

FENIX MARINE SERVICES

# CORPORATE SOCIAL RESPONSIBILITY

## ANNUAL REPORT 2020



# OUR MESSAGE TO STAKEHOLDERS

When the Covid-19 pandemic hit, many sectors closed up. Here at Fenix Marine Services, we ramped up. We kept working, moving cargo so shelves would stay stocked with food and medicine. We primed the economy with vital goods and jobs. It was difficult. The virus impacted our employees, families and friends. We worked with the men and women of the longshore union, regulators, the Port of Los Angeles and our other industry partners to keep our employees safe.

During this unprecedented global crisis, we were at the forefront of putting in place strict protocols for equipment cleaning, employee health screening, temperature checks and other measures to minimize the spread of Covid-19. This focus on safety, plus our deep corporate culture of social responsibility, adaptability and creativity, allowed us to manage record cargo declines and surges. At Fenix, we move cargo efficiently and competitively – even amid the toughest circumstances – while providing a safe, ethical, and environmentally responsible workplace for the good of all our employees and stakeholders.

Our commitment to sustainable industrialization runs deep. Fenix has adopted aggressive goals for reducing our carbon footprint even further, for recruiting and retaining a talented workforce that reflects the diversity of the communities in which we operate, and for identifying new and innovative ways to move cargo more efficiently and responsibly.

This annual social responsibility report proudly highlights our accomplishments thus far. This includes an incident frequency rate that shows us to be among the safest terminals in our industry and also an environmentally significant rail usage percentage that is the highest in our gateway. But just as important, this report describes our ambitious goals for the years to come. Achieving these objectives will not be easy, but we recognize that we all need to play our part in creating a more sustainable tomorrow and at Fenix, we are up for the challenge.

**Jon Slangerup**  
Corporate Director  
Fenix Marine Services

# ABOUT US

Fenix Marine Services is on Terminal Island in the Port of Los Angeles. It was previously known as Global Gateway South (GGS). It is one of the largest marine terminals in North America, spanning nearly 300 acres. Fenix is in a prime location adjacent to the Port's deep-sea channel and a ship-turning basin. The Fenix team achieves well over a million lifts annually (about 2 million TEUs), thanks to our state-of-the-art command center and our commitment to flawless execution.

Our facility operates with 23 entry/exit truck lanes and eight working rail tracks with capacity for up to three double-stack trains at a time. The terminal is accessible to Union Pacific and Burlington Northern Santa Fe railroads.

With four berths (4,000 feet of quay), a minimum of 50-foot deep water, 16 container cranes, ample rail and truck capacity, advanced information systems, a skilled workforce, and a commitment to continuous innovation, Fenix is on the leading edge of terminal performance today and tomorrow, at the heart of the busiest container port complex in the Western Hemisphere.

## Terminal Address

614 Terminal Way  
Terminal Island CA 90731

## Website

<https://www.fenixmarineservices.com>

## Online Help Center

<https://www.fenixmarineservices.com/hc>

*Inset: Photo of APL Merlion courtesy Port of Los Angeles*



# OUR MISSION AND VISION

At Fenix, we pride ourselves on big thinking, not only to solve today's problems, but also those of the future. We are constantly finding ways to move cargo more safely, more efficiently, and with fewer environmental impacts.

Our terminal is a model of innovation. We are operating the cleanest commercially available equipment, advancing zero-emissions technologies, investing in a diverse and talented workforce, and growing our business with creativity, transparency, and the highest ethical standards.

## OUR VALUES

Located at the Port of Los Angeles, in the heart of America's busiest trade gateway, Fenix understands that we have a responsibility to lead our industry in sustainable port operations. We are committed to maintaining the highest standards of environmental accountability, governance, and workplace sustainability – today and into the future – rooted in a focus on our environment, people, and business ethics and innovation.

