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OUR LONG-TERM COMMITMENT TO SUSTAINABILITY



Welcome to Westports' Sustainability Report 2018. This annual disclosure presents the most salient sustainability strategies, policies and initiatives related to our environmental, social, governance and economic performance. This document highlights the development of our ongoing sustainability journey.

We aim to speak to you, our stakeholders, directly through this report. We will respond to your suggestions and feedback from our frequent interactions over the past year.

Sustainability means shaping Westports' future success — it is integral to our day-to-day work routines in line with the Group's GOWEST objectives. Driving sustainable economic prosperity is our mandate.

ABOUT THIS REPORT



SCOPE OF REPORT

1 January to 31 December 2018
(unless specified)

REPORTING CYCLE

Annually

COVERAGE

Westports Holdings Berhad (Westports) and its subsidiary as included in the Group's consolidated financial statements. A subsidiary is a company in which Westports holds a majority stake or has direct managerial control. References to 'the Group', 'the Company' and 'we' refer to Westports and/or its affiliates and subsidiaries.

REFERENCES AND GUIDELINES

Principal Guideline

Global Reporting Initiative (GRI) Standards

Additional Guidelines

- Bursa Malaysia's Sustainability Reporting Framework
- ISO 26000:2010 Guidance on Social Responsibility
- FTSE4Good Bursa Malaysia Index and other local and international sustainability ratings
- United Nations Sustainable Development Goals (UNSDGs)

FEEDBACK

This report can be downloaded by all stakeholders from our corporate website, www.westportsholdings.com

We welcome feedback on our sustainability report and performance. Please send your feedback to:

Mr Chang Kong Meng
Head of Investor Relations,
Westports Holdings Berhad,
P.O.Box 266, Pulau Indah,
42009 Port Klang,
Selangor Darul Ehsan,
Malaysia.

Telephone : +603 3169 4000 ext: 423

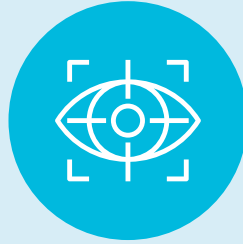
Facsimile : +603 3169 4119

Email : chang@westports.com.my

Website : www.westportsholdings.com

VISION

To be one of the leading gateway and transshipment ports of call in the world while continuing to be the pride of Malaysia on employee relations, customer satisfaction and corporate citizenship



MISSION

To conduct our business with operational excellence and integrity to create value for all our stakeholders



WESTPORTS' OBJECTIVES

G

GENERATE SUSTAINABLE REVENUE

Generate sustainable revenue through the consistent implementation of our values and corporate philosophy, continuous improvements and innovation, cost management and maintaining high customer satisfaction resulting in excellent returns for employees, shareholders and customers.

O

OPERATIONAL EFFICIENCY

We provide operations and service excellence that exceed global standards through effective training, the continuous review of operational achievement and enhancement of SOPs.

W

WORLD CLASS PRODUCTIVITY

Our vision is to be the First Port of Choice for our customers, shareholders and employees. We are determined to go the 'extra mile' to delight our customers with services that exceed their expectations, which include world-class productivity standards exercised through continuous quality improvement.

E

EMPLOYER OF CHOICE

Provide our employees with excellent compensation benefits and training, job enrichment and human capital development. Employees are an integral component of the Company's achievements and we are determined to be the Employer of Choice by adopting best work practices.

S

SERVICE EXCELLENCE

We are committed to providing world-class services that surpass our customers' requirements and expectations. We strive to focus on conducting an in-depth study and unvarying improvement to meet our customers' everchanging needs.

T

TECHNOLOGY DRIVEN

Committed to improving by considering new technologies to expedite and simplify our processes and efforts. This forms part of the daily work of all departments and sections and ensures the problems are eliminated at the source in order to create better improvement opportunities.

CORPORATE OVERVIEW (CONT'D)

WESTPORTS' CULTURE



Now Culture

Westportians believe in treating key business as if one's life depends upon it. It is about being determined to stay focused and committed to delivering positive results. Westports cultivates a great sense of urgency and priority in every employee.



Accountability and Integrity

Integrity is the bedrock on which trust is built and is the hidden key to success. Employees are embedded with a deep feeling of trust and integrity, which provides transparency and a positive work environment.



Teamwork

Westports believes in collective and cooperative teamwork which contributes to the achievement of the Company's vision and mission.



Safety Awareness

Safety is an integral part of sustaining our business growth and success, leading to an increase in productivity.



Responsible

This tenet is embraced by all employees in which we are all responsible for our actions and conduct.



Innovation

Westportians develop a passion for excellence and success through continuous innovation of new ideas and practices.



Good Family Values

We work together as a family with candour, encourage open communication and solve any issues or problems together. Things are done with good thoughts, good intentions and good deeds. Westports is a big family where everyone is treated with respect.

ABOUT OUR PORT



Port Strengths and Capacity

- 31 berths have an aggregate length of 8.4 km.
- 24 berths are contiguously connected in a straight line with a total length of 5.8 km for a large maximum usable quay length and flexible vessel berthing.
- The latest ship-to-shore cranes are at a height of 52 metres at the recently completed wharves at CT8-CT9.
- A 17.5-m water depth accommodates the largest container vessels.
- Westports contains an integrated 405-ha customs-free commercial and industrial zone.



Achievements

- Is the second busiest port in South East Asia by container volume handled.
- Accommodates the world's largest container vessels of 21,413 TEUs.
- Boasts the productivity record of 793 moves per hour (mph) with a deployment of nine quay cranes on CACL Le Havre in 2014.
- Container throughput improved by 6% to 9.5 million TEUs and 62% of containers handled are for countries within Intra-Asia.
- Conventional segment handled 10.7 million metric tonnes of bulk cargo in 2018.
- Achieved more than RM1.6 billion in operational revenue.

