

ICTSI SUSTAINABILITY REPORT 2018

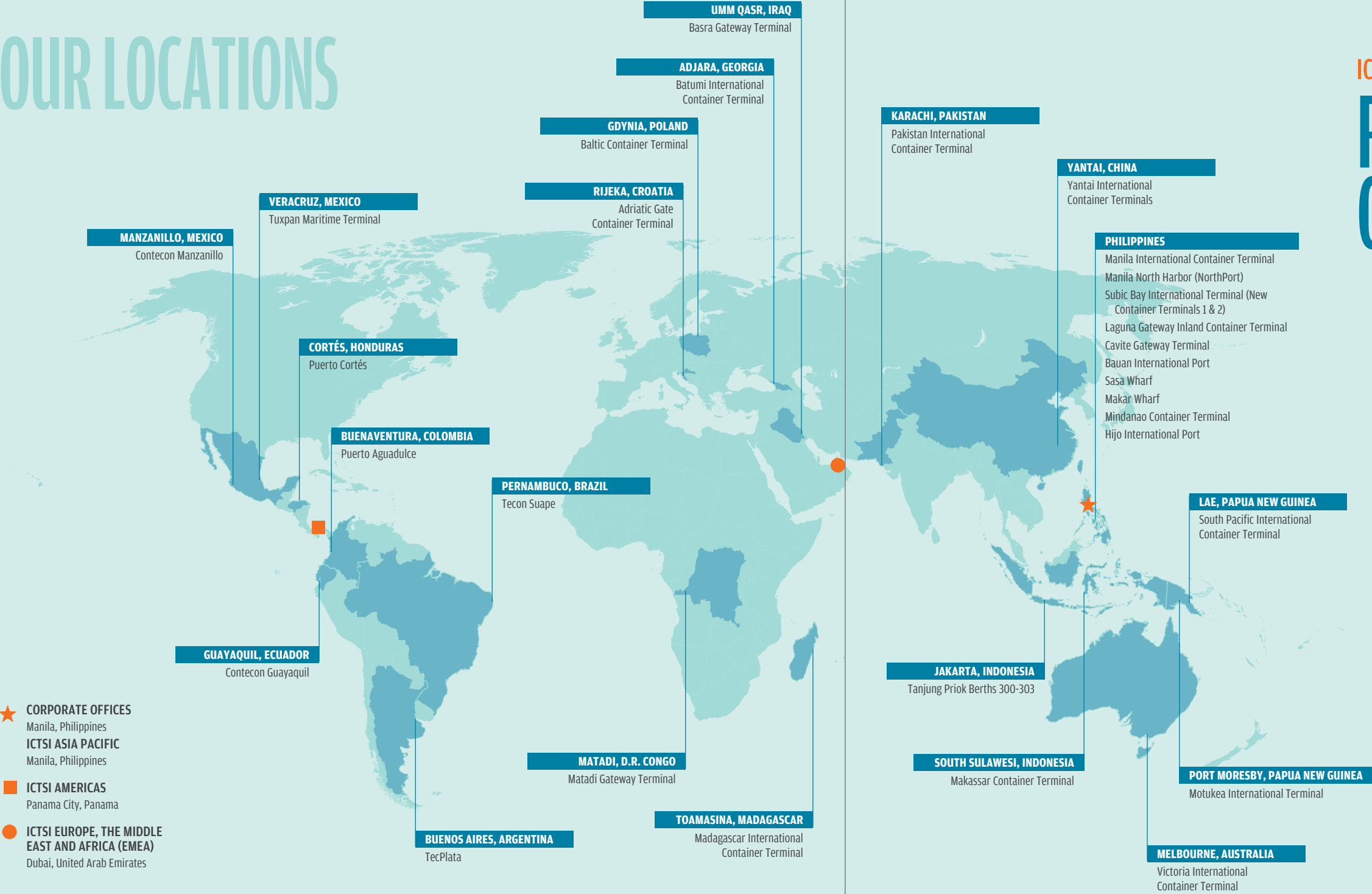
RIPPLES OF CHANGE



International
Container Terminal
Services, Inc.

RIPPLES OF CHANGE

OUR LOCATIONS



Locations of operations shown—31 terminals in 18 countries—are as of 31 December 2018.

CONTENTS

- 06 A Message from the Chairman
- 08 Highlights
- 10 Sustainability Context
 - Company Overview
 - Business Profile



- 20
 - A Steady Course Towards Higher Port Performance and Enhanced Impact Management
- 22
 - Metrics That Matter



- 30
 - Building the Culture
- 31
 - Supply Chain Impacts
- 32
 - Ensuring Compliance
- 35
 - Continuing to Lead



- 38
 - Economic Contributions
- 40
 - Contributions to Logistics



- 44
 - Employment and Benefits
- 46
 - Training and Education
- 49
 - Occupational Health and Safety
- 50
 - Diversity and Equal Opportunity
- 52
 - Freedom of Association
- 53
 - Labor Management Relations Upholding Labor Standards



- 56
 - Constantly Lifting Performance
- 59
 - Customer Interests and Privacy



- 65
 - Support for IP Communities
- 66
 - Education
- 68
 - Sports
- 69
 - Community Welfare
- 70
 - Humanitarian Assistance
- 71
 - Training and Capacity Development

- 13 Governance Overview
- 14 About This Year's Report
 - Ripples of Change: Expanding the Report Coverage Framework, Standards and Materiality
- 16 Stakeholders: Identification and Engagement
- 17 Explanatory Notes
- 72 Appendices

A MESSAGE FROM THE CHAIRMAN

THIRTY YEARS OF EXISTENCE as a business organization: in June of 2018, we at International Container Terminal Services, Inc. (ICTSI) marked this milestone.

As that took place, we were doing exactly what we had been busy at when we began: serving our partner governments under the aegis of port privatization, providing value for our business shareholders, and serving our larger community of stakeholders.

At the same time, we embarked on another journey, launching the ICTSI 2017 Sustainability Report. That maiden issue represented a major step in our ongoing commitment towards formally defining and codifying our priorities, and evaluating our progress in line with:

- *Good Global Citizenship*, the underlying principle that has guided our relationships and actions;
- *Corporate Stewardship*, with the values-driven approach towards our people, customers, corporate resources, and the environment; and,
- *Development Partnerships*, where we empower communities and sectors.

Now, we bring you the ICTSI 2018 Sustainability Report.

This second venture comes at a time when governments across the globe are implementing a regulatory and collaborative regime requiring the private sector to take a more active role in addressing global problems such as climate change, poverty, and corruption in government. Internationally, the private sector—led by publicly-listed companies—has embraced the United Nations' Sustainable Development Goals (SDGs) by aligning business goals and strategies to help address pressing and widespread social, environmental, and economic needs.

As a global business organization, ICTSI has long held to the core principle of sustainability from Day One, albeit in an embedded-in-practice form: the value of the long view. Thus, even 12 years before the ICTSI Foundation was established, the Company was already practicing managerial prudence and responsible stewardship on the business side, and corporate philanthropy and employee volunteerism on the social side. We were already at work creating ripples of change, right within our organization, in the conduct of our business.

With this solid footing, ICTSI welcomed the call of sustainability reporting. Over the course of three decades, we have seen firsthand how a business thrives

when it creates a supportable and maintainable environment for its employees, business partners, clients, suppliers, community, and investors.

At ICTSI, we value our employees and endeavor daily to inspire loyalty and a culture of excellence. We express the premium we put on our clients in every transaction that we pursue with fairness and transparency, and with efficiency standards that empower them to meet their business targets. We find meaningful ways to take care of suppliers and encourage them in their own efforts towards a sustainable supply chain. Our Head Office, our ports, and the ICTSI Foundation continue their respective and collaborative initiatives, ensuring that our partner-beneficiaries grow as our business does. In all these, we adhere to the overarching principle of good governance.

As our initial foray into sustainability reporting showed us, the entire process is exceedingly valuable, generating information and surfacing issues and insights: all of them geared towards shaping ICTSI into a stronger, more effective, and more consistent performer as a Good Global Citizen.

We have been encouraged to not only proceed with our ICTSI 2018 Sustainability Report, but to widen the scope of our reporting efforts as well.

From the initial focus on our flagship Manila International Container Terminal (MICT), our second report now features expanded coverage to the eight key terminals in ICTSI's Portfolio: Tecon Suape, S. A. (TSSA) 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 SA de C.V. (CMSA) in Mexico, and Operadora Portuaria Centroamericana S.A. de C.V. (OPC) in Honduras.

This represents a widening scope not only in data reporting but, more important for the long term, in the deeper and more systematic integration of sustainability principles in our strategic vision, planning and business execution.

I am extremely gratified at the major developments in our operations and sustainability drives this 2018. A few immediately come to mind:

- Our Ecuador port became the first CO2-Neutral Port in South America, and Ecuador's 1st Eco-Efficient Port. The Carbon-Neutral certification was conferred by the Ecuador Ministry of Environment and environmental ratings agency, Sambito SA.
- Our terminal in Honduras became the only port in Central America to achieve key ISO certifications. Moreover, the Organization of American States conferred the Maritime Award of Americas for 2017 to the port, citing OPC's environmentally sustainable port operations and green measures.
- After several rigorous months of process alignments and audits, our Iraq port successfully obtained key ISO certifications: 9001:2015 Quality Management System, 14001:2015 Environmental Management System, and OHSAS 18001:2007 Occupational Health and Safety Management System.
- Among many other initiatives in Papua New Guinea, ICTSI's subsidiary gave an educational grant to Baruni Primary School, which serves children from five communities in the area.

On a corporate level, the Institute of Corporate Directors recognized ICTSI for being among the high ranking publicly listed corporations in the Philippines based on the ASEAN Corporate Governance Scorecard.

This 2018 edition continues the crucial role played by the first. Beyond compliance, beyond publication, beyond reporting, this volume is part of a painstaking process that serves as both compass and ballast. We gain an accurate evaluation of our sustainability performance, and we become further empowered to recalibrate our plans and actions to address imbalances, while continuously strengthening areas where we have made headway.

We sought to navigate through this second, expanded report with an eye towards a clear course: to eventually cover the entire portfolio of terminals, and establish goals and plans of action at a Group-wide level.

We know that much work remains to be done to get all ports on board. However, regardless of the ground we still need to cover, this second report already represents a breakthrough effort. It is a significant milestone in our sustainability journey, where with each step, we endeavor to broaden and deepen our impact as an organization, as an enterprise, and as a good global citizen—creating ripples of change.

ENRIQUE K. RAZON JR.
Chairman and President

HIGHLIGHTS

REVENUES FROM PORT OPERATIONS (GROSS OF PORT AUTHORITIES' SHARE)

1.39
BILLION USD



89.3%
AVERAGE SATISFACTION
RATING FOR 2018

MICT Customer Care &
Concierge Performance

PORT'S FIRST FEMALE DIRECTOR

A multi-awarded Corporate Employer, Pakistan International Container Terminal in the Port of Karachi appointed its first female Director to the Board, and to the Audit Committee—reflecting the port's commitment to Corporate Governance and gender diversity.



Pakistan International Container Terminal sets record handling 5,600-TEU capacity MOL Globe

Cargo handled by BGT in 2018 gained

166%
INCREASE

ICTSI embarks on second year of Sustainability Reporting with expanded coverage of eight key terminals

CARBON NEUTRAL

Contecon Guayaquil, Ecuador's largest, foremost port, is South America's 1st certified Carbon Neutral port

TOTAL ENERGY CONSUMPTION

1.69
MILLION GJ

HISTORIC PUBLIC-PRIVATE-PEOPLE PARTNERSHIPS

The tripartite partnership between ICTSI's PNG units—Motukea International Terminal Limited and South Pacific International Container Terminal—and the PNG port authorities, and landowner groups, creates jobs and provides the landowner groups an opportunity to have an equity participation in the terminal operating companies.

More women in port jobs

The Puerto Cortes Terminal in Honduras offers men and women the same global standard of training in port equipment handling.

22.3%
DECREASE
in truck turnaround
time in Melbourne



MANZANILLO, MEXICO
COASTAL CLEAN UP

200 KG
TRASH

2KM SHORELINE

BUSINESS PERFORMANCE IN CONTAINER THROUGHPUT

9.74
MILLION TEUS



Operadora Portuaria
Centroamericana
Pier 6 Expansion
Completed

30
years

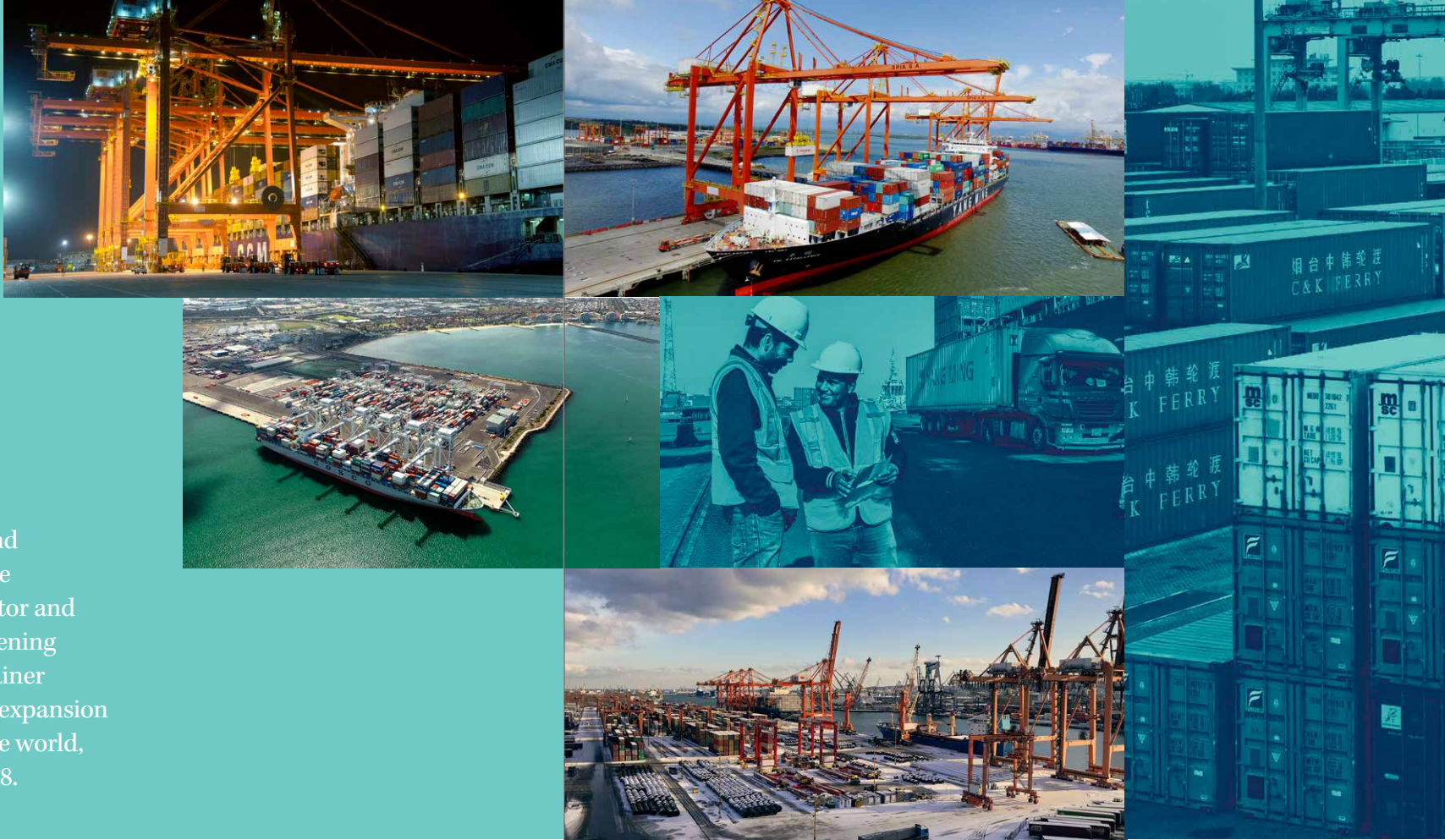
ICTSI MARKS 30 YEARS
AS PORT DEVELOPER,
MANAGER, AND
OPERATOR

In 2018, several key terminals within the ICTSI Group undertook major capacity upgrades through infrastructure expansion within the port, quayside and landside.

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, ICTSI launched an international and domestic expansion program, and today operates in many countries across the world, employing more than 7,870 people as of 31 December 2018.



OUR VISION

We are committed to creating long-term shareholder value through excellence across our business and to be the partner of choice.

As a pioneer, we are continuously seeking to deploy best-in-class technologies to maximize efficiency. This has increasingly enabled us to seamlessly integrate transport and distribution systems benefitting our customers who gain competitively. Additionally, our infrastructure and technology investments stand to generate economic benefits for the host countries where we operate.

Our focus on driving efficiency and challenging conventional approaches will support our objective to create long-term shareholder value.

OUR MISSION

As a business organization, ICTSI aims to provide excellent growth opportunities for our employees; build successful and mutually rewarding businesses with our corporate partners; deliver equitable shareholder returns; and provide superior services marked by efficiency, reliability, professionalism, and profitability. It is by fulfilling these goals on a daily basis that we are ultimately able to meet and surpass our contractual obligations and honor our commitments to our employees, government partners, and stakeholders.

CORE VALUES

DILIGENCE.

We work hard and are committed to a culture of excellence. Our success has been driven by the positive attributes of our employees and their willingness to go the extra mile.

ACCOUNTABILITY.

We value our work and hold ourselves accountable. In order to achieve our strategic goals, we focus on having the right culture that encourages our people to be positive, engaged and energized to drive growth and shareholder value.

COMPASSION.

We value and promote a diverse and inclusive workforce where our employees are cared for, treated fairly, and respected. To further our success, it is important to create an environment that enables us to attract and retain the right people to work at every level throughout ICTSI. These are people who are committed to working together and who support our business approach of integrity, respect, and encouragement.

GROWTH.

We are committed to growth: as individuals, as a business, and as a global organization. We seek to improve ourselves, champion excellence, and enhance the communities where we operate. We believe these principles will support the growth and continued success of ICTSI.

BUSINESS PROFILE

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 since March 1992. 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 mechanism for the operation of these terminals is long-term concession agreements with local port authorities and governments through ICTSI and its subsidiaries.

ICTSI owns or operates terminals/ports across three geographic regions namely: Asia, the Americas, and Europe-Middle East-Africa (EMEA).

BUSINESS DISTINCTIVE

ICTSI ports serve as the primary transit points between two sectors: shipping (the maritime or waterside part of the supply chain) and freight transport (towards the hinterland, the landside of the supply chain) sectors.

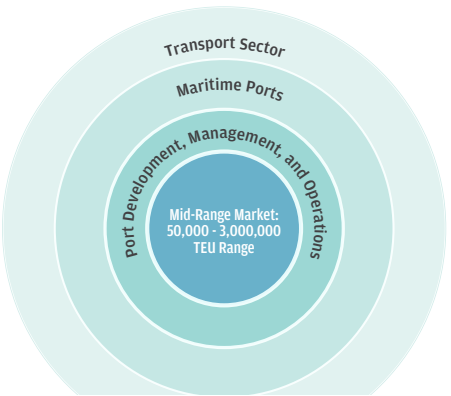
In maritime transport, seaports consider as their "hinterland" that region or geographical area in which a container port/terminal plays a significant role. The role especially refers to the terminal's support or facilitation of import and export activities upon which depend the region/area's commercial traders, export processing zones, and other similar hubs.

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

SERVICES, CUSTOMERS, & SUPPLY CHAIN

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

SECTORAL & MARKET FOCUS



ICTSI PORT SERVICES

Container Stripping and Stuffing
Cargo Storage
Inspection
Weighing
Services for refrigerated Containers or Reefers
Roll-on / Roll-off
Anchorage

freight forwarders, especially trucking companies and the 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'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; banking/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 premier

shared services company, 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, implementing best practices, creating operational efficiencies, and delivering 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 Philippine standards and policies set by the Department of Trade and Industry. ICTSI has been applying environmental standards (i.e., requiring environmental government permits) to suppliers for specific service needs.

Beginning 2019, the Company is set to apply environmental and social screening standards to all suppliers.

ICTSI 2018 FAST FACTS

REVENUES FROM PORT OPERATIONS
(GROSS OF PORT AUTHORITIES' SHARE)

1.39 BILLION USD

TOTAL CARGO HANDLED
(ICTSI GLOBAL)

9.74 MILLION TEUs

TOTAL CAPITALIZATION

DEBT
1.31 BILLION USD

EQUITY
2.23 BILLION USD

OVERVIEW OF 2018 PORTFOLIO

EXISTING OPERATIONS

- Manila International Container Terminal (MICT), Manila, Philippines
- Subic Bay International Terminal Corp. (SBITC), New Container Terminal-1, Subic Bay Freeport, Philippines
- ICTSI Subic, Inc. (ISI), New Container Terminal-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. (HIPS), 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, 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

GREENFIELD PROJECTS

- Cavite Gateway Terminal (CGT), Cavite, Philippines
- 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
- 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
- Manila North Harbour Port, Inc. (MNHPI), Philippines

GOVERNANCE OVERVIEW

ICTSI and its Board of Directors, officers and employees are committed to sound, prudent, and effective overall management, effective risk management, 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.

APPROACH TO RISK MANAGEMENT IN OPERATIONAL PLANNING

ICTSI and all its subsidiaries (ICTSI Group) identify and manage its risks to support the Company's vision, mission, goals, and objectives 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.

For full details on governance, please refer to the ICTSI 2018 Annual Corporate Governance Report available for access at https://www.ictsi.com/sites/default/files/2019-05/annual_report_on_corporate_governance_2018_0.pdf

GOVERNANCE STRUCTURE

Enrique K. Razon Jr.

CHAIRMAN OF THE BOARD AND PRESIDENT

BOARD OF DIRECTORS

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

*Independent Directors

BOARD COMMITTEE MEMBERSHIP 2018-2019

	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	O	-	-	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:

- 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.
- 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.

