



OPEN TO A WORLD OF POSSIBILITIES

Annual Review 2020/2021


**ABERDEEN
HARBOUR**
EST. 1136



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Open to a World of Possibilities

More than just a logo, our brand is about who we are, what we do, why we do it and where we have come from.

Our world has changed from what it was just a few months ago, but as a Trust Port, our purpose remains unchanged. We will always work to create prosperity for future generations. To do that we aim to become Scotland's premier port with world-class facilities that will connect our customers to everything they need.

We must signal this ambitious evolution to deliver on those objectives. We want our stakeholders to know that we are investing and modernising for the future: positioning ourselves to be integral to economic success.

However, we remain extremely proud of our unique past as it is the foundation of the success we have enjoyed since 1136.

Our new brand brings all of these elements together.

The chevron is our guiding icon. An important element of our brand since 1985, it represents safety and shelter, as well as movement and direction. We have also preserved our traditional 'seal'.

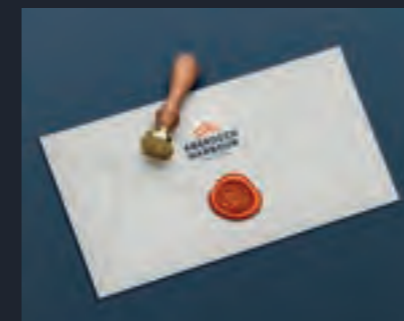
Jointly, they are the modern visual representation of our heritage, and they point the way to our future.

How we talk will embody our core values of being dynamic, professional, inclusive and respectful. We will also reflect the strategic enablers that we offer the business community: quality, innovation, intelligence and sustainability.

Our harbour is a critical connector for businesses and the economy. But we are not just a passive receiver or distributor of goods. We will be the best catalyst for business, trade and energy transformation in Scotland and beyond.

Above all, we are open. Open to new ways of supporting the energy sector; to closer relationships with our neighbours and communities; to working with partners on strengthening the economy; to welcoming new skills and talents that will equip us for the future.

In coming weeks and months, you will see our new brand reinforcing that ambition as it is rolled out, showing the world that we are open to a world of possibilities.



Chairman's Statement

It has long been convention in our annual review for the Chairman to assess the previous 12 months, to see how business has fared — but you don't need me to point out that the last six months have been about as far from conventional as anyone could have imagined. Even describing the impact of the unprecedented COVID-19 pandemic on Aberdeen Harbour in isolation seems insensitive, given the devastating impact of this disease globally.

Dismissing the effects of the emergency on Aberdeen Harbour, however, would be doing our stakeholders a disservice. It has only been through the resolute determination of our employees, our port users and our customers that we have been able to keep Aberdeen Harbour fully operational, thereby ensuring that lifeline cargoes, such as food, fuel and medical supplies have been maintained to the Northern Isles, to platforms all around the North Sea, and, of course, to the region itself.

It is therefore the most important of my duties today to thank all of Aberdeen Harbour Board's stakeholders — including our own employees — for their professionalism, adaptability and discipline during the most trying of circumstances.

The pandemic has also impacted our South Harbour Development. The delay to our construction programme, created by lockdown restrictions, served to compound some of the challenges that we

had already identified. Ultimately this led to a mutual decision for Dragados UK, our principal contractors, to withdraw and for us to seek alternative support to complete the remaining 30% of the project.

In meeting such challenges, however, it is important for us to keep in our mind's eye not only the world-class infrastructure that is going to be created as a result of our efforts, but also the incredible benefits and opportunities that the large-scale expansion of Aberdeen Harbour will bring.

The ability of the new combined harbour to accommodate major offshore wind projects, and up-scaled decommissioning programmes, has long formed a mainstay of our strategy, but the full potential of these activities — and the infrastructure under development — have been embraced by the Region, and have been encapsulated into a shared and increasingly defined ambition for Aberdeen to become a global energy transition hub.

The location of an Energy Transition Zone, adjacent to the new harbour, creates a physical and conceptual foundation for the many innovative projects underway and planned. This is where new energy solutions, such as the harnessing of hydrogen into a practical energy source, and the development of carbon capture, are under development.

