



THE PORT OF
VIRGINIA

FISCAL YEAR 2015

SUSTAINABILITY REPORT

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An aerial photograph of the Port of Virginia, showing a large body of water with several piers and docks. In the foreground, there are large industrial areas with many colorful shipping containers stacked in rows. A major highway interchange is visible in the lower right. The background shows a vast expanse of water and distant landmasses under a clear blue sky.

ABOUT THIS REPORT

The Port of Virginia's first Annual Sustainability Report provides a summary of our sustainability program, strategies, progress and performance for the past fiscal year along with a preview of what is to come in the future. Our sustainability program strategy is based on our core values and organized by the mainstays of sustainability process excellence and fiscal resiliency, environmental stewardship, and social responsibility and safety.

Our colleagues, customers, and industry partners are committed to stewardship and sustainability. At The Port of Virginia, our focus is both internal and external. As Stewards of Tomorrow, we add value and create opportunities for ourselves and for those we serve.

ORGANIZATIONAL STRUCTURE

The Virginia Port Authority (VPA) is a political subdivision of the Commonwealth of Virginia. The VPA owns four general cargo facilities: Norfolk International Terminals, Portsmouth Marine Terminal, Newport News Marine Terminal and the Virginia Inland Port in Warren County. Additionally, the VPA leases Virginia International Gateway in Portsmouth, VA and the Port of Richmond in Richmond, VA.

The Virginia Port Authority's operations are provided by Virginia International Terminals, LLC (VIT), a single-member limited liability company wholly owned by the Virginia Port Authority. In addition, Hampton Roads Chassis Pool (HRCP II), on behalf of and wholly owned by VIT, operates and manages the intermodal chassis and empty container yards.

The three separate entities market together under The Port of Virginia brand identity. This single port identity increased the flexibility of the organizations, streamlined administrative workload, and eliminated single points of failure across the workforce. It also serves to protect and provide the best path forward through which we can invest in our most precious resource: our colleagues.

In each entity, the companies have also established succession plans to ensure that our mission and vision continue seamlessly into the future. To engage and receive feedback from colleagues in each organization, a survey was conducted in the Spring of 2015, and together, we are implementing initiatives as a result of what we heard.

By rallying under The Port of Virginia brand, the three entities become greater than the sum of their parts. Together, the colleagues at The Port of Virginia are truly Stewards of Tomorrow.





INTRODUCTION

This report will highlight our accomplishments and identify some of our challenges as we build a sustainable and financially resilient port that continues to lead in the areas of customer service, safety, process excellence and environmental stewardship. At The Port of Virginia, sustainability means more than reducing environmental impacts. It means putting innovative programs and processes in place that work in concert to advance our vision forward; excellence in operations, fiscal responsibility, and sustainable growth.

As Stewards of Tomorrow, we look not only to comply with the laws and regulations that govern our industry, but to go beyond compliance and seize opportunities to build better communities, improve the health and safety of our colleagues and partners and improve our operational efficiency. Armed with a strategy and a drive for continual improvement, we are taking sustainability and stewardship to new levels.

Building upon the successes and lessons learned from our award-winning and internationally certified ISO 14001 Environmental Management System and ISO 9001 Quality Management System, the port is combining and expanding these systems to create an enterprise-wide Business Operating System (BOS) to serve as the platform for our Sustainability program. Presently under development, the BOS uses the ISO framework to identify and manage risk, resources, and change. Using a continual improvement and planning approach, we will ensure that our values and the processes created will continue to serve as the foundation of the sustainability program and our future. We are working to improve further each year.

In FY2015, we reinvigorated our sustainability program to focus on all resources under our care. We looked at the core elements of our business and realized the

true platform for sustainability is process excellence. Our Business Operating System has broadened the culture of continual improvement from our environmental and safety programs into the rest of the organization - providing greater operational and administrative efficiency, reducing risk, and furthering us along our path of long-term sustainability.

This report will highlight:

- The Reorganization of our Team to Increase Efficiency and Reduce Single Points of Failure
- An Expanded and Standardized Management of Risk across our Organization
- Our Health & Safety Excellence Program
- The Development of our Business Operating System (BOS) and Integration of our ISO 14001 Environmental Management System and ISO 9001 Quality Management Systems
- Launch of the Navis 'N4' Terminal Operating System at Norfolk International Terminals
- Results of our 2014 Comprehensive Port Air Emission Inventory
- Accomplishments and Status of our Award-winning Green Operator Program
- Our Water Quality Improvement Efforts and Recognition of Our Industry Partners
- Our Volunteer Council's Efforts

We will continue to lead by example as we continually improve our efforts and reach our goals. We are also thankful for and appreciative of the relationships we've cultivated with our city, state and federal government partners, as their support and guidance have helped us reach our goals. Sustainability starts with our people, but we cannot do it alone. Our partnerships across the industry, within all levels of government, and in our communities are critical to our success.



LETTER FROM OUR CEO

Innovation, Fortitude, Mindfulness, Helpfulness, Accessibility, and Sustainability: These six core values drive us as the Stewards of Tomorrow. We seek daily to continually improve our operations, achieve financial stability, reduce our impacts to the environment, and create opportunities for our colleagues, our customers and our communities.

In FY2015, we focused on listening to our customers and improving our services. We handled a record-breaking 2.5 million TEUs, reduced our turn times, and improved workplace safety - our highest priority. We are also moving that cargo with less impact to the environment and our communities. We accelerated our maintenance spending and began a long term capital plan to modernize our facilities. We continued to reach out and engage with our communities. Our world-renown Marine Firefighting program welcomed its 24th class, and initiated innovative emergency preparedness programs through our Marine Incidence Response Team (MIRT). We provided \$1 million to Hampton Roads cities through our Aid to Local Ports program.

Sustainability starts with our people. It takes innovation, creativity, and a drive for continual improvement, but we cannot do it alone. It will take all of our efforts. We invite you to join us and become a Steward of Tomorrow.

Together we can secure a sustainable future for our port and our communities. The Port of Virginia focuses on what matters most to our customers, our people, and our region. Every day we deliver superior service, safe transport, and continuous improvement. It's why we get up in the morning, and why The Port of Virginia will keep moving forward.

John F. Reinhart
CEO and Executive Director
Virginia Port Authority



MESSAGE FROM THE BOARD OF COMMISSIONERS

The Board of Commissioners applauds the efforts of The Port of Virginia's leadership team and staff for their continued efforts to create a safe work environment and to assure fiscal sustainability, environmental stewardship, and social responsibility throughout all levels of the organization. Sustainable progress within an organization requires everyone to maintain focus and commitment, both internally and externally. FY2015 was a breakout year for the port, as organizational and operational restructuring brought record-setting volumes and profitability, within a culture of safety and stewardship.

The Board of Commissioners is excited about the future and anticipates great things in FY2016 from the Port's leadership team and staff as Stewards of Tomorrow.

John G. Milliken
Chairman
Virginia Port Authority Board



PORT OF VIRGINIA LEADERSHIP TEAM

John F. Reinhart, CEO & Executive Director
James S. Bibbs, Chief Human Resources Officer
Tom D. Capozzi, Chief Sales Officer

Cathie J. France, Chief Public Affairs Officer
James W. Noel III, General Counsel

Joseph P. Ruddy, Chief Innovation Officer
Rodney W. Oliver, Chief Financial Officer
Shawn Tibbetts, Chief Operations Officer



WE ARE THE STEWARDS OF TOMORROW

THE PORT OF VIRGINIA MISSION

Guided by our company values, The Port of Virginia lives a shared vision of operational excellence, fiscal responsibility, and sustainable growth. Above all, we remain responsible members of the communities we serve, a valuable resource to our customers, an excellent place to work, and an economic engine for the region.

THE PORT OF VIRGINIA:

1. Fosters and stimulates growth for Virginia's economy
2. Serves as the global gateway for import and export of freight
3. Improves navigable waters within the Commonwealth of Virginia
4. Aids in the development of commerce for all maritime and inland ports, and related facilities



OUR VISION TODAY AND TOMORROW

1. Excellence in operations
2. Fiscal responsibility
3. Delivering sustainable growth
4. Living our values

OUR ANCHOR VALUES

Innovation: We embrace change and the opportunity to create. We relentlessly pursue new ideas to improve business.

Helpfulness: From a hand with the little things to lending perspective, experience, and expertise, our actions large and small make a difference.

Fortitude: We will be decisive, follow through, and work as one.

Accessibility: We let our customers and colleagues know we are there for them by act and deed.

Mindfulness: We lead with purpose, strive for continuous improvement, and take care of our stakeholders.

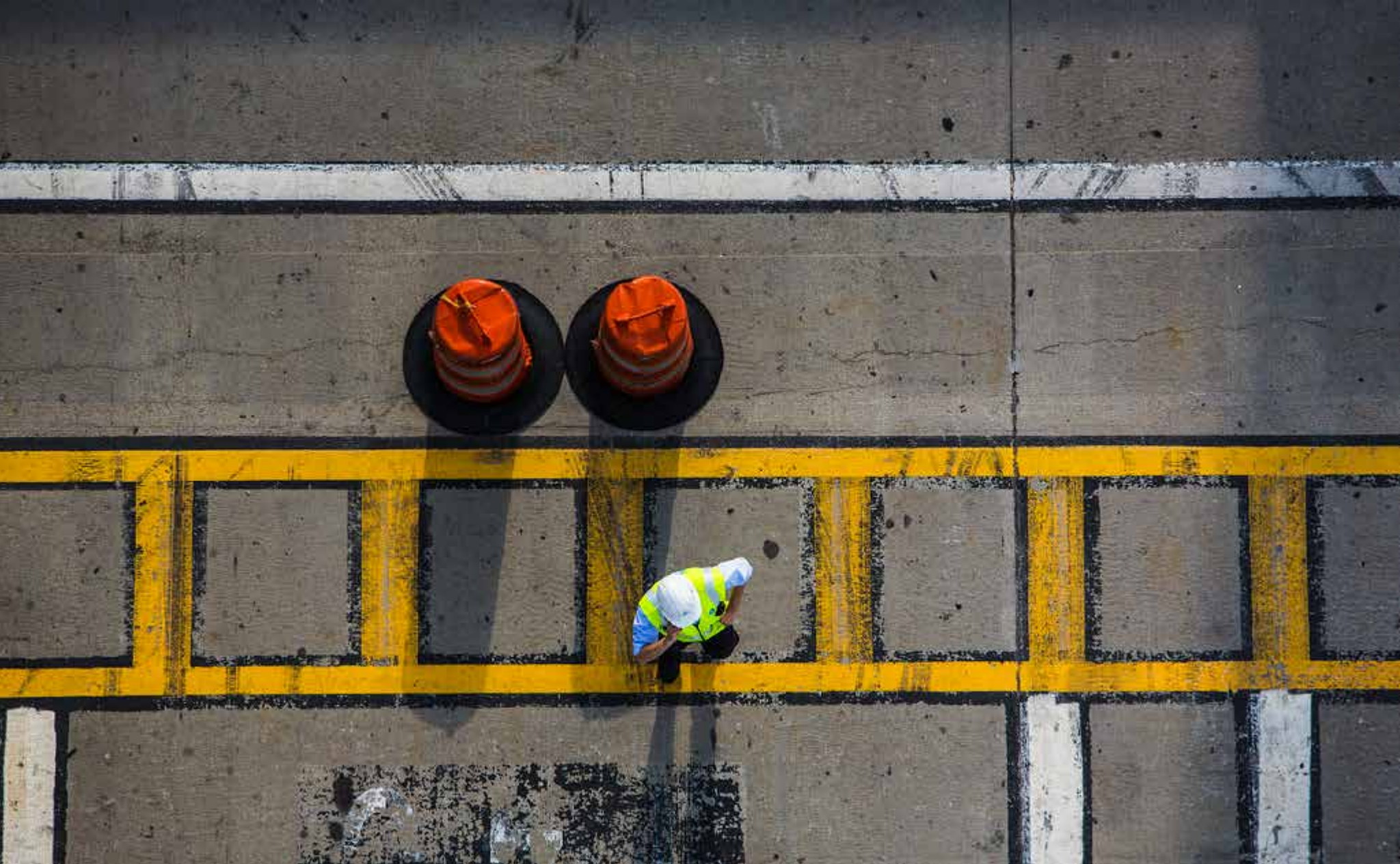
Sustainability: We are responsible stewards of all resources entrusted to our care.



WHAT IS SUSTAINABILITY?

We believe that true sustainability stems from Health and Safety, Operational Excellence, Environmental Stewardship, and Social Responsibility woven together through the implementation of our Business Operating System.

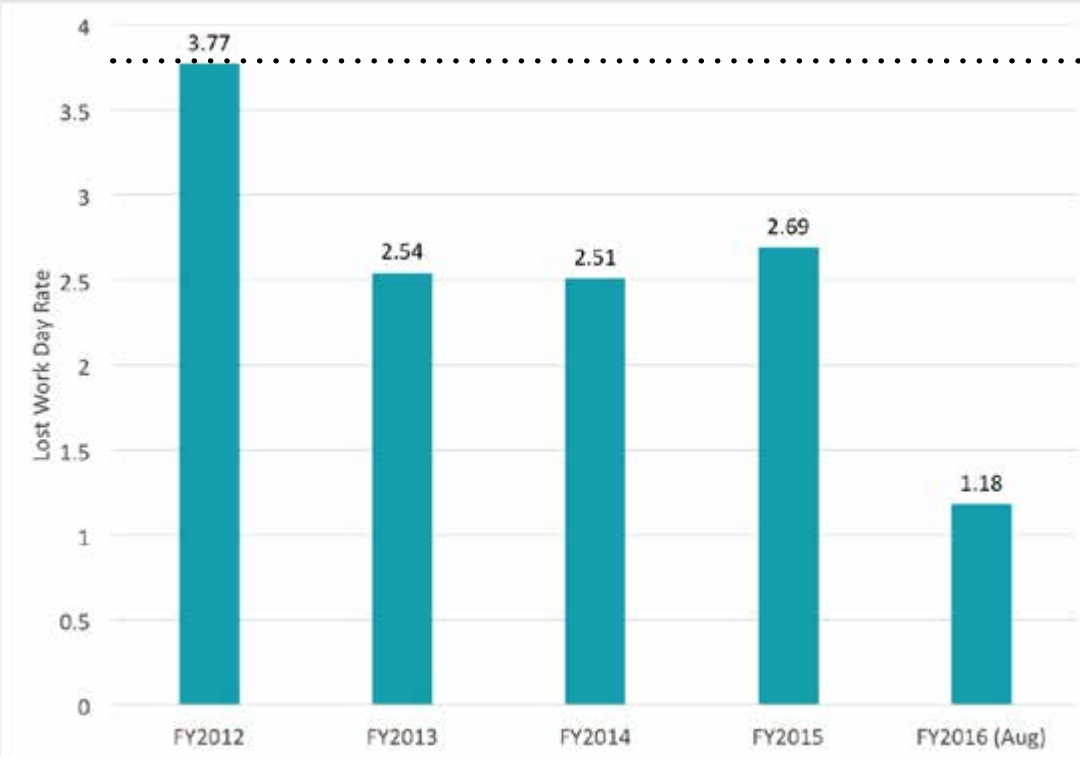
"Sustainability is about taking the long view. It's a comprehensive approach to business that ensures ours is an asset that will provide for generations to come"
- Joe Ruddy, Chief Innovation Officer



HEALTH AND SAFETY EXCELLENCE

The Port of Virginia aggressively promotes the health and safety of our colleagues and partners by identifying risks, developing solutions, and facilitating participation. Very simply, we listen closely to our colleagues and terminal patrons to identify and prioritize each risk across the organization. This involves cataloging and scoring each risk that is identified by our longshoremen or is identified in a post-incident investigation.

Examples include colleague concerns over the need for an orderly chassis service area to protect motor carriers, the removal of road hazards to protect straddle carrier operators from preventable back strains, to the complete re-design of the traffic pattern on the south berth at Norfolk International Terminals to prevent mishaps.



The Port of Virginia has realized a 69% reduction in workdays lost due to injury over the past four years - well ahead of the industry average.

Lost Work Day Rate: FY2012 - 2016 (current)
... Industry Average

Our original document, “The Operational Standards,” details key safety procedures for every operation and for every colleague operating on the terminals, and requires the development of a certified instructor cadre from each discipline - men and women recognized experts and mentors. The Operational Standards, written by longshoremen for longshoremen, is used to certify colleagues working on our terminals during initial training, three-year recertification training, post-incident re-training, and non-conformance re-retraining. The incorporation of Operational Standards into our culture has also yielded great dividends by identifying gaps in our training plans for immediate resolution.

In addition to this operator training, we developed an important process to properly authorize access to patrons of our facilities. During 2015, the port surpassed 6,500 trainees who attended our One-Hour Port Orientation Training to ensure that all terminal colleagues and patrons understand their role in creating a safe environment.

Naturally flowing from the identification of hazards and development of solutions comes the requirement to motivate participation. The Port of Virginia seeks to include the inputs of all patrons in the development of standards and to communicate and positively motivate patrons to support and comply with those standards. For example, in the 5 to 1 program, five equipment operators are recognized for excellence for every one equipment operator who is decertified for non-conformity with the operational standards.

Additionally, our Human Resources team has instituted a health and wellness incentive program for all of our colleagues, which provides compensation to colleagues to make healthy choices including exercising regularly or completing an annual physical health examination.

The Health and Safety program is effective for three main reasons. First, the program actively seeks hazards. Second, the program actively seeks solutions. Third, the program actively seeks compliance by all team members.



NIT STRADDLE CARRIER HIGHWAY: BEFORE



OPERATIONS EXCELLENCE

RISK MANAGEMENT

The Port of Virginia has embraced the identification and elimination of risk across the organization with the introduction of an innovative concept known as Enterprise Risk Management. Enterprise Risk Management is a refocusing of industry-wide risk management practices which have traditionally been concentrated at the individual department or activity level. By broadening the application across all three entities, our ERM program identifies risks, allocates resources and develops plans to increase efficiency, commonality and expectations for each of our colleagues and business partners.

The Risk Management Department's charter is to manage risk through changes in policies and procedures as well as the elimination of hazardous operations. By overseeing every contract under master service agreements, Risk Management provides this service to both enter and manage our insurance policies and claims.

To improve our ability to handle claims, we are in the process of drafting a comprehensive Best Practices Claims Handling Manual that will provide a uniform structure for resolving claims in a timely manner. The Manual will address time frames for making contact with claimants; how to conduct a proper accident investigation, including taking recorded statements from claimants and witnesses and taking photographs of the accident scene; identifying "red" flags claims; setting realistic liability and medical reserves; and litigation management.

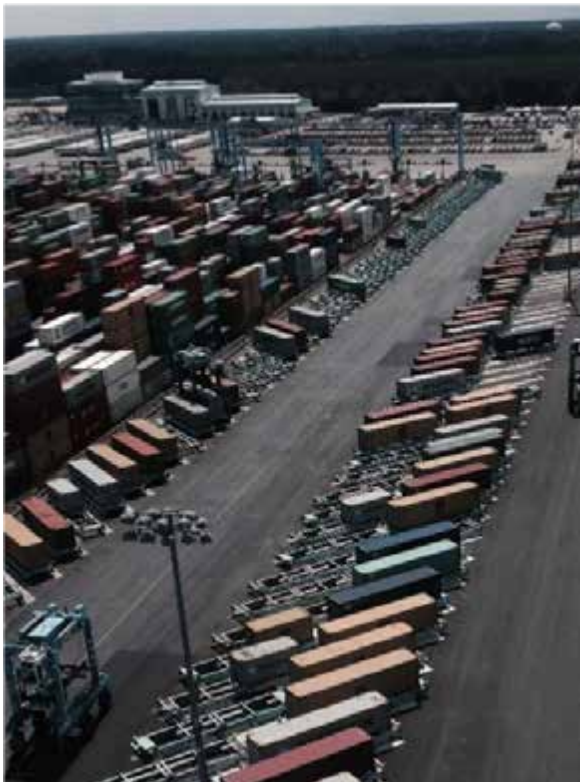
SERVICE LEVEL IMPROVEMENTS

We have achieved service level improvements that optimize the flow of cargo and reduce turn times and container dwell times. Over the past twelve months, we grew the size of our chassis pool by nearly 1500 units - a 10 percent increase over the previous year. This larger pool allows truckers to more quickly access the appropriate trailer for their load. These newer chassis also incorporate safety features such as LED lighting and reflective strips to enhance the safety of our colleagues, business partners, and neighbors both on and off terminal.



Additionally, our empty container yard is located off of, but adjacent to, our marine terminals. With this configuration, we cut a trucker's turn time roughly in half compared to a trip onto the terminals. Major improvements to our empty yard include incorporation of four high definition cameras which post real-time video on the Port of Virginia website to enhance truck volume awareness and safety oversight.

Our IT colleagues also installed RFID readers to allow us to measure and publish empty yard turn time metrics, as well as expanded turn times on all terminals to the community. All roadways were graded to improve drainage and paved to provide a smooth drivable surface for our trucking partners. We also added a direct entrance from the empty yard to the Portsmouth Marine Terminal. Entrance booths were replaced and a new trailer was installed for Operations colleagues to manage the yard safe from the elements.



VIG Rail Expansion Project: Before VIG Rail Expansion Project: After

The Interim Rail Expansion project at Virginia International Gateway is estimated to increase rail capacity by 30,000 containers per year.

At the Virginia International Gateway, we expanded our rail container staging yard to provide a total of 308 additional "parking spaces" for containers arriving from, or awaiting movement by, rail to provide additional flexibility. This enlarged area allows our Operations colleagues to segregate truck containers from rail containers- decreasing the size of our stacks, reducing rail dwell time and increasing velocity.

DREDGING

With the US Army Corps of Engineers, we embarked on a three-year effort to produce a General Reevaluation Report on the future of our shipping channel to ensure The Port of Virginia remains the east coast port of choice for commercial shipping lines. By deepening and widening the highway

from the Atlantic Ocean to our marine terminals, we will ensure that the increasingly larger ships that facilitate global commerce can safely, efficiently and regularly call on The Port of Virginia. That report, which will be released in draft form in December 2016, will be signed into effect by September 2018. It will serve as our foundation for working with our Congressional delegation and state legislators to secure funding for this critical asset. Additionally, we have committed to annual hydrographic surveys for each of our marine terminals and their approaches. The data from these surveys, combined with US Army Corps of Engineers maintenance dredging projects, will inform the creation of our annual budget to ensure we deliver what we advertise- fully deep, wide, and safe berths and access channels.



PROCESS EXCELLENCE

Sustainability requires a stable platform to ensure effective and efficient business operations that promote responsible future growth. That is why we have adopted and maintained certifications in the ISO 14001 (Environmental Management System) and ISO 9001 (Quality Management System) programs. In the spirit of continual improvement, we have recently expanded these successful programs to create an enterprise-wide Business Operating System (BOS). In addition to combining our ISO 14001 and 9001 activities, the BOS is the way we will do business – codifying and promulgating those best practices that make us the port of choice for our customers and key stakeholders. The BOS is structured along nine core areas that, by design, do not align to specific divisions within the Port. We did this to stimulate continued interaction across the entities to build and sustain optimized, repeatable, and customer-centric processes.

In FY2015, our cross-divisional Sustainability Team was formed and Process Champions identified to drive the development of key functions and process in nine core areas:

Management of Leadership, Commitment and Accountability: Within this subsystem, management of each entity establishes policy, provides perspective, sets performance objectives and provides resources for successful, innovative and sustainable business operations.

The question that drives us: *What are my priorities?*

Innovation, Development and Optimization: Within this subsystem, processes that maximize port development, economic development and innovate operational strategies are leveraged to encourage innovation, growth and operational effectiveness.

The question that drives us: *What drives innovation in our process?*

Human Capital and Organizational Development: Within this subsystem, growth in colleagues is to meet future needs.

The question that drives us: *What knowledge, skills and abilities do we need to perform the jobs of tomorrow?*

Operational Risk Management: Within this subsystem: policies and practices are systematically applied to analyze, evaluate and control risk.

The question that drives us: *What can harm life/health, information or physical assets - and how do we mitigate those risks?*

Information Management: Within this subsystem, timely, accurate and secure transmission of information is ensured.

The question that drives us: *What information do we need to do our jobs; how do we get it?*

Integrity in Operations: Within this subsystem, operational effectiveness is maintained in accordance with regulations.

The question that drives us: *How do we maintain equipment and processes in the quest for operational excellence?*

Communications and Public Outreach: Within this subsystem, all three entities are transparent in their efforts to share and uphold societal, governmental and global responsibilities.

The question that drives us: *How can we be good stewards?*

Financial Management: Within this subsystem, frameworks, procedures and controls are provided to effectively manage contractual obligations, third party services and financial reporting.

The question that drives us: *Are we meeting contractual and financial obligations?*

Program Assessments and Improvements: Within this subsystem, each entity monitors, verifies, validates and course-corrects the BOS.

In early 2016, we will receive separate surveillance audits for both ISO 14001 and 9001. During the rest of the year, we will work purposefully towards a transition to BOS that will continue to improve lines of communication, thoughtful planning, and continual improvement throughout the port.





USING TECHNOLOGY FOR CONTINUAL IMPROVEMENT IN TERMINAL OPERATING EFFICIENCY

In FY2015, integration of the Navis N4 Terminal Operating System was an area of keen focus for our Operations and Information Technology teams. The N4 system is a system built on industry-standard platforms that allows the port to use “off-the-shelf” applications that provide more efficient services to port customers and port partners. For example, upgrading Norfolk International Terminals to N4, allowed the introduction of an automated gate system and a transfer zone automation system that improves on safety and efficiency. The automated gate moved staff from physical gate lanes into a safe office environment where they use computers to perform the same tasks previously done manually. Transfer zone automation also introduced a new level of safety and efficiency by allowing truck drivers to exit their vehicles and process their transaction in a protected kiosk in their truck lane. Straddle carrier operators pick up from or lower containers to trucks only when the driver is standing on the pressure pad inside the kiosk.

N4 will also allow implementation of a reservation system. We are working closely with our trucking partners in the early testing phase of a reservation system that will allow drivers to pick up and drop off cargo even more expeditiously. The N4 system also allows implementation of a Global Position Detection System that will improve the inventory of containers in the stacks and enable pre-staging of containers it will deliver to the next day.

Enabled by N4, The Port of Virginia is working closely with our trucking partners in the early testing phase of a reservation system that will allow drivers to pick up and drop off cargo even more expeditiously.



ENVIRONMENTAL STEWARDSHIP

Our main objectives in 2015 were to continue to reduce our carbon footprint, demonstrate the next wave in equipment and technology in terminal operations, and maintain our efforts to improve water quality within the Elizabeth River and the Chesapeake Bay.

We achieved our goals and will build on that momentum as we continue to improve our processes.



IMPROVING AIR QUALITY

Operational efficiencies positively contribute to improving air quality within the port, our facilities, and the communities in which we live. Improvements to gate operations, import/export cargo operations, rail enhancements, and technology have all served to reduce diesel emissions from our operation and improve air quality in and around Hampton Roads. We began quantifying our air impact in FY2005, and a decade later we are proud to report that new technology and innovative thinking have produced substantial results. Since 2005, diesel emissions from all cargo transport modes linked to Port of Virginia operations declined an average of 42 percent per 100,000 TEUs handled while container volume grew by 48 percent (Figure 1).

The port established a CO2 emissions baseline of 15.6 tons per TEU in 2008. Analysis conducted in FY2015 indicates that our carbon footprint declined by 10 percent over the modeling period (2008-2014) despite container volume increasing by 44 percent, thereby meeting our objective to reduce or remain carbon neutral while growing volume in the port.

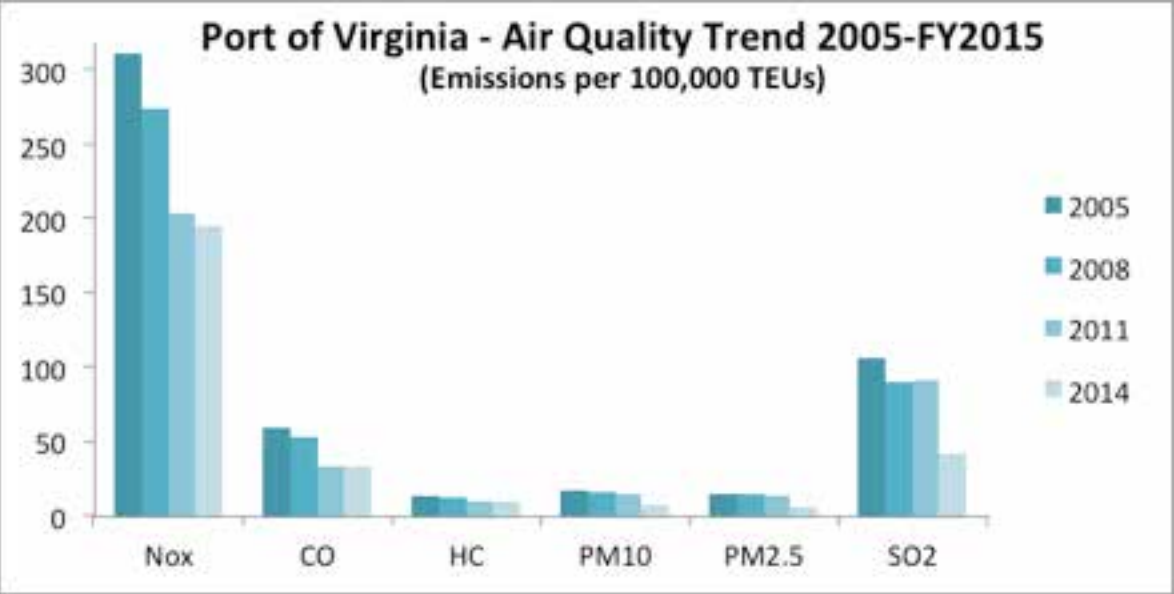


Figure 1

Green Operator
FY2015 marked the seventh operating

year of the Port of Virginia's Green Operator (GO) Diesel Emission Reduction Program. The GO program is a comprehensive program designed to incentivize and introduce clean-diesel and alternative fuel technology into all transportation and cargo handling vehicles supporting port operations. Program elements include:

Dray Trucks: Monetary incentives are available for dray truck clean-diesel or alternative fuel truck replacements or engine retrofits. As of June 30, 2015, 410 independent owner operated trucks have been replaced or retrofitted through the GO Program. Annual emission reductions of 7,438 metric tons of sulfur dioxide have been realized.

Ocean-going Vessels: In February of 2012, the Port of Virginia expanded the GO program to provide incentives to commercial shipping line customers to encourage the use of low sulfur diesel fuel during vessel operations while in port, as well as demonstrate or deploy hybrid or alternative fuel technology.

Maersk Line and Maersk Line Limited embraced the program in December 2015 when low sulfur diesel fuel became mandatory for all their vessels calling US ports. During the preceding 35 months of their voluntary participation, a total of 580 vessel calls used this cleaner fuel while at-berth in Virginia.

Marine Highway Operations: From FY2012 through FY2015, GO supported the tugboat engine upgrade and operation of the I-64 Express/James River Barge Line Marine Highway Initiative. At the close of FY2015, the I-64 Express sailed 3-times per week eliminating 13,000 truck trips from Virginia highways and 3,233 tons of greenhouse gas emissions.

From 2012 to 2015, our Green Operator Program helped enable 580 ship calls to reduce 58.2 metric tons of SO₂, 9.71 tons of NO₂, and 2.8 metric tons of particulate matter - the equivalent weight of the Space Shuttle Endeavour.

Railroads: Monetary incentives are available to railroads supporting Port operations to demonstrate innovative clean-diesel, alternative fuel, or hybrid yard or long-haul locomotives.

Cargo-handling Equipment: The GO program is working internally to encourage the testing, demonstration and lease/purchase of electric, hybrid, or alternative fuel powered cargo handling equipment and operations support vehicles. In FY2015, with the assistance of a Diesel Emission Reduction Act grant from the U.S. Environmental Protection Agency, three hybrid (electric) shuttle carriers were purchased and deployed at the Virginia International Gateway terminal.

The GO program continues to offer incentives to dray truck owners, commercial shipping lines, MARAD marine highway operators, railroads, and terminal operators supporting Port of Virginia operations. Increased participation in all sectors is forecast for FY2016 with several new projects or initiatives already underway.





IMPROVING WATER QUALITY

In FY2015, the port celebrated nine years of operating under an Environmental Management System. Our ISO 14001 certification continues to be a first for container operations at any major East Coast Port and we re-certified our program in 2015. Our primary objectives and targets are focused on water quality improvements and compliance metrics in these core areas of marine terminal operations and maintenance of our facilities.

- Reducing aluminum, copper, and zinc concentrations in our storm water discharges at all facilities through continued monitoring, analysis, and corrective innovation and action by our operations and maintenance teams.
- Minimizing nutrient loading to the Elizabeth River and Chesapeake Bay with innovative storm water infrastructure and marine terminal master planning at Norfolk International Terminals, Portsmouth Marine Terminal and Virginia International Gateway.
- Minimizing and mitigating petroleum spills and leaks from our daily cargo-handling equipment operations through core and corrective innovations from our crane maintenance teams.
- Reducing our risk and waste impacts through a comprehensive recycling program targeting solid waste, steel, paper, and oil and other maintenance fluids.

The Elizabeth River Project RiverStars and The Virginia Environmental Excellence Program continue to recognize The Port of Virginia for our stewardship efforts to improve water quality in the region. In 2015, the Port of Virginia maintained its status as Model Level and Hall of Fame RiverStar partner and as an Extraordinary Environmental Enterprise (E4) in the Environmental Excellence Program. The Port was recognized by both programs for our sustained and distinguished compliance performance, our stewardship efforts in the area of air and water quality, and our 41 percent waste recycling rate.

Over the past year, implementation of an aggressive preventative maintenance program, coupled with a broad tenant outreach program, have produced a 53 percent decrease in hazardous waste spills as well as a 57 percent decrease in spills per 10K TEU handled. Additionally, the diligent efforts of our equipment operators and mechanics, along with our Terminal Safety Unit and tenant activities, have led to a 60 percent decrease in gallons per reportable spill over the past five years. These collective efforts significantly reduce the likelihood of liquid waste reaching our precious waterways.



The Green Operator program enabled 580 calls by Maersk Line and Maersk Line Limited ships over 35 months to reduce 58.2 metric tons of SO₂, 9.71 tons of NO₂, and 2.8 metric tons of particulate matter.

STATE-OF-THE-ART TECHNOLOGY

HYBRID SHUTTLE CARRIERS

In early 2015, the Virginia Port Authority received \$750,000 in Diesel Emission Reduction Act funding from the U.S. Environmental Protection Agency to introduce the next wave of cargo-handling technology, hybrid shuttle carriers. Three hybrid shuttle carriers have recently arrived at the Port of Virginia and are being phased into daily operations. The shuttle carriers are diesel and lithium battery powered with a service weight of 52 tons. They are estimated to consume 15 percent less fuel per unit and generate 30 percent fewer emissions on average than their diesel equivalents. The hybrid shuttle carriers are the first of their kind to be deployed at any U.S. port.

PROPANE-POWERED F-250

A March 2015 partnership with Roush Innovative Technologies led to the demonstration of a propane-powered Ford F-250 truck by our Operations & Maintenance teams. Our colleagues put the vehicle through the paces and agreed that the Ford/Roush kept pace with conventional diesel trucks in the high tempo marine terminal environment. They further noted that ground level emissions around the vehicle were noticeably cleaner than gasoline or diesel powered trucks. Moving forward, we will continue to explore alternatives to diesel power in our vehicle and cargo handling equipment fleets.

OPERATION GREEN PROGRAM

Our Operation Green Program encourages and incents our colleagues and terminal partners to focus on safety and environmental stewardship. Some of the sound practices they have implemented include:

- Placing spill kits and maintaining liquid storage facilities
- Creating and implementing documented processes, and training for employees
- Maintaining a recycling program for metals, tires, and/or cardboard and paper
- Using bio-degradable oil in crane spreader bars in lieu of petroleum-based hydraulic oil

To date, our compliance program remains one of the best in industry and we have witnessed compliance activities by all users of our facilities improve by 160 percent since 2012. Our 2015 Operation Green Program awards recognized “gold medal” storm water compliance among the following terminal tenants:

- CP&O, L.L.C at all Port of Virginia Marine Terminals
- Ceres Marine Terminals, Inc. at all Port of Virginia Marine Terminals
- Marine Repair Services, Inc. at Virginia International Gateway
- TTX Company at Norfolk International Terminals
- Lineage Logistics at Norfolk International Terminals
- Express Container Services, Inc. at Norfolk International Terminals
- JAZ Enterprises at Norfolk International Terminals
- General Electric at Newport News Marine Terminal
- Wallenius Wilhelmsen Logistics at Newport News Marine Terminal
- SKW Constructors at Portsmouth Marine Terminal

As a result of these compliance efforts by our terminal tenants, the International Longshoremen Association, and our own colleagues, The Port of Virginia’s environmental compliance record is one of the best in the Commonwealth of Virginia with no regulatory violations recorded since 2001.





The Aid to Local Ports Program provided funds to The City of Chesapeake to help replace a dock at Elizabeth River Park.

SOCIAL RESPONSIBILITY

The Port of Virginia does not operate in a vacuum. Our colleagues live and work in communities across the Commonwealth. We operate facilities near neighborhoods and work ships along our waterways. That's why we are always mindful of the needs of our communities. By ensuring and protecting a sustainable environment for future generations, The Port of Virginia colleagues provide our communities and waterways a chance to thrive while promoting an enhanced quality of life.

Areas of Philanthropic Focus: To make the most meaningful impact in our communities, the Port focuses on distinct areas of giving and service:

Education and Workforce Development: The path to social mobility and enhanced opportunities includes education and career readiness. We work closely with Institutions that offer areas of study or experience important to the maritime industry and from which we are interested in recruiting our future workforce.

Awareness and Stewardship of the Commonwealth's Ports, Harbors and Navigable Waterways: Awareness of the port's impact on economic development, commerce and trade and the protection of the harbors and navigable waterways are of utmost importance to the future prosperity of the Commonwealth. We invest in and serve non-profit organizations with programs that contribute to the promotion and recognition of the maritime industry, global trade, transportation of port-related goods and the protection and quality of the harbor and its related navigable waterways.

Health and Safety: The people who make up the Port and the people around the Commonwealth that we serve are the fabric of our communities and their health and safety is one of our top priorities. We invest in and serve organizations that promote wellness, prevention, and the health and safety of our citizens across the Commonwealth.

Community Enrichment: In an effort to do our part in lifting up the people who need the most help, the Port dedicates time and resources to broad-based programs that serve large populations of those in need.

The Port of Virginia Volunteer Council leads our Corporate Social Responsibility efforts. The following examples are a few of our key efforts this year included:

United Way Month of Caring – Colleagues were provided the opportunity to participate in the restoration of a state park near our marine terminals, as well as interact with United Way partner agencies in an effort to educate and raise financial support. In FY15, The Port of Virginia raised and contributed \$20,000 to United Way.

Holiday Food Drive – Colleagues participated in a food drive in the month of December in which all donations were provided to the Southeastern Virginia Food Bank. Additionally, colleagues were provided the opportunity to volunteer at the Food Bank and stuff backpacks for school children. In FY2015 The Port of Virginia donated 2,183 pounds of food to the Southeastern Virginia Food Bank.

Red Cross Blood Drive – In the month of February, The Port of Virginia hosted a blood drive in which colleagues truly gave of themselves to support our community in a time where blood supplies were low due to the harsh winter weather experienced throughout the region. In FY2015, The Port of Virginia donated over 30 pints of blood.

Spring Family Festival – Given the significant economic impact The Port of Virginia has on our region and the Commonwealth, it is important that opportunities are offered to support and celebrate the families of the men and women who serve our port. The Spring Family Festival is the opportunity for The Port of Virginia to give back to colleagues who sustain the organization. In FY2015 the Spring Family Festival hosted several hundred Port of Virginia colleagues and their families for an afternoon of celebration and port education.

Clean the Bay Day – At The Port of Virginia, we take great pride in advancing environmental stewardship beyond our gates. In June 2015, over 100 Port of Virginia colleagues and our partners at CSX and SKW Constructors participated in the Chesapeake Bay Foundation's 27th Annual Clean the Bay Day at Norfolk's Plum Point Park, the Midtown Tunnel and Virginia International Gateway. Over two tons of trash and debris were collected from the shoreline of the Elizabeth River contributing to 105,000 tons collected by volunteers throughout Virginia. This was the 13th consecutive Clean the Bay Day Event hosted by the Port of Virginia.

LogistX Games - an annual competition that promotes the logistics industry on the local, regional and national level. Now in its eighth year, the LOGISTXGAMES brings teams of warehouse warriors together in head-to-head competitions that build employee pride, establish teamwork principles and reinforce safety standards vital to the industry.

Communities in Schools - For nearly 40 years, Communities In Schools has been helping students achieve in school, graduate and go on to bright futures. Its mission is to surround students with a community of support, empowering them to stay in school and achieve in life. We mentor students from IC Norcom high school to show them the opportunities that can be achieved by staying in school, working hard, and making positive choices.

Aid to Local Ports – Through the Aid to Local Ports program, The Port of Virginia was able to provide \$1 million in FY 2015 to fourteen localities throughout Hampton Roads to help fund projects including dock and bulkhead replacements, the construction of a breakwater and pier, and dredging assistance.

In addition to these wonderful programs, The Port of Virginia also participates in several leadership programs including LEAD Hampton Roads, CIVIC, and LEAD Virginia. We are also active members of the Virginia Maritime Association, sponsors of the Elizabeth River Project, Virginia Aquarium, Boy Scouts of America, and much more.



BROCK CENTER PARTNERSHIP WITH CHESAPEAKE BAY FOUNDATION

With the opening of the Chesapeake Bay Foundation's (CBF) Brock Environmental Center at Pleasure House Point in Virginia Beach in FY2015, the port added to its philanthropic portfolio of supporting construction of public access and environmental education opportunities. Following on the heels of successful public access projects, like Plum Point Park in Norfolk and Paradise Creek Park in Portsmouth, the port aligned with CBF and some of the region's most influential and innovative leaders, to ensure that the world of net-zero was introduced to Hampton Roads through a 118-acre peninsula of marsh, sandy beaches, and rare maritime forest - preserved in perpetuity for public access, education, and recreation.

The Brock Environmental Center is considered one of the most energy-efficient, environmentally smart buildings in the world. With its solar panels, wind turbines, geothermal wells, rain cisterns, waterless toilets, and natural landscaping, the center is an international model for energy- and water-efficiency. It is elevated 14 feet above sea level and it is a prototype for coping with climate change in a region increasingly subject to storm surge and tidal inundation.



VISION FORWARD

The Port of Virginia is proud of what we have accomplished. We will continue to build on those successes, and be vigilant for additional opportunities to become even more sustainable. Our colleagues, partners and visionary programs will keep us on the forefront of emerging trends and issues. At The Port of Virginia, we take pride as leaders in our industry and stand tall as the Stewards of Tomorrow.