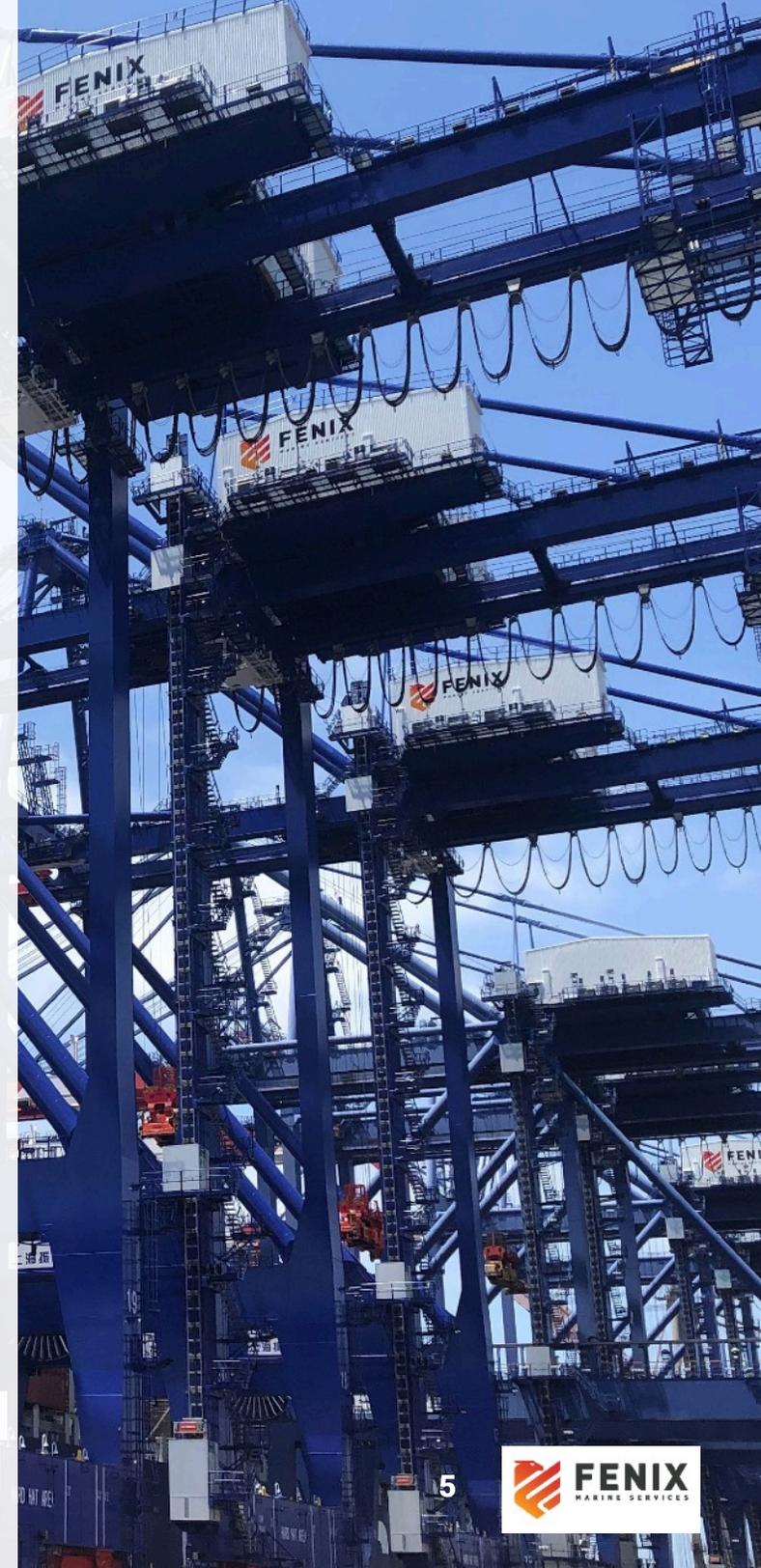
The Fenix Corporate Social Responsibility roadmap is structured around three founding principles: sustainable industrialization, progressive staff development, and business ethics and innovation. Each principle is tied to a set of objectives with specific and measurable goals. These principles inform our daily operations and our long-term plans to be one of the nation's most efficient and environmentally sustainable marine terminals. We work closely with the port authority, community, and all segments of the transportation and logistics industry to respond to environmental and societal challenges in innovative ways.

# OUR ENVIRONMENT

Our sustainable industrialization principle reflects our commitment to the environment. At Fenix, we believe in operating the cleanest commercially available equipment to meet the global need to cut carbon emissions and to reduce impacts on our neighbors. As a leader in innovation, Fenix also believes in advancing emerging technologies that will lower our carbon footprint even further. That's why we are deploying and testing some of the world's cleanest terminal equipment, including zero-emissions technologies, and why our future plans center around environmentally efficient operations.