CORPORATE OVERVIEW (CONT'D)

HOW FAR WE HAVE COME

	1996	2018
Deepest draft (m)	15	17.5
Container berths (km)	0.6	5.8
No. of quay cranes	9	67
Handling capacity (million TEUs)	1.0	14.0

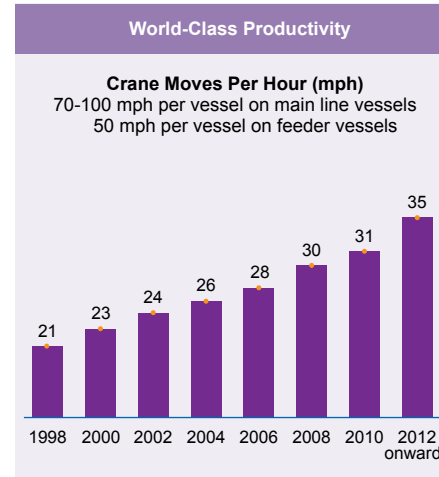
FACTORS FOR GROWTH



- Port Klang is approximately 12 nautical miles from the Straits of Malacca shipping lane
- Westports is strategically situated on 535.47 hectares of land fronting the Straits of Malacca
- A minimum of 80,000 vessels sail through the Straits of Malacca each year
- Port Klang has become the second busiest port in Southeast Asia and 12th in the world
- Global and regional connectivity makes Westports an attractive transshipment hub
- Westports has established connections to more than 350 ports around the world



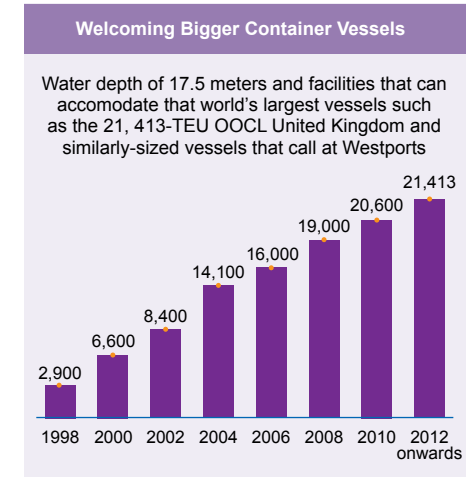
- Port Klang is the gateway for import/export cargo for the immediate hinterland of the Klang Valley which includes Kuala Lumpur and Putrajaya
- Klang Valley is the heartland of Malaysia's industry and commerce and where 34% of Malaysia's total population resides
- Numerous intermodal connections within Peninsular Malaysia and with neighbouring countries have contributed to Westports' positioning as a preferred gateway for import/export cargo



Westports Malaysia is a leading port in the world, supported by superior productivity and a water depth of 15 to 17.5 metres. Our productivity and facilities have turned us into one of the preferred transshipment hub ports for shipping lines in the region.

Our container volume has grown exponentially over the years. We are the leading terminal operator in Port Klang controlling 77% of the market share in container volume throughput as at the end of 2018. We handled 9.5 million twenty-foot equivalent units ("TEUs") and 10.7 million metric tonnes of bulk cargo in 2018.

Productivity at Westports, measured by container moves per hour ("mph"), is among the highest in the world, averaging about 30 mph per crane. Our high productivity level translates



into a faster turnaround for vessels that make our port their home.

Westports has a container handling capacity of 14 million TEUs per annum with our 5.8 kilometres of straight container quay and 67 ship-to-shore cranes, from CT1 to CT9. Our proposed long-term expansion is expected to nearly double our total terminal handling capacity in the future.

Westports is a genuinely Malaysian Port with the Company's workforce of 4,603 being Malaysian. Many are from Pulau Indah, the island on which Westports Malaysia is situated. Hardcore poverty has been reduced dramatically on the island, making us a genuinely Corporate Social Responsibility Malaysian Port.

CORPORATE OVERVIEW (CONT'D)

	2016	2017	2018
ENVIRONMENT			
Energy & Water			
Diesel (litres)	44,944,817	44,037,608	46,104,051
Electricity (MWh)	94,636	90,719	97,013
Water (m ³)	1,603,180	1,335,444	1,303,339
Efficiency			
TT (£/Move)	2.19	2.21	2.19
TT (£/TEU)	1.51	1.52	1.50
TT (£/hr)	6.52	6.28	5.95
RTG (£ /Move)	1.16	1.20	1.33
RTG (£/TEU)	0.80	0.83	0.91
RTG (£/hr)	16.26	15.59	14.73
Tugboat (£ /TEU)	1.01	1.13	1.10
Tugboat (£/Vessel Call)	1,044	1,189	1,224
kWh/TEU	9.52	10.05	10.19
Emissions (tonnes)			
Scope 1	118,814	116,416	121,878
Scope 2	70,125	67,223	71,886
Scope 3 (Air Travel) *	120	284	258
Scope 3 (Employees Commuting) *	-	-	6,340

Scope 3 in 2018 is a summation of 6,340 tonnes of emissions arising from employees commuting and 258 tonnes resulting from air travel. In 2016 and 2017, only emissions from air travel were included in the calculation.

	2016	2017	2018
Emissions Intensity (kg)			
TT (CO ₂ e/Move)	5.79	5.83	5.79
TT (CO ₂ e/TEU)	3.99	4.01	3.97
TT (CO ₂ e/hr)	17.24	16.61	15.72
RTG (CO ₂ e /Move)	3.07	3.18	3.52
RTG (CO ₂ e/TEU)	2.11	2.19	2.41
RTG (CO ₂ e/hr)	42.98	41.22	38.93
Tugboat (CO ₂ e /TEU)	2.67	2.98	2.91
Tugboat (CO ₂ e/Vessel Call)	2,760	3,142	3,236
Electricity/TEU	6.60	6.68	7.07
Ozone-depleting substances	0.00	0.00	0.00
Waste			
Scheduled Waste (tonnes)	255	393	151
Hydraulic Oil Recycled (tonnes)	6.56	9.60	10.85

JOINT MESSAGE FROM OUR EXECUTIVE CHAIRMAN AND GROUP MANAGING DIRECTOR



Datuk Ruben Emir
Gnanalingam

Tan Sri Datuk G.
Gnanalingam

“ Westports is making a long-term commitment to reduce our carbon emission intensity in the coming years ”

It gives us great pleasure to present our Sustainability Report 2018. Our commitment has not changed, and we continue to work in the best interests of the community, environment and economy. These principles are being integrated into the planning, design, operations and maintenance of Westports. We define sustainability as positioning our environment, communities, people and the port for continued success and improvement for years to come. We are excited to share our journey in delivering positive social and economic contributions to the value chain and achieve our sustainability objectives.