South Harbour will also allow us to build upon the considerable green port initiatives that have

been underway in the existing harbour. Aberdeen is one of only two ECOPORTS in Scotland and the only one that has also achieved its ISO 14001 2015 environmental accreditation. Port expansion, however, allows us to not only act as an important guardian of our own environment but as a facilitator in supporting other sectors reduce their carbon footprint through investigation of initiatives such as electric shore-power, alternative vessel fuels and the decarbonisation of offshore oil and gas activities.

The post-Brexit trading landscape also holds potential for Aberdeen Harbour. The combined quayside of North and South Harbours will make us the largest berthage port in Scotland and therefore a considerable canvas on which to build Scotland's international trading capability. Add to this mix the potential for freeport designation, and we begin to contemplate the full size of the prize, and Aberdeen's potential, if fully supported, to become an increasingly intrinsic driver for growth within the Scottish economy as a whole.

Alistair Mackenzie
Chairman
Aberdeen Harbour Board

“It has only been through the resolute determination of our employees, our port users and our customers that we have been able to keep Aberdeen Harbour fully operational.”



Chief Executive's Report

Aberdeen Harbour is a Trust Port with big ambition. Our harbour expansion is the largest single development in UK Trust Port history and will make us the largest port in Scotland in terms of berthage.

We are aiming to be the greenest port in the UK, playing a pivotal role in what will be a transformational period for our Region, as it remodels itself into one of the world's leading energy transition centres of excellence.

Great ambition, however, requires solid foundations, and although ours remain steadfast, the COVID-19 pandemic has created a series of commercial tremors for all businesses around the world.

Although the port experienced healthy levels of activity in 2019, delivering a 3% increase in vessel tonnage (at just under 29.9 million tonnes), a 2.4% increase in vessel numbers (9,489 vessel arrivals), and a 9% increase in passenger numbers (170,513) compared with 2018, the economic impact of the pandemic in 2020 to date has done much to offset these gains.

Sustaining our core business and maintaining the financial performance of the North Harbour is of critical importance, as we emerge from the economic aftershocks of COVID-19.

As with many ports and businesses across the UK, we are facing significant challenges due to ferry, cruise and oil and gas operators reducing activity and the wider impact of very low oil prices.

We have worked quickly and proactively to support our commercial property tenants during the emergency, providing rent relief assistance. We believe this support was vital to our customers, to help sustain our stakeholders and protect future rental income.

Progress is continuing at pace to complete the remaining construction works, but the impact of COVID-19 on the construction industry has meant that phased opening will now take place throughout 2021 into 2022.

The economic climate we find ourselves in, however, makes the continued expansion of Aberdeen Harbour even more important to our local, regional and national economy. South Harbour is a unique opportunity for us to build our way out of these troubled times and to grasp the transformative opportunity that the development represents.

It is key, therefore, that momentum is maintained in all of our activities, in both the existing harbour and the expansion project, and I would like to recognise the commitment and drive of our employees, Board and stakeholders and thank them for the support that they have provided during these difficult times.

Our optimism and passion for the transformative impact of our ambitions for the future is also reflected in our refreshed branding. Encapsulating and honouring our unique history, whilst representing our modern

and innovative view of the world, our new digital look is designed to underpin the next, exciting chapter of this incredible business, which has evolved and flourished over nine centuries.

The use of technology has accelerated at a phenomenal pace as a result of the pandemic and we will be seeking innovative ways to utilise technology into the future. Our new digital brand and supporting web platform has been upgraded. This enables us to provide a contemporary digital experience for our customers and stakeholders, increasing our reach to different audiences around the world. We hope you like it.

In closing, however, it is important that I add my thanks to those of our chairman for the diligence and resilience of our employees, port users and customers over recent months. Without their combined efforts we would not have been able to withstand the unprecedented challenges we have recently faced, and we look forward to continuing the provision of service excellence and world-class facilities, for many centuries to come.

Michelle Handforth
Chief Executive
Aberdeen Harbour Board

“We are aiming to be the greenest port in the UK, playing a pivotal role in what will be a transformational period for our Region, as it remodels itself into one of the world's leading energy transition centres of excellence.”



