



SUSTAINABILITY STRATEGY

2025

WELCOME TO P&O FERRIES' SUSTAINABILITY STRATEGY.

We know that this is a critical time in our planet's journey to avoid the worst impacts of climate change. Global warming is leading to extreme weather around the world, record temperatures – both on land and at sea – and disruption to many people's lives. Globally, 2024 was the warmest year on record, at 1.47 C above pre-industrial levels and Europe is the fastest warming continent, at about twice the global average.

P&O Ferries is committed to operating in a sustainable and responsible way. This is essential to building a strong business for our people, the environment, our customers and the communities where we operate.

We are part of the wider DP World group and work closely with them on our approach to sustainability, as well as reacting to local needs and circumstances. Our strategy focuses on four main pillars; women, education, water and wellbeing. All objectives and actions align with the wider DP World strategy and vision. They are also integrated with the United Nations' Sustainable Development Goals.

This Sustainability Strategy sets out what we will achieve in 2025. It will be reviewed annually and will set out ambitious plans to decarbonise our operations, comply with all regulatory and legislative requirements, and show that P&O Ferries is a forward-thinking shipping company that considers and cares deeply about its environmental impact.

In short, we aim to be the UK's most sustainable ferry operator and this sets out our first steps we are taking to achieve that.



INTRODUCTION

This strategy has been developed in line with:

- DP World's sustainability aims, objectives and themes
- Industry best practice
- Focused goals and activities within P&O Ferries
- Input from the wider P&O Ferries operational areas
- Current and forthcoming regulatory and legislative requirements

All objectives and actions have been developed using the UN Sustainable Development Goals as a reference point. It's important that what we are planning to achieve is aligned and integrated with global efforts to develop a more sustainable way of operating. Addressing the damaging effects of climate change clearly isn't something that organisations can, or should, address in isolation. This strategy outlines how we will work in partnership with others to achieve our goals and how we will work with the decision makers of tomorrow to build the knowledge and skills to make an impact in this area.

In terms of presentation, this strategy is divided into the three traditional themes of "Environmental", "Social" and "Governance" with actions and objectives attributed to each of these. This is to ensure that we cover the full range of activity and requirements demanded of a modern ESG approach. In addition, the forthcoming EU CSRD (Corporate Sustainability Reporting Directive) legislation groups its 12 standards into these three themes, so it is logical to align this strategy with this approach.

A preliminary "double materiality assessment" has also been carried out to feed into the themes and actions in this strategy. This is a requirement of the new EU CSRD legislation and identifies and assesses impacts, risks and opportunities to the business from both an environmental and financial perspective. The most relevant actions have been incorporated into this strategy to ensure a joined-up approach.

This strategy is owned and governed by the Executive Board and developed and updated by the Corporate Sustainability Manager. The Board is responsible for reviewing and approving this strategy and reviewing programmes, targets and performance regarding our ESG objectives. The strategy will align and integrate with DP World's strategies whilst reserving the option to respond to local needs which are unique to the areas in which we operate.

ENVIRONMENTAL

This section sets out how we will minimise our impact on the environment. It covers the full range of our shipping and shoreside activities.





WE WILL:

- Monitor and measure our Greenhouse Gas emissions across our activities and report on them in a clear and transparent manner. This will include Scopes 1 & 2 and a wide range of Scope 3 emissions.
- Create a water resource policy which looks to reduce the amount of water consumed at our offices and onboard our ships. Water is a precious resource and is the lifeblood of our business. We will take steps to reduce our consumption of water where feasible. This policy will not only focus on water consumption but will also safeguard ocean health and protect aquatic biodiversity. We will tackle plastic pollution on our shores by working in partnership with other like-minded organisations to address littering in coastal locations. We will work with sector representatives from the UK Chamber of Shipping to address the damaging impact of underwater noise and to reduce Single Use Plastic which will further demonstrate our environmental credentials.
- Review our waste and recycling arrangements across the company – including all premises and ships. We will create a Waste and Recycling Policy which will govern our approach to dealing with waste and will promote recycling. This policy will fully align with DP World's Waste Management Program. We will set targets to improve our recycling performance and will strive for an approach which sends the absolute minimum of waste to landfill (subject to national / EU legislation) We will carry out a review of our waste and recycling contract and retender the service during 2025. Any new service provider will be required to comply with this strategy and provide detailed data relating to our waste and recycling volumes which will enable us to calculate our carbon emissions to a high level of accuracy and minimise the waste sent to landfill.
- Continue to work in partnership with the Ports we use to accelerate shore power projects. Shore power has the potential to reduce air pollution in Ports and surrounding areas as well as reducing our operational carbon footprint. Shorepower will become a legislative requirement in specific EU ports from 2030.
- Carry out a review on the “state of play” for alternative shipping fuels by the end of the year. Shipping fuel accounts for over 98% of our overall GHG emissions. Transitioning away from fossil fuels is essential for all shipping companies if the EU climate change targets are to be achieved.
- Introduce a “single use plastics” policy covering all shipping and shoreside activities. Annual audits will be carried out to assess compliance with the policy and the outcomes will be used as a tool for improvement and to disseminate good practice across the company. This policy will align with other existing sector policies such as the UK Chamber of Shipping single use plastic charter. The policy will comply with UK and EU legislation and will include best practice from across a variety of sectors.
- Continue to comply with our forthcoming obligations under the “Hong Kong Convention” and EU ship recycling legislation for ship recycling which come into law in June 2025. Ships will be recycled in an environmentally responsible manner which maximises the materials available for subsequent use. All relevant certification and compliance documents will be made available for public inspection.



- Develop a 5-year decarbonisation plan with DP World which will incorporate initiatives from both ships and shoreside. The plan will align with DP World carbon reduction targets and will be informed by the current Science Based Targets Initiative work. The carbon reduction plan will be developed using the DP World decarbonisation tool and will aim for a 42% reduction in Scope 1&2 emissions by 2030.
- Continue to align our approach with DP World and will incorporate additional Scope 3 GHG emissions within our reporting when DP World start to include them. Our GHG emission reporting will always mirror the DP World approach.
- Respond to increasing demand, from B2B customers and supply information on their GHG emissions from using our services. We will continue to use industry leading software to assist in this work.
- Report on our annual GHG emissions and will include a new “intensity factor” relating to “GHG emissions per freight/passenger movement”. The previous intensity factor which reported on GHG emissions per FTE staff member is no longer relevant to the way that the company operates and a new measure is needed to assess and provide evidence that company growth is not disproportionate to our environmental impact. Although it is likely that new routes and ships will result in higher GHG emissions (unless directly replacing older ships), if we can continue to have lower emissions per freight/passenger movements then this is a valuable metric for the company to monitor and report on.





SOCIAL

This aspect focuses on how a business impacts wider society and workplace culture. Equality, fairness and responding to our local communities are at the heart of this theme.

P&O Ferries fully recognises that it has a role to play to create a positive environmental impact and, to achieve this, will prioritise community / charitable engagement and support which align and integrate with our wider group's strategic priorities. We will also build on these community pillars where our local needs identify other areas to support. P&O Ferries will direct our activity and resources in the following areas:





WE WILL:

- Undertake a range of activity to improve knowledge and education around climate change and send a positive and powerful message to local educational establishments that everyone can contribute in some way to avoid the worst impacts of climate change in the future. This aligns with the DP World “Framework for a Just Transition” policy.
- Build on the successful work carried out in 2024, we will continue to deliver presentations and talks on climate change and encourage “green” career choices in local schools.
- Consider requests for financial support and resources from local charities and other non-profit organisations in accordance with the rules and boundaries set out in the next section.
- Offer work experience opportunities and careers talks with groups of students to build understanding of the industry we work in and the efforts which are being made to make shipping more sustainable.
- Continue to support apprenticeships and encourage staff to take part in this type of learning.
- Continue to report annually on our gender pay gap data and the findings will be monitored by management and action plans created to address discrepancies. We will set challenging targets to have gender pay gaps which are less than the market averages for private sector companies. We will monitor and report on the percentages of women in management positions. We will continue to develop a positive workforce culture which respects a healthy “work-life” balance and which is free from any form of discrimination and harassment.
- Support and promote activity relating to key dates in the annual sustainability calendar such as World Environment Day and World Oceans Day within the company. We will also fully support the principles of the DP World “Gender Equality Statement” which seeks to address the historical imbalance of males-females in the shipping, ports and logistics sectors.
- Investigate the feasibility of providing opportunities for staff to take part in volunteering activities such as beach clean-ups. P&O Ferries are committed to the UK Chamber of Shipping’s Single Use Plastic Policy and will use this as a tool for improving our environmental performance in this area. This will ensure that we do not generate unnecessary plastic waste in our operations which can end up polluting our marine environment.
- Encourage healthy lifestyles and choices. As part of the DP World Choices programme we offer subsidised gym memberships, health cash plans, dental and other medical cover and a cycle to work scheme. We will consider requests for assistance from charitable or not for profit organisations which themselves promote healthy lifestyles and communities.



CHARITABLE SUPPORT:

In terms of general charitable support, P&O Ferries will support those charities and non-profit organisations who demonstrate all of the following criteria:

- Long term goals that align with P&O Ferries and DP World's business objectives, mission and values;
- Focus on long term sustainability, community inclusion and growth;
- Ensure financial viability and effective management of their projects;
- Incorporate processes for reporting impacts and outcomes;
- Operate in a sustainable manner;
- Encourage stakeholder engagement and participation; and
- Take an innovative approach to projects and initiatives.

We will only support charities and other non-profit organisations that demonstrate all of the following criteria:

- Have policies and practices which avoid discrimination on grounds of race, creed, religion, gender, disability or age;
- Do not have the dissemination of religious or political information as their main agenda and do not use their charitable work to encourage support for political or sectarian causes;
- Are not involved in, or under investigation of the abuse of human rights and modern slavery;

- Are not implicated in allegations of bribery and corruption;
- Are not directly involved in gambling, recreational or illegal drugs, tobacco, armaments or alcohol (with the exception of organisations dedicated to tackling these issues);
- Do not cause harm to animals for the purposes of sport or entertainment;
- Are not involved in any activities which cause damage to the environment;
- That fully disclose all relevant corporate and personal conflicts of interest;
- Organisations whose reputation is deemed inappropriate; and
- Do not have values or policies which conflict with the values of P&O Ferries or DP World.

Information about the financial thresholds and relevant levels of authorisation can be found in the DP World "Charity Partnerships Policy". P&O Ferries' process will mirror the approach and due diligence process set out by DP World. Decisions on financial assistance will be made in accordance with our Financial rules and regulations.

This section is not relevant to general sponsorship / donation requests which do not fall within the DP World definition of "sustainability" or "charitable" donations and therefore fall outside the scope of this strategy. Other requests for sponsorship / donations will be assessed as a commercial decision by Communications / Marketing teams and due diligence forms will need to be completed.



GOVERNANCE

This refers to the processes of decision-making, reporting and the logistics of running a business. It deals with ethical behaviour and its transparency with stakeholders about its activities.

In short, this theme makes sure that our decision-making and management of activities relating to “Environment” and “Social” are dealt with in a fair, equitable, transparent manner. Embedding the principles of sustainability in our decision making and corporate governance processes is critical if we want to ensure the success of the agenda.





WE WILL:

- Carefully monitor developments and horizon scan emerging thinking from national and international organisations / governments which may have an impact on the way that we work.
- Monitor and implement all regulatory and legislative requirements relating to environmental protection and greenhouse gas emissions as well as mirror the sustainability approach adopted by DP World. Examples of changes which we will monitor and respond to during 2025 and beyond are:
 - EU CSRD reporting requirements including carrying out a comprehensive double materiality assessment of our activities (subject to legislative position)
 - UK ETS scheme and continue to comply with other “Fit for 55” initiatives such as Fuel EU Maritime
 - EU CSDDD requirements (subject to legislation being passed)
 - TPT (Transition Plan Taskforce Disclosure Framework)
 - Global IMO GHG levy scheme
 - ESOS Phase 4 action plans
 - Annual company SECR reporting
- Monitor and report on the GHG emissions relevant to our sites and ships monthly. We will analyse these emissions regularly to highlight trends and patterns and identify areas of intervention. Monthly checks of the data will be carried out to test its robustness and accuracy and enquiries made to the originating staff members where needed.