We support the nation's growth and have taken up the responsibility to maintain and improve our operations and the island on which we operate, especially the local communities and the surrounding environment. We have achieved steady progress, and this is reflected in our financial figures, processes and broad range of projects that we have spearheaded during the period under review.

2018 was a pivotal year for Westports. All container terminals, from CT1 to CT9, earmarked to be built under the current concession have been actively utilised following their completion in the previous year.

Since its establishment in 1994, Westports has steered port operations to become one of the industry's prime movers in Malaysia. We continuously enhance our operational performance to meet and even exceed the market's demand while boosting operational efficiency. The emergence of connected technologies is preparing Westports for the digital age – helping to increase productivity and reduce costs. We have adopted several smart solutions that lead to higher productivity, cost efficiency and customer satisfaction. Examples of Westports' recent innovation include our Terminal Truck (TT) Vehicle Mounted Tab (VMT), which was launched in August 2018 and our in-house GPS application. Our migration to the OPUS Terminal Operating System was completed last year and we are now reaping the operational benefits.

JOINT MESSAGE FROM OUR EXECUTIVE CHAIRMAN AND GROUP MANAGING DIRECTOR (CONT'D)

Westports aspires to be a leader in every facet it does. Social responsibility is no exception as we strive to be good corporate citizens. We also live, work and play here as this is our community. We have taken up the responsibility, and even an obligation, to our surrounding communities on the island as they are our customer base, people, partners, community members and other stakeholders. Many of our employees are native to Pulau Indah and call the island their home. We take every opportunity to make a tangible impact here at home and beyond our gates.

Over the past three years, we have spent a total of RM8.5 million on community building and CSR-related causes. Westports' philanthropy covers five distinct areas of giving and service: poverty eradication, enhancing education, refurbishing community facilities, contribution to the native *Orang Asli* community and ensuring safety and security on Pulau Indah. The social responsibility for Pulau Indah inhabitants has been taken seriously since our infancy.

Despite being a capital intensive business, our people are what truly make Westports a special place. Attracting new colleagues, engaging with our talents and ensuring everyone goes home safely at the end of each day are essential. Westports' Penghulu programme is a unique employee engagement platform that boosts employee loyalty and their sense of belonging. Each and every employee is valued and we understand that equipment operators and other wharf-side employees have no access to email

or other communication channels. Currently, 24 mentors are helping 238 Penghulus look after almost 4,200 employees.

Port veterans such as us understand the potential risks associated with our nature of work. Full compliance with our health and safety policies is something that we take very seriously. Our teams are relentless in identifying hazards, developing ways to mitigate them and tracking compliance. Every worker is inspired to embrace safe behaviour that minimises incidents. Westports has devised a 15-year plan that benchmarks itself with other established global sea-ports. The journey integrates the best Environmental, Health and Safety (EHS) technology and focuses on changing our workforce's mindset and behaviour. Our five-year vision is to become the leading EHS practising port in Malaysia and subsequently the world by 2033.

Sustainability starts with us, but we cannot achieve it alone. We continue to invite our people to drive innovation, creativity and continuous improvement. You are welcome to join us on this journey. Together we can secure a sustainable future for our port and communities and keep improving in years to come.

On behalf of Westports, we would like to take this opportunity to thank all our stakeholders who push us to perform better with their feedback, opinions and support while we continue to invest in the future of our country

and the world. We also extend our most profound appreciation to the management and employees for their continuous dedication and commitment. As always, we hope you find our report useful and informative. Your feedback is vital for us to become a successful gateway for the nation's trade inventory.

Tan Sri Datuk G. Gnanalingam
Executive Chairman

Datuk Ruben Emir Gnanalingam
Group Managing Director

STRATEGIC SUSTAINABILITY

Westports employs a stakeholder-driven approach to ascertain the most important sustainability impacts and opportunities to sustain our business. Direct and indirect stakeholder engagement helps us identify and prioritise these areas. We consult our employees in various functions and divisions, key investors, community members, governmental representatives and business partners to identify their expectations.

SUSTAINABILITY PRIORITIES



Better Business

We track financial performance, job growth, container movement and lead time as these indicators gauge how port growth positively affects the local community.



Better Planet

We monitor our carbon footprint which demonstrates our environmental commitment to locally and globally significant areas of concern.



Better Community

We grow together with the Westports family within the company and the surrounding communities.

We raise awareness and implement each sustainability priority, strengthening our focus as we expand business operations. These commitments are taken very seriously. Corporate scorecard performance measures both stakeholder and business needs. Increasingly, we consider how our actions affect sustainability and are mindful of stakeholders' priorities and interests.

In 2018, we reaffirmed our commitment to building a responsible and sustainable business that delivers robust economic growth while improving social welfare and environmental sustainability. Our efforts to broaden the client-mix, increase container volumes and formulate logistics solutions for cargo owners were intensified.

As Malaysia's largest port, we believe in adopting cutting-edge technology to achieve lean operations. Our front and back-end services were integrated and aligned through our new Terminal Operation System.

We are committed to building national infrastructure through the triple bottomline approach of economic, social and environmental welfare. We will continue to leverage on technology to achieve greater efficiencies and set industry benchmarks.

We remain as committed as ever to the environment and our local communities. Increasing investments in energy-efficient infrastructure will help improve our eco-efficiency and reduce our carbon footprint over the coming year.

We will continue to work on improving education, community health, livelihoods and community infrastructure. A young and dynamic workforce that is dedicated to our vision is vital to achieving these goals. Investments in learning, innovation and safety are also important.