What Makes a Trust Port?

A Trust Port is an independent statutory body, created by an Act of Parliament.



It is run by an independent Board, for the benefit of its stakeholders, and is governed by its own local legislation. All surpluses made from operations are reinvested back into the improvement, maintenance and administration of the port.

As a Trust Port, it is our duty to **“hand it [the port] on in the same or better condition to succeeding generations. This remains the ultimate responsibility of the Board, and future generations remain the ultimate stakeholder.” ***

In other words, it is the role of our Board members and employees to safeguard and improve the port, so that it continues to flourish. Aberdeen Harbour has operated as a Trust Port since 1961.

Our stakeholders play a crucial role in the continuous improvement of our Harbour. We work together to deliver a world-class port that provides a prosperous future for generations to come.

* (Modern Trust Ports for Scotland – A Guide to Good Governance)



- 01 | **Matt North**
CHIEF OPERATING OFFICER
- 02 | **Chris Bain**
EXTERNAL RELATIONS DIRECTOR
- 03 | **Michelle Handforth**
CHIEF EXECUTIVE
- 04 | **Keith Young**
ENGINEERING DIRECTOR
- 05 | **Jon Oakey**
FINANCE AND BUSINESS SERVICES DIRECTOR

The Harbour’s Executive Directors are led by Michelle Handforth. Their responsibilities are broad, but at the most basic level, they must ensure that:

- **Vessels have a safe and navigable place of shelter, and that we encourage safe working practices throughout the port**
- **The integrity and design of the quays and waterways are kept to the highest engineering standards**
- **The organisation applies a system of sound financial management and remains commercially successful**
- **A high level of interaction is maintained with a range of harbour stakeholders, including employees, customers, port users, local and regional authorities, industry and civic groups, and the local community**

Our Board

Selected for their wide-ranging skills and experience, Aberdeen Harbour's team of Non-Executive Directors provide independent oversight for the organisation.

This year we welcomed Bertie Armstrong to our Board. Bertie brings with him a strong network of key connections and much experience in managing multiple stakeholder interfaces. His skills and attributes will complement those already on the Board. We also express our thanks to retiring Board Member Luisa Campbell, who stepped down in 2019 after three years' service. Over this time, her contribution has been significant and much valued, and I wish her every success with her future plans.

Alistair Mackenzie, Chairman

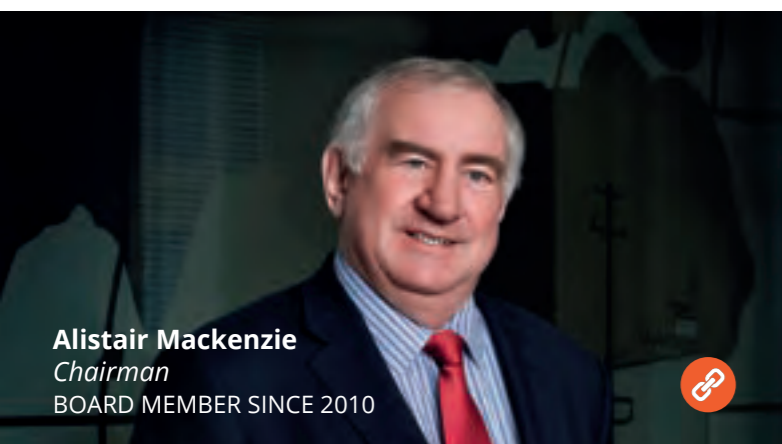
 **Remuneration Committee**

 **Audit & Risk Committee**

 **Property Committee**

BOARD MEMBER ATTENDANCE 2019

	Board Meetings	Remuneration Committee	Audit & Risk Committee	Property Committee
NON-EXECUTIVE MEMBERS				
Alistair Mackenzie (Chairman)	8 of 8	1 of 1	N/A	N/A
Morag McNeill (Vice-Chairwoman)	8 of 8	1 of 1	1 of 1	4 of 4
John Brebner	8 of 8	1 of 1	4 of 4	N/A
Roy Buchan	8 of 8	N/A	N/A	4 of 4
Luisa Campbell	7 of 8	1 of 1	4 of 4	N/A
Eleanor Craig	8 of 8	N/A	4 of 4	N/A
Mike Keith	8 of 8	N/A	4 of 4	3 of 4
Jayne MacLennan	8 of 8	N/A	N/A	4 of 4
Mike Porter	7 of 8	N/A	N/A	4 of 4
EXECUTIVE MEMBERS				
Michelle Handforth (Chief Executive)	8 of 8	1 of 1	4 of 4	4 of 4
Matt North (Chief Operating Officer)	7 of 8	N/A	N/A	4 of 4
James Bell (Finance Director)	3 of 3	1 of 1	1 of 1	N/A
Jon Oakey (Finance & Business Services Director)	3 of 3	N/A	1 of 1	1 of 1



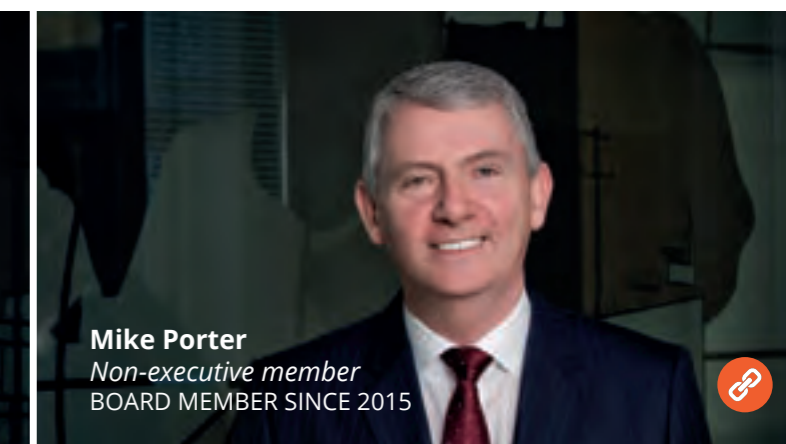
Alistair Mackenzie
Chairman
BOARD MEMBER SINCE 2010



Morag McNeill
Vice-Chairwoman
BOARD MEMBER SINCE 2013



Michelle Handforth
Chief Executive
BOARD MEMBER SINCE 2018



Mike Porter
Non-executive member
BOARD MEMBER SINCE 2015



Jayne MacLennan
Non-executive member
BOARD MEMBER SINCE 2017



Roy Buchan
Non-executive member
BOARD MEMBER SINCE 2019



John Brebner
Non-executive member
BOARD MEMBER SINCE 2018



Bertie Armstrong
Non-executive member
BOARD MEMBER SINCE 2020



Mike Keith
Non-executive member
BOARD MEMBER SINCE 2019



Eleanor Craig
Non-executive member
BOARD MEMBER SINCE 2019



Jon Oakey
Finance and Business Services Director
BOARD MEMBER SINCE 2019



Matt North
Chief Operating Officer
BOARD MEMBER SINCE 2019

2019: at a glance

Acts of Pilotage

25,951



VESSEL TONNAGE

26,894,832 GROSS TONNES



Decommissioning Cargo

10,000 tonnes



£ GVA 1.5b



Turnover

£38,041,000

166,537

Ferry Passengers



TOTAL QUAY LENGTH

5,900m

North Harbour

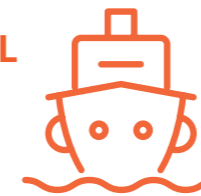
7,300m

inc. South Harbour



WIDEST VESSEL

32m



95 Employees



12,000

INDIRECT EQUIVALENT JOBS SUPPORTED



Vessel Arrivals 9,489

168,280

Head of Livestock



£50,000

DONATED TO LOCAL CHARITIES

Cargo Tonnage 4,018,169 tonnes

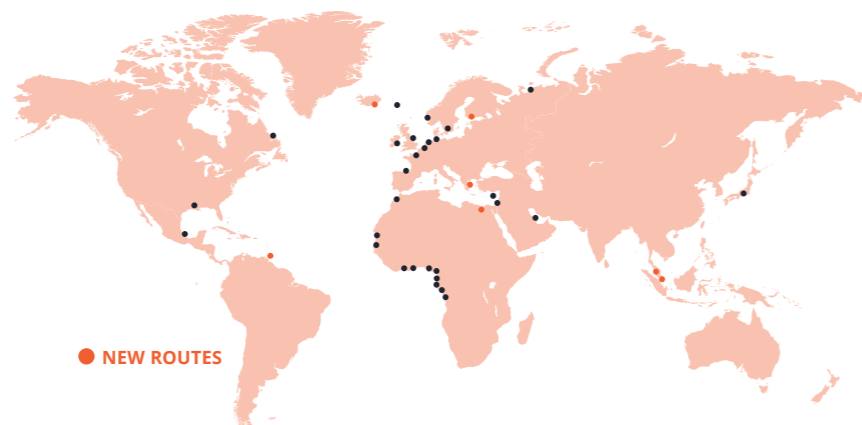


LONGEST VESSEL

175.6m



36 Shipping Connections



ANGOLA BELGIUM CAMEROON CANADA CONGO (DEMOCRATIC REPUBLIC) CYPRUS EGYPT EQUATORIAL GUINEA FAROE ISLANDS FINLAND FRANCE GABON GERMANY GHANA GREECE ICELAND IRISH REPUBLIC ISRAEL IVORY COAST JAPAN MALAYSIA MAURITANIA MEXICO MOROCCO NIGERIA NORWAY RUSSIA SENEGAL SINGAPORE SPAIN SWEDEN THE NETHERLANDS TRINIDAD USA UNITED ARAB EMIRATES UNITED KINGDOM

Vessel Arrivals

- 3,962 Supply Vessels
- 2,378 Local Sailings
- 689 Standby Safety Vessels
- 648 Passenger & Freight Ferries
- 312 Cargo Vessels
- 268 Tankers
- 47 Fishing Vessels
- 113 Dive Support Vessels
- 28 Cruise Vessels
- 938 Other Commercial Vessels
- 14 Yachts
- 9,489 Total Visits



170,513

NUMBER OF PASSENGERS



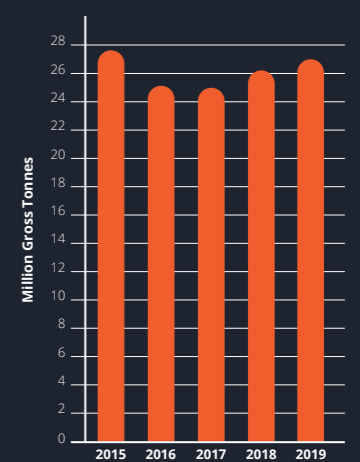
PROFIT BEFORE TAX £19,628,000



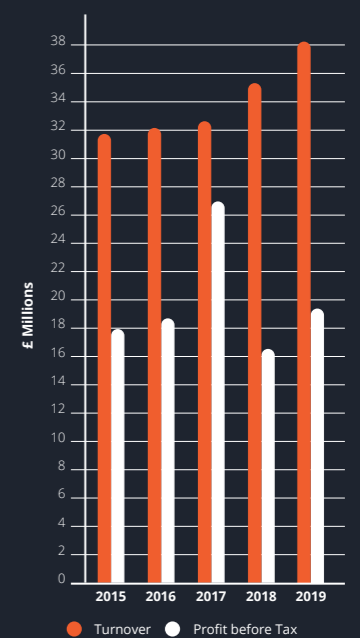
3,875

Cruise Passengers

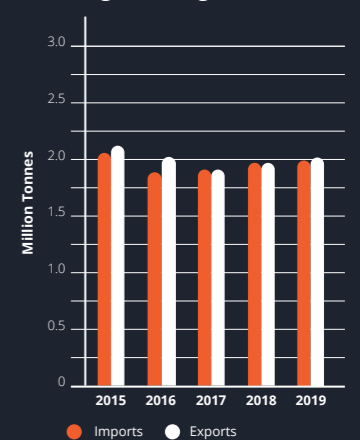
Tonnage of Vessels



Financial Results



Cargo Tonnage



The Final Push

With 70% of construction completed, Aberdeen's South Harbour Project is entering its final phase. The footprint of the four vast Balmoral, Castlegate, Dunnottar and Crathes Quays is now quite visible to the eye.