Emissions reported to DP World are subject to annual audit and we will build on the good work in 2024 to ensure these audits run smoothly, and the data has been verified and is robust.

- Further develop our relationship with organisations such as the UK Chamber of Shipping and other businesses within the sector to form partnerships where feasible to address challenges and forthcoming legislation. We will align, integrate and work closely with entities and teams within the wider DP World group to ensure a joined up and cohesive response to industry challenges.
- Continue to produce our annual SECR reports in house.
- Nominate sustainability champions across our business which include representatives from both our shipping and onshore operations. It is critical that we have representation and buy in from all areas of the business.
- Continue to comply with the requirements of ISO14001 and assist with subsequent audits to prove ongoing compliance with the standards.
- Create an annual ESG report which highlights activities and initiatives which have taken place over the preceding year. This report will also include details of our GHG emissions and highlight performance against our GHG emission reduction targets. This will serve as an internal and external document and will be published on our website. The first such report will be created and published in Qtr 1 of 2026.
- Redesign the appearance and content of the internal “Sustainability” intranet pages. These will be brought up to date with all the recent developments and policies and kept up to date by the CSM when anything changes.



- Make sure that Internal reports used for information dissemination and decision making will highlight the environmental impact of the issues being flagged. Requests for CAPEX/ OPEX and project initiation which are linked to sustainability and reducing GHG emissions will be aligned with this strategy to make sure that resources (staff and financial) are deployed where they will have the biggest impact.
- Assess climate-related risk across the business – including near, medium and long term impacts on ships, routes, Ports and goods carried.
- Work with HR to introduce a short part on company sustainability initiatives in the staff induction process.
- Continue to give feedback on carbon emissions data to all business units so that they can see how their own decarbonisation journey is taking shape.





ACTION SUMMARY FOR 2025 / EARLY 26

ENVIRONMENTAL

Action	Completion date
Report on our agreed GHG emission categories for 2024 in line with SECR requirements	1 June 2025
Create a water resource policy	31 August 2025
Review waste and recycling arrangements. Create new waste and recycling policy	31 August 2025
Continue to work on “Shore Power” projects	Ongoing to 31 December 2025
Contribute to DPW “double materiality assessment” in readiness for CSRD legislation (subject to legislative position)	31 October 2025
Create a new single use plastics policy for shoreside and ships	31 August 2025
Work with DPW to create a 5 year decarbonisation plan for POF	30 September 2025
Develop / deploy carbon calculator for freight customers	31 May 2025
Review landscape around alternative shipping fuels and applicability to our fleet	31 October 2025

SOCIAL

Action	Completion date
Offer to deliver presentations and talks on climate change to schools. Offer work experience opportunities and careers talks with schools to build understanding of sector locally.	Ongoing to 31 December 2025
Investigate local Sustainability sponsorship opportunities	Ongoing to 31 December 2025
Establish new approach and policy for charitable support	30 June 2025
Continue to report on gender pay gap data and take action to improve where necessary	Ongoing to 31 December 2025
Support global initiatives such as world water day and world oceans day	Ongoing to 31 December. Specific action for these two events in June 2025
Work with HR to Investigate feasibility of introducing volunteer days within PO Ferries to align with DPW approach	31 October 2025



GOVERNANCE

Action	Deadline
Monitor and implement all national and international sustainability legislation	Ongoing to 31 December 2025
Monitor and analyse GHG emissions from all parts of business on a regular basis to identify trends, patterns and anomalies	Ongoing to 31 December 2025
Nominate sustainability champions across the wider business (mainly HSSE team) to work with CSM on key initiatives.	31 May 2025
Assist with ISO14001 compliance audits	Ongoing to 31 December 2025
Create annual ESG report which shows progress against agreed actions	1st report Qtr 1 2026
Redesign sustainability intranet content	30 June 2025
Evaluate business benefits of implementing other ISO accreditations	31 August 2025
Ensure that internal business cases which have a sustainability focus include an appraisal of the environmental and GHG impact	30 September 2025
Work with HR to introduce a short part on company sustainability initiatives for new starters	31 August 2025
Feedback GHG emission data to business units regularly to build understanding across the whole business	Ongoing to 31 December 2025