STRATEGIC SUSTAINABILITY (CONT'D)

SUSTAINABILITY AT A GLANCE

ECONOMIC PROSPERITY THROUGH TRADE

- Leading terminal operator in Port Klang
- 77% market share of Port Klang
- Handled 9.5 million TEUs and 10.7 million metric tonnes of bulk cargo
- Container moves averaging 31 mph per crane are among the highest in the world



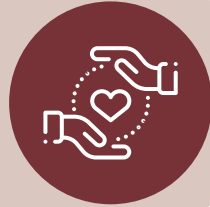
THRIVING COMMUNITIES

- Three Pulau Indah schools were adopted under the Trust School Programme
- Westports' community projects focus on upgrading Pulau Indah and improving community wellness
- Westports' Port Police reduces crime at both the port and Pulau Indah



HEALTHY ENVIRONMENT

- 100% of our sites have been certified with ISO14001:2004 since 2009
- Green Port initiatives are practised throughout Westports
- 90.4% eGate Pass utilisation rate was achieved in 2018
- Effluent and emission readings were within limits set by the authorities



GOOD GOVERNANCE

- Sustainability governance is integrated into Westports' businesses
- Business is performed ethically
- Westports actively engages with port players, local authorities, forwarding agencies and business partners in developing the industry



PEOPLE ORIENTED

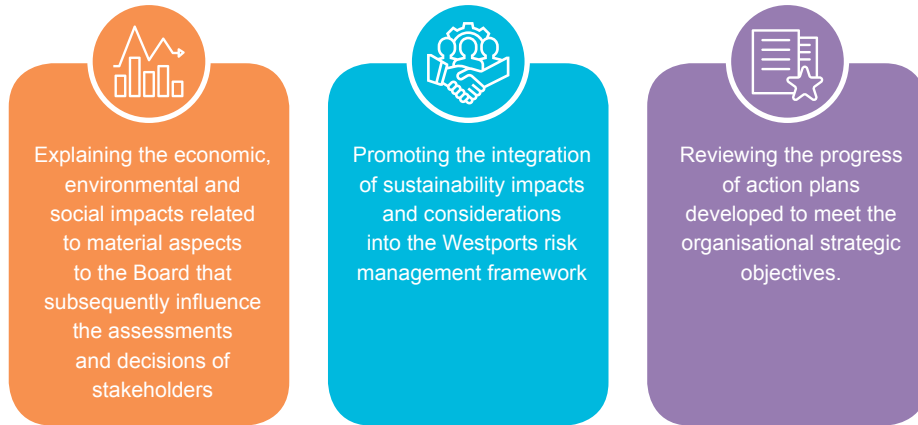
- A 4,603-strong workforce that is 99.9% Malaysian
- 238 Penghulus and 24 mentors ensure a dynamic workforce
- A total of 418,868 training hours were recorded in 2018, which translates to an average of 102 hours for non-executive and 51 hours for management employees
- All operations are OHSAS 18001:2007 certified



SUSTAINABILITY GOVERNANCE

Sustainability is overseen by the Group Managing Director and sustainability-related issues are discussed during the Management Committee Meeting. Top functional leaders ensure that sustainability is among the key accountability performance measurements for each senior leadership team member. Handing sustainability accountability to the company's most senior leaders demonstrates the importance placed on achieving our sustainability agenda.

The Group Managing Director provides direction, oversight and guidance throughout Westports to implement sustainability-related projects. Roles also include:



The Management Committee meets each month during which strategy and the progress of our sustainability agenda and other topics are discussed. These meetings also provide an opportunity for senior leadership to align major strategic sustainability issues. Senior leaders remain actively engaged in executing our sustainability goals and driving Westports' sustainability agenda with their teams between these meetings. A number of committees and networks operate horizontally across the Group's different business units to guarantee a consistent approach.

ROLE OF THE BOARD OF DIRECTORS

The Board plays an essential role in determining Westports' strategic sustainability priorities. It considers sustainability areas an integral part of its business oversight as sustainability-related issues are integrated into the overall Group business strategy. The Group Managing Director assists the Board in providing a more focused oversight of the Group's policies, programmes and related risks that concern key public policy and sustainability matters.

RISK AND COMPLIANCE MANAGEMENT SYSTEM

Westports has developed a Risk Management Framework that extensively uses an Excel-based platform for tracking and communicating documentation. The Risk Management Framework emphasises the identification and regular assessment of risk as well as creating a responsive plan for these risks. Westports also monitors the ongoing implementation of these response plans.

The risk and compliance management framework is a mechanism used by Westports to anticipate and plan corrective action for various environmental, social, economic and compliance risks.

The risk management framework considers different categories including business, operational, internal and external risks. Economic, financial, compliance, market, customer, competition, regulatory, policy, environmental, assets, operations, socio-political, partner, employee, local communities and reputational risks are monitored and managed.

Each risk category comprises various specific risks that are updated periodically to ensure they are relevant. Each of Westports' sites keeps a separate set of risk registers pertaining to business, operations, safety and the environment. Departments also have a separate and detailed operational risk register for monitoring and managing department-specific operational risks. The Board reviews the risk management process at least biannually.

Westports received a fine for noncompliance with safety laws during the reporting period. As a result, Westports has reviewed and improved its safety procedures. For further details, please refer to page 45 of this report.

WE SEEK INSIGHT FROM EVERYONE OUR BUSINESS AFFECTS

“ THE ESSENCE OF A BUSINESS IS WEALTH CREATION FOR ALL ITS STAKEHOLDERS. ”

Stakeholder engagement is crucial from a sustainability perspective as it helps us understand emerging risks and opportunities. It helps us both mitigate these risks and realise opportunities. Our Stakeholder Engagement Framework shows that integrating a stakeholder engagement component into all aspects of our business is crucial, from port development to operations, management and maintenance.

We communicate with our stakeholders through various channels each year. Port visits, consultations, knowledge-sharing forums and collaboration projects with the community and external groups help familiarise stakeholders with our operations. We also actively participate in local and international industry and professional organisations to help us keep abreast with emerging trends and business drivers such as technological developments and new industry best practices.

As active members of society, we strengthen the fabric of our communities so that we can prosper together. We engage closely with various stakeholder groups in an assortment of formal and informal settings across business operations. The success of our sustainability strategy is dependent upon input from key stakeholders. Importantly, their feedback helps us:

- Improve our business and sustainability strategy through a range of engagement activities
- Anticipate emerging trends and challenges
- Devise innovative solutions to challenges

Our stakeholder engagement model begins with identifying stakeholders and developing engagement plan methodology. Stakeholder concerns are mapped and information analysed before a materiality matrix is developed. Finally, the concerns are presented, discussed and addressed systematically by top management and the progress is communicated with stakeholders.

TYPICAL STAKEHOLDER ENGAGEMENT



KEY STAKEHOLDERS



WE SEEK INSIGHT FROM EVERYONE OUR BUSINESS AFFECTS (CONT'D)

METHOD AND FREQUENCY OF ENGAGEMENT

Westports values the views of stakeholders and closely interacts with them through diverse, interactive channels and platforms to understand their needs and expectations. This input provides a sound basis for the formulation and adjustment of Group sustainability strategy and goals.

The table below outlines the channels of our regular engagement with key stakeholders in daily operations and their interests.

Regular Engagement Channels with Key Stakeholders and Their Interests.

Stakeholder Group	Engagement Method	Frequency of Engagement	Key Concerns
Port Users	Customer feedback management	Daily	Infrastructure at ports
	Customer support centre	Daily	Port safety
	Social media tools	Regularly	Transparent operations
	Market research	Regularly	
	Events, dialogue sessions, roadshows & engagement sessions	Ad-hoc	
Government & Authorities	Formal meetings	Ad-hoc	Operational compliance, effective safety management
	Performance reports	Regular	
	Discussions on government initiatives	Ad-hoc	
Shareholders & Investors	IR events	Ad-hoc	Good governance
	Annual & sustainability reports	Annually	Ethical operations and compliance
	Annual general meetings	Annually	Business investments
	Extraordinary general meetings	Ad-hoc	
	Shareholder updates	Regular	
	Quarterly reports	Quarterly	
	Corporate presentations	Ad-hoc	
	Signing ceremonies	Ad-hoc	

Stakeholder Group	Engagement Method	Frequency of Engagement	Key Concerns
Community	Website	Daily	Employment of locals Infrastructure development Community engagement
	Annual & sustainability reports	Annually	
	Visits, seminars & joint activities	Ad-hoc	
	Community engagement activities	Regular	
Employees	Employee satisfaction survey	Annually	Employee wellbeing
	Dialogue & engagement	Regularly	Training and development
	HR Portal, departmental meetings & newsletters	Regularly	Occupational health and safety
	Employee engagement programmes	Regularly	Financial results, business strategies and development plans
Suppliers	Suppliers' survey	Ad-hoc	Supplier appraisal mechanism
	Suppliers' training programmes	Regularly	Effective communication
	Supplier relationship management	Regularly	
Professional Bodies	Dialogue & engagement	Regularly	Good governance
	Joint activities	Regularly	Ethical operations and compliance
	Consultations & negotiation	Ad-hoc	Business investments
	Certifications	Ad-hoc	Socio-environmental impact
	Annual & sustainability reports	Annually	
Campaigns & roadshows	Regularly		
Non-Governmental Organisations (NGOs)	Dialogue & engagement	Regularly	Community involvement
	Collaboration	Regularly	Impact on society
	Sponsorships & donations	Ad-hoc	Collaborations
	Social media & other online channels	Daily	

WE SEEK INSIGHT FROM EVERYONE OUR BUSINESS AFFECTS (CONT'D)

STAKEHOLDER-BASED SUSTAINABILITY STRATEGIES

Our future commitment is mapped to the main sustainability focus areas and strategies formulated based on stakeholder feedback.

ECONOMIC PERFORMANCE

The shipping routes of shipping companies are analysed. We also study economic and environmental conditions, transport infrastructure and growth potential that delivers stable business growth. This allows us to deliver comprehensive services as we actively improve service quality and operational efficiency.



CORPORATE GOVERNANCE

Management has been delivering stable returns to shareholders and investors by:

- (i) Establishing good customer relationships
- (ii) Providing berthing capacity and accommodating new services while increasing operational productivity and the effective management of our port

We continue to enhance the information in this report by disclosing the Group's detailed sustainability performance as stakeholders increasingly demand transparent, quality information.



EMPLOYEES

In 2018, the Group's training and development was improved through environmental and safety training and refresher courses for all Terminal Tractor Operators (TTOs) and conventional contractors.



ENVIRONMENT

Westports continues to promote green operations that attain 'double benefits' in terms of the economy and environmental protection.



SUSTAINABLE SUPPLY CHAIN

The Group is gradually looking at incorporating sustainability criteria into the selection and management of suppliers.



COMMUNITY

Westports continues to grow with the communities in which it operates, demonstrating the Company's societal commitment.



EFFICIENCY AND PRODUCTIVITY

Westports continues to boost its productivity and efficiency through smart processes and technologies. In 2018, our focus on innovation resulted in several major breakthroughs including the introduction of the Tablet terminal truck (t-tab), Global Positioning System (GPS) and full utilisation of the OPUS Terminal Operating System.



INVESTING TIME AND RESOURCES WHERE THEY MATTER MOST

In order to improve business operations, we recognise the need to:

- Identify, understand and balance the most critical topics for our stakeholders
- Understand how these relate to the actions and decisions that we take.

Since 2016, Westports has been conducting materiality assessments to identify the most salient economic, social and environmental topics. Important sustainability areas are prioritised to further improve business operations and drive sustainable progress in society. The results guide us in our strategic decision-making, stakeholder engagement agenda and reporting framework.

OUR APPROACH TO MATERIALITY

Materiality is a challenging journey that we to approach in the most systematic way possible. Each year, our materiality assessment is increasingly representative of our stakeholder universe. We are confident that the outcomes really reflect the most important current issues.

Our materiality review gains insight into the relative importance of specific environmental, social and governance (ESG) issues. This approach allows us to focus our efforts on areas of sustainability that have the maximum impact.

The final materiality mapping helps guide the Group's future strategic focus. The results also lay the foundation for the strategic priorities for sustainable, profitable growth.

Our assessments evaluate our sustainability commitments and outline their holistic integration throughout the organisation. Aligning our focus with stakeholder interests supports our long-term social license to grow.

THE METHODOLOGY

The Westports Stakeholders Materiality Survey 2018 was conducted in the last quarter of 2018. The survey was performed by an external consultant to ensure impartiality and secure the anonymity of the respondents.

Respondents were asked to rate the importance they placed on 19 economic, environmental and social issues.

Sustainability Areas Assessed in the Materiality Study

Economic:

- Market presence
- Nation building
- Sustainable procurement
- Anti-corruption
- Fair competition

Environment:

- Energy, materials & water
- Air & water quality
- Environmental compliance

Social

- Fair & inclusive workplace
- Workplace health & safety
- Training & career development
- Forced & compulsory labour
- Indigenous rights
- Public health
- Community engagement
- Marketing & communications
- Quality
- Customer satisfaction
- Customer privacy

A total of 1,432 complete responses were obtained and analysed. Given the sample size, we believe the survey provides a reasonably accurate representation of our stakeholders' opinions.

Response Rate of Stakeholders Contacted

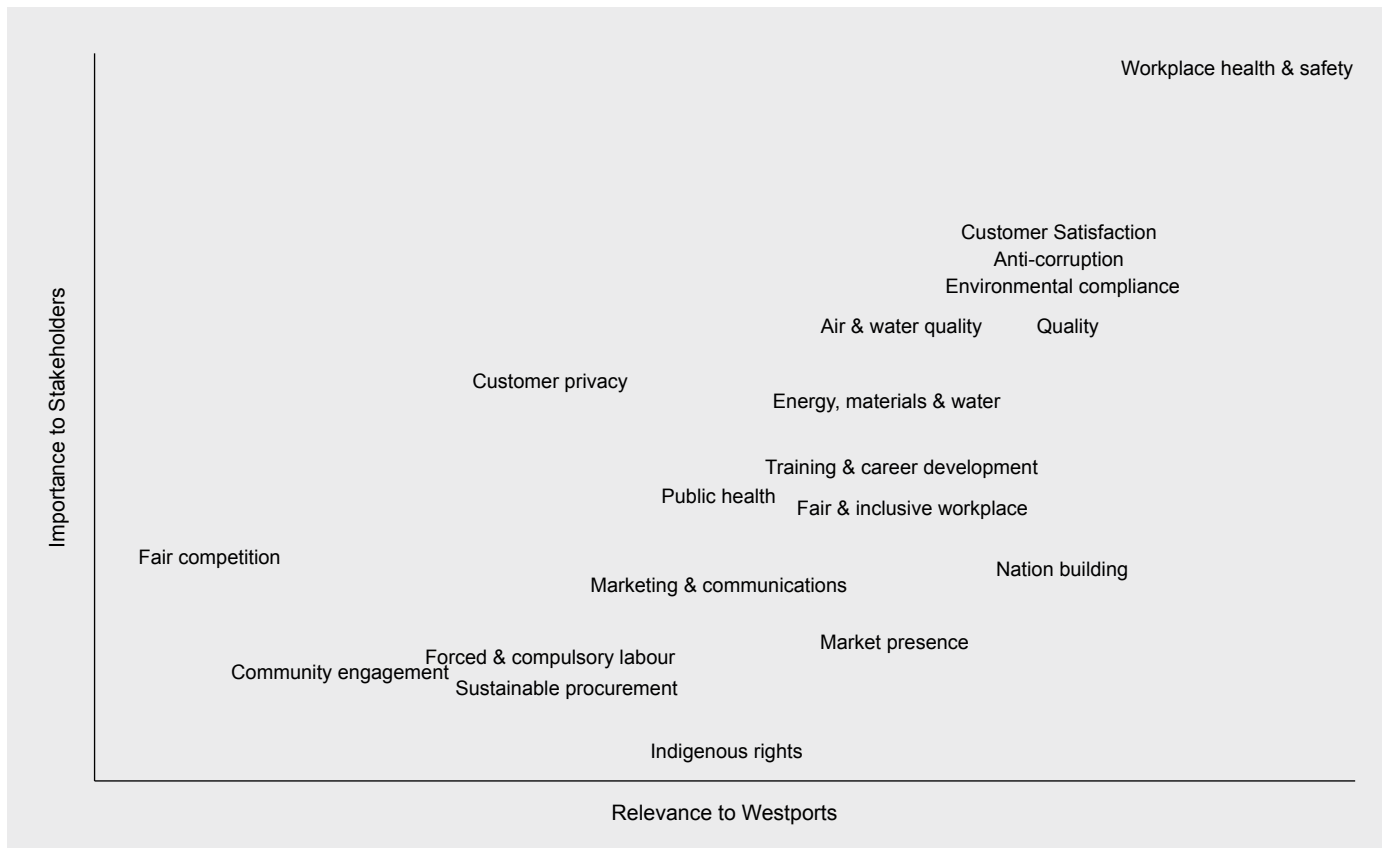
Stakeholder	No. of Respondents
Government Agencies such as Customs	16
Community such as Schools & Residents at Pulau Indah	56
Employees of Westports	1,215
Shipping Clients such as Liners & NVOCCs	10
Other Customers such as Warehouse Users	5
Port Users such as Forwarding Companies	10
Suppliers & Contractors of Goods & Services	95
Shareholders & Analysts	25

INVESTING TIME AND RESOURCES WHERE THEY MATTER MOST (CONT'D)

A five-point Likert scale allowed respondents to indicate the importance of each criterion from 'very unimportant' (1) to 'Very important' (5).

Unsurprisingly, the stakeholder groups were not represented equally with employees being the best represented and other customers being the least. A separate average score was calculated for each of the 19 areas within each stakeholder group before an average from all nine stakeholder groups was obtained.

The same survey was completed by seven members of the Board who represented the views of Westports.



MAPPING OUR MATERIALITY AGAINST THE UNSDGS

In 2015, the United Nations released their Sustainable Development Goals (UNSDGs) for 2030. The UNSDGs, an extension of the UN Millennium Development Goals set for 2000-2015, consist of 17 goals and 169 targets. The Global Reporting Initiative (GRI) is aligned with the UNSDGs as both organisations worked together. Westports understands the important strategic intention of these goals and the local and international benefits they bring. Consequently, one of our early steps in joining this global movement is mapping our sustainability priorities against the UNSDGs.

Our business touches on all 17 SDGs, either directly or indirectly. Operations cover core sustainability issues such as sustainable communities, industry advancement, labour rights, ethical business operations, diversity and inclusion, safety and environment.

Currently, we are focusing on UNSDGs that are directly related to our core business and our work promoting sustainability. These areas are where we can make the most significant impact. We believe this is how businesses can best adopt the UNSDGs as an action framework. The UNSDGs and our materiality assessment complement each other. Linking SDGs to the identified material topics and the Company's business strategy maximises social value.

The relationships between material sustainability initiatives and the UNSDGs are presented in the following table.



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Workplace health & safety			•						•									
Customer satisfaction									•			•					•	•
Anti-corruption								•	•			•					•	•
Environmental Compliance						•	•		•			•	•	•	•			•
Quality									•			•						•
Air & Water Quality						•	•		•			•	•	•	•			•
Energy, materials & Water						•	•		•			•	•	•	•			•
Customer privacy								•				•					•	
Training & career development				•				•		•		•						•
Public health			•			•	•		•			•	•	•	•			•
Fair & inclusive workplace					•				•		•	•						•
Nation building	•		•	•				•	•			•	•					•
Marketing & communications												•						•
Market presence								•	•			•						•
Community engagement	•		•	•						•	•	•						•
Forced & compulsory labour								•		•		•					•	
Sustainable procurement								•	•			•						•
Fair competition										•		•						•
Indigenous rights								•		•	•	•					•	

ECONOMIC

Malaysian ports have the capability to be leaders in transportation and logistics. They serve as mega transshipment hubs due to the country's long-standing tradition as a locus of shipping lines and sea-trade.

Westports complements the national port agenda to become one of the region's leading ports by improving the accessibility, capacity and productivity of Port Klang. Westports' key strategy is providing excellent service levels and high productivity to all clients. Our recent expansion will support several years of organic growth through increased overall container volume handled.

We are committed to a safe, healthy and appealing port and environment. We counter climate change while ensuring that the port makes a significant contribution to prosperity and employment in Malaysia. Together, we create economic and social value while realising sustainable growth.

“ **Westports' strong position as a key port operator in the region, consistently high and stable profit margin as well as strong financial service coverage continue to be key rating drivers.**”
MARC, upon affirming Westports' AA+ rating on Westports Malaysia Sdn Bhd's RM2.0 billion Sukuk Musyarakah Programme ”

How We Create Value for Economic Growth

Providing connectivity to transport goods and cargoes to consignees quickly
 We handle containers, bulk cargoes, goods and RORO vehicles efficiently, resulting in a faster turnaround time. We facilitate the delivery of industrial, commercial and consumer goods and intermediate input materials that Malaysia import from and export to the rest of the world.

Providing storage space and warehousing
 We store various types of bulk cargo in our warehouses. With 270,000 sq. ft. of warehouse space, easy access to wharves and state-of-the-art security systems, clients' cargo will still be pristine once it leaves the port.

Providing bunkering and other ship-related facilities
 We supply bunker fuel to numerous vessels sailing in the Straits of Malacca.

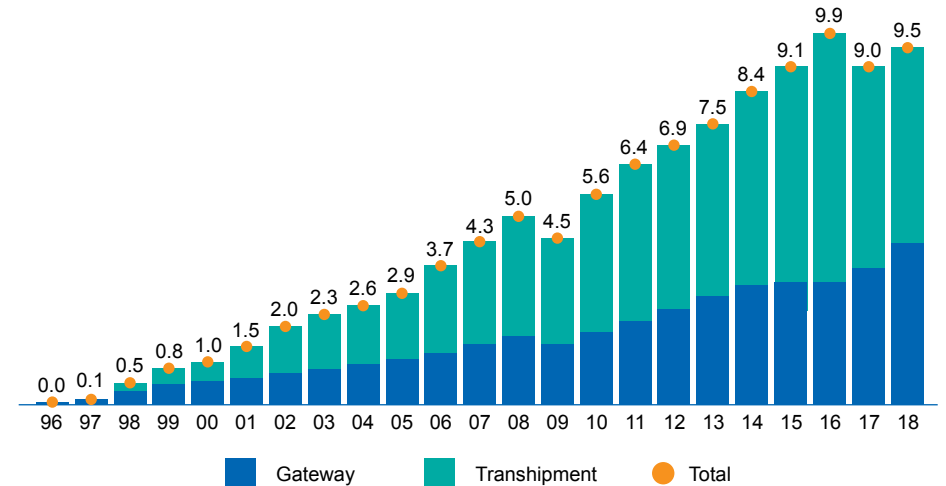
A SUSTAINABLE PORT

A sustainable port delivers economic prosperity through trade while maintaining a healthy environment. It creates thriving communities through meaningful dialogue, shared aspirations and collective accountability.

Since Westports was born, we have provided the best service for our customers — the Shipping Lines. We aim to constantly improve our productivity to achieve this goal. Our crane operators' performance is world-class with a minimum of 30 container moves per hour. Our terminal tractor operators and stowage clerks also receive comprehensive training.

We aim to optimise the use of land and infrastructure assets and deliver infrastructure to meet capacity in a timely manner. Working closely with the Immigration and Customs Department helps achieve a faster transaction time. Our gate system also facilitates the seamless movement of cargo. As a result, the logistics process from the manufacturer to the container yard and vessel is a smooth process.

Westports Container Volume Evolution (million TEUs)



ECONOMIC (CONT'D)

Over the past 20 years, we have increased our market share incrementally. Currently, we capture 77% of the container volume moving through Port Klang. Westports has become the largest container terminal in Malaysia and second largest in South East Asia.

In 2017, we completed CT9, which increases our terminal capacity to 14 million TEUs. Westports plans to nearly double its container-handling capacity by 2040. We aim to continue to be one of the pre-eminent transshipment hubs in the region and main gateway port for Malaysia. We acquired 154.2 hectares of land on Pulau Indah from the Selangor State Development Corp for RM116.2 million. Our terminal expansions will require additional land acreage to accommodate new wharf and container yard space to facilitate the effective operations of the new container terminals.

We are positioned as a major transshipment hub and have effectively demonstrated our capacity and advantages. With our sustainable growth plan, we are confident that we can continue attracting the largest shipping lines to call and hub at Westports.

Available Resources to Serve our Customers

Draft Height (m)	17.5	No. of Ground Slots	46,922
Quay Length (m)	5,800	No. of Reefer Points	2,608
No. of Pilot Boats	5	No. of RTGs	185
No. of Tug Boats	6	No. of Stackers	26
No. of Quay Cranes	67	No. of Terminal Tractors	527

Logistics Services and Capacity

Logistics Service	Capacity
Warehouses	670,000 sq.ft
Container Freight Station	128,000 sq.ft
Dangerous Goods Storage	3,000 sq.ft
Inspection Bay	100 x 400 ft
Fumigation Bay	50 x 40 ft
Rail/ITT Staging	50 x 40 ft
On Dock Depot	68 Acres

OUR APPROACH TO EFFICIENCY

Over 90% of world trade is transported by sea. Missing or delayed shipments lead to huge direct financial losses and consequential losses for businesses. Relationships between exporters and importers are also affected. An efficient supply chain ensures cargoes are moved quickly and competitively to remain competitive in the world market.