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 2018) 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 2018) 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) subsidiary CGSA (Ecuador) is a member. ICTSI subsidiary CGSA (Ecuador) 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.

MEMBERSHIPS



Philippine Chamber of Commerce and Industry



ORGANIZACIÓN MUNDIAL DE CIUDADES Y PLATAFORMAS LOGÍSTICAS

ABOUT THIS YEAR'S REPORT

RIPPLES OF CHANGE: EXPANDING THE REPORT COVERAGE

The first edition of the ICTSI Sustainability Report was launched in 2017. The Report has been intended as an annual publication, aligned with the publication frequency of financial reporting, corporate governance reporting, as well as Corporate Social Responsibility (CSR) reporting as covered by the ICTSI Foundation Accomplishment Report.

The first edition covered the operations of the ICTSI Group's flagship operation, the Manila International Container Terminal (MICT).

This second edition, the 2018 Sustainability Report, covers the operations of the ICTSI Group for the year beginning 1 January and ending on 31 December 2018. Where necessary to provide historical background or some other context on a specific port, program, or project, other years may be cited. Nevertheless, for this report, the calendar year 2018 remains as the primary and predominant reference point for the reporting of sustainability data.

In terms of geographical scope and data measurement, generation, processing, and presentation, this edition specifically covers eight key operations within the ICTSI Group:

- ♦ Manila International Container Terminal (MICT), Manila, Philippines
- ♦ Tecon Suape, S. A. (TSSA), Pernambuco, Brazil
- ♦ Contecon Guayaquil S. A. (CGSA), Guayaquil, Ecuador
- ♦ Madagascar International Container Terminal Services Ltd. (MICTSL), Toamasina, Madagascar
- ♦ Pakistan International Container Terminal, Ltd. (PICT), Karachi, Pakistan
- ♦ Basra Gateway Terminal (BGT), Umm Qasr, Iraq
- ♦ Contecon Manzanillo SA de C.V. (CMSA), Manzanillo, Mexico
- ♦ Operadora Portuaria Centroamericana S.A. de C.V. (OPC), Puerto Cortes, Honduras

By yearend 2018, all eight ports were fully operational, and in varying stages of redevelopment (including but not limited to infrastructure expansion, capabilities upgrading, and systems enhancements).

The decision to expand coverage of the report reflects the broadening commitment of the ICTSI Group towards the vision and goals of sustainability reporting, and the recognition of gains accorded to multiple stakeholders as the Company undertakes the exercise.

MICT, TSSA, CGSA, MICTSL, PICT, BGT, CMSA, and OPC were deemed to be "key 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.

These major terminals, which enjoy dominant/strong positions in

their respective geographic markets, accounted for 69% of the ICTSI Group's throughput and 78% of revenues in 2018.

FRAMEWORK, STANDARDS AND MATERIALITY

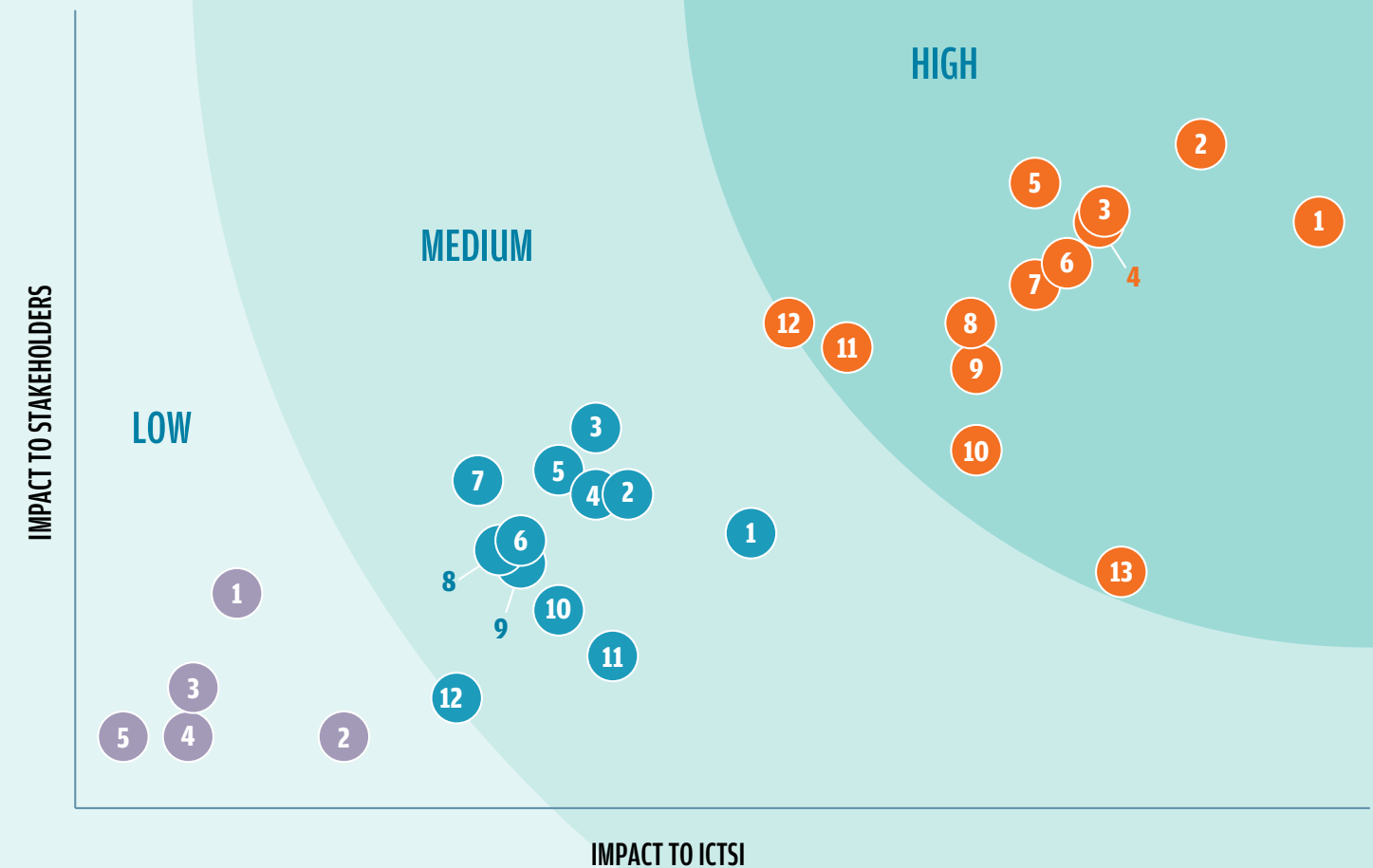
The reporting framework, which began in the first edition, continues to this second publication: the Company reports its impacts on the economic, environmental, and governance spheres, as well as workforce, customers/clientele, and communities sectors using the Global Reporting Initiative (GRI) framework.

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 operations of the eight terminals mentioned.

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.

MATERIALITY HEAT MAP



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

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

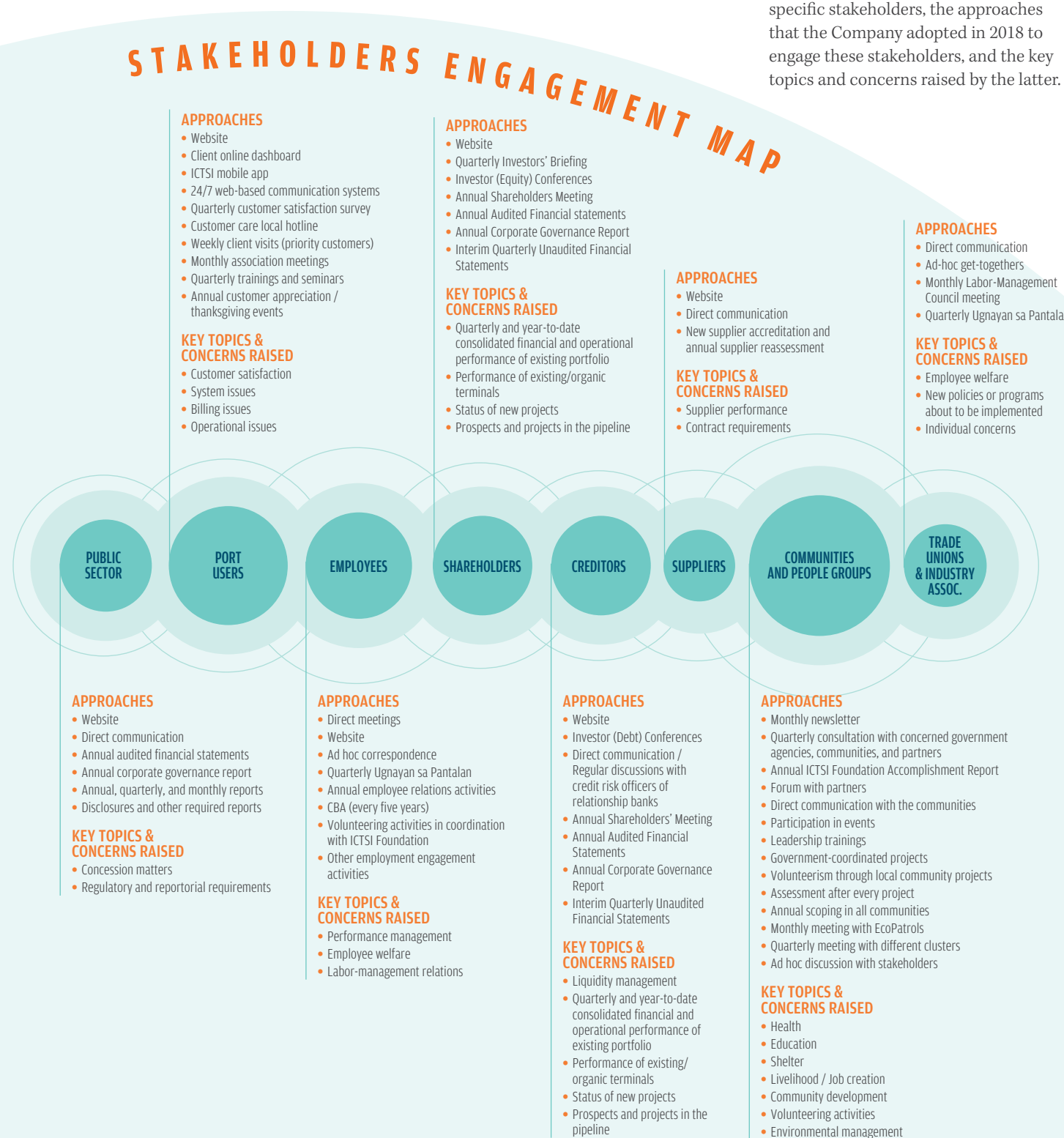
1. Customer satisfaction
2. Economic performance
3. Fair labor practices
4. Safety and well-being
5. Customer data privacy and security
6. Talent acquisition
7. Customer health and safety
8. Government engagement
9. Learning and development
10. Pay and benefits
11. Local hiring practices
12. Community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

STAKEHOLDERS: IDENTIFICATION AND ENGAGEMENT

Situated within the transportation sector, and in particular, the marine ports sub-sector, ICTSI—as a transnational business entity, and through its various regional and local subsidiaries—operates in a complex

network of direct and indirect port users, and extensive backward and forward linkages (suppliers and clients/customers, respectively).

The following Stakeholder Engagement Map outlines the various specific stakeholders, the approaches that the Company adopted in 2018 to engage these stakeholders, and the key topics and concerns raised by the latter.



EXPLANATORY NOTES

This report represents a significant second step forward in the Company's journey in sustainability reporting. From the single-port coverage of the 2017 edition, this edition's eight-port coverage is preparatory to the vision of getting all ICTSI ports on board with the undertaking and being able to set baselines as well as targets moving forward.

Reasonable care has been exercised in ensuring comprehensive coverage of sustainability issues, impacts, approaches, and initiatives, particularly where the eight featured ports are concerned. In cases where a discussion or figure illustrates data pertaining to a port other than the eight key terminals, proper identification is provided.



Given that the ICTSI Group is committed to the eventual coverage of all ports / container terminals in all regional operations (Asia Pacific, the Americas, and the Europe-Middle East-Africa regions), mention is also made of the sustainability policies, standards, systems, practices, or processes that are already in place in operations other than MICT, TSSA, CGSA, MICTSL, PICT, BGT, CMSA, and OPC.

As established in the 2017 edition, in the interest of transparency and ease of access to data, effort has been made to provide links to the other ICTSI reports, namely, the ICTSI 2018 Annual Report, the ICTSI 2018 Corporate Governance Report, the Section 17-A submitted to the Philippines' Securities and Exchange Commission (SEC), the ICTSI Foundation Accomplishment Report, and the ICTSI Sustainability Report Primer focusing on initiatives in support of the Sustainable Development Goals.

SUSTAINABLE DEVELOPMENT GOALS



Having long held to the principle of sustainability (embodied in ICTSI's "the value of the long view"), the Company has consistently worked to ensure that its operations and transactions conform 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 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 developing-market ports, and supporting entire industries and sectors (such as through just-in-time deliveries that keep the supply chain responsive).
- 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 Iraq team being sent to the Philippines for short-term training).

- 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 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.

For a quick overview of ICTSI's SDG efforts and initiatives for 2018, please visit https://www.ictsi.com/sites/default/files/2019-05/sdg_insert_v1.8_web_0.pdf

An aerial photograph of a large container port. In the foreground, a massive container ship is docked at a pier, its deck covered with stacks of colorful shipping containers. Several gantry cranes are positioned along the pier, ready for loading and unloading. The port extends into a body of water. In the background, a dense urban skyline with numerous skyscrapers is visible under a clear sky. The entire image is overlaid with a semi-transparent teal filter.

01 ENVIRONMENT

From produce to cargo, from cargo to commodity: charting an increasingly greener journey

Standing at the juncture of the international container shipping industry and the land-based multimodal freight transport systems, container ports/terminals are part of a complex business ecosystem that, at any given time, may have environmental impacts on air, water, and land resources.

As a key part of the global value chain—with a growing network of ports in the Asia Pacific, the Americas, and the Europe-Middle East-Africa regions—ICTSI is in lockstep with the cargo transport industry in working together to eliminate, minimize, or mitigate such impacts. In this light, ICTSI focuses on operational aspects that are directly within the Company's control.

A STEADY COURSE

TOWARDS HIGHER PORT PERFORMANCE AND ENHANCED IMPACT MANAGEMENT

While ICTSI’s commitment to sustainability reporting was only formalized in 2017, the organization has been holding a steady course towards higher port performance and enhanced impact management.

We are, on one hand, more systematically reducing negative impacts on the environment and on the quality of life in our ports, and to the extent possible for the Company, in the cities or communities that host these ports. On the other hand, we are more aggressively creating or pursuing avenues to bring about positive impact: in coastal cleanups, in propagating Ecological Solid Waste Management in our premises and port hosts, and broad-based/grassroots audiences.

PARALLEL EFFORTS

Efforts in this regard include corporate efforts to leverage technology towards more efficient and eco-friendly operations, and long-running programs under the rubric of Corporate Social Responsibility (since 2010, under the aegis of the ICTSI Foundation, with individual ICTSI subsidiaries initiating their own projects as well).

Internally, employees were actively volunteering for tree planting, clean-up drives, and other environmental initiatives (apart from social development programs and projects) even in the years prior to ICTSI’s membership in the Philippine Business for Social Progress in 1992, and long before the 2015 launch of the ICTSI Employee Volunteerism Program (IEVP).

Group-wide, ICTSI ports have been making major investments towards an increasingly greener equipment and vehicle portfolio.

In 2015, MICT became the first Asia Pacific port to order the market’s most fuel efficient 45-ton reach stackers, which offered emission reduction capacity that meets European Stage 4 and Tier 4 and EPA emission legislations). In 2017, the port booked orders for sixteen (16) hybrid rubber-tired gantries (RTGs), which will all



ENGINEERING EXCELLENCE

In Australia, Victoria International Container Terminal (VICT) won two awards in the prestigious Australian Engineering Excellence Awards: the Engineering Excellence Award and the Victoria Division Award. The awards recognize outstanding achievements in engineering and the invaluable contributions the company makes to the economic, community, and the environment. VICT is one of the most technologically advanced, environmentally sustainable, and safest ports in the world.

be delivered in 2019. These RTGs offer 60 percent better fuel efficiency, reduced noise levels, and at minimum, 53 percent reduction in carbon emissions.

INTERNATIONAL ENVIRONMENTAL MANAGEMENT STANDARDS CERTIFICATION

For the reporting period, the Company continued to take measures to enhance its environmental management, progressively minimizing impacts on land, air, and water.

Part of ICTSI’s baseline efforts for this is complying with territory-specific (local, national, regional, and/or federal) regulations that govern operational, environmental and safety standards. On an international level—across all port operations—another baseline effort is compliance with and receiving certification for ISO Environmental Management Systems.

Eleven terminals within ICTSI Group have maintained relevant Environmental Management System Certification. Moreover, one port, BCT in Poland, has maintained its Energy Management System Certification (as certified by Lloyd’s Register LRQA in 2014)—the first one within the ICTSI Group to do so, and representing the first such implementation in Polish container terminals).

In the period in review, no significant incident of non-compliance with environmental laws or regulations was noted. During the same period, no significant spills were reported.

For the long term, the vision remains consistent with what we have stated in our inaugural Sustainability Report released in 2017. The ICTSI Group seeks to secure appropriate certifications for all ports—regardless of location, considering that we operate in both developing and mature economies.

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 14064-1:2018 Greenhouse Gases	Contecon Guayaquil SA (Ecuador)

MICT HYBRID RTGS

Conventional RTGs contribute approximately 30% of a modern container terminal’s CO₂ emission. With a terminal the size of MICT, the RTGs alone are responsible for emitting approximately 10,000 tons of CO₂ annually, which equates to approximately 175t of CO₂ per RTG.

A Li-ion hybrid RTG can reduce CO₂ emissions by approximately 53%. To put this into perspective a fleet of 100 hybrid RTGs would have the same carbon footprint as 53 conventional RTGs.

In addition to the reduction in CO₂ emissions, there is an equivalent reduction in fuel consumption with a hybrid RTG returning between 0.7 and 0.8 Lt/move (conventional RTG: approximately 1.5Lt/move).

The new MICT hybrid RTGs utilize a reduced size 220kW variable speed engine and generator set (approximately 50% output of a conventional RTG engine) and a Li-ion battery module (20 x 40Ah batteries), without sacrificing performance or productivity. The batteries provide power for the RTG auxiliaries such as lighting and air conditioning. Moreover, the batteries, working in tandem with the generator output, provide the “top-up” power required when there is a high-power demand that exceeds the capabilities of the engine alone. Examples of these high-load or high-power-demand scenarios include hoisting with a heavy container, or when a combined hoist and trolley operation is required.

The Li-ion batteries controlled by an intelligent battery management system also allow the engine to run at reduced output when low intensity operations are performed, such as



trolley without load or when the RTG is idle in-between container moves.

The sharing of RTG load requirements between the battery pack and the engine significantly reduces fuel consumption and consequently harmful CO₂ emissions.

In addition to the Li-ion hybrid system, this new breed of MICT RTGs have been enhanced further to reduce fuel consumption and consequently CO₂ emissions.

- As a variable speed unit, the engine can adjust speed according to the load (unlike conventional RTG engines that run at full speed even when RTG is idle), thus further reducing fuel consumption and emissions.
- The smaller engine and engine house have a positive impact on overall crane weight.

▲ A first in the country, the hybrid RTGs are expected to further boost MICT’s container yard productivity, and allow the country’s largest, best-equipped and most technologically-advanced container terminal to fully match demand in terms of operational performance.

- Wire rope anti-sway system reduces trolley weight and consequently fuel consumption and emissions for every trolley cycle.
- The head block is removed, eliminating approximately 3t from every hoist cycle, reducing fuel consumption and emissions.
- Utilizing LED lighting for work areas, enclosures and walkways means lower power requirement.



PUERTO CORTES WINS OAS MARITIME AWARD OF THE AMERICAS

BECOMES THE ONLY CENTRAL AMERICAN PORT WITH 3 KEY ISO CERTIFICATIONS

WHAT IT’S ALL ABOUT: In 2018, Puerto Cortes (OPC) became the only port in Central America to achieve key ISO certifications: ISO 9001 2015 Quality Management Systems, ISO 14001 2015 Environmental Management Systems, and the OHSAS 18001 2007 Health and Safety Management Systems.

Also in 2018, the Organization of American States conferred the Maritime Award of Americas for 2017 to the port. OPC was cited for its environmentally sustainable port operations and green measures under its Integrated Management System.

WHY IT MATTERS: Puerto Cortes is Honduras’ largest port and the main gateway on the Atlantic coast to most of Central America. Currently, the

port is the only one in Central America-Four Region that can receive the biggest container vessels because of its new super post-Panamax cranes and berth. With the pivotal role it plays in national and regional trade, the port has a fairly large scope of influence. The port’s manifold environmental commitments—to reduce and control consumption of natural resources, selective collection, and recycling materials, among others—represent substantial investments in sustainability for the business and the communities involved.

HOW SUSTAINABILITY WORKS, ON GROUND:

The award recognizes public and private port terminals and maritime companies (from the 35 OAS member states) that promote marine

environment protection. Besides its focus on marine protection, Puerto Cortes has other ongoing commitments. These concrete efforts include maintaining equipment exhaust systems, noise reduction systems in engine compartments, conservation-related training of new staff, and rainwater harvesting and use of solar panels.

PLANTING GOOD SEEDS: Puerto Cortes links up with government partners to carry out some of its activities. In 2018, the port, in coordination with the Municipal Department of Environment and the merchant marine in the area, took part in a tree-planting activity in the Laguna de Alvarado area. This is part of an ongoing support for the annual commemoration of National Tree Day. Aside from tree planting, the port welcomes opportunities to plant the seeds of eco-awareness in employees and their families. In Puerto Cortés’ past celebration, port employees and their children toured the Museum of Planetarium, where the natural environment—its systems, issues, and proper care—was highlighted.

METRICS THAT MATTER

ENERGY & WASTE

For the period in review, this report continues its focus on areas that were covered in the 2017 edition: energy and waste.



GOOD TO KNOW

YANTAI, CHINA. Yantai International Container Terminals commissioned its first solar-powered generator unit for the maintenance workshop, supporting corporate sustainability and China's push to conserve energy and reduce emissions.

ZAMBALES, PHILIPPINES. Three Engineering personnel of Subic Bay International Terminal Corp. (SBITC) designed and fabricated a mobile oil rack as a replacement tool for 3T forklifts for changing the oil of gantry crane gear boxes. Using the rack—which itself was made from scrap materials like flat bars, used drum, and GI pipes and sheets, among others—SBITC saves around 53.6 liters of diesel fuel for every two-day oil change period.



ENERGY

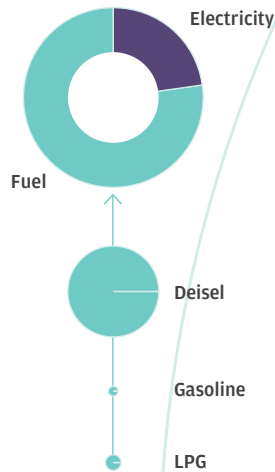
CONSUMPTION AND INTENSITY, AND RELATED EMISSIONS

Several activities revolving around container boxes take place 24/7 at any ICTSI container port or terminal, anywhere in the regions where it operates. For imported cargo, there is the discharge or unloading of boxes from berthed international cargo ships; transfer to the container yard; stacking; retrieval from the yard; loading and securing onto trucks (for transport to various area). On the other hand, similar activities happen almost as nonstop in terms of handling cargoes for export.

In all these, quayside and yard equipment and vehicles play indispensable roles; operationally, the port's energy consumption is mainly in the form of electricity and various types of fuel.

ICTSI has always sought to optimize operations, and continuously improve efficiencies across all aspects of operations. To ensure more sustainable operations, ICTSI also has plans towards energy optimization.

ICTSI has increasingly turned to next-generation technologies—deployed in the best-in-class cargo handling equipment and vehicles—to balance the need for efficiencies that deliver cost savings on one hand, and for reduced resource use (e.g., energy use) as well as reduced environmental impact (e.g., emissions, sound, and other factors).



TOTAL ELECTRICITY CONSUMPTION (MILLIONS)

0.45 GJ



TOTAL FUEL CONSUMPTION (MILLIONS)

1.24 GJ

DEISEL

1.22 GJ

GASOLINE

0.01 GJ

LPG

0.01 GJ

TOTAL ENERGY CONSUMPTION

1.69

MILLION GJ

126 MJ/TOTAL MOVES

ENERGY INTENSITY RATIO

Notes on energy intensity ratio:

1. Total moves (which include actual yard moves for the eight key 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

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>

GJ - GigaJoules
MJ - MegaJoules

DIRECT AND INDIRECT (SCOPE 1) GREENHOUSE GAS (GHG)

Resource consumption—e.g., energy—is one aspect of environmental impact that is measured under the rubric of sustainability. Another aspect, no less important, is the potential impact on living and non-living natural systems as an organization carries out its operations. It is in this sense that measuring emissions—the discharge of substances into the atmosphere—is an essential part of sustainability reporting. In the ports sector, one source of emissions is the combustion of fuels that occurs in cargo handling and transport vehicles and equipment, as container boxes are loaded/unloaded, moved to the yard, stacked, and so on.

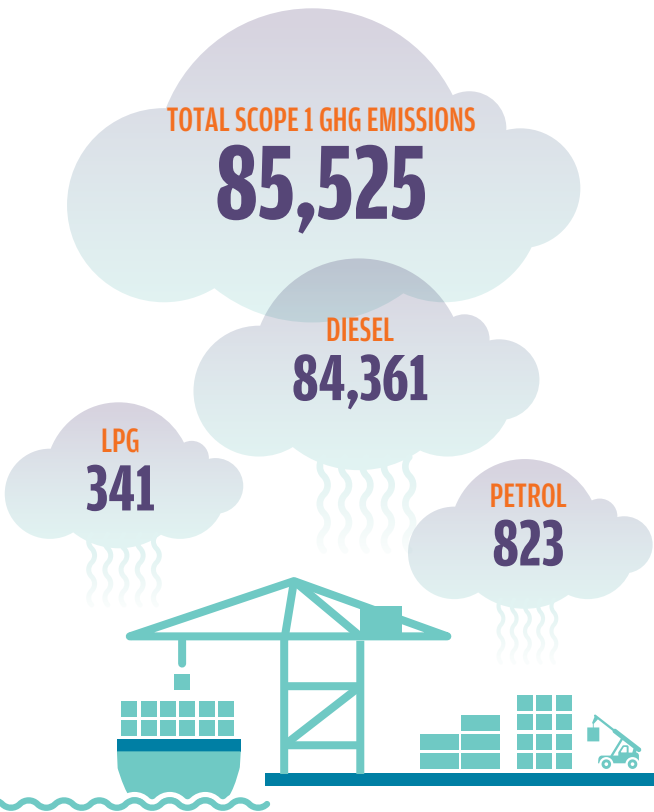
It is to be noted that apart from the disclosures embodied in the GRI Sustainability Reporting Standards, accounting for and accurately reporting on GHG emissions are relevant in light of the Paris climate accord signed in December 2015 by 195 countries, signaling the global commitment to lower global warming, especially as a means of reducing climate change risks. At the sectoral and national levels, key to carrying out this commitment is the reduction of emissions.

ICTSI is currently enhancing its mission to increase the focus on our efforts to limit the impact of climate change. We are also rolling out more and more terminal and site-specific KPI's to monitor and manage emissions. At this stage however, our approach leans towards the pragmatic and the practical and we have taken a position that our biggest and most valuable contributions to reducing our (and a specific terminal's) carbon footprint is by increasing equipment productivity. This has the most direct impact on reducing emissions from ICTSI's container handling fleet and an even bigger and arguably more valuable reduction in the emissions from the hundreds of thousands of unique trucks that deliver and receive containers at our facilities around the globe. The end result is simply moving more containers per hour with fewer but more environmentally efficient machines.

Above what has already been done, a number of initiatives are currently in place or are being put in place in line with our productivity and emission reduction efforts:

- Gate automation and gate system upgrades to reduce queuing times;
- Fleet changes to introduce faster and more fuel-efficient equipment:
- The deployment of RTGs in lieu of Reach Stackers at our PNG, Subic, and DR Congo. Our expectation is that we increase moves per deployed machine by between 30 to 50% while consuming far less fuel per move.
- Hybrid RTGs in lieu of standard diesel RTGs in Manila where we are piloting the technology. We believe that fuel consumption per move will be reduced by 60%.
- Making the specification of variable speed power packs versus constant speed engines a firm standard in our fleet procurement policy. We expect an overall

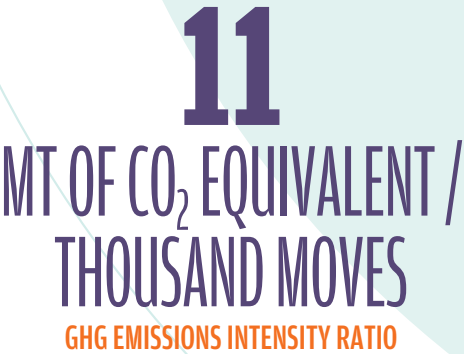
DIRECT (SCOPE 1) GHG EMISSIONS (IN METRIC TONS OF CO₂ EQUIVALENT)



Notes on direct (Scope 1) GHG emissions:

- No data available for specific breakdown of gases (by type) included in the calculation (i.e., whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all).
- No data available on Biogenic CO₂ emissions.
- Base year for the calculation is 2018.
- The corresponding emission factor for each type of fuel was used as the conversion factor.
- Consolidation approach for emissions is operational control.
- Standards, methodologies, assumptions, and/or calculation tools used: Greenhouse Gas protocol; electricity end use GHG emissions = (Quantity of consumption * the emission factor)/1000.

- reduction of 45% of liters consumed per run-hour over the life of each machine.
- Utilizing machine learning and analytics to improve and automate yard strategy to reduce truck stay times. While the benefits in fuel consumption and emissions at the terminals is clear, all of the above can have an even greater material impact on indirect emissions from the port business. Every truck handled at our terminals where these efforts are underway (and at terminals where they are already active) will benefit from a reduction in cycle time of more than 20 minutes per truck visit. This means the reduction in idle time with the engines on, far quicker container turn arounds, thus ultimately fewer trucks required in a market and ultimately fewer trucks working fewer hours moving more containers.



INDIRECT (SCOPE 2) GHG EMISSIONS (IN METRIC TONS OF CO₂ EQUIVALENT)



Note on GHG emissions intensity ratio:

- 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 key terminals).



CONTECON GUAYAQUIL:
THE FIRST CO₂-NEUTRAL PORT IN SOUTH AMERICA,
ECUADOR'S 1ST ECO-EFFICIENT PORT

WHAT IT'S ALL ABOUT: Contecon Guayaquil (CGSA) has become the first port in South America to be certified Carbon-Neutral. The certification, conferred by the Ecuador Ministry of Environment and environmental ratings agency, Sambito SA, officially recognizes CGSA's compliance to ISO 14064-1 standards.

Also in 2018, at the Punto Verde (Green Point) Awards, CGSA received the Eco-Enterprise Environmental Certification.

WHY IT MATTERS: The Carbon-Neutral certification lauds the company's policies that are directed and translated towards greater sustainability initiatives, as well as the incorporation of technologies that reduce the operations' impacts on Ecuador's largest and premier gateway.

WHERE IT HAPPENS: CGSA was recognized for its "clean" operational processes, with certified projects in areas such as:

- berth and yard operations, where significant reduction in diesel consumption was achieved after electrification of RTG cranes
- power supply, where diesel consumption was cut by 90 percent after switching energy supply from power packs to reefers
- lubricant oil use, which was reduced by 21 percent due to automatic shutdown systems.

WHO BENEFITS: On a national scale, Ecuador wins from CGSA's continuing commitments and simultaneous initiatives. In 2018, CGSA also sponsored the preservation of 14,600 hectares of natural areas in Ecuador. Covering 10,000 hectares of mangrove forests and 4,600 hectares of native forests, the program is part of mitigating efforts to reduce carbon emissions from port equipment, and to help in the conservation of the country's large tracts of intact natural forests.

CONSISTENT COMMITMENT: In 2010, the port had already received an Honorable Mention in Guayaquil's Eco-efficiency awards. In 2015, the national government, through its Ministry of Environment, awarded CGSA the Ecuadorian Environmental Certification for being an "eco-efficient" company. This shows that CGSA continues to improve its operations and is serious in fulfilling its commitment to be an environmentally-friendly port. CGSA is ICTSI's largest concession in Latin America; it can leverage this size to amplify the positive effects of its Resource Management, Impact Management, and Ecosystems and Biodiversity initiatives.

HAZARDOUS WASTE



OILY WASTE
582 T



BUSTED
FLUORESCENT LAMP
561 T



CLINICAL WASTE
124 T



OTHERS
251 T

TOTAL HAZARDOUS WASTE
(IN TONS)

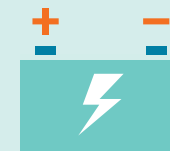
1,518

WASTE

Managing the balance between efficient disposal methods and reducing, if not eliminating, ecological impacts: over the years, ICTSI has been intensifying efforts to harmonize these targets. Across the business units (that is, the Head Office and the subsidiaries worldwide), the ICTSI Management has been increasingly exploring and adopting reuse, recycling, and recovery measures.

Hazardous waste are generally sold off or disposed by licensed and certified disposal companies contracted by the Group, while Used Lead Acid Batteries (ULAB) are recycled. Solid waste are either recycled or disposed by the waste disposal contractor.

Note: disposal methods were determined based on organizational defaults of the waste disposal contractor.



USED LEAD ACID
BATTERIES
1,428 PCS

NON-HAZARDOUS WASTE



SOLID WASTE
4,010 T



OTHERS
303 T

TOTAL NON-HAZARDOUS WASTE
(IN TONS)

4,313

T - Tons

▼
CMSA's Sandra Alcaraz Padron, and Camilo Aguilo Cruz and his son during the treeplanting program of Natinal Forestry Commission in Contecon Mexico.



GOOD TO KNOW

ICTSI works with a broad network of partners to help advance the conservation of oceans, seas, and marine resources, as well as the protection, restoration, and sustainable use of terrestrial ecosystems.

MANZANILLO, MEXICO. Working with the University of Colima, Contecon Manzanillo employees and their families did a coastal cleanup and installed trash bins. Post-cleanup, a knowledge-sharing session helped the community understand the effects of improper waste disposal. Ocean Conservancy monitored and analyzed the waste, 30 containers of which were turned over to the local government for recycling. Contecon Manzanillo also linked arms with the local community and joined the “I Plant My Future” tree planting program led by the National Forestry Commission. With the activity, 2,500 tree species were planted in a three-hectare area.

▼
Mr. Henry Dungca and Mr. Efren Abado of SBITC received the Earliest Participant Award in the Recyclables Collection Event sponsored by SBMA.



GOOD TO KNOW

Ecological solid waste management (ESWM) is being promoted through a variety of enterprise-level and grassroots approaches.

MANILA, PHILIPPINES. ICTSI flagship Manila International Container Terminal (MICT) marked 2018 with several ESWM initiatives.

- The ICTSI Waste Management Group, in partnership with the Department of Environment and Natural Resources (DENR), conducted a waste analysis and characterization study to determine the daily amount of waste MICT generates, and the waste decomposition. Data from the study

will be used in designing an ESWM system and monitoring framework.

- As a Million Peso Donor Awardee of the innovative Balik-Baterya Program, MICT has successfully done materials recovery, returning used lead acid batteries (ULAB) to car battery firm Motolite for recycling. The program's incentive scheme allows MICT to redeem ULAB points for funds that can be used for CSR undertakings.
- The MICT-led Parola Solid Waste Management Program (PSWMP) continues its broad-based advocacy. PSWMP supported the DENR-National Capital Region's orientation for youth leaders, holding a talk on the PSWMP's experience in Education for Sustainable Development.

- MICT's Human Resource Department moved to ban the terminal's use of packaging materials made of extruded polystyrene (or XPS, commonly known in the Philippines by its brand name Styrofoam), as well as single-use plastic.
- ZAMBALES, PHILIPPINES.** SBITC supported the 3rd Recyclables Collection Event sponsored by the Subic Bay Metropolitan Authority. The annual event advocates the proper disposal of solid and hazardous wastes within the Freeport Zone. SBITC was conferred the Earliest Participant award for proactively and continuously promoting environmental consciousness at the workplace.

02 GOVERNANCE

A steady hand at the helm of a global enterprise

Leveraging corporate size and influence for the greater, long-term good is one perspective of sustainability. The effective management of environmental, social, and other impacts partly rests on the larger framework of good governance within the organization.

For ICTSI, the processes of building the culture of good governance and fostering compliance were started 30 years ago.

By the time the Company marked three decades of growth, key components of the governance framework were already well in place: the adoption of the ICTSI Manual on Corporate Governance (first accomplished in 2003, and revised in 2017); submission of the Annual Corporate Governance Report; adoption of the ICTSI Code of Business Conduct; formulation of the Anti-Bribery Compliance and Conflict of Interest Policies and Procedures; and, communication and training, among others.

In 2018, the Company expanded the scope of its impact management, as it adopted new Supply Chain measures aligned with sustainability objectives. This included the screening of new suppliers, using environmental criteria; measurement of spending on local suppliers (where local would refer to the specific area or region per operation, e.g., Philippine-based suppliers for the MICT); and assessing suppliers' environmental impacts.

A comprehensive coverage of the major areas of ICTSI's good corporate governance (commitments, initiatives, the Board of Directors, and other matters) is provided in the ICTSI 2018 Corporate Governance Report*.

* https://www.ictsi.com/sites/default/files/2019-05/annual_report_on_corporate_governance_2018_0.pdf.

BUILDING THE CULTURE

MANUAL ON CORPORATE GOVERNANCE

ICTSI adopted its Manual on Corporate Governance in 2003. Its latest Revised Manual on Corporate Governance was submitted to the Philippine government (as represented by the Securities and Exchange Commission or SEC) in 2017. The Manual serves as the framework of rules, systems and processes that governs the performance of the Board of Directors and Management. Moreover, it outlines the Directors’ and Management’s duties and responsibilities to stockholders.

The Company also published its maiden Corporate Governance Report as a component of the ICTSI Annual Report in 2013 (launched on the Company’s 25th year).

With a vacancy occurring in the Board near close of the year 2018, the Company took steps to adopt the recommendations in the SEC Code of Corporate Governance for Publicly-Listed Companies and the ASEAN Corporate Governance Scorecard (ACGS). In line with this effort, the Board initiated the selection for the Company’s third Independent Director as well as the reorganization of the chairmanships and memberships in the Board Committees.

Among the eight key terminals covered in this year’s report, 12 members of senior management have been

hired from the local community. As previously explained in the “About This Year’s Report” section, these major terminals enjoy dominant or strong positions in their respective geographic markets, accounted for 69% of the ICTSI Group’s throughput and 78% of revenues in 2018.

ICTSI CODE OF BUSINESS CONDUCT

ICTSI has an expanding global spread yet maintains an uncompromising stand on shared core values and principles, particularly the highest ethical standards of honesty and integrity. This adherence guides the Company as it abides by the laws of each country we operate in. The Code of Business Conduct (“the Code”) serves as a statement of our beliefs, values and commitment.

As a port/terminal operator, ICTSI complies with specific laws, issuances, and regulations set forth by port authorities, customs agencies, trade offices, and local government units, among others. ICTSI also faithfully observes the provisions of existing Collective Bargaining Agreements, and relevant labor and social legislation.

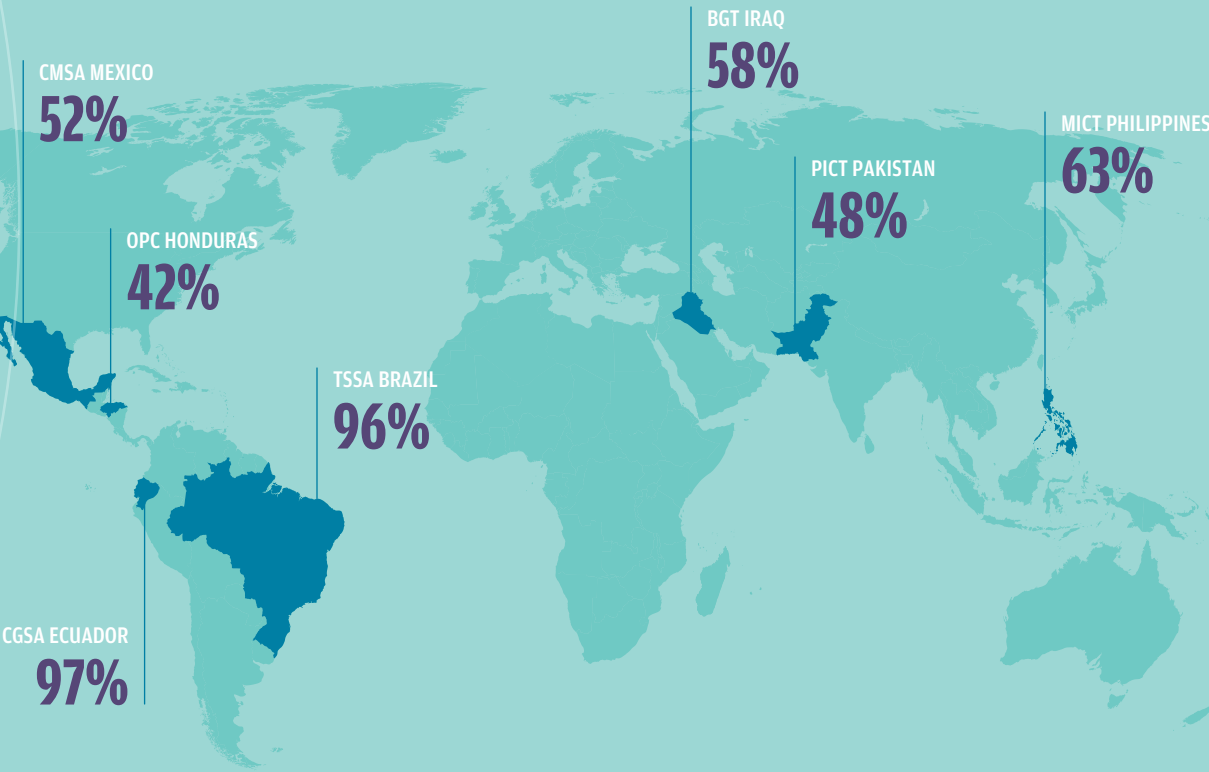
CONFLICT OF INTEREST POLICY

The Company implements a Conflict of Interest Policy to guide all ICTSI personnel to conduct business in a manner that ensures no undue personal or financial interests influence business judgment and decision-making within the Company. This Policy has been rolled out anew in 2018 to ensure strict and updated compliance. All personnel of the ICTSI Group are reminded to fill out a Conflict of Interest Disclosure Form and, for those newly appointed, an Undertaking prior to their assumption of roles. Disclosures provide transparency to actual, potential, or perceived Conflict of Interest risks to the ICTSI Group.

ICTSI’s 25th listing anniversary at PSE.



PERCENTAGE OF PROCUREMENT BUDGET USED FOR SIGNIFICANT LOCATIONS OF OPERATION SPENT ON LOCAL SUPPLIERS



Note:
Per Company policy, “local suppliers” is defined as entities (companies, juridical entities or natural persons) duly registered with the government of the territory where the ICTSI port/terminal/office is located, and which entity is to be screened for possible engagement as product or service provider for the port/terminal/office.