The current view, however, affords us a unique opportunity to see much of the underlying structural elements that form the basis of the new port.

Soon to emerge from the sea will be the immense South Breakwater, which will form the outer defensive arm of the harbour, protecting the bay from North Sea swells, whilst focus will also turn to the laying of the 125,000 square metres of quayside.

The Crathes Quay will be the last to be constructed and will form shelter for vessels berthed on the Dunnottar Quay.

Driven piles that will form the support legs for our Balmoral Quay.

Vast 50 metre concrete caissons were floated into place and used to form the Dunnottar Quay structure.

The caissons are then being back-filled to create the large 400 metre Dunnottar Quay.

This area will all be back filled to create an incredible lay-down area for cargoes and heavy lifts.

Water depth within the harbour will be up to 15 metres at highest tides.

More of the concrete caissons forming the far end of the Castlegate Quay. These give the Castlegate Quay incredible strength (up to 15 tonnes per square metre).

More piles but this time forming one half of the vast Castlegate Quay.

New junction forces HGV Vehicles away from St Fitticks Road and along the coast.

Individually segregated drainage systems allow the port to be split into independent working areas.

The North & South Breakwaters are designed to withstand the worst of sea states, maximising operational uptime for our customers and creating a safe haven for shipping.

Energy Transition

The North East of Scotland has incredible assets. Fifty years of investment in technology and skills as a result of the Region's oil and gas activities has created a basis of great potential — and presents us with the opportunity to leverage this heritage to make a major contribution to delivering net zero.

From this opportunity ambition has formed. The aim is to establish a global integrated energy cluster with the transition activities — offshore wind, hydrogen and carbon capture and storage — growing and developing alongside oil and gas.

The development of a 'home' for these activities through the creation of an **Energy Transition Zone** will help form a bond for the widest range of innovative projects already underway in the Region, and in the planning pipeline. The location of this zone, adjacent to the **Aberdeen South Harbour**, aims to leverage the economic potential of the port's £350 million investment, putting the port at the centre of the strategy to create a game-changing facility.



EcoPort Aberdeen Harbour

Aberdeen is one of only two EcoPorts in Scotland and is unique in also having the ISO 14001 accreditation for environmental management. But this is only the starting place for the port's Green Team. With the help of all of their colleagues, they are developing a multi-layered strategy that will ensure that the port plays a pivotal role supporting net-zero emissions targets set by government and further enhanced by our customers. They aim to achieve this by combining conventional internal green project initiatives with interface activities with the maritime sector, as well as providing a home for green infrastructure initiatives that could put Aberdeen on the map as an Energy Transition Hub of significant importance.

GREEN TEAM INTERNAL PROJECTS




The Harbour's Green Team Internal Project list for 2020 has included

- the introduction of 100% clean-sourced electricity
- the introduction of our first electric vehicles
- the introduction of a no-idling policy for vehicles
- and our big project this year is the complete replacement of harbour lighting source, see below...

Lighting the way...

Conscious that the lighting of quaysides and yards is the single largest consumer of electricity on our estate, using 1,392,513 kilowatt hours of electricity a year, a project team was set up in 2019 with the challenge of reducing this carbon footprint. Its investigation found that 95% of the floodlights currently in place are powered by Sodium Discharge, Metal Halide and other lamp types that are out-dated by modern standards — with only 5% LED.


The resulting implementation programme that will replace all harbour external lighting with LED lighting heads is due to commence this month. Headed up by engineer, John Wilson, the project will involve the replacement of more than 700 lights at a cost of £300,000 to the port. Electricity consumption will be reduced by a staggering 54% every year.



717 LED
lighting heads
to be fitted



£300,000 green
infrastructure
investment



Reduction in
annual kWh
= 54%

MARITIME INTERFACE



In April 2018, the International Maritime Organisation (IMO) announced a strategy that envisaged a reduction in total Greenhouse Gas emissions from international shipping by at least 50% by 2050, compared with 2008. How this target can be achieved has stimulated activity and debate throughout the global shipping industry, but ports — and Aberdeen Harbour — can also contribute to this endeavour.