Our 2020 accomplishments:

- Upgrading equipment to the cleanest commercially available technologies, including nine new battery-electric hybrid yard cranes.
- Working with our government, technology, and labor partners to test zero-emissions hydrogen fuel-cell equipment.
- Readyng our berths to receive new CMA-CGM ships powered by liquified natural gas – among the cleanest in the world.
- Moving 37% of our cargo by rail – the highest percentage of any terminal in our gateway – which takes diesel trucks off the road.
- Replacing terminal and crane lights with energy-efficient LED fixtures to save energy and reduce carbon emissions.
- Achieving carbon neutral electricity through renewable energy credits.
- In the last two years, our efforts helped us cut greenhouse gas emissions by more than 10% and reduce harmful nitrogen oxides by more than one-third.



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VALLETTA

*“At the age of 17, I experienced what it was like to work in a fast-paced management environment through my Fenix internship. I quickly decided this was the career for me. Had it not been for my opportunity at Fenix, I wouldn’t be where I am today.”*

– Lucy Dominguez, Senior Manager, Operations, who started at Fenix as a high school intern, worked part time at the terminal while she completed her management degree, and is now a full-time employee.

*“The safety culture at Fenix has been transformed. Corporate input and financial support for a safety culture have shaped initiatives that are reducing lost time and severity rates.”*

–Jeffrey Brown, Senior Manager, Health and Safety

## OUR PEOPLE

Fenix is committed to fostering an inclusive, equitable, and safe workplace that taps into the deep pool of talent from groups that have traditionally been underrepresented in the marine industry. Helping our community to thrive, we are broadening the career pipeline by partnering with local schools and colleges to expand interest in the logistics industry. Once we have employees on board, we are dedicated to keeping them engaged through robust training programs, risk management, and satisfaction surveys. We also maintain a constant focus on safety, because safety is critical to our success. At Fenix, our core value is keeping workers protected in an industry known for its tough and demanding working conditions.

Our 2020 accomplishments:

- Successfully driving down incident frequency rates by over 50% the past two years to some of the lowest levels in the industry.
- Speaking to local students at career days and in their classrooms to foster the next generation.
- Providing internships to local high school students to give them real-world experience in the marine-terminal industry and to position them for future careers with us.
- Incorporating diverse perspectives and employees from throughout our organization on our Safety Committee, to cultivate a proactive safety culture that reinforces safety as a value, not simply a compliance program.

# ETHICS AND INNOVATION

At Fenix, we have high standards for ethics and business innovation. We understand that how we do our business is as important as what we do. Our culture demands ethical conduct, transparency, and strong communication so we can identify and quickly solve challenges as they arise. We are continuously innovating and using the latest technologies to move more cargo faster in the safest, most efficient, and most environmentally sustainable ways possible.

Our 2020 accomplishments:

- Training every manager in ethics and anti-corruption practices.
- Developing state-of-the-art digital platforms to optimize cargo flow and to better communicate with our partners.
- Planning for our terminal of the future – an overhaul that will allow us to reconfigure our yard to move more cargo quickly by different modes and to reduce our environmental footprint even further.



# LOOKING AHEAD

To support U.S. access to global trade in even more sustainable ways, we are working closely with our stakeholder partners, including the ILWU, to get our terminal ready. We are helping to modernize the supply chain – from drayage trucks to cranes – to address the capacity and efficiencies needed. As the environmental and regulatory landscape shifts toward zero emissions, we’re preparing our infrastructure and operational practices accordingly.

We will work toward meeting the following five-year goals:

- Cut greenhouse gas emissions per container in half and reduce diesel fuel consumption by 70%.
- Offset 100% of carbon emissions by reducing our energy use and by purchasing renewable energy credits.
- Serve vessels powered by LNG – some of the world’s cleanest ships.
- Reduce truck turn times 45% by upgrading gate technology and improving terminal efficiencies.
- Continue to cultivate a highly skilled workforce that reflects the surrounding community.
- Commitment to the United Nations Global Compact for sustainable development goals, specifically prioritizing these seven goals most directly tied to our core business:

