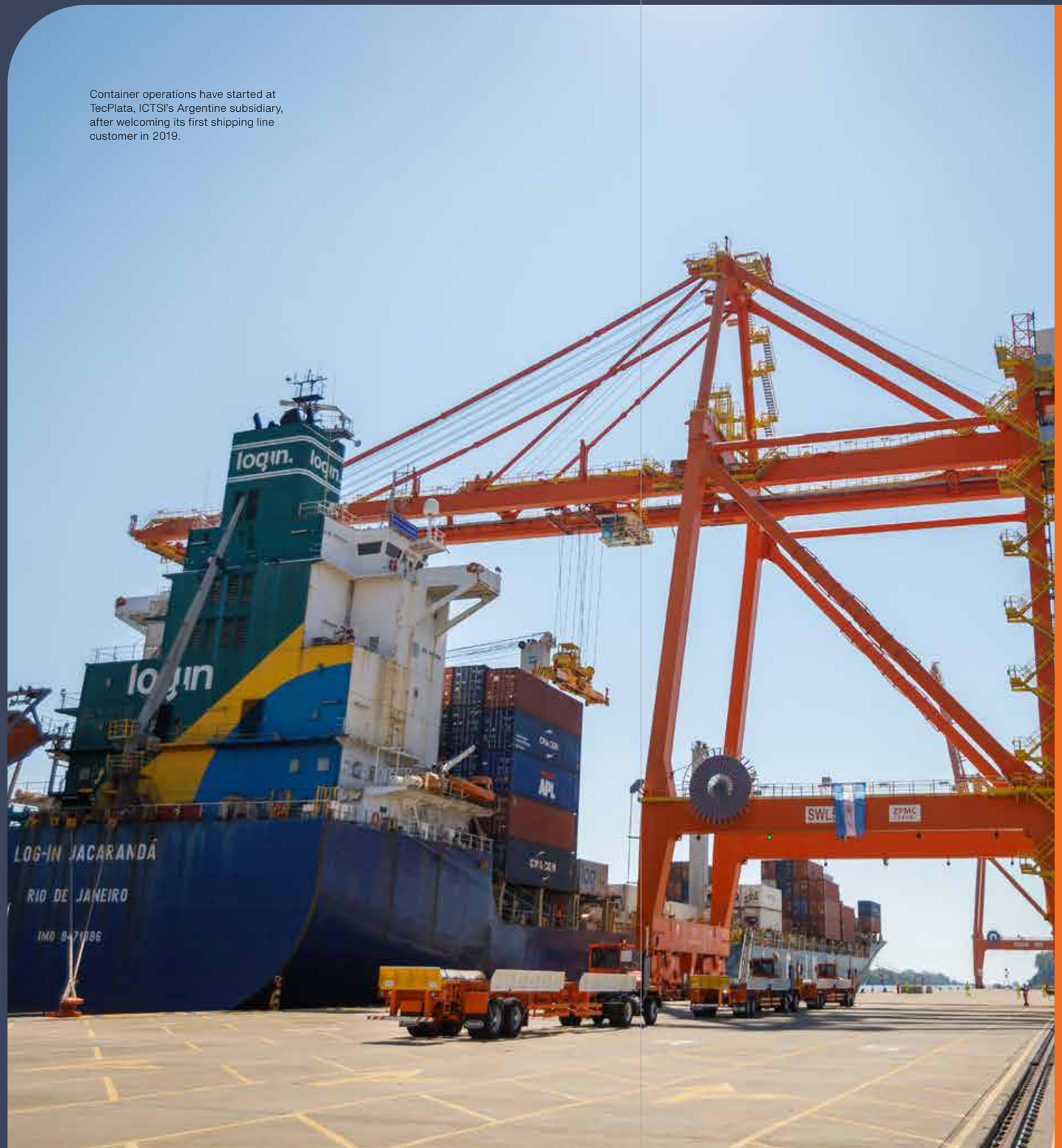
In his more than 25-year service, Rene has seen and experienced firsthand the changes in ICTSI. And he is very proud of this. "If the Company grows, the employees grow as well. I thank God He gave us a good company [to work for]," Rene said. ■



Standing from left: Jerwin Omela, Mario dela Cruz, Richard Cebu, Robert Siendo and Argel Palero
Seated from left: Alejandro dela Cruz and Rene Cebu

Customers

05



Container operations have started at TecPlata, ICTSI's Argentine subsidiary, after welcoming its first shipping line customer in 2019.

Elevating service and stewardship

ICTSI has been at the forefront of providing its diverse customer base with competitive and sustainable service. We demonstrate this on a daily basis with the cargo handling at the core of our activities.

We are passionate about meeting the challenge to continually enhance our product offering for our clients: whether this entails further developing our capabilities, driving up port efficiencies, and innovating to anticipate and respond to our customers' needs.

Moreover, within our premises—whether it is the physical confines of the port complex, or the virtual real estate of our digital assets—we take care of our customers. We value their welfare in terms of health and safety in our terminals, onsite; we safeguard their privacy and steward their data in our applications and sites, online.

Raising the bar at every berth

The Company welcomes each customer to experience the faster equipment turnarounds and overall high performance of ICTSI ports. For its customers—particularly shipping lines—and for the other stakeholders in the port community, ICTSI continuously seeks to enhance its service levels.

Towards this end, the Company's terminals continue to invest in people, upgrade infrastructure and superstructure to increase operational efficiencies, and upgrade the equipment portfolio and terminal systems. ICTSI also continually explores ways of leveraging technology to simultaneously enhance service and reduce adverse environmental impacts.

Offering relevant responses to customer needs

ICTSI focuses on customer needs, and offers relevant solutions. For instance, in 2019, CGSA offered an unprecedented response to customers' needs, facilitating insurance coverage for the highly valued banana trade.

BGT attends IBBC

BGT took part in the Iraq Britain Business Council (IBBC) Conference in Dubai. The IBBC included panel discussions on trends and prospects, and Iraq's transport and logistics. BGT CEO Philip Marsham sat in the panel on "Iraq—Reconstruction and Rebuilding, how to deliver Vision."



Brazil's Tecon Suape annually holds its Porto Seguro program, which aims to increase security awareness for all its external customers, while implementing various safety and health measures for internal clients.

Two prime examples of how ICTSI maximizes technology and innovation: MICT and VICT, which through their truck booking systems—TABS and VBS, respectively—have benefited their customers with more efficient truck movements. In the Port of Manila, MICT has magnified the gains from TABS by sharing the system with MNHPI, which focuses on domestic cargo movements. Complementing these are pioneering moves such as the creation of the container barge option (offered to customers south of Manila) via CGT, and increased synergy among the terminals in the Philippines' Luzon ports cluster, anchored by MICT, and encompassing MNHPI, SBITC, CGT , LGICT, and BIPI.

Fostering a healthier port environment for customers

Group-wide, terminals have put in place management systems to ensure that health hazards are kept in check in all aspects of operations, especially where the welfare of employees, customers, and contractors' personnel is concerned. The ICTSI Group adheres to the pertinent laws and international standards on occupational hazards management in every country where the company operates. The Group allocates financial resources to implement safety and health policies, designed to provide port users with a safe and secure operating environment.

MICT truck dwell time from gate in to last execution

	2018	2019
AVERAGE (in minutes)	**90.57**	**75.69**

SBITC encourages containerization of grain imports

SBITC organized a masterclass to encourage breakbulk grain importers to use containers as an alternative solution that improves their businesses and logistical costs. ■





AGCT invests in “future-proofing”; set to become 1st Northern Adriatic terminal ready for 20,000-TEU vessels



increase capacity to
600,000
TEUs per year

At Croatia’s Port of Rijeka, AGCT embarked on a two-phase comprehensive expansion program that scales up the terminal’s capacity to meet the growing demands of customers.

The program, which started in June 2019 in cooperation with the Rijeka Port Authority, allows AGCT to keep pace with its clients’ requirements, in terms of both ship size and the projected rise in international rail activity.

Scaling-up: The first phase involves dredging 130 meters of quay over Berths 1 and 2 to accommodate vessels with a length overall (LOA) of up to 400 meters.