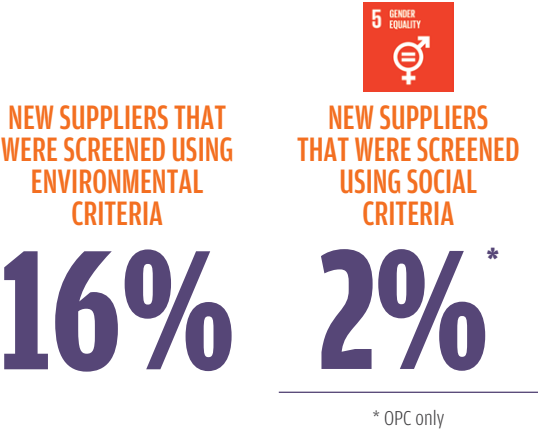
SUPPLY CHAIN IMPACTS

As a major player in the ports sector, ICTSI has a complex network of forward and backward linkages. Itself a key player in the global value chain, ICTSI has adopted, starting 2018, the GRI Standard for measuring and reporting on supply chain impacts—specifically beginning with the Company’s supplier screening and assessments.

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.

In its flagship operations for Manila International Container Terminal, the procedure in supplier accreditation is strictly observed:

- Initial interview of potential suppliers;
- Submission of the required accreditation documents;
- Pre-visit activities which include:
 - Checking the correctness and completeness of the required documents;
 - Interviewing/seeking feedback from other customers of the supplier; and
 - Reviewing financial statements submitted by the supplier;
- Conduct of plant visit, if applicable;
- Preparation of final report; and
- Issuance of certificate of accreditation and updating of directory.



With 31 terminals in 18 countries (as of yearend 2018), ICTSI recognizes the value of supporting trade, not only at the macro level (international import-export relations), but also at the micro level which involves sourcing locally whenever possible.

ICTSI has been requiring environmental standards (i.e., environmental government permits) from suppliers for specific service requirements. Social and environmental screenings were applied to new suppliers in 2018. By 2019, these screening procedures will be applied to all suppliers. Part of the vision for the screening is the prevention and mitigation of possible negative environmental impacts along the organization's own supply chain.

Apart from the strategic supplier screening based on environmental criteria—with an eye towards greening ICTSI's backward linkages—the Company also looked into the social impacts of suppliers.

In total, 105 suppliers were assessed for environmental impacts and 22 suppliers were assessed for social impacts, with 10 suppliers identified as having significant actual and potential negative environmental impacts. The Company is still assessing actions to be taken in the future for those suppliers that were found to have a significant actual and potential negative impact.

Moreover, in 2018, MICT began implementing the 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.

There were no risks for incidents of child labor on operations and suppliers made for 2018.

ENSURING COMPLIANCE

COMMUNICATION AND TRAINING

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The Company pursues a continuing program of periodic Governance-related training sessions, particularly for ICTSI Directors and Key Officers, led by ICTSI Chairman and President Enrique K. Razon, Jr..

Each ICTSI Director and Key Officer undergoes a minimum of four hours of trainings, programs, seminars, and roundtable discussions on Corporate Governance with service providers or private/government institutions accredited by the SEC. This helps ensure that the Company complies with relevant best practices in good corporate governance.

Across all levels of the organization, there are also communication and training efforts pertaining to anti-corruption policies and procedures.

ANTI-CORRUPTION POLICIES & PROCEDURES COMMUNICATION TO BUSINESS PARTNERS			
CMSA MEXICO		OPC HONDURAS	
TOTAL NUMBER	92	TOTAL NUMBER	708
PERCENTAGE	100%	PERCENTAGE	100%

Apart from the members of ICTSI's Governance Body, employees, and business partners in the operations/regions stated above, the Company's anti-corruption policies and procedures have also been communicated to suppliers and service providers.

In 2018, Directors and Key Officers participated in the Advanced Corporate Governance Training Program conducted by the Institute of Corporate Directors.

ANTI-CORRUPTION POLICIES & PROCEDURES TRAINING OF EMPLOYEES

The communication and training of employees on anti-corruption policies and procedures is an on-going program.

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

CATEGORY	PERCENTAGE
Admin - Rank and File	99%
Admin - Management	87%
Operators - Rank and File	73%
Operators - Management	78%

Percentage of employees that have received training on anti-corruption policies and procedures within the review period:

CATEGORY	PERCENTAGE
Admin - Rank and File	64%
Admin - Management	35%
Operators - Rank and File	48%
Operators - Management	11%



Regular departmental/team meetings ensure that the Company's anti-corruption/ conflict of interest policies are communicated down to rank-and-file/supervisory positions.



Philippine Central Planning Director Jay Valdez engages operations staff in Manila flagship.

COMPLIANCE

The Company appointed its first Compliance Officer in 2014. In the Philippines, the Compliance Officer coordinates with the SEC and other government regulatory agencies in terms of compliance requirements, monitoring, and reporting. Internally, the Compliance Officer is also on hand to receive relevant information on any potential or actual violations of the ICTSI Code of Conduct, or to offer assistance on matters or ethical issues (such as those pertaining to the Code within the context of specific local laws or regulations).

In the period in review, there were no significant fines, non-monetary sanctions, or cases brought through dispute resolution mechanisms; neither were there identified incidents of non-compliance with environmental and socio-economic laws and/or regulations.



**ANTI-CORRUPTION POLICIES & PROCEDURES:
TRAINING OF MEMBERS OF THE GOVERNANCE BODY***

100%

Total number and percentage of Governance Body members who underwent training on anti-corruption policies and procedures.



**ANTI-CORRUPTION POLICIES & PROCEDURES:
COMMUNICATION TO MEMBERS OF
THE GOVERNANCE BODY***

100%

Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to.

* Governance Body is defined as the Company's Board of Directors, Key Officers, and Global Corporate employees. "Key Officers" are all employees with positions Vice President and above.



ICTSI Directors and Key Officers at the in-house Advanced Corporate Governance Training last August 15 2018, with Chairman and President, Enrique K. Razon, Jr. The Institute of Corporate Directors (ICD) conducted the training.

CONTINUING TO LEAD

In 2018, ICTSI was adjudged the Best Investor Relations Company for the Philippines by *Corporate Governance Asia* during the 8th Asian Excellence Award in Hong Kong. The win was anchored on the Company's implementation of a robust and comprehensive investor relations platform; moreover, the award highlights ICTSI's adoption and implementation of Environment, Social, and Corporate Governance practices to make better management decisions, enhance transparency, and address various business-related risks.

Corporate Governance Asia also named Rafael D. Consing Jr., ICTSI Chief Financial Officer, as Asia's Best CFO (Investor Relations), and Arthur R. Tabuena, ICTSI Treasury Director and Investor Relations Head, as the Best Investor Relations Professional in the Philippines.

BGT UPHOLDS EFFECTIVE RISK MANAGEMENT

Effective risk management remains one of the key imperatives at BGT in Iraq; as such, the Company operates a finance back office in Dubai, where the core finance functions are performed. The setup allows the customer-centered Finance team in Iraq to remain focused on providing world-class customer experience in BGT. In 2018, the Finance team visited Iraq, interfacing with their BGT counterparts, and discussing ways to further enhance the efficiency of the processes to streamline communication between the front and back end offices.

**NOMINATION OF 3RD INDEPENDENT DIRECTOR
AND BOARD COMMITTEE REORGANIZATIONS**

With a vacancy occurring in the Board near close of the year 2018, the Board initiated the selection for the Company's third Independent Director as well as the reorganization of the chairmanships and memberships in the Board Committees to comply not only with the minimum requirements of law but also with the best practices in good corporate governance.

Also, in August 2018, the Institute of Corporate Directors recognized the Company for being among the high ranking publicly-listed corporations in the Philippines based on the ASEAN Corporate Governance Scorecard (ACGS) results for 2017. Lauded with such recognition for three consecutive years, 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.



**LEGAL WORKSHOP SERIES
LAUNCHED**

The ICTSI Global Corporate Legal Affairs (GCLA) team launched the first ICTSI legal workshop series last September 2018. Envisioned to equip employees and important stakeholders with knowledge of the Company's best practices in obligations and contracts, and compliance, the skill-share sessions were opened to a wider audience to create awareness amongst employees on relevant laws and compliance requirements across ICTSI's day-to-day operations.

The series included a primer on Obligation and Contracts under the Philippine Civil Code—differentiating Obligations from Contracts, and provided a background on how these binding agreements should work. Another initiative of GCLA, the Contract Template Library, an online depository of contract templates, was introduced to help ICTSI departments and subsidiaries in their contract-related dealings.

Lastly, ICTSI Regional Legal Manager for Asia Pacific, Atty. Mora-Suarez discussed the Company's compliance requirements as a publicly-listed company, highlighting important reporting mechanisms to governments and other regulatory agencies. Originally intended as a lecture-workshop for GCLA's paralegals, the series was well-attended by teams from the Corporate Group and MICT.

03

Supporting sustainable development through trade infrastructure

The Company remains committed to the creation of shareholder value over the long term. The continual pursuit of port efficiencies and of sustained profitability ensure this. ICTSI remains ready to explore opportunities for effective partnerships with governments privatizing port assets, with an eye to maximizing economic dividends from international containerized trade.

We continue to uphold the principles of fair market competition, such as participation in open and transparent international port tenders. Our portfolio of container terminals includes major infrastructure projects that are either partly funded, overseen, or assessed by independent third parties such

as international funding institutions. (Our port concession in Madagascar is a prime example, with the International Finance Corporation having served as exclusive adviser to the national government in the preparatory stage, as well as in ensuring a highly transparent bidding process.)

We do all these, even as we continue to serve the broader base of stakeholders as well: actively maintaining development partnerships with grassroots peoples' groups, non-government organizations, corporate foundations, and the donor community for social programs as well as disaster relief and resiliency advocacies.

ECONOMY

ECONOMIC CONTRIBUTIONS

Closing 2018 with a portfolio of 31 terminals, 18 countries, and three regional operations (in six continents), ICTSI marked its 30th year as a developer, manager, and operator of ports and terminals. For the year in review, the Company posted an increase over its 2017 economic performance.

BUSINESS PERFORMANCE IN CONTAINER THROUGHPUT

9.74
MILLION TEUS

ECONOMIC PERFORMANCE (IN MILLION USD)

DIRECT ECONOMIC VALUE GENERATED

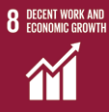
Gross Revenues 1,385.8

ECONOMIC VALUE DISTRIBUTED

Operating Cost	519.1
Employee Wages and Benefits	182.4
Payment to Providers of Capital	257.5
Payment to Governments	365.8
Community Investment	3.4

ECONOMIC VALUE RETAINED

91.1



RAMPING UP

ASIA PACIFIC

PHILIPPINES: NORTH LUZON. SBITC partnered with specialized logistics leader Royal Cargo to provide seamless movement of goods to and from North and Central Luzon (NCL). The collaboration includes increasing cold-storage options for enterprises. SBITC hosts Region 3's first and only on-dock warehouse that can connect to NCL's largest cold-chain facility (operated by Royal Cargo). **PHILIPPINES: MANILA.** The Philippine Ports Authority (PPA) approved capacity improvement projects at the MICT, starting with the construction of Berths 7 and 8, and eventually including yard space expansion. Complementing these capacity ramp-ups are the scheduled 2019 commissioning of 16 new rubber-tired gantries (RTGs) and the upcoming two new super post-Panamax quay cranes.

THE AMERICAS

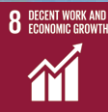
ARGENTINA. ICTSI Chairman and President Enrique K. Razon, Jr. met with Argentina's President Mauricio Macri. Mr. Razon reiterated the Company's commitment to further modernize and expand Argentina's TecPlata terminal, with capability enhancements already in the pipeline.

EUROPE-MIDDLE EAST-AFRICA

IRAQ. BGT is expanding its operation in Umm Qasr; the projects include the construction of two new berths. Upon completion, the expansion will elevate the Port of Umm Qasr into a major port capable of efficiently handling up to 9,000-TEU-capacity boxships, and enable BGT to facilitate direct calls by vessels in major trade lanes, lowering feeder costs for shipping lines/cargo owners. It is worth noting that the expansion plans were triggered by strong market demand.

GEORGIA. BICT, in cooperation with the Batumi Sea Port, completed dredging works in 2018. This enables BICT to service larger container-ships with drafts of up to 11 meters, considerably increasing the transport significance of both the container terminal and the entire Batumi Sea Port in the Black Sea area, and the freight transit corridor of Europe and Asia in general.

In addition to the dredging works BICT invested in expansion of the yard and new Terminal Gates doubling its capacity to 200,000 TEUs. Together with Medlog investments were made in CFS facilities to increase the service scope and compete with nearby ports. (Main works were completed in 2018, and actual opening and completion were set for 2019.)



GOOD TO KNOW

HONDURAS: BUILDING CAPABILITIES FOR TRADE GROWTH IN CENTRAL AMERICA

OPC inaugurated a USD5 million Logistics Operations Center to provide on-dock value-added services. These include: container stripping, stuffing, cross-docking, full logistics area, cargo inventory management, storage, and two new cold rooms for reefer cargo. The facility also features a new covered warehouse that increases capabilities for Authorities' inspections and other key logistics operations within the port, including 25 warehousing piers fully monitored by a 24/7 CCTV system. The Center also hosts dedicated spaces for regional authorities, including those from Guatemala, El Salvador, Nicaragua, Honduras, and USA customs (U.S.CBP). OPC also started operations of a new berth, the Pier 6 facility, with 14 meters depth and potential for future 15.5 meters depth.

OPC is currently the only port in the North of Central America (CA-4) that can receive the biggest container ships due to two new super post-Panamax cranes (23 rows) and the 14 meters deep bay. The cranes increased the berth capacity of the terminal by 50% versus the previous scenario. These capability-building efforts are in line with the vision of OPC's increasingly important role in the Atlantic for all CA-4 countries; as the leader in the Central American isthmus, being able to attend up to 40% additional local/regional cargo.



GUAYAQUIL PORT INAUGURATES EXPANSION AREA, POSTS TEU RECORD; EC PRESIDENT MORENO CITES ECONOMIC CONTRIBUTIONS

WHAT IT'S ALL ABOUT: Early in 2018, CGSA inaugurated its new greenfield terminal development: an expanded logistics support area. Gracing the occasion was Ecuadorian President Lenin Moreno, who cited the Company's substantial investments in increasing capacity in this key terminal in the South American Pacific, and Ecuador's largest.

HOW IT HELPS ECUADOR: CGSA serves Ecuador's top exports—bananas—with extensive reefer facilities; can handle 1.5 million TEUs annually; and, is the country's only port capable of servicing two mega vessels at once. In 2018, CGSA posted a record volume handled on a single vessel call (a total of 8,276 TEUs, from the MH Hamburg, in August).

ADDED BENEFITS FROM THE EXPANSION: The new logistics support area is designed to handle over 6,000 containers, aimed at supporting the economic, industrial, and commercial growth of the Latin American country.

CONTRIBUTIONS TO LOGISTICS

ICTSI's individual terminals have been cited by the Company's partner-governments for facilitating trade and helping drive economic development in their respective nations and regions. These contributions to logistics have also been recognized by international organizations and trade bodies.

In the 2018 ASEAN Business Awards, the ASEAN Business Advisory Council conferred on ICTSI the Priority Integration Sector Excellence Award for Logistics. The award cites the Company's outstanding performance and impact towards greater logistics integration and connectivity, and its contributions to the region's overall economic growth and prosperity.

Meanwhile, at the Seatrade Maritime Awards (for the Middle East, Indian Subcontinent and Africa

2018 category), BGT in Iraq won the Contribution to the Development of the Regional Maritime Cluster Award. BGT was commended for its contribution to strengthening links between the maritime sectors in the Middle East region.

As part of the overall public-private partnership schemes covering these port concession agreements, ICTSI terminals are allowed to avail of existing government assistance/incentives applicable in each territory.

In the fiscal year ending 2018, ICTSI's operating companies/subsidiaries received financial assistance from various government entities. The forms of assistance came primarily in the form of government grants and tax incentives (as applicable to each subsidiary). Details are provided provided in page 87 of the ICTSI 2018 Audited Financial Statements.*

* The document may be accessed at https://www.ictsi.com/sites/default/files/2019-03/ictsi_sec_form_17-a_and_consolidated_fs_2018.pdf#page=94



▲ For the second time, BGT won the "Contribution to the Development of the Regional Maritime Cluster Award" at the SeaTrade Maritime Awards in Dubai for its contribution to strengthening the links between the maritime sectors in the MEA and Indian Subcontinent region

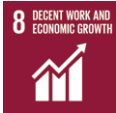
EXPLORING OPPORTUNITIES

ASIA PACIFIC

PHILIPPINES: VISAYAS. ICTSI submitted an unsolicited proposal to the PPA to develop the Iloilo Commercial Port Complex (or ICPC, a city port) and the Port of Dumangas (which can seamlessly handle projected spillover cargo from ICPC. The proposal envisions the two projects as the Philippines' Visayas hub, eventually becoming international gateways.

EUROPE-MIDDLE EAST-AFRICA

MANILA AND GAMBIA. A high-level delegation of Gambian senior officials and businessmen visited ICTSI's global headquarters and flagship operation in Manila to review the Philippines' public-private partnerships (PPP) in the infrastructure sector, particularly ports. Discussions covered ICTSI's roles and duties in port concessions, investment requirements, port privatization best practices, and chief challenges and possible solutions for the Port of Banjul, Gambia's main port.



GEARED FOR GROWTH

ASIA PACIFIC

PAPUA NEW GUINEA: LAE. SPICTL started operations in PNG's largest container handling facility in Lae. The terminal rolled out the new Navis N4 (the global standard for container terminal planning and operations management) and onboarded mobile harbor cranes, targeting a significant increase in overall productivity to position Lae as a gateway to the South Pacific region.

PAPUA NEW GUINEA: MOTUKEA. The break-through port project (in the drawing board for over 30 years prior to ICTSI's entry) involved relocating international shipping services from Port Moresby to Motukea. The port is designed to allow the larger international vessels to be serviced, facilitating greater trade with Australia, New Zealand, China, Japan, and other regional markets.

PHILIPPINES. ICTSI launched the Cavite Gateway Terminal (CGT), the Philippines' 1st barge box port, and the first to be conceptualized and completed under the government's Build, Build, Build Program. CGT innovatively uses roll-on, roll-off vessels and maritime connectivity to support South Luzon economic / industrial hubs, with an estimated 140,000 less truck trips annually.



MATADI GATEWAY TERMINAL: A VITAL PLANK IN DRC'S TRADE INFRASTRUCTURE REFORM

WHAT IT'S ALL ABOUT

Well positioned on the left bank of the Congo River, the Matadi port is located 92 miles up-river from the Atlantic Ocean, and is the closest port to Kinshasa, the nation's capital (at 204 miles by land transport, with the presence of rapids preventing maritime navigation from Matadi to Kinshasa).

Presenting clear logistical advantages, Matadi Gateway Terminal (MGT) is envisioned as the gateway for Western DRC (Bas Congo and Kinshasa): a key infrastructure development that supports DRC's direction towards greater participation in regional integration and trade in the larger African region. Additionally, Kinshasa, the nation's governance and economic capital, is currently the third largest urban center in the region, and is expected to emerge as one of Africa's megacities by the 2020s.

TRADE FACILITATION: INFRASTRUCTURE AND EQUIPMENT UPGRADES, AND ENHANCED PORT PRODUCTIVITY

The \$100 million terminal is unprecedented in construction scale for DRC, and represents a vital plank in the DRC government's larger vision in trade infrastructure reform. Overcoming challenges of a remote location, limited materials, and hard rocky soil conditions, among others, the Matadi port project was delivered in 2016: below budget, and with operations starting four months ahead of schedule.

ON THE HORIZON: ACCELERATING GAINS FROM COST-EFFICIENCY AND LINKAGES

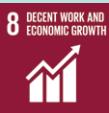
Driven by reforms (such as the adoption of a national single window for trade, and enhanced import-export processes), the country's ranking in terms of cross-border trade facilitation has improved. These reforms—including the development of MGT, as the only logistics infrastructure improvement of its scale which has

taken place between 2014 and 2018—have also boosted the country's ranking in the World Bank Logistics Performance Index (WB LPI).

Within MGT, gains from the upgrades and expansions have accrued: specifically, container clearance from the terminal is the most efficient in the DRC, averaging at approximately seven days. The terminal's annual capacity has doubled from 175,000 TEUs to 350,000 TEUs.

With support from the government, ICTSI plans to undertake strategic dredging in the Congo River up to a draft of 12.5 meters, which would allow the passage of Panamax class vessel calls, with a further phase pipelined, that would allow for slightly larger vessels as well.

Moreover, ICTSI is 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.



STRENGTHENING TRADE LINKS

ASIA PACIFIC

PAKISTAN. PICT hosted senior management members of the Karachi Chamber of Commerce & Industry, reiterating the port's trade role in driving trade and economic growth, and the ongoing commitment to help the nation's economic revival. In a separate meeting with ICTSI Senior Vice President (SVP) and Head of Global Corporate Christian Gonzalez, Karachi Port Trust Chairman Admiral Jamil Akhtar conveyed his commendation of PICT.

PHILIPPINES. ICTSI SVP Christian Gonzalez joined top maritime and shipping industry leaders in a roundtable discussion sponsored by the Joint Foreign Chambers of Commerce of the Philippines and The Arangkada Philippines Project. The panel tackled key policies, operating costs, and solutions for spurring further growth of Philippine seaports and shipping.

CHINA. ICTSI joined the inaugural China International Import Expo (CIIE), upon the invitation of long-time partner-client COSCO Shipping (now 4th largest in the world), and the World Shipping Summit 2018, where ICTSI inked several cooperation agreements with COSCO. China, the Philippines' fourth major export partner, hosts ICTSI's YICTL in Shandong.

THE AMERICAS

MEXICO: MANZANILLO. CMSA became a member of the World Organization of Cities and Logistic Platforms (Organizacion Mundial de Ciudades y Plataformas Logísticas or OMCPL), an NGO that scans the environment for economic development of cities and logistics platforms globally, enabling members to crafting positions/joint actions. This opens greater opportunities for Mexico's premier port. The CMSA CEO's posting to the OMCPL board as Director for Mexico bodes well for Manzanillo's economy as well.

HONDURAS. OPC, with the support of the El Salvador Chamber of Commerce and Industry, organized a conference seeking to identify points of convergence between the logistics needs of El Salvador's production sector and the competitive advantages offered by Puerto Cortes for cargo movement in the CA-4. Honduran and El Salvadoran authorities, business leaders, import-export sector representatives and other stakeholders participated.

ECUADOR. CGSA took the lead in uniting stakeholders by creating the Logistics Community of the Port of Guayaquil (Comunidad Logistica del Puerto de Guayaquil, or CLPG), aimed

at improving the global competitiveness of Ecuadorian enterprises. CLPG is Ecuador's and the region's first port logistics community. Its members represent over 83 percent of Ecuador's non-oil exports.

BRAZIL. For the three-day Intermodal South America 2018 (for logistics, cargo transport, and foreign trade industries)—a strategic business platform—the ICTSI Americas team organized a commercial forum centered on guidelines, best practices, and regional idea-sharing, to maximize client and stakeholder engagement. The team included senior executives from ICTSI terminals in Argentina, Brazil, Colombia, Ecuador, Honduras, and Mexico.

EUROPE-MIDDLE EAST-AFRICA

IRAQ. BGT participated in the Breakbulk Middle East 2018 Conference at Abu Dhabi, interacting with clients and partners, and engaging prospects from the oil and gas sector, which the Iraq port has been servicing with increasing success and capabilities.

04 EMPLOYEES

Lifting standards as an excellent employer and in employee performance

Throughout its corporate history, ICTSI has grown on the strength of a carefully selected, well-nurtured group of permanent employees. In 2018, as the Company marked its 30th year as an enterprise, ICTSI had in its roster 7,870 employees as of 31 December 2018.

In accordance with the nature of ICTSI's business as port developer, manager, and operator, those in Operations have constituted and continue to constitute the single largest group of employees in terms of activity. This is true for both the sub-set of the eight major ICTSI terminals that are the

focus of this report, and for the rest of the locations in the ICTSI Group.

While it is readily apparent that the Company continues to make substantial investments in port capacity and day-to-day operational performance, with emphasis on continuously driving efficiencies, ICTSI is equally committed to substantial investments in nurturing its workforce. More than merely focusing on continuously raising the bar in terms of employee performance, ICTSI keeps lifting the standards to which it holds itself as an employer.

EMPLOYMENT AND BENEFITS

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

In all its locations of operation, ICTSI complies with the socioeconomic laws, regulations, and policies—those pertaining to business operations, and those directly pertinent to labor. These include both domestic labor laws and applicable international labor conventions, encompassing remuneration and benefits, right to freedom of association, collective bargaining agreements, and rendering of overtime work, among others.

As a policy, ICTSI prefers to enter international tenders for port privatization projects with an offer of a long-term concession. This set-up is most ideal from an operational as well as labor rights and human resource development standpoint.

Under a long-term concession contract, ICTSI is able to not merely comply with laws and regulations of the port's jurisdictions (i.e., that of the port authority, local government unit, and national government agencies), but also to also apply the Company's own principles, policies, practices, systems, and standards, including those that have been beneficial in maintaining sound industrial relations historically, or in other locations with similar sociocultural and economic contexts.

To complement workforces in existing operations, and to fill staffing requirements in newly operational terminals, ICTSI posted the following rate of new hires in the year in review.

Within the same period, ICTSI posted the following rates of employee turnover.

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES¹

Along with ICTSI's policy emphasis on providing full-time permanent employment comes its push for competitive benefits packages for employees.

In contexts where ICTSI operates under a long-term concession agreement, the Company works beyond merely complying with minimum wages set by the respective territories' government agencies. In fact, in all its locations of operation, the Company offers

wages that are higher than mandatory wages.

The Company offers a range of benefits which are standard for full-time employees, in the eight significant locations of operations.

(The significant locations of operation, as previously explained in the About This Report section, are the eight major terminals that enjoy dominant or strong positions in their respective geographic markets, and which accounted for 69% of the ICTSI Group's throughput and 78% of revenues in 2018.)

BENEFITS WHICH ARE STANDARD FOR FULL-TIME REGULAR/ PERMANENT EMPLOYEES²

- 1. LIFE INSURANCE
- 2. HEALTH CARE
- 3. DISABILITY AND INVALIDITY COVERAGE
- 4. PARENTAL LEAVE
- 5. RETIREMENT PROVISION

PARENTAL LEAVE

The Company's social responsibility arm, the ICTSI Foundation, has a strong focus on youth development, and also helps support the growth of families and communities through initiatives in health and sanitation, peace and order, and other areas.

This support for families, however, has been part of the corporate organization even prior to the establishment of the foundation.

An integral part of that support is the fostering of 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 themselves of parental (either paternity or maternity) leaves; are able to return to work; and, a year after their return, may still be found employed in their respective positions, their previous availment of leaves notwithstanding.

1. Full-time employees are regular and permanent employees. These include regular on-call employees. These standard benefits are not provided to temporary or part-time employees.

2. By significant locations of operation.



GOOD TO KNOW

PICT CITED AT THE 6TH EMPLOYER OF THE YEAR AWARD. The Employer Federation of Pakistan named Pakistan International Container Terminal (PICT) as one of the most outstanding employers in the country, citing the Company's track record in promoting the well-being and social development of its employees.

PICT earned second place among the best multinational employers in the country on the strength of its inclusive employee culture, which mitigates the effect of discrimination in employment, occupation, gender, and pay.

SCIPSI RECEIVES INVESTORS IN PEOPLE GOLD ACCREDITATION AND HEALTH & WELLBEING AWARD. Investors in People (IIP), established by the UK Government in 1991 as a management framework for high performance through people, conferred the Investors in People Gold Accreditation to South Cotabato Integrated Port Services Inc. (SCIPSI).

Organizations that demonstrate IIP's Standards achieve its accreditation through a rigorous assessment. IIP's accreditation is proudly held by over 15,000 organizations across 75 countries. Only seven percent of IIP-accredited organizations have attained the gold standard across the UK.

(SCIPSI had previously received the Gold Employer of the Year Award at the 2016 IIP International Awards and was first recognized as an IIP Organization in 2007.)

TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER

Entitled to paternity leave	2,110
Entitled to maternity leave	322

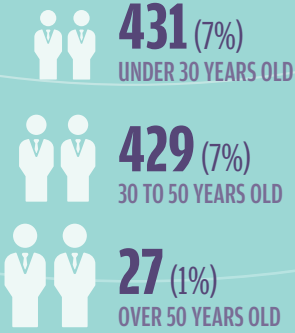
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER

Took paternity leave	219
Took maternity leave	28

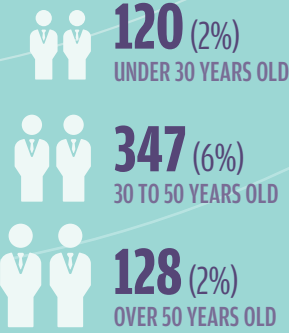
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK IN THE REPORTING PERIOD AFTER PARENTAL LEAVE ENDED, BY GENDER

Male	214
Female	21

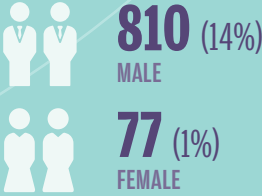
TOTAL NEW HIRES PER AGE GROUP



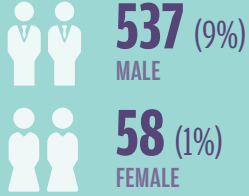
TOTAL TURNOVER PER AGE GROUP



TOTAL NEW HIRES PER GENDER



TOTAL TURNOVER PER GENDER



AVERAGE HOURS OF TRAINING

AVERAGE HOURS OF TRAINING THAT EMPLOYEES HAVE UNDERTAKEN (BY GENDER)

18.70 HRS
MALE

16.48 HRS
FEMALE

AVERAGE HOURS OF TRAINING THAT EMPLOYEES HAVE UNDERTAKEN (BY EMPLOYEE CATEGORY)*

Admin: Rank and File	19.75
Admin: Management	24.43
Operations: Rank and File	18.65
Operations: Management	13.64

* Operations includes Engineering, while Confidential personnel is categorized under Admin: Management

AVERAGE HOURS OF TRAINING PER EMPLOYEE

18.53 HRS

TRAINING AND EDUCATION

The Company has long had a policy in place for providing continuing professional development for employees. These fall under several categories, such as skills- or task-related training and those pertaining to organizational development.

PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

Technical Training includes courses, sessions, or modules on port equipment, such as for operating Reach Stackers, Quay Cranes, Rubber Tired Gantries, and Sidelifters. Training in office-based processes include those for Purchasing and Supply Chain, Bookkeeper Certification, Certified Management Accountant Program, Digital Communication and Branding, CISCO CCNA Switching and Routing Course, and Basic Non-Life Insurance.

Organizational Development training includes Behavioral Based Safety Training, Team Building, Interaction Management, and Basic Management Programs and Leadership. Also offered are



FIRST WOMEN CRANE OPERATORS IN PNG

In Papua New Guinea, ICTSI is raising the stakes high to get women together and help them see themselves as important economic producers.

Despite the odds of being in a working environment highly-dominated by men, three women in Papua New Guinea are making a difference today as the first women operators of modern port-handling equipment in the country.

Nellie Joseph, Daphney Nasinom and Nasuno Joe—all employed by ICTSI’s subsidiaries in Motukea and Lae—went under highly-specialized training in Manila last December 2018 to operate the first rubber-tired gantries and mobile harbor cranes in PNG. Under the guidance of experts at the ICTSI’s flagship, the female operators have shown dedication in enhancing their skills and knowledge on the various aspects of container terminal operations.

Contributing to improving PNG’s gender gap, ICTSI’s opening up employment opportunities for women help advance the gender equality agenda by empowering women to become economic providers for the family and the community, and enable them to participate in decision-making.

Aside from those working at the yard, women form a huge part of ICTSI PNG’s growing workforce—including those from IT, human resources and corporate affairs.



Nellie Joseph, the first woman Mobile Harbor Crane operator in Motukea, was trained in Manila, Philippines using ICTSI’s simulator

INSPIRING “COURAGE”



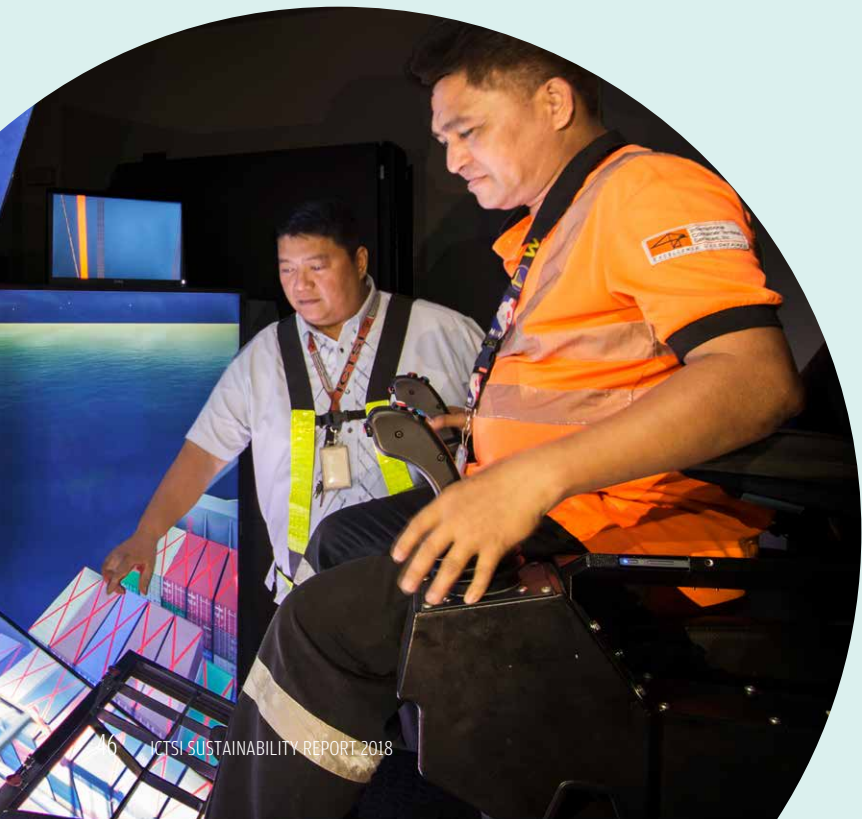
For a man whose name means ‘nobility’ and ‘courage,’ Arthur A. Valdez, MICT Shift Manager, has proven two things: one, you should never give up; and two, always put premium in everything you do.

When Arthur was promoted to Manager at the MICT early in

2018, it was a well-deserved ascension and a milestone in an interesting career path: from trainee in 1994, to on-call checker, to a regular position as vessel checker; to one of the first trainees in the Company’s shift from manual to automated operations, personally trained by his namesake Jay Valdez (no relation), now Philippine Central Planning Director.

With his dedication to his craft, Arthur finally became a Superintendent in 2008; was promoted to Assistant Manager in 2014; and, finally, to manager in 2018.

His career at ICTSI continues to flourish, 27 years after he finished his Electronics and Communications Engineering course: as much a strong case for persistence and for putting a premium on one’s work, as it is for maximizing the professional training and advancement opportunities that the Company offers.



TERMINAL & LOCATION	CERTIFICATIONS
MICT, Philippines	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System
BIPI, Philippines	• International Ship and Port Facility Security (ISPS) Code
DIPSSCOR, Philippines	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System
MICTSI, Philippines	• International Ship and Port Facility Security (ISPS) Code
MTS, Indonesia	• International Ship and Port Facility Security (ISPS) Code
PICT, Pakistan	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • OHSAS 18001:2007 Occupational Health and Safety Management System
SBITC, Philippines	• International Ship and Port Facility Security (ISPS) Code
SCIPSI, Philippines	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • OHSAS 18001:2007 Occupational Health and Safety Management System
VICT, Australia	• International Ship and Port Facility Security (ISPS) Code
YICT, China	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • OHSAS 18001:2007 Occupational Health and Safety Management System
AGCT, Croatia	• International Ship and Port Facility Security (ISPS) Code
BCT, Poland	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • ISO 22000:2005 Food Safety Management System • ISO 50001:2011 Energy Management System
BGT, Iraq	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • OHSAS 18001:2007 Occupational Health and Safety Management System
BICT, Georgia	• International Ship and Port Facility Security (ISPS) Code
MGT, Democratic Republic of the Congo	• International Ship and Port Facility Security (ISPS) Code
MICTSL, Madagascar	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • OHSAS 28000:2007 Supply Chain Security Management System
CGSA, Ecuador	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • OHSAS 18001:2007 Occupational Health and Safety Management System • OHSAS 28000:2007 Supply Chain Security Management System • Business Alliance for Secure Commerce • ISO 14064-1:2018 Greenhouse Gases
CMSA, Mexico	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • OHSAS 18001:2007 Occupational Health and Safety Management System • OHSAS 28000:2007 Supply Chain Security Management System
OPC, Honduras	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System • ISO 45001:2018 Occupational Health and Safety Management System
SPIA, Colombia	• International Ship and Port Facility Security (ISPS) Code • Business Alliance for Secure Commerce
TSSA, Brazil	• International Ship and Port Facility Security (ISPS) Code • ISO 9001:2015 Quality Management System • ISO 14001:2015 Environmental Management System

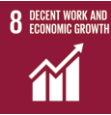
sector-specific courses, sessions, or modules such as Ports Operation and Strategy, Ports Planning and Design, and Customer Service. Supporting healthy workplace and labor-management relations are trainings and other activities (such as symposia, fora, and conferences) on Employee Discipline, People Management, and Labor and Employee Relations.

To empower employees further—especially with their rights as employees, and with a more well-rounded knowledge base—Orientation Programs cover topics such as government mandated benefits and health insurance benefits, as well as on claims, warehousing, and operations for non-operations staff.

Skills and knowledge sharing are also encouraged and supported, across all the ports.

There are cases where supplementary training, such as via Alternative Learning Systems, are also given to employees engaged in stevedoring work.

ICTSI also provides orientation sessions for those requiring transition assistance, such as retiring employees.



CROSS-FUNCTIONAL AND CROSS-CULTURAL TRAINING AND MENTORING

From its earliest days of expansion, ICTSI has consciously worked to leverage the power of cross-cultural and cross-functional training.

- PICT held an in-house seminar on the Principles of Management, designed specifically for employees’ knowledge enhancement and skills sharing, and with the seminar’s lead trainer volunteering to share knowledge among cross-functional departments as well. Around 40 employees from the Pakistan port’s diversified organizational levels benefited from the training. (PICT has also been actively providing other training opportunities, such as its 2018 series on Integrated Management System focusing on the implementation of ISO 9001 and ISO 14001.)
- From newly operational SPICTL in Lae, Papua New Guinea (PNG), five mobile harbor crane (MHC) operators were flown to MICT for a training course under the Manila port veterans. At the ICTSI’s flagship operation, the five PNG trainees gained a firsthand understanding of how MICT’s Operations Department works. Each trainee had the opportunity to operate quay cranes, MHCs, and RTGs using the MICT’s simulator. In turn, trainees expressed their eagerness and commitment to sharing their learnings with their PNG colleagues to further improve operational standards at the Lae port.

PERFORMANCE FEEDBACK, REWARDS, AND RECOGNITION

Across the organization, various forms of performance feedback, rewards, and recognition are utilized. These include those for service awardees and outstanding performance, such as MICT’s “Grand Slam Awards” for operators who reach all the monthly targets for the whole year. Such awards and incentives systems have also been extended to customers, particularly port users such as truck operators.

OCCUPATIONAL HEALTH AND SAFETY

A JOURNEY TOWARDS ZERO

Given the nature of ICTSI’s business—where the operation of large equipment (for cargo handling) and yard vehicles is done almost nonstop, constituting a major component of day-to-day transactions—ensuring worker health and safety and preventing incidents are top priorities of the Company. ICTSI is equally committed to ensuring that all laws applicable to each port are complied with, and to providing a safe and healthy workplace for employees and contractors by



OUR PROGRESS RELATING TO SAFETY PERFORMANCE

KEY PERFORMANCE INDICATOR	2017	2018
Fatalities	5	2
Lost Time Injury Frequency Rate (LTIFR)	6.2	5.3
Lost Time Injury Severity Rate (LTISR)	1,596	314

implementing and maintaining Health & Safety and Environment (HSE) management systems to mitigate risks in its business activities. This commitments are also evident in the investments system certifications pertaining to quality, environment, security and equally crucial, to occupational health and safety.

Additionally, the ICTSI group has stepped up efforts in promoting the importance of leadership and accountability when it comes to managing safety in its daily operations. Every employee who works for the Company is expected to demonstrate positive health, safety and environmental behaviors and report and mitigate potential risks. Managers are held accountable for attaining HSE goals, defining clear roles and responsibilities, providing appropriate resources and measuring, reviewing and continuously improving the Group’s HSE performance.

But despite the progress in performance, the Group suffered two fatal accidents in 2018. Since zero is the only acceptable number when it comes to this metric, the Group has been relentless in capturing key learning points from these accidents and sharing it across its terminal network to help prevent recurrence in any of its terminal operations. ICTSI remains steadfast in its drive to prevent serious incidents and ensure that every employee, contractor or visitor coming into their premises goes back home safe.



EQUIPPING EMPLOYEES TO GIVE PROMPT, PROPER RESPONSE

PICT, PAKISTAN. The port finds ways to effectively engage all employees in a higher OHSAS awareness and advocacy. For instance, while most evacuation drills are held during the day, PICT held one in several areas of the terminal—but at nighttime, to allow nightshift workers to participate. This consistent commitment to improve workplace safety and security earned the port its second place for Best Practices in Occupational Health and Safety under the service

sector category of the Employee Federation of Pakistan and the International Labor Organization. The award was conferred during the 13th EFP Best Practices Awards on Occupational Health and Safety.

MICT, PHILIPPINES. The terminal’s training portfolio includes First Aid and Basic Life Support training for Operations and Admin personnel. Held at the Philippine Red Cross—Manila Chapter Headquarters, the training was

part of the port’s continuing efforts to promote workplace health and safety. **SPICTL, PNG.** As part of the Company’s emergency preparedness initiatives, SPICTL held a two-day safety training that covered a lecture on emergency management, and a fire, explosion, and evacuation drill. The activity involved the Port Emergency Response Team, a medical team from a local hospital, the local police, PNG Ports Officers, PNG Fire Brigade, and ESS Security Personnel.



▲ The first female equipment operator in OPC is Yvette Quiroz, shown here working the mobile harbor crane.



ENCOURAGING AND EQUIPPING FEMALE PORT WORKERS

In Honduras, OPC is encouraging more women to enter the maritime industry, as it offers applicants the same standardized training process for all types of port equipment, regardless of the operator’s gender. OPC has trained the first certified female mobile harbor crane (MHC) operator in the region, as well as female reach stacker, terminal tractor, and forklift operators. In PNG, ICTSI has provided breakthrough opportunities for women: supporting female athletes, and hiring the nation’s first female equipment operator. She later joined other PNG colleagues in Manila for training at the MICT, using the port equipment simulator.

HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS

For the ICTSI Group, the Collective Bargaining Agreement (CBA) comprehensively covers practically every aspect of Health and Safety of employees, such as but not limited to, provisions of Personal Protective Equipment (PPE), medical and accident insurance, access to free medical and dental services at the company premises and many accredited clinics and hospitals across the country, and the provision of a standby ambulance at the company premises.

MICT, which holds the record as the first port in the Philippines to be compliant with the International Ship and Port Facility Security (ISPS) Code, and to be ISO certified, regularly conducts orientations, trainings, and seminars on health and safety.

DIVERSITY AND EQUAL OPPORTUNITY

DIVERSITY OF GOVERNANCE BODY*

ICTSI’s management structure is generally decentralized, with extensive authority delegated to the regional operating units where management teams are closest to their customers. The Company pursues a policy of diversity across ethnicity. It has a highly multicultural workforce and provides strong support for local hiring.

Aligned with its profile as a multinational enterprise, ICTSI also pursues a policy of leveraging its multicultural workforce (particularly its core of highly skilled, specialized professionals in each port) to achieve improvements in individual employees’ skill sets and competencies, and even in team performance.

One way this is being done actively is through knowledge and experience sharing across ports,

with port veterans or the more skilled workers often tasked to lead teams to train, mentor, or help on-board younger or new workers, especially in newly operational ports. It is worth noting that, from a diversity standpoint, a natural and welcome outgrowth of such international exchanges is the building of cross-cultural understanding and camaraderie.

In terms of discrimination, the organization notes that there were no incidents of discrimination during the year in review.

DIVERSITY OF EMPLOYEES**

DIVERSITY OF EMPLOYEES, BY GENDER

GENDER	NUMBER	PERCENTAGE
Male	6,848	88%
Female	902	12%
TOTAL	7,750	100%

DIVERSITY OF EMPLOYEES, BY AGE GROUP

AGE GROUP	NUMBER	PERCENTAGE
Under 30 years old	1,389	18%
30-50 years old	5,157	67%
Over 50 years old	1,204	16%
TOTAL	7,750	100%

DIVERSITY OF GOVERNANCE BODY, BY GENDER

GENDER	NUMBER	PERCENTAGE
Male	70	58%
Female	50	42%
TOTAL	120	100%

DIVERSITY OF GOVERNANCE BODY, BY AGE GROUP

AGE GROUP	NUMBER	PERCENTAGE
Under 30 years old	20	17%
30-50 years old	75	63%
Over 50 years old	25	21%
TOTAL	120	100%

* Governance Body is defined as the Company’s Board of Directors, Key Officers, and Global Corporate employees. “Key Officers” are all employees with positions Vice President and above.

** Employees exclude Governance Body

► Christian R. Gonzalez (left), SVP and Global Corporate Head, discussing health and safety with operators at the RTG base, alongside Leonardo Escala (right), Union President in ICTSI’s flagship operations in Manila

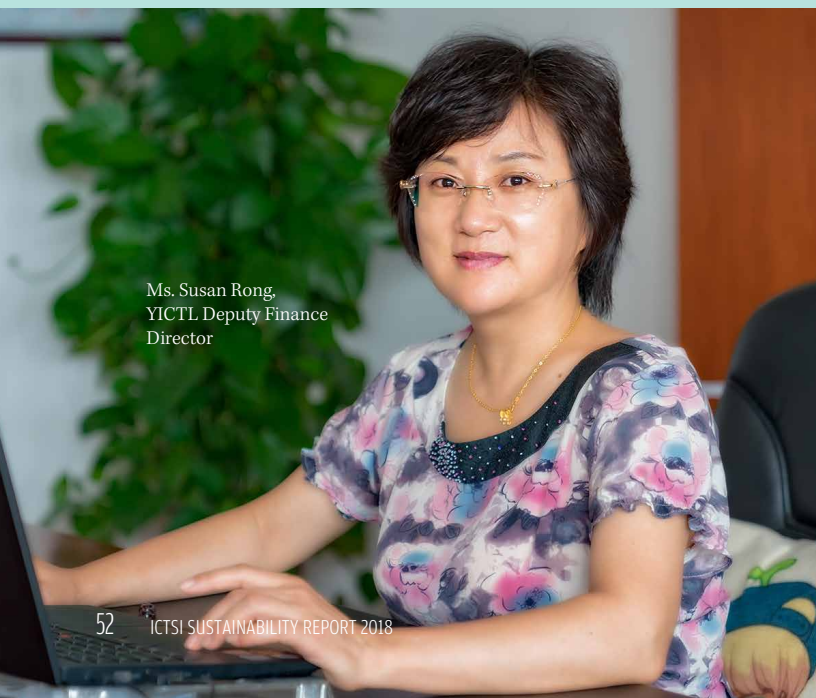




Ms. Gigi T. Miguel,
PICT Director

ADVANCING DIVERSITY IN OUR TERMINALS

- A multi-awarded Corporate Employer in Pakistan, PICT appointed its first female Director Ms. Gigi T. Miguel to the Board, and to the Audit Committee—reflecting the port's commitment to Corporate Governance and to gender diversity up to the C-Suite level.
- In Manila, site of the ICTSI Group's first port ever, the Company marked its 30th anniversary by feting its 20-, 25-, and 30-year Service Awardees: a testament to the job stability offered by the Company, to the robust career growth support, and the broad range of ages of ICTSI employees.
- In Lae, SPICTL celebrated PNG's Independence Day with the port's multicultural team—the local employees and expatriates—highlighting PNG's heritage in an inter-department competition. The competition featured indigenous PNG songs and dances, and authentic traditional attires.
- In DIPSSCOR, Davao City, Philippines, employee awards were previously given only to field workers. In 2018, however, an employee from the Admin Department, Senior Human Resources staff Loizel Mae Hongoy, received the Most Outstanding Employee Award, citing her initiative and "extraordinary commitment to quality work." The award was given during DIPSSCOR's 34th anniversary.
- Local hiring and equal opportunity hiring are two commitments of ICTSI. In YICTL, China, Susan Rong was appointed Deputy Finance Director. Ms. Rong, who holds a degree in Advanced Level Accounting and a Master's degree in Financial Management, brings the depth of her 28-year professional career to her new post.



Ms. Susan Rong,
YICTL Deputy Finance
Director

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Eighty percent of the ICTSI Group's employees are unionized, and CBAs are in force in many of the ports. In MICTSI in Misamis Oriental, Philippines, for instance, the port's 10th anniversary celebration in 2018 also served as the occasion for the management and the MICTSI Labor Union-Federation of Democratic Labor Organization to sign a Collective Bargaining Agreement.

OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

The ICTSI Group's operations encompass 31 terminals in 18 countries, and account for 7,870 total employees. Of these workers, 80% are unionized. Moreover, the Group has collective bargaining agreements (CBAs) in many of the terminals in which it operates.



▲ Rank and File employees at the Manila International Container Terminal during regular labor-management meetings

LABOR-MANAGEMENT RELATIONS

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES

The Company allows for 30 days (or the equivalent of 4 weeks) notice period as the minimum provision, except for PICT which only allows for 15 days as the minimum provision for employees.

UPHOLDING LABOR STANDARDS

ICTSI is committed, not only to offer viable full-time employment and career growth to its employees, but also to contribute to the elimination of all forms of forced or compulsory labor. To this end, the company has clearly specified its Company Policy regarding the issue, and has (within the period in review) begun conducting Supplier Social Assessment in order to help reduce, if not altogether eliminate, such risks.

For the period in review, there were no operations or suppliers with significant risk for incidents of forced or compulsory labor.

05 CUSTOMERS

Enhancing customer service in performance and privacy protection

Every single ICTSI container terminal serves several major customer groups. Foremost among these are commercial clients—cargo transport players, whether operating waterside or landside—including shipping lines, cargo owners/shippers, and hinterland logistics players such as independent brokers, freight forwarders, and trucking companies. Then there are government entities such as Customs agencies, along with trade groups such as truckers' associations.

Serving all of them well requires ongoing efforts to enhance capacity through development of infrastructure and equipment portfolios, boost efficiencies through systems upgrades, and to simultaneously safeguard customers' rights to operational transparency and data privacy.

In ICTSI, the Commercial team stands at the forefront of upholding customers' interests, with the full support of the larger organization. Vital aspects of customer rights are also prioritized in the ICTSI vision, the ICTSI Code of Business Conduct, and in other mechanisms and resources under the purview of corporate governance.

CONSTANTLY LIFTING PERFORMANCE

CAPACITY THROUGH INFRASTRUCTURE

The Company's various capacity upgrade efforts across the globe are all aligned with the development vision, trade targets, and projections of the governments that are ICTSI's partners in these privatized port projects.

Infrastructure upgrades take several forms, including physical expansion of yard, and other areas; the construction of new berths; investments in larger-capacity equipment, or purchases of additional units; and, usually in cooperation with government entities, the construction of hinterland transport infrastructure to facilitate inbound and outbound access to the port.

In 2018, several key terminals within the ICTSI Group undertook major capacity upgrades through infrastructure expansion within the port, quayside and landside. Designed to support growing needs across the cross-section of customers, these upgrades included the comprehensive dredging program at Georgia's BICT addressed vessel access, and Umm Qasr's BGT for phase 2 expansion. On the other hand, the commissioning of super post-Panamax quay cranes for Puerto Cortes' Pier 6 expansion, two neo-Panamax and a post-Panamax quay crane at Manila's MICT, plus a new mobile harbor crane and three RTGs at Madagascar's MICTSL, now enable these ports to service larger vessels.

Complementing these waterside improvements, landside and external infrastructures were also developed to maximize performance. Honduras OPC's most technologically advanced logistics facility further strengthens the country's position as Central America's premiere logistics hub. With the new truck parking in Umm Qasr's BGT, truck turnaround times and overall customer experience will be enhanced. Madagascar's MICTSL developed a new 5-hectare container yard, while Croatia's AGCT started upgrading its intermodal yard.

In 2018, several key terminals within the ICTSI Group undertook major capacity upgrades through infrastructure expansion within the port, quayside and landside.



▶ OPC's US\$145 million Pier 6 investment completes critical infrastructure needed to cement the port's position as the country's premiere logistics hub

DEVELOPING INFRASTRUCTURE TO INCREASE CAPACITY



ASIA PACIFIC

PHILIPPINES

▶ Luzon ports synergy for the Philippines and beyond: the launch of CGT, the success of LGICT, and the acquisition of MNHPI (Manila's domestic terminal) constitute a crucial step towards streamlined intermodal and inter-terminal solutions for import/export. Goods are moved to final destinations—Luzon, Visayas, and Mindanao—more efficiently.

▶ MICT received its largest equipment (one post-Panamax and two neo-Panamax quay cranes). ICTSI is building Berth 7 as part of its concession contract commitments. The Company submitted a proposal for the construction of back-up areas for Berths 8 and 9.

MICT received its largest equipment

THE AMERICAS

HONDURAS

▶ OPC, Central America's leading port, completed the initial phase of the Pier 6 expansion project. ICTSI sees added capacity and ramped-up efficiencies positively impacting transport costs—substantially benefiting importers, exporters, and consumers. Pier 6's inauguration augurs well for five-year expansion plans (to bump up port capacity to almost 1.6 million TEUs).

OPC Pier 6 Expansion Completed

ECUADOR

▶ CGSA secured the government's green light to accommodate mega vessels (up to 305 meters long) Berths 2 and 3. The port's existing berth line and equipment can now accommodate up to nine vessels at a time (depending on ship size). The Southern Viaduct project—over 44 kilometers—will directly link the port and Guayaquil's South side to El Oro province. The new road will cut travel distance to the southern banana estates by 60-100 kilometers: around US\$90-million transport cost savings.

EUROPE, THE MIDDLE EAST AND AFRICA

IRAQ

▶ BGT made steady gains in the oil and gas sector in 2018; past port rehabilitation/reorganization efforts provided improved capacity and efficiencies to clients. BGT supports oil and gas companies ExxonMobil, Southern Refinery Company, PetroChina, ENI, Halliburton, CNOOC, Missan Oil Co., Shell, etc.

▶ Berth 19 serviced 82 general cargo vessels in 2018 compared to 47 vessels in 2017. Similarly, cargo handled (freight tons) in 2018 increased by over 166 percent versus 2017.

▶ BGT commissioned a Cutter Suction Dredger under the port's Phase 2 expansion, and opened the new 10-hectare parking area (expected to further ease congestion on port access roads, accommodating up to 1,000 trucks, accessible 24/7, and manned by BGT and Iraq Port Authority personnel).

▶ The new BGT-exclusive access gate enhances truck turnaround times, maximizing port connections to the national highway and railway network serving Basra and Baghdad (Iraq's capital).

Cargo handled by BGT in 2018 gained
166% INCREASE

GEORGIA

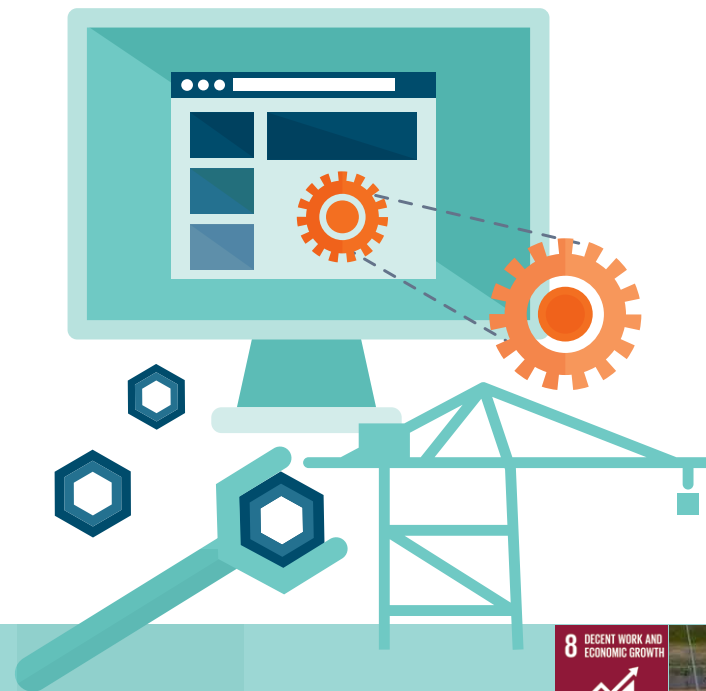
▶ Waterside and landside expansion areas of the multipurpose terminal were inaugurated at Batumi Container Terminal. Designed to increase annual handling capacity to 200,000 TEUs, the expansion helps ships to further maximize Batumi's inherent advantage over Potti (Georgia's other port): all-year-round access without closures due to high winds.



TRANSPARENCY AND EFFICIENCY THROUGH SYSTEMS

Apart from the required physical infrastructure and equipment upgrades, ICTSI also invests substantially in capacity enhancements through systems.

Whether these are developed in-house or purchased from a best-in-class vendor, these system changes or upgrades bring three benefits that are as important as capacity improvements: they often require less resources to implement, provide not only increased



UPGRADING SYSTEMS & ENHANCING EFFICIENCIES

ASIA PACIFIC

PHILIPPINES

- MICT updated its Terminal Operating System (TOS) from Sparcs N4 2.6 to Sparcs N4 3.4 for improved system architecture and simplified configuration, among other advantages.
- MICT and MNHPI held a strategic planning activity to increase productivity and efficiency, with over 50 personnel exchanging ideas on exceptional service and improving productivity.
- MICT's onsite services were also being continually enhanced (e.g., renovation of the Unionbank ICTSI Branch to further improve port transactions' quality and efficiency).

AUSTRALIA

- Waterline 61 (the Australian Bureau of Infrastructure, Transport, and Regional Economics' 61st edition of its quarterly survey of container-related port efficiency) noted how truck turnaround in Melbourne significantly decreased by 22.3 percent, "driven in part by the commencement of operations at VICT."

PAKISTAN

- PICT took major steps to improve crane maintenance efficiency, streamline truck delivery patterns, and optimize the trade process. For one, the PICT Engineering team launched its in-house crane monitoring system (CMS) to expedite efficient crane maintenance, systematic fault diagnosis, and

quality response time. The CMS (now utilized on all cranes) and the Remote Crane Management System (RCMS) have significantly refined the minimum mean time for equipment repair.

- Together with the Karachi Port Trust Authority, (KPTA), PICT organized a four-day workshop to

PICT improved crane maintenance efficiency

orient port users on the Vehicle Booking System (VBS) that streamlined truck movements at MICT (Manila) and VICT (Melbourne). PICT is evaluating the potential benefits of adopting the VBS.

- In an event organized by the All Pakistan Customs Agent Association (APCAA) and the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), PICT presented its trade optimization initiatives (e.g., the Container Tracking System). APCAA and FPCCI also cited the initiatives' benefits to stakeholder transparency and coordination.
- PICT held Integrated Management System training sessions (led by certified trainers from M/S Bureau Veritas) to build employees'

awareness of new requirements of the revised ISO 9001 and ISO 14001.

THE AMERICAS

COLOMBIA

- SPIA's Information Technology and Land Operations departments developed a tool to optimize general cargo handling. They configured the existing Navis TOS—with a purely maritime approach to handling containerized cargo—for handling the general cargo process flow (inventories, billing, packing, etc.) The project targets increased efficiencies from online handling and billing.

EUROPE, THE MIDDLE EAST AND AFRICA

IRAQ

- After months of process alignments and audits, BGT obtained key ISO certifications, confirming that management systems are aligned with international standards, and processes are in place to achieve continuous improvement in health and safety, and support customer needs. Moreover, building on the existing Navis N4-supported IT infrastructure, BGT launched its website tools for shippers/consignees, enabling container tracking and online invoice retrieval—making BGT Iraq's only terminal with online tools for enhanced transparency.

capacity but improved operational efficiencies as well, and allow for increasing operational transparency. All these redound to the benefit of customers, providing room for growth, enhanced market competitiveness, and better control and planning.

Several terminals have taken the initiative to roll out acquired or newly adapted systems quite efficiently like PICT's orientation to their stakeholders with their truck booking system, their in-house crane monitoring, MICT's updated Terminal Operating System (TOS) and SPIA's development of tools optimizing general cargo handling operations.

To further align them with international standards, terminals have also acquired several certifications such as BGT and OPC being ISO certified in Quality Management Systems, Environmental Management System and OHSAS Health and Safety Management System.

CUSTOMER INTERESTS AND PRIVACY

DATA PRIVACY

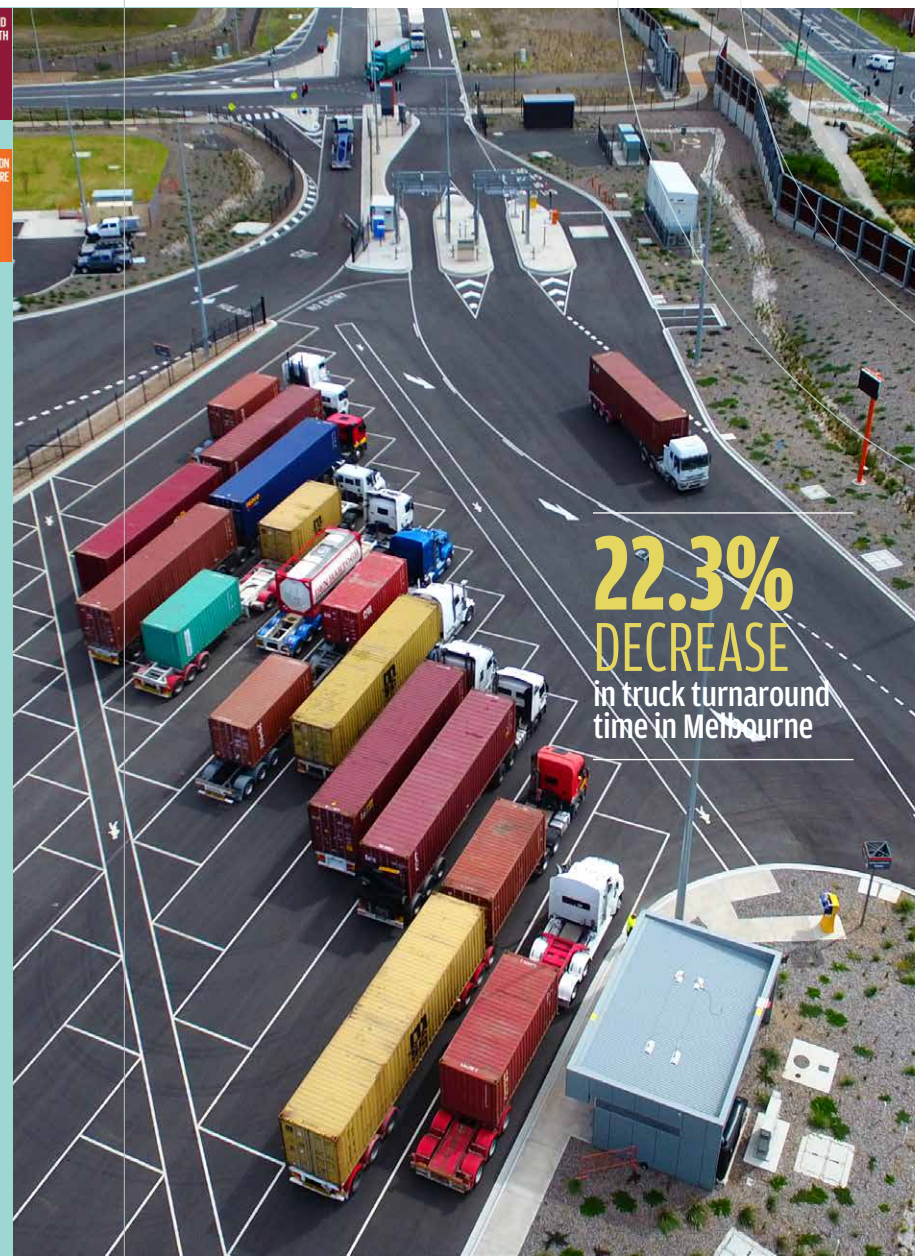
ICTSI respects the privacy of individuals and is committed to protecting sensitive and personal information. The Company is equally committed to relevant laws in the territories where its ports operate.

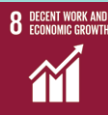
Having been founded, publicly listed, and headquartered in the Philippines, ICTSI has taken appropriate measures—among them, the designation of a Data Protection Officer, in 2017—in accordance with the Philippine Data Privacy Act of 2012, its implementing rules and regulations, and the related advisories and circulars issued by the National Privacy Commission.

Aligned with this, the Company also ensures that customers' data (along with that of employees and business partners) are protected—from unauthorized use, access, and disclosure, among others—under the ICTSI Code of Business Conduct, which is cascaded to all ICTSI companies, in all operations. In this manner, the ICTSI Group already provides its own framework for appropriately handling and safeguarding customers' data privacy, apart from the additional frameworks provided for by existing laws in the specific jurisdictions where the ports operate.

ICTSI also requires Consent and Undertaking Forms for transactions with both private and government entities that involve the disclosure of sensitive personal information, and adheres to vital principles of privacy, covering related activities such as collection, processing, and securing.

Apart from having privacy issues included in the framework laid out by the ICTSI Code of Business Conduct, ICTSI also ensures that such concerns are highlighted in the Company's relevant orientation and training programs.





WELCOMING NEW OPPORTUNITIES TO MEET CUSTOMER NEEDS

SETTING SAIL

ZAMBALES, PHILIPPINES. SBITC welcomed COSCO Shipping Line's new service (from Subic to Shanghai, China, then back to the Philippines via Manila). This taps Central and Northern Luzon's export markets and can widen COSCO's reach across Regions I to III, and service major trade spots in China, Korea, Japan, North America, and Europe.

MANILA, PHILIPPINES. The newest shipping line Ocean Network Express (or ONE, the world's sixth largest shipping line) launched its Japan-Philippines (JPH) service, linking the Japanese ports on Osaka, Yokkaichi, Nagoya, Shimizu, Tokyo, Yokohama, Kobe, and Pusan to Manila.

MISAMIS ORIENTAL, PHILIPPINES. MICTSI and Wan Hai began their partnership with the MV Wan Hai 225's maiden call. The port boosts the Philippines' powerhouse agro- industrial sectors in Northern Mindanao, and the country's leadership in the international fresh and canned pineapple trade.

AUSTRALIA. VICT marked the first rotation of the A3C Central China – East Coast of Australia service, which comprises six 8,063- to 8,500-TEU vessels operated by ANL, COSCO, and OOCL. The seamless vessel calls (i.e., highly efficient berthing, handling, and un-berthing) led to an experience rivaling Sydney's; moreover, VICT's unique location, unhampered by the West Gate Bridge, enables easy berthing of next-generation ships.

COLOMBIA. SPIA welcomed the first ships from CMA CGM's weekly fixed-day ACSA1 service, with fast reefer transport of fresh fruits and perishables to Asia. The ACSA1 service connects Buenaventura to Kaohsiung (Taiwan); Hong Kong; Shekou, Ningbo, and Shanghai in China; and Busan in South Korea. SPIA offers fast turnaround times and Colombia's top productivity levels.

POLAND. New ocean connections on BCT were inaugurated; the oceanic service calls serve as a feeder connecting ports in Western Europe

(Antwerp, Le Havre, Bremerhaven, Rotterdam) with Gdynia. The new services are more frequent links between BCT and Western Europe's transshipment ports, and frequent and quick direct links with ports outside of Europe on the routes offered.

SETTING RECORDS

PAKISTAN. PICT set a new performance record handling the 5,600-TEU capacity MOL Globe, which sails under the ONE Thailand India Pakistan (TIP) service. PICT logged 1,847 moves in the 21-hour operation, setting a record of 86.31 gross moves per hour. The TIP service covers the West Asia region and links Laem Chabang (Thailand), Singapore, Kelang (Malaysia), Pipapav and Nhava Sheva (India), Bin Qasim and Karachi (Pakistan), and Colombo (Sri Lanka). ONE's South Asia chief commended PICT for its support of TIP.

IRAQ. BGT achieved a milestone with the handling of approximately 180 tons of cargo for Al Basra Oil Terminal (ABOT), one of the two offshore crude oil marine loading terminals in Iraq (a focal point of the country's oil export). BGT facilitated the discharge, storage, and loading of the shipment of replacement loading arms (intended for ABOT's four berths).



Ocean Network Express (ONE) launches its first voyage in the Philippines at MICT

For the year in review, the number of complaints concerning breaches of customer privacy are still being validated. However, there was one incidence of identified leak of customer data. The disclosed data leak resulted from a version change in the "e-invoice" module of CMSA's Integrated System for Customer Services (ISCS) web portal, which allowed a Customs Broker to view an invoice processed by another Customs Broker. The issue was immediately reported and resolved in less than 4 hours by reverting back the released changes in the ISCS portal and by issuing the correct database query that separates client's invoices between different Customs Brokers. Improvements to the change management process were made to ensure software application is tested and results validated before its release and deployment to the production environment.

Apart from Compliance with regulatory requirements, the first ICTSI Legal Workshop series (launched in 2018 by the ICTSI Global Corporate Legal Affairs or GCLA) also aimed to cascade the Company's best practices in Data Privacy to employees and important stakeholders.

The GCLA-led session on Data Privacy was anchored

by a discussion on Republic Act 10173 or the Data Privacy Act, citing its importance and demonstrated ways on how to comply. The GCLA team showed how to secure sensitive information in all official communication, and briefed participants on the proper use of the Company's undertaking and consent forms, whenever sensitive information is needed.

CUSTOMER CARE

For each port, it is the Commercial team that interfaces directly with clients or customers, meeting needs, addressing immediate concerns, and discussing business opportunities and industry issues (often at the larger trade group or association level). These are done through regular client calls, 24/7 customer care service, regular conferences, and industry association meetings.

ICTSI staff regularly undergo relevant training, such as on Customer Service and on Company Policies covering ethical matters (tipping, for instance).

In 2018, ICTSI's flagship MICT launched a loyalty program for brokers, forwarders, and truckers, aiming

CUSTOMER SATISFACTION SURVEY (MICT, 2018)

89.3%

AVERAGE SATISFACTION RATING FOR 2018

MICT Customer Care and Concierge performance, with correct and timely response to queries and concerns

Based on the four surveys held throughout 2018 (to cover customer satisfaction over the four quarters of operations), high overall satisfaction levels were noted in three key areas of MICT's service: Customer Care and Concierge response (quality and promptness), port fees payments, and truck turnaround times.

4 MOST HELPFUL TRANSPARENCY TOOLS (MICT)*



TRACK AND TRACE



TABS SLOT USAGE



VESSEL BERTHING
SCHEDULE



MICT MOBILE APP

* MICT Eyes and Export Empty Allocation rounded up the roster of the six tools surveyed.

to reward customers for continuous patronage. The program has been slated for translation into an online application platform to facilitate the achievement and distribution of rewards.

There are also periodic Customer Satisfaction Surveys that cover key matters (such as the quality of customer service and satisfaction with port performance) while also providing a proper avenue for surfacing customer concerns and suggestions.

The Commercial team promotes active participation at events and forums. These rapport-building activities are also extended through various social events such as CMSA hosting its top customers at the Formula One Grand Prix at Mexico City, and MICT's Client Appreciation Night at Solaire Resorts and Casino.

For the year in review, the flagship and first ever port of the ICTSI Group, the MICT (based in Manila, Philippines) held its quarterly Customer Satisfaction Survey. Given the multiplicity of Philippine dialects, and the presence of international clients and port users, the questionnaires were presented bilingually (in English and in Tagalog). In all, 4,633 respondents took part in the four quarterly MICT surveys in 2018. Of these, 49 percent were brokers, 11 percent were forwarders, 19 percent were importers/exporters, and 21 percent were truckers.

TAKING CUSTOMER CARE TO THE NEXT LEVEL

ASIA PACIFIC

LUZON, PHILIPPINES. MICT, SBITC, LGICT, and CGT organized a Commercial Conference held in Pasay City, with over 100 representatives from manufacturing companies and leading forwarders in attendance. ICTSI spotlighted its plans to further improve trade facilitation, such as for the Manila-Cavite cargo transfers.

PHILIPPINES. ICTSI held its annual golf tournament for clients and stakeholders, including over 140 executives from different companies.

PAKISTAN. As part of efforts to raise port stakeholders' awareness on the importance of Health, Safety, and Environment (HSE) requirements, PICT (through collaboration between Terminal Operations and the Quality HSE departments) organized a training for private transporters using the Karachi Port. The Company asked members of the Transporters Goods Association (TGA) to participate to ensure adherence to and compliance with PICT's HSE standards. TGA gave positive feedback on the training.

THE AMERICAS

HONDURAS. OPC held an orientation for members of the Honduran Association of International Freight Forwarders (AHACI) regarding the new processes being carried out in Puerto Cortes. AHACI members were briefed on the recent investments in infrastructure and technology, the certifications OPC had acquired, and the new operational and customer service processes. The members also went on a tour of the terminal, including the new logistics area.

EUROPE, THE MIDDLE EAST AND AFRICA

IRAQ. BGT won the prestigious "Contribution to the Development of the Regional Maritime Cluster Award" at the Seatrade Maritime Awards Middle East, Indian Subcontinent and Africa 2018 for the second time in three years. This award validates BGT's commitment to high levels of operational excellence, and impeccable customer experience standards.

BGT drove the customer care culture a few notches higher by sponsoring 50 customer experience workshops for around 440 personnel. The in-house training emphasized, among others, customer interaction basics, communication skills, handling difficult situations. The training series aims to further strengthen BGT's work culture—among rank-and-file, security personnel, and senior management—with a focus on exceptional customer experience.

ICTSI EMEA. Along with BGT (Iraq), the ICTSI EMEA office, held a golf tournament in Dubai to cap the group's Customer Day event, which celebrates ICTSI's relationships with clients and stakeholders in the region.

Increasing and expanding port impacts on youth and community development

ICTSI's operations across the globe have been investing in local community engagements.

The port-led advocacies include programs and projects in education, health and sanitation, livelihood, and peace and order. The ICTSI Head Office and the subsidiaries are also involved in disaster relief, response, and preparedness initiatives. Within the port host communities and their environs, there are also selected sectors (including special-needs children) that the ports choose to support from time to time.

Complementing these are the advocacies of the ICTSI Foundation, established in 2009 as the corporate social responsibility (CSR) arm of ICTSI. The Foundation is certified by the Philippine Council for NGO Certification, and is also a registered resource agency by the Department of Social Welfare and Development.

06 SOCIETY

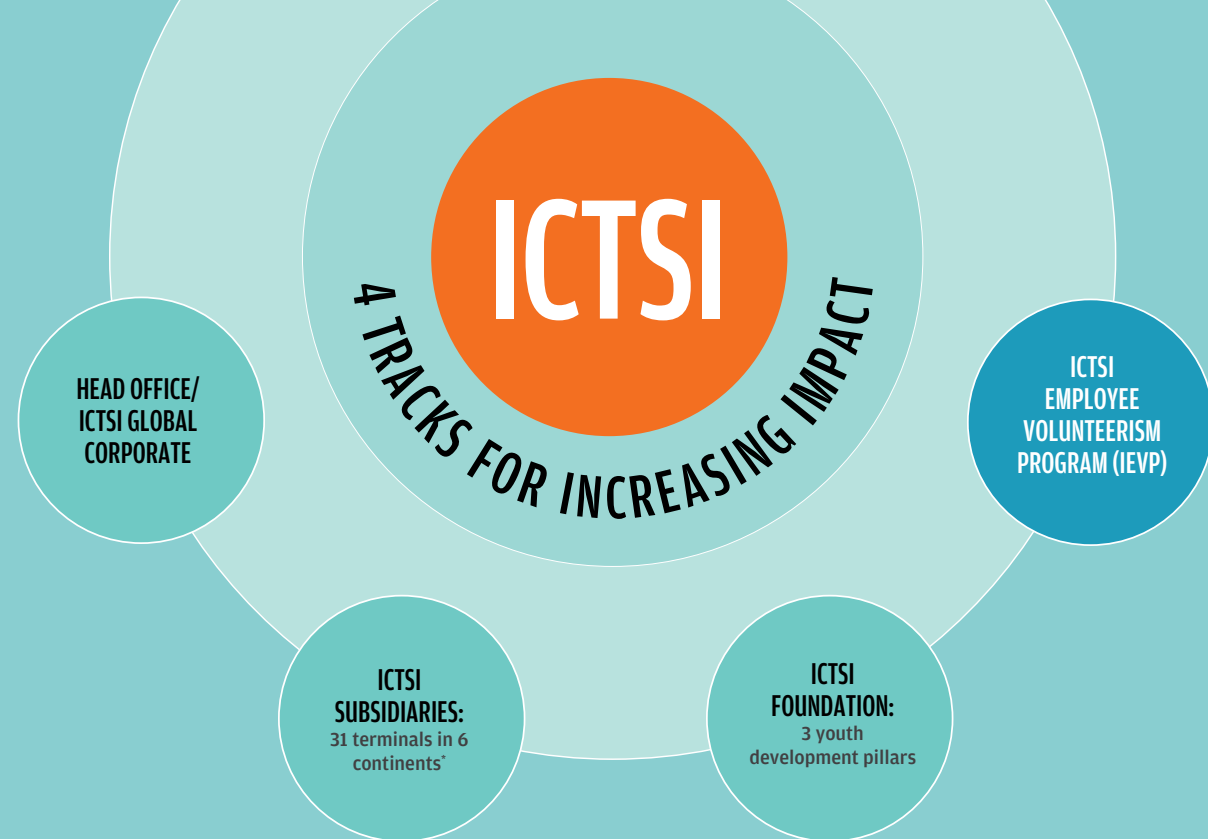
The Foundation provides technical assistance to help establish ICTSI social programs and projects. Equally important, the Foundation has been providing benchmarks and best practices that the subsidiaries have been replicating in their host communities.

In ICTSI's home country, the Philippines, the Foundation continues to implement CSR programs that serve the youth as a primary advocacy. This is aligned with the Company's vision to create positive impacts across boundaries (the ports, and the communities in the environs) and across generations. These impacts take the form of inclusive and sustainable development, particularly within the spheres of the youth development pillars that the ICTSI Foundation has chosen to focus on: Education, Sports, and Community Welfare.

By yearend 2018, there were CSR projects in the host communities of all 10 Philippine ICTSI terminals.

In 2018, the Foundation also continued to expand its CSR footprint in Papua New Guinea (PNG). In ICTSI's newly operational ports in Motukea and Lae, the Foundation has been playing a key role (starting from the pre-operational stage) in collaborating with the two terminals' host communities in the implementation of social programs. Unique to these social programs is the context: the innovative public-private-people partnership framework that ICTSI entered into in PNG.

In the conduct of its operations in 2018, ICTSI noted that there were no identified incidents of violations involving the rights of indigenous peoples (IP).



GOOD HANDS ON DECK: ICTSI EMPLOYEE VOLUNTEERISM PROGRAM (IEVP)

PHILIPPINE ASSISTANCE
TO HYDROCEPHALUS
VICTIMS

37

IEVP VOLUNTEERS

61

PATIENTS WITH
HYDROCEPHALUS
SERVED

INTERNATIONAL
COASTAL CLEAN-UP

182

IEVP VOLUNTEERS

250 KGS
OF WASTE COLLECTED

BRIGADA
ESKWELA

116

IEVP VOLUNTEERS

3
CLASSROOMS

HANDS-ON MANILA:
SERVATHON 2018

60

EMPLOYEE-
VOLUNTEERS
AND THEIR FAMILIES
joined the ICTSI Foundation,
repacking hygiene kits for
families affected by war in
Marawi

IEVP SCHOLARS

5

IEVP SCHOLARS
SUPPORTED

* as of December 31, 2018.

SUPPORT FOR IP COMMUNITIES

MAKING A TRIPARTITE PARTNERSHIP WORK RIGHT IN PAPUA NEW GUINEA

Since its first port privatization project in Manila in 1988, and subsequent expansion drive in 1994, ICTSI has been expanding its footprint as an enterprise, and as a driver of development, especially for the youth and the communities in which they live.

In one of its newer ventures—in PNG, beginning 2017—ICTSI embarked on a pioneering tripartite partnership with government, represented by the PNG Ports Corp. Ltd (PNGPCL), and the communities of IP landowners in Motukea and Lae (hosting the MITL and SPICTL terminals). Under the innovative agreement, these IP landowners' organizations become shareholders in the ports.

ICTSI Foundation helped establish a collaborative framework for sustainable port programs for the Motukea and Lae communities. The social and community programs include local partnerships with the AHI Hope Foundation; grant assistance to the Baruni Elementary School (serving five communities in Motukea); cooperation with AHI Hope for the building of the Malahang Community Police Station, which serves six communities in Lae.

Pipelined projects include infrastructure for communities in need of potable water and sanitation systems.

► ICTSI, SPICTL, AHL and PNG government officials during the turnover of patrol vehicles in Lae, Papua New Guinea.



WATER SYSTEMS, HYGIENE AND SANITATION, SCHOOL BUILDING, AND MEDICAL MISSION FOR IP COMMUNITIES

Apart from the ICTSI subsidiaries' ongoing work in the IP host communities in PNG, the Company, through the ICTSI Foundation, continued its commitment to support sustainable development, and to the welfare of Philippine IP communities. In 2018, the Foundation undertook projects that encompassed several UN Sustainable Goals—SDG3: Good Health and Well-being, SDG5: Gender Equality, and SDG6: Clean Water and Sanitation. **WATER SANITATION, HYGIENE, AND HEALTH (WASH) PROGRAM:** ICTSI sought the technical assistance of the champions and pioneers in the implementation of Water Sanitation, Hygiene and Health (WASH) Program, Samaritans' Purse International Relief—Philippines. With this partnership, the Parola community was able to have an initial understanding of the importance of a clean community, and acquire basic knowledge, skills, and correct attitude towards a healthier community. There were 1,500 families (beneficiaries of the government's conditional cash transfer program) who gained know-how on water, sanitation and hygiene, and how the community can lower the risk of acquiring or spreading communicable diseases. A culminating activity was also organized to celebrate this specific milestone, and Samaritans' Purse was invited to observe the said event. As of now, all hands are on deck to ensure that individual health is protected for over-all community health.

WATER SYSTEMS: For the the Aeta community in the province of Tarlac (part of the industrial hinterland of the ICTSI Subic port), ICTSI Foundation invested in water-related infrastructure, in partnership with Philippine Business for Social Progress and Clark Development Corporation. The project benefits about 300 residents: the water systems remove the residents' need for daily hour-long treks to the nearest river to fetch water. At Sta. Juliana in Capas, Aeta chieftains and villagers—representing 800 beneficiary families in 13 Aeta communities—welcomed the turnover of sustainable, cost-efficient, and accessible water filtration systems, provided in partnership with JCI Manila Foundation.

SCHOOL BUILDING: In Mindanao, the ICTSI Foundation—together with Philippine Business for Social Progress (PBSP) and ICTSI's South Cotabato terminal, SCIPSI—turned over a two-classroom school building to the Calay IP School in Sarangani province. The 120 students from the B'laan tribe benefited from the learning facility equipped with concrete floors, lavatories, and toilets.

MEDICAL MISSIONS: Working with Clark Development Corporation and the Municipal Health Office of Bamban, Tarlac, the Foundation conducted a medical mission and grocery distribution outreach for 250 families.

EDUCATION

ICTSI's Education goals are to provide scholarship grants and other forms of educational assistance to deserving youth, and to provide skills and livelihood training to out-of-school youth and other sectors of selected communities.



ICTSI GLOBAL CORPORATE HR BOOSTS BRIGADA ESKWELA

ICTSI officers and global managers donated items for a summer rummage sale, the proceeds of which were used to purchase materials for the DepEd's annual Brigada Eskwela program. Under the program, private sector partners and volunteers lend a hand in the cleaning and maintenance of public school classrooms, in preparation for the June opening of classes. The beneficiary school, Rosauo Almario Elementary School - Parola Annex, has been a long-standing partner school, located in the MICT host community.



PROJECT T.E.A.C.H. (Teacher Enhancement and Capability Honing)

330

High school and day care teachers trained in Manila, Olongapo City, Bauan (Batangas), and Davao City

10,000++

Direct and indirect student-beneficiaries of ICTSI Foundation Educational Assistance Programs in the Philippines

ICTSI FOUNDATION SCHOLARSHIPS

INTERNATIONAL

3 INTERNATIONAL SCHOLARS

International Scholars supported, in partnership with Northeastern University in Boston, Massachusetts, USA Tuition and other fees



LOCAL

80 COLLEGE SCHOLARS
50 HIGH SCHOOL SCHOLARS

MANILA
BAUAN, BATANGAS
OLONGAPO CITY
MISAMIS ORIENTAL
GENERAL SANTOS CITY
DAVAO CITY
TAGUM CITY



WALK WITH SCHOLARS

3 SENIOR HIGH SCHOOL STUDENTS

MANILA
OLONGAPO CITY
BATANGAS



Full allowances. In partnership with Terry S.A., the exclusive Philippine distributor of Havaianas, and Edukasyon.PH; three deserving senior high school students from Manila, Olongapo, and Batangas, respectively, were given full allowances for their schooling needs.

ICTSI FOUNDATION EDUCATIONAL ASSISTANCE

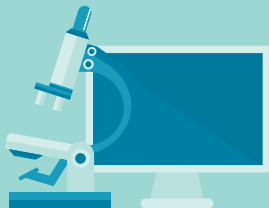
TECHNOLOGY & LIVELIHOOD EDUCATION (TLE)

2,479 STUDENTS

Public school students benefiting from TLE packages (laboratory renovations/ equipment or tool grants)

5 LOCATIONS

Bauan, Batangas, Calamba, Laguna, Davao City, Gen. Santos City, Palawan



PROJECT AIDE (SUPPORT FOR DAY CARE EDUCATION)

1,676 CHILDREN

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

34 BARANGAYS

Barangay-based day care centers supported

4 LOCATIONS

Bauan, Batangas, Calamba, Laguna, Davao City Olongapo City



Approximately
400 TEACHERS
benefiting from ICTSI Foundation Enhancement and capability-building programs



GOOD TO KNOW

Four IP schools in Davao benefited from the ICTSI Foundation's educational assistance, consisting of a package of tribal musical instruments for 744 students. (It is worth noting that in the ICTSI Foundation's Education Scholarships programs, Marlito Soriano, one of the first two students supported under the International Scholarship agreement with Northeastern University in Boston, USA, came from an IP community in General Santos City in Mindanao.)

VOLUNTEER-POWERED SCHOLARSHIPS

In MICT, employees who are involved in the ICTSI Employee Volunteerism Program (IEVP) continued to fulfill their sponsorship commitment to the five IEVP Scholars: children of ICTSI rank and file and on-call employees, now high school students in Manila.

PORTS PUSH EDUCATIONAL DEVELOPMENT

Apart from and prior to the work of the ICTSI Foundation, various ICTSI terminals have been carrying out their commitments to youth and community development, guided by the unique sociocultural milieus in which they operate. In 2018, these terminals continued to initiate and/or support educational programs and projects benefiting young learners.

MITL, PNG: As part of its support for the local community, the Motukea port turned over 300 chairs and 150 desks to Baruni Primary School as part of an educational grant that addresses the problem of students sitting on dusty floors for lack of chairs.

VICT, AUSTRALIA: Port Melbourne Primary School, one of the recipients of the VICT Community Investment Fund, unveiled its newly built playground. The facility is designed as an outdoor "passive play" space for students aged four to 12. In another engagement with the community of young learners in the Port Melbourne community, VICT invited Year 6 students from Port Melbourne to a port tour, workshop, and a crowdsourcing exercise where the 11- and 12-year-olds were asked to name four roads inside VICT.

CMSA, MEXICO: Through its Feet with Shoes campaign, CMSA donated school shoes to 82 children under the care of Liborio Espinoza and Los Angelitos foster homes in Manzanillo.

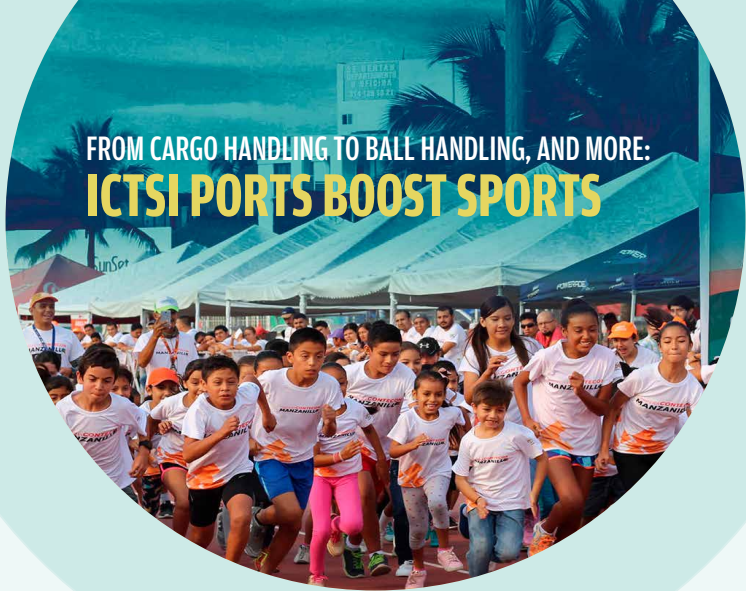
ICTSI/ MICT: Debate Team - ICTSI gave its support to the Philippine team that competed in the recently concluded World Schools Debate Championship (WSDC) held last 17-27 July, 2018 in Zagreb, Croatia. The Philippine team finished as one of the debate tilt's top 16 teams.



SPORTS

Under the Sports goal, 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.



FROM CARGO HANDLING TO BALL HANDLING, AND MORE:
ICTSI PORTS BOOST SPORTS

ICTSI FOUNDATION SUPPORT FOR YOUNG ATHLETES

AMATEUR GOLF

SUPPORTED AMATEUR LADY GOLFERS

Yuka Saso, Mafy Singson, Tintin Toralba, Ace Superal, and Arnie Taguines

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



VOLLEYBALL

SPIKE AND SERVE

ICTSI Foundation donated volleyball equipment to Spike and Serve, the grassroots organization initiated by former volleyball player Nicole Tiamzon. The assistance benefits underprivileged children who receive sports training through free volleyball clinics.

CHESS



Back-to-back support for Philippine Chess Grand Master John Marvin Miciano at the World Juniors Chess Championship (Turkey, in September) and World Youth Chess Championship (Greece, in October)

LITTLE LEAGUE

19 3

PLAYERS COACHES

Supported in Team Manila - Philippines

2nd win in a row (in 2018)
Team Manila - Philippines
at the **Pony International Girls Softball World Series**
(Hemet, California)

MANZANILLO, MEXICO: CMSA's three-years-and-running Carrera Contecon drew 1,500 participants in 2018. With such a high turnout, the year's edition of the "run for a cause" generated enough funds for a donation of 1,000 eyeglasses to low-income elementary school children in the area.

Moreover, CMSA's football squad posted a respectable second-place finish at its debut at the Saturday League Cup. The Contecon Manzanillo football club was formed from the CONTECROM league, with teams that include both unionized and non-unionized collaborators.

PUERTO CORTES, HONDURAS: OPC signed up as official sponsor of the Puerto Cortes-based Platense Football Club S.A. de C.V., citing the club's important social work as it allows youth to join the team, and keeps them away from violence and drugs through sports. The club, founded in 1960, became the first champion of the Honduran National Football League in 1965.

PAPUA NEW GUINEA: ICTSI South Pacific Ltd., the Company's PNG subsidiary, committed to become official sponsor of the PNG women's rugby club, the PNG Palais. Backing the squad's competitions in the blue ribbon Hong Kong Sevens and the prestigious World Cup Sevens in San Francisco, the terminal supports the nation's aspirations in one of the fastest-growing sports globally.

TOAMASINA, MADAGASCAR: MICTSL organized a free live broadcast of the FIFA World Cup matches, with football fans flocking to Independence Avenue where a large LED screen was set up for the broadcast, which lasted three weeks. (The first-ever broadcast came very timely, just weeks before the nation qualified for its first-ever African Cup of Nations finals.)

2 OUT OF 4
GOLD MEDALS FOR THE PHILIPPINES
2018 Asian Games (Jakarta, Indonesia), delivered by ICTSI Foundation-supported amateur lady golfer Yuka Saso

ICTSI FOUNDATION PROGRAMS AND PROJECTS IN PHILIPPINE COMMUNITIES

PAROLA SOLID WASTE MANAGEMENT PROJECT

70,000

Direct and indirect beneficiaries

78 VOLUNTEERS

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

6 YEARS RUNNING

2 COMMUNITIES

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

BATANG PAROLA, BATANG MASIGLA FEEDING PROGRAM

5 DAYS / WEEK FOR 120 DAYS

complete meals for malnourished children in Manila's Parola community

MEDICAL ASSISTANCE

Check-ups, referrals and medicines provided; 2 ultrasound machines donated to the community health center

Partnerships for health: ICTSI + Local Health Units/ Municipal Health Offices

52

PREGNANT WOMEN IN PAROLA, MANILA

3,016

INDIGENT PATIENTS

Residents of communities in Gen. Santos, Cavite, Misamis Oriental, Tarlac, Subic Freeport Zone, Laguna, and Manila

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

Beneficiaries of skills training

37 TRAINEES

Trainees in Small Business/entrepreneurship

49 TRAINEES

Trainees in Financial Literacy

ENHANCING COMMUNITY HEALTH AND LIVELIHOOD

In helping chart an increasingly sustainable future for port communities, ICTSI and the terminals count health care and livelihood as among the vital components of community welfare.

PHILIPPINES: ICTSI supported the Philippine Center for Entrepreneurship's Go Negosyo program, which aims to catalyze entrepreneurship in the nation, and promote the agenda of "Prosperity for All."

DEMOCRATIC REPUBLIC OF THE CONGO: MGT turned over a new scanner building to the General Hospital of Matadi in inauguration rites led by the Honorable Florian Massaki, Matadi Provincial Minister of Health and Education. The facility includes a machine room, a doctor's consultation office, and a large examination room. In another health-related initiative, MGT commemorated its second year of operations by honoring staff and their families, and by extending hospitalization assistance to 67 indigent families (with the patients being mostly women and children) in three health centers.

HONDURAS: OPC launched its breast cancer awareness and prevention campaign, focusing on the entire population of San Martin. The session, attended by over 200 men and women, was carried out within the framework of OPC's 7th medical brigade; OPC also invests in maternity wards maintenance, among other initiatives.

PAKISTAN: PICT joined the Karachi University job fair, organized by the Department of Public Administration. Along with other participating companies, PICT presented career opportunities and conducted applicant interviews.



COMMUNITY WELFARE

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

► A pregnant woman from the Parola community avails of an ultrasound using the machine donated by ICTSI Foundation.



ICTSI FOUNDATION-LED HUMANITARIAN ASSISTANCE

DISASTER RELIEF & RESPONSE

19,476

INDIVIDUALS

Individuals in the Philippines provided with relief packs in the aftermath of natural and manmade calamities

CHRISTMAS PROJECTS

1,545

BENEFICIARIES

Beneficiaries of annual gift-giving and Christmas Wish Tree Project.

SPECIAL PROJECTS

5

MILLION PHP

donated to Voice of the Free Foundation

Supporting the protection, rescue, and rehabilitation of victims of human trafficking

VOICE OF THE FREE

The phenomenal development of global connectivity—especially in mobile communications, the Internet, and commercial transportation—have brought massive benefits to entire nations and regions. Unfortunately,

criminal elements, including those organized to profit from human trafficking, have also taken advantage of these connectivity systems to carry out their activities.

As a global player in the ports sector, ICTSI made a Php5 million grant in 2018 (through the ICTSI Foundation) to support the advocacy of Voice of the Free Foundation, Inc. Formerly known as Visayan Forum, Voice of the Free is utilizing the grant to implement its key programs, including victim identification in passenger transport systems, raising public awareness on human trafficking, and supporting victims in rebuilding their lives. Within the Manila flagship, the Foundation likewise held an interface between ICTSI employees and human trafficking survivors to educate them on ways to combat human trafficking.



HUMANITARIAN ASSISTANCE

Within the ICTSI Group, there are three tracks for 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).



Contecon Manzanillo joins the national call for help after two major earthquakes struck Mexico's Oaxaca, Chiapas, Guerrero and Tabasco in 2017 by launching its own relief campaign and donating hundreds of bottled drinking water to quake victims. In partnership with local architectural firm b_rootstudio, CMSA also donated houses to five quake-ravaged families in Juchita

EARTHQUAKE SURVIVORS RECEIVE AID, NEW HOMES

After two major earthquakes struck Mexico in 2017, CMSA mobilized its people and resources to help the affected communities get back on their feet.

- In partnership with the local Red Cross, CMSA led a campaign to collect food and basic supplies for Oaxaca, Chiapas, Guerrero, and Tabasco—southern Mexico states hit on September 7. CMSA sent over 6,000 cans of tuna to Oaxaca. CMSA also supported the effort of local port authorities APIMAN, donating bottled drinking water.
- The second earthquake on September 19 hit central Mexico, devastating Mexico City and the surrounding states of Morelos, Puebla, and Estado de Mexico. CMSA joined the Manzanillo Port Authority's relief campaign by donating food and water; 100 volunteers from CMSA also took part in relief efforts led by COPARMEX, one of Mexico's leading entrepreneurial chambers.
- In Juchitán town in Oaxaca (one of the poorest, and most affected), CMSA helped reconstruct homes, with some CMSA employees temporarily relocated in the area to collaborate with local groups in helping the town recover.

CMSA had fulfilled its pledge to donate five homes to the survivors, in cooperation with architectural firm b_rOOTStudio. The pledge was part of CMSA's institutional commitments to contribute to short-, medium-, and long-term sustainable community development.

PICT SPENDS DAY WITH SPECIAL NEEDS PERSONS

Members of the Pakistan port's management team visited the Dar-ul-Sukun home for special people, to spend time and spread cheer with the physically and mentally challenged individuals under the care of the facility. The team helped serve meals, conduct gift-giving, and assisted in physical exercises of some of the physically handicapped residents.



REPRODUCTIVE HEALTH TRAINING FOR ENHANCED COMMUNITY HEALTH

As a densely populated urban pocket of poverty facing several socio-economic challenges, the Parola community has seen an increase in pregnancy/maternity in the community, including a growing trend in teenage pregnancy. To help the community manage these challenges better, ICTSI established partnership with the Family Planning Organization of the Philippines (FPOP). Guided by its commitment to the United Nations' Sustainable Development Goals for 2030, specifically SDG3: Good Health and Well-being and SDG5 Gender and Equality, both FPOP and ICTSI organized a group of community youth who will undergo series of trainings to prepare them as the communities' volunteer Peer Facilitators.

The program's primary objective is to strengthen the knowledge and skills of the volunteers by providing: training on Mentoring Sessions on Adolescent Sexuality and Reproductive Health (ASRH), One on One Counselling, and Adolescent Life Skills. A Team Building was conducted to strengthen and solidify the ties of these young individuals as champions of community reproductive health. The training, mentoring, and coaching series benefited 25 volunteers (youth peer educators). As part of their practicum, participants were asked to conduct individual roll-outs reaching as much as 332 youths in Parola.

TRAINING AND CAPACITY DEVELOPMENT

Apart from providing disaster relief and response, ICTSI also invests in training and capacity development. Focus areas include disaster preparedness, environmental and climate change mitigation programs, and the protection of children.

For instance, in partnership with Metro Manila Development Authority (MMDA), the Foundation conducted disaster preparedness trainings for immediate communities of MICT and NorthPort. The training courses benefited 1,557 residents of Parola and Isla Puting Bato, along with 766 parents of students of Jose Abad Santos High School. The Foundation also continues to engage youth, teachers, communities, and local governments on the importance of Republic Act 9003 (the Solid Waste Management Act of the Philippines), and the writ of continuing mandamus on the Manila Bay issued by the Supreme Court in 2008.

The Foundation also conducted information and education campaigns about the Manila Bay, directed to teachers through its "Environmental Education for Educators" program, and about climate change adaptation.

On the other hand, the Manila-based PIAN-Education cluster organized a three-day seminar on capacity building for the enhanced functionality of



MGT SPEARHEADS EMERGENCY COOPERATION AGREEMENT

In the Democratic Republic of the Congo, ICTSI's Matadi port took the lead in the signing of a multi-company emergency response agreement between public and private companies. The initiative, proposed by MGT, aims to facilitate more effective handling of emergency situations with the help of other companies.

MGT formed its own fire and emergency response team in 2016; the unit comprises 20 personnel from the operations and technical departments, each fully equipped and properly certified after undergoing comprehensive training.

MGT's firefighters have proven to be very capable. After their first stint assisting (outside of the terminal) at the Kinkanda General Hospital in 2016, the team has successfully responded to 11 emergencies, often the first to arrive on the scene, and able to buck difficult access to water supply in the city.

With the MGT-led agreement in place, emergency response units of public and private companies in Matadi can share best practices for enhanced response to internal and external emergencies.

the Barangay Council for the Protection of Children. (Spearheaded by ICTSI, the PIAN comprises different organizations including the ERDA, DSWD, and Puso sa Puso Edukasyon, Inc.) The seminar was mounted in partnership with ICTSI, Sustainability and Development, and Education Research and Development Agency (ERDA) Foundation. The seminar aimed to mobilize and equip authorities such as local barangay officials (from Barangays 20 and 275 in Parola) so they can effectively and efficiently perform their duties to safeguard children's rights.

PIAN also teamed up with Pilipinas Shell Foundation to run a two-day seminar on road safety for children, equipping organizations engaged in road and traffic management as well as children's development. These parties include Rosauro Almario Elementary School, Pedro Guevarra Elementary School, Manila Traffic and Parking Bureau, DSWD-NCR, Puso sa Puso Edukasyon, Inc., ERDA, and the Philippine National Police.

Disaster-preparedness trainings for immediate communities of Manila International Container Terminal and North Porth.

APPENDIX - GRI CONTENT INDEX

General Disclosures

STANDARD	DISCLOSURE	PAGE NUMBER/DIRECT ANSWER
Organizational Profile		
102-1	Name of the organization	Cover Page
102-2	Activities, brands, products, and services	10
102-3	Location of headquarters	3, 10
102-4	Location of operations	2 - 3, 10
102-5	Ownership and legal form	10
102-6	Markets served	2 - 3, 10
102-7	Scale of the organization	2 - 3, 10 - 11
102-8	Information on employees and other workers	10, 43, 51
102-9	Supply chain	10 - 11
102-10	Significant changes to the organization and its supply chain	12
102-11	Precautionary Principle or approach	13
102-12	External initiatives	12
102-13	Membership of associations	13
Strategy		
102-14	Statement from senior decision-maker	6 - 7
Ethics and integrity		
102-16	Values, principles, standards and norms of behavior	11
Governance		
102-18	Governance structure	13
Stakeholder engagement		
102-40	List of stakeholder groups	16
102-41	Collective bargaining agreements	16
102-42	Identifying and selecting stakeholders	16
102-43	Approach to stakeholder engagement	16, 60 - 61
102-44	Key topics and concerns raised	16, 60 - 61
Reporting practice		
102-45	Entities included in the consolidated financial statements	12, 14, 17
102-46	Defining report content and topic Boundaries	14, 17
102-47	List of material topics	14 - 15
102-48	Restatements of information	No restatements
102-49	Changes in reporting	14 - 15, 17
102-50	Reporting period	14, 17
102-51	Date of most recent report	14, 17
102-52	Reporting cycle	14, Annual
102-53	Contact point for questions regarding the report	Inside Back Cover
102-54	Claims of reporting in accordance with the GRI Standards	14
102-55	GRI content index	72 - 77
102-56	External assurance	No external assurance

Topic-Specific Disclosures

STANDARD	DISCLOSURE	PAGE NUMBER/DIRECT ANSWER
ECONOMIC		
Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 36 - 38
	103-2 The management approach and its components	36 - 38
	103-3 Evaluation of the management approach	36 - 38
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	38
	201-2 Financial implications and other risks and opportunities due to climate change	ICTSI is still in the process of putting together the governance mechanism, strategy, risks and some of the metrics on the impact of climate change to its business; Available metrics are in pages 24 - 25
	201-4 Financial assistance received from government	40
Market Presence		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 28 - 30
	103-2 The management approach and its components	28 - 30
	103-3 Evaluation of the management approach	28 - 30
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	30
Indirect Economic Impact		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 36 - 37
	103-2 The management approach and its components	36 - 37
	103-3 Evaluation of the management approach	36 - 37
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	39 - 41, 56 - 57
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 28 - 29, 31 - 32
	103-2 The management approach and its components	31 - 32
	103-3 Evaluation of the management approach	31 - 32
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	31

STANDARD	DISCLOSURE	PAGE NUMBER/DIRECT ANSWER
Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 28 - 29, 32 - 34
	103-2 The management approach and its components	32 - 34
	103-3 Evaluation of the management approach	32 - 34
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	32 - 34
ENVIRONMENTAL		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 19, 22
	103-2 The management approach and its components	19, 22
	103-3 Evaluation of the management approach	22
GRI 302: Energy 2016	302-1 Energy consumption within the organization	23
	302-3 Energy intensity	23
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 19, 22, 24
	103-2 The management approach and its components	19, 22, 24
	103-3 Evaluation of the management approach	22, 24
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	24
	305-2 Energy indirect (Scope 2) GHG emissions	25
	305-4 GHG emissions intensity	25
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 19 - 20, 26
	103-2 The management approach and its components	19 - 20, 26
	103-3 Evaluation of the management approach	20, 26
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	26 - 27
	306-3 Significant spills	20
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 19 - 20
	103-2 The management approach and its components	19 - 20
	103-3 Evaluation of the management approach	20 - 20

STANDARD	DISCLOSURE	PAGE NUMBER/DIRECT ANSWER
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	20
Supplier Environmental Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 28 - 29, 31 - 32
	103-2 The management approach and its components	28 - 29, 31 - 32
	103-3 Evaluation of the management approach	31 - 32
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	32
	308-2 Negative environmental impacts in the supply chain and actions taken	32
SOCIAL		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 43 - 45
	103-2 The management approach and its components	43 - 45
	103-3 Evaluation of the management approach	44 - 45
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	44
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	45
	401-3 Parental leave	45
Labor/Management Relations		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 43, 53
	103-2 The management approach and its components	43, 53
	103-3 Evaluation of the management approach	43, 53
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	53
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 43, 49 - 50
	103-2 The management approach and its components	43, 49 - 50
	103-3 Evaluation of the management approach	49 - 50
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	50
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	49
	403-4 Health and safety topics covered in formal agreements with trade unions	50

STANDARD	DISCLOSURE	PAGE NUMBER/DIRECT ANSWER
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 43, 46 - 48
	103-2 The management approach and its components	43, 46 - 48
	103-3 Evaluation of the management approach	46 - 48
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	46
	404-2 Programs for upgrading employee skills and transition assistance programs	46, 48
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 43, 50 - 51
	103-2 The management approach and its components	43, 50 - 52
	103-3 Evaluation of the management approach	50 - 52
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	51
Freedom of Association and Collective Bargaining		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 43, 52
	103-2 The management approach and its components	43, 52
	103-3 Evaluation of the management approach	52
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	52
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 43, 53
	103-2 The management approach and its components	43, 53
	103-3 Evaluation of the management approach	53
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	53
Rights of Indigenous Peoples		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 62 - 63
	103-2 The management approach and its components	62 - 63
	103-3 Evaluation of the management approach	62 - 63

STANDARD	DISCLOSURE	PAGE NUMBER/DIRECT ANSWER
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	63
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 62 - 63
	103-2 The management approach and its components	64 - 71
	103-3 Evaluation of the management approach	64 - 71
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	100% of operations with local community engagement
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 31 - 32
	103-2 The management approach and its components	31 - 32
	103-3 Evaluation of the management approach	31 - 32
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	32
	414-2 Negative social impacts in the supply chain and actions taken	32
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 55
	103-2 The management approach and its components	55
	103-3 Evaluation of the management approach	55
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 55, 59 - 60
	103-2 The management approach and its components	55, 59 - 60
	103-3 Evaluation of the management approach	55, 59 - 60
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	60
Socioeconomic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	14, 17, 28 - 30, 34
	103-2 The management approach and its components	28 - 30, 34
	103-3 Evaluation of the management approach	34
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	34

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RIPPLES OF CHANGE

A 21st century multinational enterprise headquartered in the Philippines, ICTSI has long held to the principle of sustainability, adhering to **the value of the long view**, and the practice of good global citizenship. ICTSI is 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.