Electrification of Quaysides

Our new South Harbour has been designed to accommodate electric 'shorepower' that vessels could use whilst berthed in port as an alternative to the auxiliary diesel engines commonly employed. We are also keen to stimulate debate as to how the challenges of bringing grid power to the quayside in Scottish ports may be achieved.

Alternative Fuel Sources

There is also debate globally as to which potential alternative fuel sources are likely to be adopted by the world's shipping fleet, including LNG, methane, and even wind-powered vessels. Aberdeen Harbour is keen to support our customers in this work, and to progress alternatives to traditional fuel sources as soon as is possible.

GREEN SUPER-HOST



The harbour estate itself can also act as host to a range of green initiatives and innovative thinking.

Whether it be as a home to green projects under development by our customers — such as circular economy initiatives concerning decommissioned offshore materials or as a wind power test centre — or for bigger regional initiatives such as the creation of an Energy Transition Zone adjacent to the new South Harbour (more on page 08) the port has incredible potential as a green super-host for our partners and stakeholders.

Health, Safety, Quality and Environment

 **06** TOTAL NUMBER OF ENVIRONMENTAL INCIDENTS

34 
Health and Safety incidents

Introduction of **Stress and Mental Health at Work Policy** and mental health first aiders

NEW ABERDEEN HARBOUR PORT ACCESS POLICY ISSUED



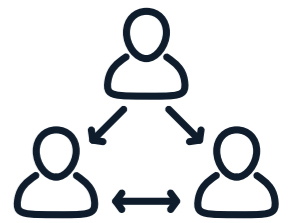
Health Surveillance programme **launched** for Aberdeen Harbour employees



ISO 45001:2018 & ISO 14001 accreditation & EcoPort status



04 Port Safety Group meetings



04 external audits 

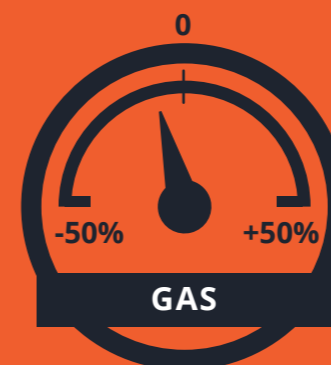
0 
RIDDOR REPORTABLE ACCIDENTS

12 
HSQE Management Review meetings

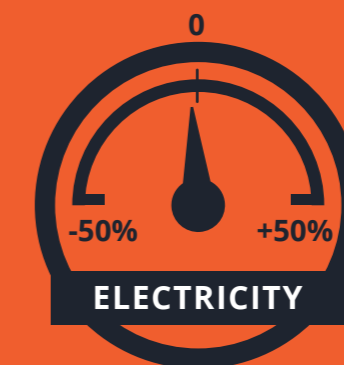
51 
COMPLIANCE REVIEWS CARRIED OUT BY HSQE DEPARTMENT

26 
HSQE TOURS CARRIED OUT BY SENIOR MANAGEMENT TEAM

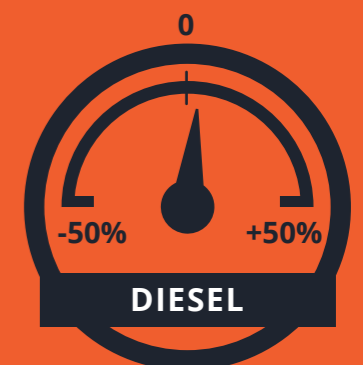
12 HSEQ INSPECTIONS CARRIED OUT BY DOCK CONTROL OFFICERS 



Total: 651,082 KWh
14.4% DECREASE



Total: 426,217 KWh
3.7% DECREASE



Total: 120,677Ltrs
5.5% INCREASE

Aberdeen Harbour Board continues to be committed to marine safety and to full compliance with the UK Port Marine Safety Code, and recognises its individual and collective responsibility as duty holders. Aberdeen Harbour Board's independent Designated Person has presented the Board with audit reports of the Harbour's Marine Safety Management System throughout the year, and a summary of incident reports is available on the Aberdeen Harbour and Marine Safety Forum websites.

Harbour Crew

It takes a range of specialist skills to run a harbour. From our pilots who board vessels entering and leaving the Harbour, to our expert safety and environmental advisers, the 'Harbour Crew' have hundreds of years of experience and expertise between them.

“ My favourite part of the job is being out gathering data on the boat and having banter with the crew. All of the departments work well together. It means a lot to me working here. ”

Scott Buchan
Hydrographic Surveyor



“ I love that our South Harbour expansion is a big part of my role. The knowledge and experience that I'm exposed to on a daily basis is a once-in-a-lifetime opportunity. ”

Sarah Crawford
HSSEQ Compliance Advisor



“ A lot of the vessels have fantastic crew on board, and you become very friendly with them. I thoroughly enjoy this job here. ”

Finn Froekjaer-Jensen
Pilot



“ Working for Aberdeen Harbour Board has been one of the most varied places I have ever worked. I have grown both personally and professionally working here. Every day is different and has unique challenges. ”

Alex McIntosh
Harbour Master



“ I have gained much professional insight from working closely with the Harbours' engineering team. The wealth of knowledge they have passed onto me will prove invaluable in the future. ”

Kieran Simpson
Graduate Engineer



“ After 30 years with the Harbour, I still learn new things every day about ships and the industry. We have a great team here, and I am looking forward to the future with them. ”

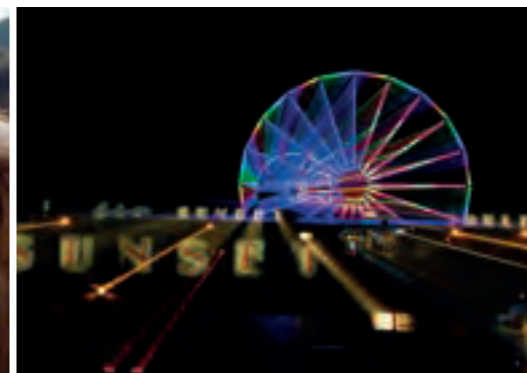
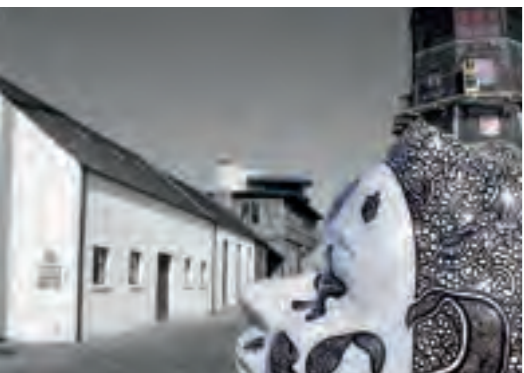
Denise Shiach
Vessel Traffic Assistant



“ When I used to read up about the new Harbour, it really excited me, and I wanted to come along and be part of history in the making. ”

Malcolm Brown
Head of Compliance

In Our Community



Photography Competition

Aberdeen Harbour's ongoing partnership with the photography department at the North East Scotland College has resulted in a unique exhibition display at Aberdeen International Airport.

In 2020, 20 winning images from this year's photography competition are on display next to the baggage reclaim area, attracting thousands of viewers each week.

SEE ALL THE PRIZE WINNING PHOTOS ON OUR WEBSITE [🔗](#)

Delivering Support

We have a vested, proactive interest in our local communities. Our Community Action Fund has supported more than 200,000 children and adults in the North East of Scotland, since its inception, by donating £600,000 to 52 community groups and organisations.

In 2020, however, COVID-19 created an even greater need in our local communities, and we went straight to the heart of the matter, providing immediate support to our local foodbank, CFINE, providing it with a new addition to its electric bike fleet. This allowed it to provide an additional 150 deliveries per week to those both in need but also in lockdown.



“ Aberdeen is one of the most successful ports in the UK, forming a vital element of one of Europe’s energy capitals, and positioning itself to further underpin Scotland’s aspirations in terms of commercial growth and environmental sustainability for many decades to come.

At our heart, however, we remain a Trust Port, and our desire to create and cascade prosperity to all of our stakeholders, both current and future generations, ultimately guides everything that we do.”

Michelle Handforth, June 2020



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