In the second phase, AGCT foresees additional dredging alongside the 438m of quay to a depth of 16.5 meters.

Setting the bar: Post-expansion, AGCT would become the first terminal in the northern Adriatic able to berth vessels with 20,000 TEUs capacity, maximum LOA of 400 meters, and beam of 50 meters.

Streamlining: AGCT also acquired new Super post-Panamax cranes (with an outreach of at least 24 rows) and, on the landside, new RTGs and prime movers.

AGCT’s rail-yard upgrading features two new RMGs over four rail lines (expanding on-dock rail terminal capacity to 360,000 TEUs annually), bumping up total terminal yard capacity to up to 600,000 TEUs per year. Throughput via rail is set to increase up to a level of 60 percent, further reducing truck dwell time (for both export and import cycles). ■

The ICTSI Advantage

As an independent port operator with no shipping interests, ICTSI offers the same level of service excellence to every port user

As of 2019, the major terminals had existing safety and health programs and regulations that extended to customers. (For MICT, the flagship terminal, Christian R. Gonzalez, Global Corporate Head, approved the IMS for Quality, Environment, and Occupational Health and Safety in September 2019 as part of its continuing commitment to ensure the health and safety of its customers, in accordance with regulatory requirements and ISO standards.) Commitments stated in the IMS Policy are the basis for organizational and departmental objectives which are monitored monthly, with action plans implemented for missed targets, and follow-up reviews done as well. (For example, Brazil’s TSSA annually holds its Porto Seguro program that aims to increase security awareness for all its external customers while implementing various safety and health measures for its internal clients such as clinical examinations, medical follow-up, the provisions of PPEs, and the conduct of training programs.

Providing avenues for feedback and grievances

Apart from putting in place occupational hazard policies, several ports under the ICTSI group set their respective monthly and annual operation targets for customers’ health and safety to maintain a world-class service. ICTSI’s terminals have created a mechanism to proactively review objectives to determine possible loopholes in policy implementation and improve service, especially in cases of missed targets. Through this, the ICTSI group is able to respond by crafting an action plan that would address lapses and improve safe and healthy service for all its clients.

Apart from providing access to different contact points, the major terminals also offer their customers and other port users such grievance mechanisms as complaints submissions through emails, calls, text messages, complaint booklets, and official correspondences. Feedback gleaned from these also form part of the Company’s review process, intended to shape measures for improving customer service in terms of health and safety in the port.

All major terminals assess health and safety impacts on customers along with their improvements in their respective port services: container stripping and stuffing, cargo storage, inspection, weighing, reefers, roll-on/roll-off and anchorage. For its part, MICT, as the flagship terminal, has in place a risk management procedure pertaining to such impacts of services; the procedure involves a Risk Matrix covering Hazard Assessment, Risk Assessment, and Control.

Additionally, the MICT’s commercial team conducts a quarterly survey that provides an avenue for customers to provide feedback on hazards and risks in its port operations and how such concerns are addressed. For the year in



Customer Satisfaction Survey
(MICT, 2019)

91.11%
Average satisfaction rating for 2019
Based on MICT Commercial Team quarterly surveys from Q1 to Q4, covering customer satisfaction on truck serving time, payment processing, and customer assistance.

Fecomércio delegates visit Tecon Suape

Tecon Suape hosted a delegation from the Alagoas Federation of Goods, Services, and Tourism (Fecomércio) for a technical meeting and tour of the port’s facilities. The Fecomércio executives explored expansion prospects, particularly in import trade. ■





Above: CMSA reaches its first year-to-date 4 millionth TEU

Left: SPIA serviced the 14,436 TEU vessel MSC Faith, the largest ever to dock in Colombia.

MICT's online payment facility ups the convenience factor

The terminal continues to offer alternatives for transacting more conveniently, such as through the ACTS Online Payment facility. Leveraging strategic partnerships with accredited leading banks, the facility allows MICT customers to pay port charges online, 24/7. Of the total 159 registered (client) companies, an average of 8.75% availed of the online payment option in 2019. ■

CMSA reaches 4 Million TEUs

Reaching new heights

Mexico: At the Port of Manzanillo, CMSA reached its first-ever 4-million TEU volume.

Ecuador: CGSA raised the bar of its operational benchmark after servicing the largest ship to dock in the South American country: the 10,010-TEU neo-Panamax CMA CGM Cochin, which services the Ecuador-Asia route.

Philippines: MICT kept its yard utilization level at record lows, driven by the fast-tracked movement of overstaying import containers, and supported by favorable government policy directions that address container backlogs.

Mexico: CMSA and SPIA serviced their biggest client to date as the 14,436-TEU vessel MSC Faith (a 366-meter long neo-Panamax boxship) made its maiden calls at Mexico's Port of Manzanillo and Colombia's Port of Buenaventura, respectively.

Croatia: AGCT posted two records as it serviced its largest ship (the 353-meter 15,226-TEU Maersk Hamburg) and breached the 100,000-TEU milestone level faster than its previous record.

Iraq: BGT set a new project cargo benchmark in Umm Qasr after servicing Weatherford rigs 827 and 830 that had a combined weight of 22,000 freight tones, the heaviest volume handled by the port.

Georgia: BICT hit its 100,000-TEU mark after servicing the MSC vessel Gozde Bayraktar.

D.R. Congo: MGT underscored its economic value to clients after successfully servicing the 2,500-TEU Safmarine Nuba, the first vessel with such capacity to dock in the country. ■

review, there were no reported customer-related complaints within the eight major terminals, whether in terms of customer health and safety hazards, or in relation to unsatisfactory service.

Ensuring responsible data stewardship

ICTSI is continuously investing in stringent data privacy protection systems, in line with specific regulatory frameworks in the countries of operation. For instance, in Brazil, TSSA widely communicates its information security standard (Information Security Standard NR-TI-01) to bring awareness about the policy and to ensure full compliance from everyone who uses their IT resources. The major terminals also continuously invest in their IT system to further improve protection against data breaches and threats.

Target: Zero data breaches

Most of the terminals under the ICTSI group have also set goals and targets to ensure data privacy in line with regulatory and mandatory requirements. For instance, TSSA in Brazil has started adopting a new law, the General Law for the Protection of Personal Data, or PLC 53/2018), which requires websites and public and private establishments to secure the authorization of citizens/users to use personal information accessible on such sites and establishments. The adoption is aligned with TSSA's goal of "zero (rate of) non-conformity," that is, ensuring zero violations of customers' data privacy rights. For its part, OPC has notably initiated data privacy systems to protect the company's information, its employees, and its customers through its IT policies, even as laws on data regulation are not yet implemented in Honduras, its country of operation.

Some of the Group's major terminals have a grievance mechanism that allows their customers to easily report data breaches. This system also allows these major terminals to immediately act upon reported data-related problems aired by their customers. The Commercial Team handles grievances and problems relayed by their customers regarding data/personal information security and privacy. ■

MICT offers more digital advantages with TABS Booking by Block

In 2019, MICT further upgraded its pioneering and award-winning Terminal Appointment Booking System (TABS) by enabling the Booking by Block feature. With this functionality, available zones for booking can be matched to available equipment in the yard; consequently, more slots can be added to the available zones, while trucks can be served even more quickly, on, as equipment are ready to serve them.

The launching of this feature drove down truck dwell time of the MICT. ■

Luzon ports highlight value-added services

The ICTSI Commercial Team, spearheaded by its Sales & Marketing arm, conducted roadshows in Luzon for the benefit of businesses and locators in Batangas, Laguna, Cavite, and Manila. The roadshows presented ICTSI's portfolio of Luzon terminals and updates on their development plans, along with the value-added services that each terminal can offer to meet the specific requirement of customers. ■



The gold standard amid growing demand

Expanding facilities and upgrading equipment

DR Congo

■ MGT started its $100-million second phase improvement program. Aiming to more than double the port's annual throughput capacity to 400,000 TEUs, MGT seeks to become the nation's most competitive and efficient gateway.

The expansion works included quay extension, terminal yard widening, the installation of a state-of-the-art TOS, and acquisition of new port equipment.

Georgia

■ BICT kick-started its capacity expansion—encompassing both the waterside and landside areas—to 200,000 TEUs, to optimize the processing of existing cargo flows and to accommodate new businesses.

Philippines

■ Keeping with its stature as one of the world's best, flagship MICT acquired a new quay crane (QC) and eight new hybrid RTGs, increasing its total fleet to 18 QCs and 55 RTGs. MICT now has the Philippines' largest and most advanced container handling equipment iin the country.

■ SBITC started using its innovative flat rail system (which improves loading efficiency), and successfully loaded a brand-new catamaran on a CMA CGM vessel.

■ In Mindanao, MCT's modernization and capacity improvement plan encompassed equipment upgrades (such as the purchase of 10 tractors and 10 terminal trailers), the adoption of a new TOS, and the introduction of a more customer-centric service approach. The ongoing program supports the vision of MCT as a premiere international gateway in the region.

Enhancing systems and software

Australia

■ To ensure the highest productivity levels, VICT tapped cargo handling solutions provider Kalmar to deliver maintenance and support services for the OneTerminal automated solution.

Pakistan

■ PICT rolled out its web- and data-based electronic delivery order (EDO) system that improved the port's efficiency by reducing manual processing time and paper use, while enhanced security in transactions. The EDO enables shipping lines to directly communicate delivery orders to their importers and to PICT. For added convenience, PICT launched a smart phone application that gives clients key business information—container status, vessel schedules, billing services—at their fingertips and while on the go. ■



Sustaining stakeholders' synergy



MCT hold its first ever stakeholder forum in 2019

Enhancing client relationships

Philippines

■ In Mindanao, MCT held its first stakeholder forum to brief customers on the terminal's current and future technological and infrastructure improvements. During the forum, a memorandum of understanding was signed between the MCT, BOC, Gold Sun Cargo Examination Services Corp., Chambers of Customs Brokers, shipping lines, and PHIVIDEC Industrial Authority to ensure smooth logistics operations.

■ In Cavite, CGT hosted a forum on Trade Facilitation Initiatives in Southern Luzon. The forum, graced by officials from the Philippines' Department of Trade and Industry, Bureau of Customs, and the Cavite Economic Zone, centered on how CGT's operations provide the region's importers and exporters an alternative means to transport their cargo to and from the MICT. CGT's customers gain from the reduced travel time and lower logistics costs.

Pakistan

■ PICT hosted a dinner for top executives of shipping lines and other clients to improve bilateral relations and further advance partnerships with port users and other stakeholders.

Mexico

■ CMSA hosted a breakfast meeting for partners and representatives of Unión Transportista de Carga de Manzanillo (UTCM) and Cámara Nacional del Autotransporte de Carga (CANACAR). Apart from enabling UTCM and CANACAR to discuss their needs, CMSA explored ways to strengthen the business relationships and synergies, and presented the terminal's expansion plans and answered questions from stakeholders.

Expanding network connectivity

Croatia

■ AGCT welcomed the new Rijeka Land Sea Express, a weekly vessel and intermodal service linking Rijeka to Central European countries.

Pakistan

■ In cooperation with Pakistan Railways, PICT launched a dedicated rail cargo service connecting the cities of Karachi and Lahore. The new rail service fast-tracks the transport of goods and reduces shipment costs for clients.

China

■ YICT welcomed the launch of the weekly feeder service DBR Japan. The service connects the Chinese ports of Yantai, Dalian and Rizhao to Japanese ports of Osaka, Tokyo Yokohama, Nagoya and Yokkaichi..

■ After several successful ship calls to YICT, Tsingshan Steel Group decided to establish the Port of Yantai as its base of export operations to Indonesia.

Argentina

■ TecPlata, Argentina's most modern container terminal, commenced operations with the maiden call of the 218-meter boxship Log-In Jacarandá. Based on TecPlata's deal with Brazilian shipping line Log-In, the vessel makes fortnightly calls to the terminal as part of Log-In's additional service in Buenos Aires.

■ Benefiting from TecPlata's advantages—its strategic access to sea lanes and its congestion-free facilities, among others—state-owned energy firm Yacimientos Petroliferos Fiscales and the Argentine subsidiary of Dow Chemicals signed agreements with TecPlata for cargo handling and import-export services. Both companies operate several facilities in greater Buenos Aires, which hosts a bustling petrochemical industry. ■

ICTSI, BGT hold golf invitationals

Over 116 client-guests and company executives from different industries participated at the 28th ICTSI Invitational, the richest corporate golf tournament in the Philippines.

Basra Gateway Terminal (BGT)and Pakistan International Container Terminal (PICT) also co-organized a golf tournament in Dubai for their respective clients, with 32 players taking part in the annual event. ■

AGCT installs remote switch for quay crane lights

AGCT successfully installed a remote crane lights switch system. The new system streamlines and facilitates the switching on of crane lights, particularly as vessels approach the berths. ■

Society

06



Now on its fourth year, CMSA's Carrera Contecon has provided not only prescription glasses to low-income children, but also created equal opportunity for the marginalized and vulnerable in Manzanillo.

Catalyzing and supporting community development

Beyond building high performing container terminals under the aegis of port privatization partnerships with governments, ICTSI forges development partnerships that directly impact the lives of people in the communities where their ports are located.

We have long embraced the call for the corporate sector to become increasingly on-ground and active partners in the development of communities and sectors.

We have been engaged in community work from the earliest days of our corporate life, including through volunteer work done by the staff at our various terminals. And, since 2009, the ICTSI Foundation, our official Corporate Social Responsibility (CSR) arm, has been maximizing opportunities to make a strategic difference: whether as proponent, implementer, funding agency, technical resource, or via other roles. We have also actively collaborated with government agencies, local government units (LGUs), and nongovernmental organizations (NGOs), such as Philippine Business for Social Progress (PBSP), one of our long-running partners in the Philippines, where ICTSI was established.

When ports and people partner for change

Under the larger vision of Good Global Citizenship, our work to effect change in communities and to support youth development runs along four tracks: via initiatives of ICTSI Head Office or Global Corporate, the subsidiaries (terminals); the ICTSI Foundation; and, more recently, starting in the Philippines, the ICTSI Employee Volunteerism Program (IEVP).

On a sustained and ever-widening scale, ICTSI terminals—spread across six continents—are either initiating, continuing to implement, or collaborating with other parties to support causes that can directly and immediately bring benefits to their host communities.

One notable example is MICT, which has long had development projects in the Parola area, the terminal's host community. Beginning 2017, MICT established its own Sustainability Development Unit or SDU, to initiate and oversee projects benefiting MICT host communities, particularly projects by the Parola Inter-Agency Network or other partner organizations.

On the other hand, the ICTSI Foundation was put up ten years ago as part of the Company's commitment to not only offer the world the best possible port facilities and services, but more so to give back to the people who have welcomed them into their lives.

As the corporate social responsibility arm of ICTSI, the ICTSI Foundation has pushed for youth development along three pillars: Education, Sports, and Community Welfare. Initially focused on the communities where ICTSI operates in the Philippines, the Foundation seeks to eventually provide these support or assistance mechanisms to youth in host communities across the Group's global organization. It has, in recent years, also done much in the realm of livelihood, humanitarian assistance, and disaster response.

For the year in review, 100 percent of ICTSI operations—all 31 container terminals, in all regions of operations—had local community engagements, impact assessments, and development programs. Many of these were ongoing long-term commitments, while several



Children from the port's host communities use the bags donated by ICTSI South Pacific on their way to school.

Operations with local community engagements, impact assessments, and development programs

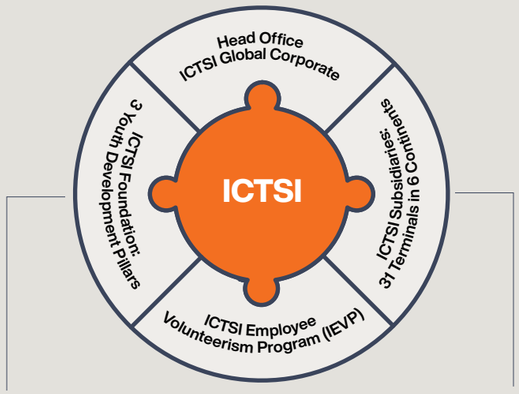
100%

Note: Target and Performance shown are not limited to the eight major ports, but refer to all operations, i.e., the 31 terminals in Asia Pacific, the Americas, and Europe-Middle East-Africa.

General mechanism for community relations



ICTSI 4 tracks for increasing impact



Supporting selected causes and sectors

Focused on programs and projects in education, sports, and community welfare

Providing humanitarian assistance to selected partners

Supporting 31 host communities

Providing assistance in the areas of health and sanitation, peace and order, education, livelihood; and, disaster relief, response, and preparedness



Transforming lives, one volunteer at a time

ICTSI Employee Volunteerism Program (IEVP)

ICTSI employee-volunteers strive to create impact towards individuals, families, and communities across the globe.

were recurring periodic initiatives.

In 2019, the Foundation marked its 10th year of existence: a fruitful decade of helping realize impactful community initiatives in the host communities and hinterlands of the terminals in Manila, Batangas, Cavite, Davao del Norte, Davao del Sur, Laguna, Misamis Oriental, South Cotabato, and Zambales. The Foundation has also been actively assisting the terminals located outside of the Philippines in researching, crafting, and implementing similar projects in their respective host communities.

All these efforts are geared towards making a difference in the lives of people in the ports' surrounding communities, and in the process, making then lifelong partners in sustainable and inclusive development.

In 2015, a major program further entrenched and expanded the role of volunteers, with the launch of the ICTSI Employee Volunteerism Program (IEVP). The move formalizes and strengthens MICT's long-running tradition of employee volunteerism, and provides an additional avenue for making a difference, especially through the various IEVP outreaches to different sectors. In the Philippines, a total of 281 IEVP volunteers reached out to impact lives, as they embarked on outreaches to six partner-beneficiary groups.

Support for IP communities

The Company has a long-standing commitment to respect the rights of Indigenous People (IP) groups or communities.

In both the Philippines and in Papua New Guinea (PNG), ICTSI—primarily through the ports, and the ICTSI Foundation—continued to deliver an array of support mechanisms and resources to assist IP communities. The comprehensive programs, particularly those ongoing in PNG in 2019, covered the areas of infrastructure for health (for potable water and sanitation systems), education (resource grants for learners), peace and order/public safety and security, and livelihood opportunities.

In the year in review, zero incidents of violations involving the rights of indigenous peoples (IP) were noted.



ICTSI South Pacific ramps up aid to PNG communities

New police station in Malahang and Omili: As part of efforts to help maintain a solid and effective law and order program in the community, ICTSI South Pacific and the ICTSI Foundation extended assistance to the Lae police force by donating two new police stations for the Malahang and Omili communities in Lae, part of South Pacific International Container Terminal's industrial hinterland.

Both police stations, complete with their own work stations; separate cell blocks for men, women and juvenile deliquents; wash rooms; and other facilities, represent ICTSI South Pacific's contribution to improving the lives of its impacted communities with strong peace and justice institutions. A women's desk was likewise put up to encourage female victims to seek assistance and file complaints.

School bags for children: ISPL continued to promote education and learning by distributing more than 5,000 school bags and reading materials. In Port Moresby, ICTSI PNG Palais, the country's national women's rugby team sponsored by the Company, joined Motukea International Terminal employees in distributing school bags to communities in the Baruni and Tatana villages. In Lae, SPICTL extended help to children in the far-flung island communities of Labu and Ahi Village.

Mr. George Gware, SPICTL General Manager, aptly described the importance of providing the youth with education, "Education is the great equalizer...By helping them achieve proper education, we are enabling them to become progressive members of society. We shall be here to support the youth with projects that would help make learning easier and accessible to them."

New buses for spin-off business: In support of the initiatives of land-owner communities at the Baruni and Tatana villages to kickstart local business opportunities, ICTSI South Pacific purchased three coaster buses for Noho-Mage Holdings Ltd.—the villages' registered and recognized landowner group – and will be used in transporting local workers to and from Motukea International Terminal (MITL).

Shared benefits for impacted communities: In 2019, the Noho-Mage Holdings Ltd., which represents ICTSI's Tatana and Baruni host communities in Port Moresby, completed its acquisition of a 30 percent stake at Motukea International Terminal Ltd. (MITL) – ensuring that the port grows alongside the communities around it. Mr. Anil Singh, ICTSI South Pacific Chief Executive Officer, envisions that with this partnership, Noho Mage would be able to generate more wealth for its people, for the collective benefit of generations to come.

In addition to the shareholder agreement, ICTSI South Pacific has also committed to provide the land-owners with financial literacy, social and professional skills development training. Mr. Singh likewise reiterated ICTSI's commitment to send high potential workers from Baruni and Tatana to be trained as marine pilots and port engineers as part of the company's long-term skills development program for local partners. ■

School Bags for Children

For the Island Communities of Labu and Ahi Village

5,000
School Bags and Reading Materials

For the Barumi and Tatana Village Community

700
School Bags

ICTSI Foundation, Project Liwanag power Aeta communities with renewable energy

ICTSI Foundation partnered with Project Liwanag—a non-profit organization committed to improving the lives of indigenous peoples through sustainable projects—in bringing electricity to two (2) Aeta communities in Capas, Tarlac using solar energy.

The Memorandum of Agreement signed by ICTSI Foundation, Project Liwanag and the National Commission for Indigenous Peoples (NCIP) for the Communal Micro-grid Solar PV Electrification Project benefited 140 families in Sitio Malalabatay and Sitio Alunan-Purok 3 in Barangay Sta. Juliana.

In support of Project Liwanag's Balik Kalikasan Project, 45 employee volunteers from the IEVP helped plant 1,000 seedlings in over two hectares of land in Sitio Bunga (also in Capas), at the ancestral domain of the PAGMIMIHA Aeta Federation. ■



SPICTL, ICTSI Foundation, PNG landowners celebrate fruitful partnership

The South Pacific International Container Terminal, Ltd. (SPICTL), ICTSI's subsidiary that operates the Lae Port in Morobe, Papua New Guinea, capped off 2019 with three major projects that continue to showcase ICTSI's commitment to its corporate social responsibility (CSR) through its successful partnership with the local communities.

The SPICTL and the ICTSI Foundation held an appreciation party to honor the leadership of the AHI and Labu villages, whose communities are the beneficiaries of the three CSR projects, namely: the turnover of the new police station and two patrol cars to the Malahang community; distribution of school bags to six AHI and four Labu villages; and the groundbreaking for the second police station for the Omili community.

The get-together also promoted a deeper sense of camaraderie through fun teambuilding activities, as well as a taste of Filipino culture through a "boodle fight" and a karaoke session. ■

Education

ICTSI Foundation scholarship

3
International Scholars
supported, in partnership with Northeastern University in Boston, Massachusetts, USA

Local Scholars

80 College
50 High School

Locations/port hinterlands:
Manila; Bauan, Batangas; Olongapo, Misamis Oriental, General Santos, Davao

IEVP Scholars

4
Children of rank and file employee as supported by confidential employees

ICTSI Foundation educational assistance

Technology and Livelihood Education (TLE)

2,967 Students
49 Teachers

4
Locations: Bauan, Batangas; Gen. Santos City, South Cotabato; Tagoloan, Misamis Oriental; Tagum City, Davao del Norte

My Reading Nook (School Library Improvement Project)

2,252
Elementary school students served through construction/ renovation of reading rooms or libraries, provision of age-appropriate reading and reference materials, and storytelling sessions

Alternative Learning System

414
ALS students

3
Teachers supported in Davao City

Project AIDE (Support for Day Care Education)

1,814
Day care children served with improved facilities, educational/instructional materials, and daycare workers' professional development

42
Barangay-based day care center supported

4
Locations: Morong, Bataan Bauan, Batangas; Calamba City; Olongapo City

Special Education (SPED) Assistance

264
Children with special needs served/assisted in Olongapo City, Calamba City, Davao City, Gen. Santos City

ICTSI Foundation-sponsored Training and Capacity-Building

Project TEACH (Teacher Enhancement and Capability Honing)

534
High school and day care teachers trained in Manila, Calamba, Tanza, Misamis Oriental

Education

ICTSI's Education thrust cover scholarship grants and other forms of educational assistance to deserving youth; and, skills and livelihood training to out-of-school youth and other sectors of selected communities. Also covered are ICTSI Foundation-sponsored training and capacity building activities for teachers/teacher-trainors; and, resource grants for schools for facilities upgrading and the like.

There are three available scholarship programs. The Local Scholarship Program provides funds for daily allowance (meals and transportation), uniforms, shoes, school supplies, tuition and other authorized high school and college fees, among other educational expenses. Under the International Scholarship Program, ICTSI offers fund provision and management for college scholars' tuition, miscellaneous fees, books, clothing, dormitory fees, and travel and meal allowances; these scholars are given the opportunity to take up college at the ICTSI Foundation's partner, Northeastern University in Boston, USA. A more recent addition to the portfolio of scholarship programs is the ICTSI Employee Volunteerism Program (IEVP) Scholarship Program, wherein ICTSI confidential employees voluntarily provide educational support to selected children of ICTSI's on-call and rank and file employees.

Under the Technology and Livelihood Education (TLE) Assistance Program, the Foundation supports the Philippines' Department of Education (DepEd) in its implementation of the K-12 curriculum. The Foundation helps upgrade their partner public schools' technical-vocational programs by renovating TLE laboratories and providing equipment and tools.

Daycare centers receive support via Project Assistance to Improve Daycare Education (AIDE); the support comes in the form of facilities improvement, professional development opportunities for daycare teachers, and provision of reading materials and manipulative toys (used for honing fine motor and other skills in very young learners).

My Reading Nook seeks to improve partner public schools' libraries through renovation and the provision of storybooks and updated references, and storytelling workshops for elementary school teachers. Similar emphasis is given to teacher-training by the Foundation's Project Teacher Enhancement and Capability Honing (Project TEACH), with particular focus on "Better Teaching Through Strong Character Formation" for public school and day care teachers.



ICTSI, through the Foundation, also assists the partner public elementary schools in their implementation of the DepEd Special Education Program; moreover, the Foundation also supports the DepEd's Alternative Learning Systems (ALS) that benefits learners who quit formal schooling due to poverty and other personal reasons.

From scholars to contributors to society

The ICTSI Foundation's educational scholarship program continues to empower and inspire deserving youths to finish their studies and help their families by becoming productive members of society. For 2019, a total of 37 scholars completed their college degrees, with four of them finishing at the top of their class and graduating with Cum Laude honors. The rest of them are now gainfully employed, with one of them working at the billing department of the Mindanao Container Terminal in Tagoloan, Misamis Oriental.

Among the 50 high school scholars, 47 of which were academic excellence awardees in their respective schools; as well as 45 junior high school scholars moving on to Grade 11, three moving on to Grade 12, and two special education scholars moving on to Grade 11 and 12. ■



Anchored on education, charting a better future

Over the years, the Foundation has succeeded in giving scholars the opportunity not only to excel, but more important, the chance to chart for themselves a better, brighter future. One of these scholars is Shellou Grace Salcedo, who not only graduated with a bachelor's degree in Accountancy, but with Cum Laude honors as well. As she put it in her thank you letter to the Foundation, "My life will never be the same. I have changed, and will constantly change for the better. ICTSI was the greatest catalyst for this change. In time, I will be an advocate of making a difference in the lives of many."

John Lenard Rivera became ICTSI's newest international scholar through its scholarship program with Northeastern University in Boston, Massachusetts, where he is a Dean's Lister pursuing a Civil Engineering degree. ■



Above: ICTSI international scholars—Marlito Soriano (Accountancy major) Charmille Colleen Dizon (Geology major) John Lenard Rivera (Civil Engineering major)

Left: Coleen Dizon participates in a co-op (cooperative education) activity, an experimental learning program as part of her curriculum at Northeasthern.

ICTSI-MICT Sustainability and Development Unit assistance

The ICTSI-MICT Sustainability and Development Unit (SDU) also supports inclusive and quality education for students in the Parola community.

During the year in review, the SDU supported: 30 students of the Alternative Learning System in partnership with Puso sa Puso Edukasyon, Inc.; six students of the Electro-mechanical Technology short-course at the Fr. Pierre Tritz Institute Educational Research and Development Assistance (ERDA) Tech; and, 15 senior high school students in partnership with ERDA Foundation.

Also, ICTSI-SDU, through its Parola Inter-Agency Network (PIAN), provided capacity building activities to its member organizations. The activities focused on: Program Development, Implementation, Monitoring, and Evaluation (attended by eight organizations); and Resource Management and Fund Raising (attended by 9 organizations).

ICTSI-SDU also ensured that inclusive education can reach a wider audience, and help advance gender responsiveness. In 2019, the SDU (together with Center for Community Transformation and ERDA Foundation) helped 20 mothers from the Parola community with training on becoming "Leader Mothers" in the areas of maternal, newborn, and child health and nutrition. (This strategy was adapted from the Samaritan's Purse Philippines' Mother-to-Mother Support Group program.) ■

Sports

Under the Sports thrust, ICTSI, primarily through the ICTSI Foundation, seeks to develop young athletes for participation in national and international sports competitions.

On the other hand, ICTSI ports have also been actively exploring opportunities to support athletes and sport enthusiasts in their host communities. The activities range from football to marathons to rugby, depending on the sporting priorities of the port communities.

Supporting team effort in sports

ICTSI South Pacific-backed PNG Palais national women's rugby team won the bronze medal at the recent South Pacific Games in Samoa, bringing great pride to the people of Papua New Guinea.

The company vows to continue support the talented and hardworking players of Palais as they compete and take PNG rugby to new heights.

ICTSI South Pacific also organized a two-day sports camp for 200 female students from impacted communities and neighboring schools in Lae. The camp aims to promote capability-building and gender equality among the youth through sports. ■

Philippines' 1st Cerebral Palsy (CP) football national team

In partnership with the Henry V. Moran Foundation, ICTSI Foundation funded the training of the athletes comprising the Philippines' first ever CP Football National Team. The 12 CP Football Athletes were preparing to represent the country in the ASEAN Para Games, slated March 2020 in Clark. ■

Sports

ICTSI Foundation support for young athletes

Amateur golf

Supported amateur lady golfers Yuka Saso, Mafy Singson, Tintin Toralba, Ace Superal, and Arnie Tanguines

Provided for training needs (coaching, physical fitness, equipment, uniforms, homeschooling/ academic scholarship, participation in local and international events

Cerebral Palsy (CP) football Philippines

Support for the Philippines' 1st national team of 12 CP Football Athletes





Community Welfare

ICTSI Foundation programs and projects in Philippine communities

Parola Solid Waste Management Project

70,000
Direct and indirect beneficiaries

78
Volunteer Parola Eco-Patrols directly benefiting, and leading the change

6
Years running

6
Stakeholder groups and partners for effective

2
Communities served in the Manila ports' environs: Parola and Isla Puting Bato

Medical Assistance

Donation of 2D Echo Ultrasound Machine to the Kabaka Foundation, Inc.'s Kabaka Clinic, which caters to indigent Manilans

Partnerships for the provision of free medical services: ICTSI + Local Health Units/Municipal Health Offices

6
Additional beds that can be accommodated upon ompletion of the donated new building for the Apalit Christian Community Health Center

1,107
Beneficiaries from Manila, Laguna, South Cotabato, and Misamis Oriental

Livelihood and Financial Literacy

3
Vital topics covered: entrepreneurship, budgeting, saving

3
Partners: Parola Inter-Agency Network (PIAN), MICT, Department of Trade and Industry

121
beneficiaries: residents (from Gen. Santos, Beneficiaries of skills training

37
Trainees in Small Business/ entrep- reneurship

49
Trainees in Financial Literacy

Batang Parola, Batang Masigla Feeding Program

5
Days/week

120
Days

Complete meals for malnourished children in Manila's Parola community

Community Welfare

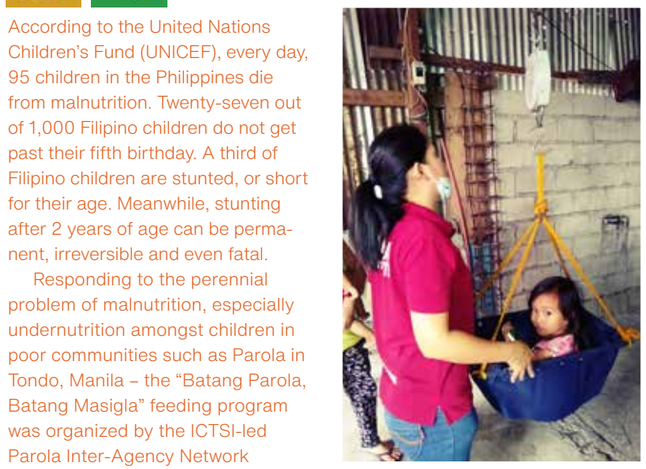
Implementing community welfare or social services to address needs of identified or selected communities or other beneficiaries, the ICTSI Foundation initiates and/or supports programs and projects in health and sanitation, livelihood, and peace and order, among others.

Prior to the design and implementation of Community Welfare programs and projects, ICTSI (usually through or with the assistance of the Foundation) conducts multisectoral impact consultations together with local communities. At the level of any subsidiary terminal, a port head (such as the General Manager) would coordinate with community leaders for the convening of a community meeting.

Monitoring mechanisms are also established, in collaboration with the communities, facilitating the gleaning of feedback and the crafting of appropriate responses. ICTSI maintains a broad range of approaches for engaging with communities and people groups. These include: direct communication with communities; quarterly consultations with them, with government agencies and partners also in attendance; fora with partners; project assessments; and, ad hoc discussions with stakeholders.

For communities, major areas of concern include livelihood, health and sanitation, education, shelter, and overall community development.

Fighting malnutrition at communities close to home



According to the United Nations Children's Fund (UNICEF), every day, 95 children in the Philippines die from malnutrition. Twenty-seven out of 1,000 Filipino children do not get past their fifth birthday. A third of Filipino children are stunted, or short for their age. Meanwhile, stunting after 2 years of age can be permanent, irreversible and even fatal.

Responding to the perennial problem of malnutrition, especially undernutrition amongst children in poor communities such as Parola in Tondo, Manila – the "Batang Parola, Batang Masigla" feeding program was organized by the ICTSI-led Parola Inter-Agency Network through the MICT Sustainability and Development Unit (SDU).

In partnership with the non-government organization Center for Community Transformation (CCT), 20 children were given nutritious meals while their individual weights were monitored on a monthly basis. Parents also received health and nutrition sessions to ensure that they can reinforce the activity at home.

At the conclusion of the six-month program last August 2019, 14 out of the 20 severely-underweight children were able to reach normal body-mass index (BMI) appropriate for their age. For the six who still did not reach the normal weight, multivitamins were administered and will be included in the 2020 run of the program. ■

MGT turns over renovated facilities to Kiamvu Hospital

Matadi Gateway Terminal (MGT) continued to fulfill its commitment to help provide the local communities with better medical care by funding the renovation of the delivery and neonatology rooms of Kiamvu Hospital. MGT turned over the facilities to His Excellency, Nestor Madiangu, Provincial Minister of Health and Education, who thanked MGT and the private sector for supporting government's efforts to improve the health condition and education of the women and children in Matadi. ■

'Where sight ends, vision begins'

Children who are visually impaired can do virtually all the activities and tasks that sighted children can do, but they often need to learn to do them in a different way or using different tools or materials. To support the educational and daily needs of the visually impaired at the Philippine National School for the Blind (PNSB), a government-run school with dormitory facilities — the ICTSI Foundation extended assistance by donating JAWS® (Job Access With Speech), a computer application developed to help them read the screen through text-to-speech or a refreshable Braille display.

Also as part of the ICTSI Employee Volunteerism Program (IEVP), employees from the Manila flagship shared a day of music, fun and laughter with the blind — bringing along them 12 sacks of rice; personal hygiene kits, and grocery packs.. ■

Supporting maternal health with ultrasound

The major causes of maternal and neonatal mortality in the Philippines are hemorrhages and obstructed labor due to placental implantation abnormalities (PIAs), twin pregnancies and fetal malpresentations — all of which can be easily detected by ultrasound. While the procedure is more common nowadays, pregnant women in the lowest-income groups still do not have access to ultrasound during their prenatal care.

In 2019, ICTSI Foundation led the donation of ultrasound machines with 2D Echo capability to Kabaka Foundation for its community clinic, pharmacy, laboratory and diagnostic center, catering the poorest residents of Manila. Also in partnership with the Ateneo School of Medicine and Public Health, refresher courses were given by the Foundation to barangay health workers (BHWs) of San Nicolas, Binondo, and Parola communities to better serve indigent women during a critical stage of their pregnancy.. ■

Actively advocating community welfare, across the globe

ICTSI embarked on several projects in some of its major ports – all aimed at providing host communities with safe and healthy working and living environments.

Contecon Manzanillo (CMSA) has been, for the last four years, holding its annual Carrera Contecon race that provides prescription glasses to thousands of schoolchildren from low-income families. "We are hopeful that these glasses will help improve the academic performance of children in Manzanillo and Colima," said Mr. Cesar de la Vega, CMSA Human Resources Director, who led the turnover at the Ramona Olivera School in Miravelle II, together with local officials and representatives from the youth and private sectors.

More than 2,000 runners took part in the 2019 run—261 of whom were children, and 55 handicapped persons, including those with dwarfism. Mr. Jose Manuel Moreno of Great Small People Foundation of Mexico, AC, thanked Contecon Manzanillo for "successfully opening a great door of opportunity for us through visibility, respect, and inclusion. The Foundation provides support to persons of low stature caused by bone dysplasia or other medical conditions.

Barely a year after building a police station in Malahanag, ICTSI South Pacific Ltd., in partnership with the ICTSI Foundation, donated yet another police station this time in Omili, a suburb in Lae, Morobe. Costing PGK505,000, the new station will have separate cell blocks for men, women, and juveniles, an ablution bloc, and fully-furnished offices. It will be built by local contractors to engage community members and ensure that the money goes back to the community, along with the human capital investments that goes with the construction.

Matadi Gateway Terminal (MGT) released its inaugural social report on efforts and contributions to the city of Matadi in Central Kongo.

Mr. Erick Zaghombila, MGT Administrative Director, presented the report to state authorities and partner-stakeholders in Kinshasa and Matadi, stressing: "We will further enhance our efforts for better cooperation and mutual development with all stakeholders."

Recognizing the vital role that it plays in caring for children with autism, Basra Gateway Terminal (BGT) donated appliances to the Autistic Children's Rehabilitation Center in Umm Qasr. Founded in 2003 by several female workers with the help of the Umm Qasr City Council to support autistic children through early learning programs, the center is the only institution for children with special needs outside Basra and is primarily funded by parents and the community. ■



Fourth Carrera Contecon



PICT steps up the fight against Thalassemia

Among ICTSI's top priorities is ensuring the health and wellbeing of the communities in and around the areas where their ports are located worldwide. A recent program was the blood drive and awareness seminar organized by Pakistan International Container Terminal (PICT) about Thalassemia, a blood disorder that causes the human body to produce less hemoglobin than normal.

PICT has been working with the Afzaal Memorial Thalassemia Foundation (AMTF)—which has been at the forefront of the fight against this disease for more than a decade now by providing world-class treatment for free to patients with Thalassemia and other blood disorders. ■

CMSA advocates for peace and harmony in the community

To promote peace and harmony in its community, Contecon Manzanillo (CMSA) met with the city council of Manzanillo, as well as private business and educational institutions, and partner government agencies to discuss collective efforts toward this shared objective.

Convive Manzanillo. Responding to the issue of abuse of and violence against women, CMSA launched Convive Manzanillo, a three-month program focused on empowering and training 30 women in a strategic area, helping humanize and dignify their spaces, and improve their quality of life. Convive Manzanillo will work to help advance women's personal, social, and professional growth via a series of workshops and talks designed to empower the women and ultimately, help rebuild community trust.

Toys for Peace. In celebration of the second Cambalache Children's Day for Peace, CMSA donated 100 educational toys – asking children to give up their "war toys" in exchange for toys that would encourage creativity, stimu-late their imagination and promote a culture of peace among families in the community. ■

Better partnerships for more inclusivity and sustainability



As the CSR arm of ICTSI, the ICTSI Foundation is prepared to take on roles in order to maximize resources and skills in various contexts, for projects and programs initiated or supported by the ICTSI Head Office, ICTSI subsidiaries, other organizations, or by communities or sectors. These roles range from proponent, to partner, to funding institution, implementer, or coordinator. In 2019, the Foundation marked its 10th year of existence with a variety of programs and projects.

Bringing holiday cheer has been a Christmas tradition for the ICTSI Foundation for the past four years—with gift-giving and outreach activities for 20 institutions within ICTSI's host communities. The Foundation not only distributed food packages, clothes and toys to more than 1,500 beneficiaries, but also gave hygiene kits and toiletries to care-giving institutions.

A total of 250 children wrote their ardent personal wishes on star-shaped pieces of paper hung on the traditional Christmas Wish Trees. All their wishes were fulfilled by 101 donors from ICTSI and shipping line companies who picked the stars from the trees and personally handed over their gifts to the children of Bahay Aruga, Philippine Assistance for Hydrocephalus Victims, Inc., Joy Kiddie Center Manila, and Subic Central School Special Education in Olongapo City.

ICTSI's Terminals also gave from the heart, as Foundation staff and scholars visited each of the 11 community day care centers in its flagship terminal in Manila and shared thanksgiving meals with 798 day care students and 11 workers.

Its terminals outside of Metro Manila also did their share to make children in their host communities happy—Subic Bay International Container Terminal in Olongapo adopted Ninos Pag-asa Center with 45 children with special needs; Laguna Gateway Inland Container Terminal adopted the Center for Streetchildren and Second Chance Home with 36 streetchildren and 29 children in conflict with the law; Bauan International Port, Inc. (BIPI) provided assistance to 335 indigent residents of two barangays in Batangas; the Mindanao Container Terminal Services, Inc. conducted an outreach program for 26 streetchildren in Balay Canossa, Misamis Oriental; and South Cotabato Integrated Port Services, Inc. assisted 25 abandoned children cared for by the St. Agnes of Montepulciano Children's Home.

Road safety program for Parola children: ICTSI's Sustainability and Development Unit implemented a "Safety for All, All for Safety" road safety program designed to promote safety awareness among children and the whole Parola community, teaching them to become responsible commuters and vigilant pedes-trians. A similar road safety day camp was organized for 675 students of Pedro Guevarra Elementary School, including training faculty members to become safety advocates themselves, and ensuring the sustainability of the road safety program among stakeholders within the community.

From the port, to the community

Mexico: Keeping true to its commitment to promote corporate social responsibility, Contecon Manzanillo (CMSA) donated USD25,000 to the local Red Cross chapter's annual fundraiser. CMSA and Red Cross Manzanillo also have an existing agreement that allows the Company to offer its services and make monthly donations to support 23% of the institution's expenses.

CMSA, in partnership with Fundacion Ayo Rebecca London A.C., launched its Staples for Wheelchairs program. Used staplewire collected by employees are exchanged for wheelchairs to be given to differently-abled individuals, where every kilogram collected is equivalent to one wheelchair. CMSA turned over four wheelchairs during the 2nd Mini Olympiad of Children and Youth together for Inclusion.

Through its Pies con Zapatitos (Feet with Shoes) campaign, CMSA was able to provide new pairs of shoes for 57 children under the care of the Los Angelitos orphanage.

Furthermore, to help generate awareness on breast cancer, CMSA, together with the Ministry of Health, organized a seminar on early detection of the disease through monthly self-examination, the risk factors involved, and healthy lifestyle practices geared towards prevention.

Honduras:. Operadora Portuaria Centroamericana (OPC) distributed school supplies to some 80 students with disability from the Emmanuel Special School belonging to marginalized communities in Puerto Cortes. This part of OPC's We Can All be Useful Campaign, which started in 2016. Aside from the turnover of school supplies which were donated by employees and partners, OPC also supported the Emanuel Special School through charity walks, airconditioning of facilities and collaboration for special events.

Subic, Philippines: Subic Bay International Terminal Corp. (SBITC) launched a yearly blood-letting activity to help provide access to safe blood, and to encourage more people to donate blood and help save lives.

Iraq: Basra Gateway Terminal (BGT) donated packets of meat to residents of Umm Qasr as a means of giving back to the less-fortunate members of the community, and in keeping with the spirit of Edil' al-Adha or the feast of the sacrifice.

Pakistan: Pakistan International Container Terminal (PICT) held a mentorship talk for female students of Hamdard University in celebration of International Women's Day. PICT Human Capital Head Arif Raza encouraged students to transcend stereotypes and achieve their potential to become productive and powerful members of society. PICT's female employees also shared their corporate experience and how they overcame challenges to prove themselves as capable members of the organization. PICT believes in workplace diversity and supports efforts to bridge the gender gap while promoting equality between men and women.

Manila, Philippines:. The Manila International Container Terminal (MICT) supported the Philippine Red Cross bloodletting activity, where 62 individuals donated an estimated 30,000 cubic centimeters of blood.

The MICT also led a motorcade to support the Bureau of Fire Protection's (BFP) continuing campaign to spread fire safety awareness among the residents of the terminal's neighboring communities. Joining the motorcade were MICT employees, ICTSI and PMO Riders' Clubs, volunteer Eco Patrols of the Parola Solid Waste Management Project, as well as BFP personnel from Manila, who also distributed leaflets, posters, and flyers on fire prevention. ■



CMSA's *Pies con Zapatitos* (Feet with Shoes) campaign was able to provide new pairs for 57 underprivileged children in Manzanillo.



ICTSI cited for efforts against human trafficking

A day of hope and light with the girls of the Voice of the Free



Throughout its decade-long existence, the ICTSI Foundation has consistently been supporting groups and organizations in the global fight against modern slavery and human trafficking, in the process helping the victims find new lives and have better futures.

Since 2018, the ICTSI Foundation has been working with and supporting the Voice of the Free Foundation, Inc. (VF), a Philippine-based nongovernment organization (NGO) established in 1991, whose shelter in the Province of Rizal has rescued more than 20,000 girls from prostitution, cybersex, and migrant forced labor.

At the 2019 Sustainable Business Awards, the ICTSI Foundation was given the Special Recognition for Business Responsibility and Ethics citation for leading the effort to stop human trafficking across local and global supply chains, through a P5 Million grant to the VF. The awards body recognized companies leading the way in sustainable business and have truly instilled sustainability into their long-term business strategies.

ICTSI Global Corporate Head and Foundation President Christian R. Gonzalez reiterated the Company's awareness of its critical role in stopping trafficking, and its commitment to empower vulnerable women and children, helping them explore even greater opportunities in life without the risk of exploitation. The Company also held an interface between ICTSI employees and human trafficking survivors to educate them on ways to combat human trafficking.





Aside from providing a safe haven where victims of human trafficking can receive psychological support, the VF, with the help of its benefactors, likewise extends formal educational programs to send these girls to schools and colleges. The ICTSI Foundation has so far helped send 26 girls to school in its almost two-year collaboration with VF.

With the full support of Management and the Foundation, the ICTSI Global Legal Team held a day-long program titled "This Girl Can: Dream, Succeed, Give" to bring cheer to the girls of the VF. Led by no less than Mr. Gonzalez and Atty. Lirene C. Mora-Suarez, ICTSI Regional Legal Manager, the program consisted of a "Look Good, Feel Good" hair and makeup tutorial and makeover, distribution of personalized beauty and hygiene kits, as well as an impromptu fashion show capped off by a finale with Mrs. Stephanie Kienle-Gonzalez, Mr. Gonzalez's wife and their two daughters.

As the Legal Team so aptly put it, they visited the center to help inspire positive change in the lives of these young girls. However, the time and emerge as better persons. As much as the girls were thankful to them, it was their turn to say "Salamat sa liwanag niyo." ■

Humanitarian Assistance

Within the ICTSI Group, there are several tracks for rendering humanitarian assistance—including disaster relief and response—and outreaches to selected sectors such as the differently-abled, children in conflict with the law, victims of human trafficking, and abandoned children and orphans. There are forms of assistance directly extended by the ICTSI Head Office, those that are initiated by the ICTSI Foundation, and those that are directly undertaken by the subsidiaries (operating companies or terminals). A fourth track is provided in cases where the IEVP volunteers lend their support to programs or projects undertaken through the three other tracks.



Humanitarian Assistance

ICTSI Foundation-led humanitarian assistance

Disaster Relief & Response

651
Families in Gates 1, 2, and 10 in Parola who received assistance during fire relief operations

Christmas Projects

1,924
Beneficiaries of annual gift-giving and Christmas Wish Tree Project

490
Children whose wishes were granted by three groups of volunteers—employees, their families, and other port users—under the Christmas Wish Tree Project

1,159
Children, elderly, patients, and students

75
Households served during the Christmas outreaches

35
Additional beds that can be accommodated at the newly constructed Apalit Christian Community Health Center

Training and Capacity Development

1,059
Teachers in eight Manila public high schools who underwent the YES-O Environmental Education for the Educators, a training course offered together with the DepEd-NCR through YES-O Manila

907
Residents of Parola and Isla Puting Bato benefited from a Disaster Preparedness Orientation Course, held in partnership with the Metro Manila Development Authority (MMDA), covering fire, flood, and earthquake preparedness

347
Residents in Brgy. 20 and Isla Puting Bato who took part in a seminar on RA 9003 (Solid Waste Management Act of the Philippines), as part of the PSWMP

32
Information, Education, and Communications (IEC) staff of the Manila DPS who benefited from a refresher seminar and IEC Capacity Building Workshop about RA 9003

50
Sangguniang Kabataan officials in Manila's District 1, Tondo, who participated in the Environmental and Leadership Training which was held in partnership with the Manila Barangay Bureau and DPS

Working hand-in-hand for sustainable development

The ICTSI Foundation continues to prioritize programs that would help equip local leaders to serve their communities more effectively through sustainable development. Among these was the two-day Sustainable Development Goals awareness seminar for leaders of host communities in Papua New Guinea conducted by the Foundation, together with South Pacific International Container Terminal td. (SPICTL). A total of 60 leaders of Labu Holdings and AHI Investments from different villages participated in the activity designed to help them integrate sustainability into their business operations and design more inclusive programs—much like how the Foundation successfully combines Global Sustainability Goals with its business operations and corporate social responsibility initiatives. ■



Training and Capacity Development

Apart from providing disaster relief and response, ICTSI also invests in training and capacity development. Previous focus areas included disaster preparedness, environmental and climate change mitigation programs, and the protection of children. In 2019, new opportunities emerged for expanding the focus areas to include capacity building for awareness on the principles of sustainability and even the UN SDGs.



ICTSI's Maiden Sustainability Report in 2017 won the Award of Excellence at the 2019 Philippine Quill Awards.

Spotlighting impacts on stakeholders and society

Through the years, ICTSI has striven for excellence in all its undertakings—from its world-class port operations around the globe, to ICTSI Foundation's innovative programs promoting sustainable development in the communities around their ports that prioritize the welfare of indigenous peoples, education, health, sports, livelihood, humanitarian assistance, and disaster response.

The year 2019 was a great year for ICTSI—garnering awards for its stakeholder and community programs for sustainable partnerships, as well as its highly-successful port operations, in Papua New Guinea; Puerto Aguadulce-COMPAS Foundation CSR Program; and best of all—for its exemplary sustainability and CSR initiatives.

Anvil and Quill Awards, Philippines: The year started with ICTSI taking home a Gold Anvil at the 54th Anvil Awards for its stakeholder and community programs for sustainable partnerships in Papua New Guinea. The Public Relations Society of the Philippines (PRSP), the premier organization of public relations professionals in the Philippine and governing body of the Anvils, cited ICTSI for "successfully jumpstarting a long-term partnership with its host communities and establishing its brand, while addressing issues and needs through nonstop communication with stakeholders".

ICTSI South Pacific and ICTSI Foundation signed an agreement to establish a collaborative framework for sustainable port programs in Lae and Motukea, PNG. Highlights of the social and community programs include local partnerships with the AHI Hope Foundation for the building of Malahang Community Police Station serving six communities in Lae; grant assistance to Baruni Elementary Schools serving five communities in Motukea; and setting up of preliminary infrastructure for communities in need of water and sanitation systems.

Navis Inspire Awards, United States: This was followed by ICTSI South Pacific winning the Learning and Development Award of Excellence at the 2019 Navis Inspire Awards for its world-class operation of the Motukea International Terminal (MIT) in Port Moresby and South Pacific International Container Terminal (SPICT) in Lae. The Navis cited both as a "transformative initiative for the nation with modern import/export containerized logistics being a gateway for further national economic development". The Learning and Development Award recognizes organizations that have



"gone above and beyond to develop their workforce and manage change in their organizations to stay ahead".

Organization of American States (OAS): In July 2019, the Organization of American States (OAS) awarded the Puerto Aguadulce-COMPAS Foundation with the prestigious 2018 Maritime Award of the Americas in Social Responsibility for Sociedad Puerto Industrial de Aguadulce's (SPIA) groundbreaking initiatives to help Colombians overcome poverty. The Foundation is the social responsibility arm of SPIA—a joint venture between ICTSI and PSA International Pte. Ltd. at the Port of Buenaventura in Colombia. SPIA was cited for its leadership and commitment to sustainable development through its Emprendepaz Program, which supports local entrepreneurs and start-ups within the port's hinter-land communities in the Aguadulce Peninsula, including three Black Community Communities.

Colombian President Ivan Duque Marquez lauded SPIA's contributions to his country, saying that the Maritime Award recognizes the port's commitment not only to fulfill its commercial objectives, but to bring well-being to the entire community that surrounds them. He likewise cited Emprendepaz as "a fundamental tool in the search for equity, one of the pillars of our government. The possibility that community members can train and form their own ventures is the best way to close the gaps that afflict our society...building a country with more opportunities for all". The Puerto Aguadulce-COMPAS Foundation has invested more than COP700 million to empower its hinterland communities through its Emprendepaz Program. As a result, more than 385 families were integrated into the formal economy, creating 254 new jobs and 17 local start-ups in less than two years.

ICTSI Sustainability Report: ICTSI ended the year on a high note – receiving the coveted Award of Excellence for its 2017 Sustainability Report (SR) at the 17th Philippine Quill Awards held in Manila. Given by the International Association of Business Communicators Philippines, the award is considered as the country's most prestigious recognition program for business communication.

ICTSI's inaugural Sustainability Report for 2017 featured sustainability initiatives at the Manila International Container Terminal (MICT) and highlighted ongoing efforts across the ICTSI Group. The company values sustainability reporting as its primary guide in accurately evaluating its environmental, social, and economic impact targets.

Bloomberg ranked ICTSI's Environment, Social, and Governance (ESG) performance as seventh best in the Philippines based on the Company's inaugural SR. ■

ICTSI's initiative supporting the global fight against modern slavery has earned the Company with a Special Recognition for Business Responsibility and Ethics during the recent 2019 Sustainable Business Awards. In 2018, the Company led efforts to stop human trafficking across global supply chains through a Php5-million grant by ICTSI Foundation, Inc. (IFI) to the Voice of the Free Foundation, Inc. (formerly the Visayan Forum).

Appendix - GRI Content Index

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Turning ports into turning points

2019 ICTSI Sustainability Report

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