Prior to the establishment of Westports, there were 14 Main Line Operators operating in Port Klang. Currently, the position is very different as shown in the table below.

Westports Connectivity	Pre-1993 (Port Klang)	2018 (Westports)
No. of Main Line Operators (MLO)	14 Main Line Operators	29 Main Line Operators
No. of Feeder Line	0 Feeder Lines	33 Feeder Lines
Services availability per week	< 5 services per week	75 MLO services and 108 Feeder services per week
Destinations	< 20	350

The growing numbers of direct calls by MLO and Feeder Lines and the extensive shipping networks in Westports have created a competitive environment for local shippers in terms of competitive freight rates, increased frequency and reduced delivery lead times.

Westports works with its partners to increase the visibility of supply chain performance. Port users are now able to make more informed decisions and plan their operations more effectively.

Close engagement with the port authority, industry partners and port users including marine carriers, shippers and terminals help us understand the best way to facilitate trade, meet their needs and remain competitive. Feedback from customer surveys, industry engagement, trade visits and customer meetings help identify operational improvements, inform infrastructure decisions while improving both our efficiency and responsiveness.

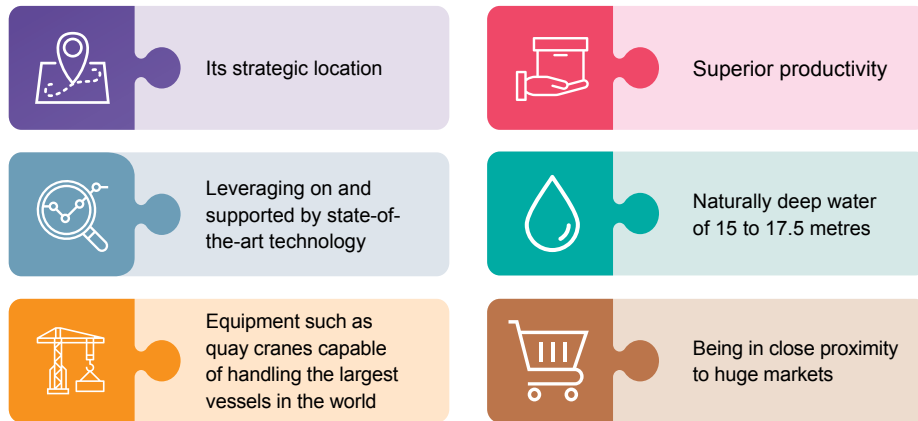
ECONOMIC (CONT'D)

We generate revenue through terminal handling services, throughput, rental and other charges. Net earnings after dividends to shareholders are mostly reinvested in port infrastructure such as terminal expansions and facilities enhancement. Building capacity across multiple business sectors enables the port to:



POSITIONING WESTPORTS AS A REGIONAL TRANSHIPMENT HUB

Westports has become a leading global transshipment port due to:



TRANSHIPMENT STAGING POST (TSP)

Westports has promoted itself as a Transshipment Staging Post (TSP) and has succeeded in attracting some clients that use Westports to handle more than 15 products and commodities.

Widely known in other ports as Delay in Transit or Advance Transshipment Management, TSP is commonly used for mass-produced products and commodities of various grades. As most of these products and commodities are raw materials used in manufacturing, consistent and timely supply is crucial. The cargo must be positioned close to its consuming markets.

Westports is a perfect location for TSP due to its:

- Strategic location
- Readily available yard space
- Simplified documentation processes
- Close proximity to a huge market

Westports' close proximity to Port Klang Free Zone (PKFZ) has enabled us to further strengthen our position as a transshipment staging post hub and regional distribution centre to multinational corporations.

E-TERMINAL PLUS

eTerminal Plus is a robust and evolving client portal that integrates port operations, logistical services and applications into a single interface for various port communities such as shipping lines, freight forwarders and cargo owners.

It is updated regularly to provide our clients with the best services and cater to their needs. It links Port Klang Net, the Customs system and Shipping Lines' Core Systems to provide instant information for vessels and cargo tracking, invoicing, reporting and service requests.

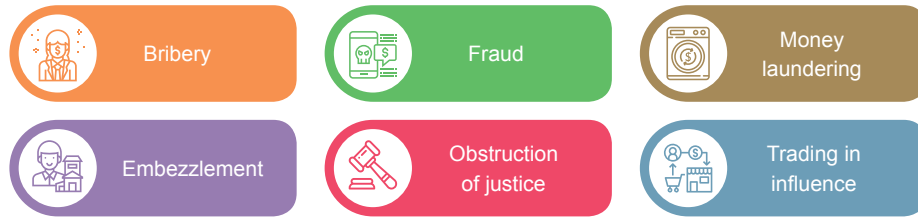
Westports' ecosystem collectively benefits from greater operational efficiencies and costs savings through eTerminal Plus.

ECONOMIC (CONT'D)

ETHICS AND INTEGRITY

ETHICS AND ANTI-CORRUPTION

Westports' commitment to integrity and transparency is clearly stated in the Employee Handbook and Code of Conduct. Together, these documents are the guardians of Westports' integrity and outline the standards by which business is conducted. The highest ethical standards are followed when doing business and all forms of corruption are forbidden including:



Offering, giving, requesting, accepting or receiving bribes or facilitation payments is strictly prohibited. Our zero tolerance of corruption and ethical standards are stated in the Code of Conduct, contractual terms and other governing documents. Our anti-corruption policies cover both the private and public sectors.

Employees found to have been involved in bribery are subject to disciplinary action that can lead to termination. Heads of departments and sections must ensure that all employees adhere to the Anti-Bribery Policy.

The Board of Directors oversees our compliance with anti-corruption policies. Every employee is responsible for preventing and reporting instances of bribery, suspicious activity or wrongdoing which may lead to bribery using our whistleblowing channels. Components of our comprehensive anti-corruption efforts include:



A keen understanding of corruption risk exposure is the cornerstone of an effective anti-corruption compliance programme. Corruption risks, including bribery, are an important element in Westports' risk register. Westports is able to design more effective mitigation strategies and strategically deploy resources to combat potential instances of bribery, corruption and fraud. This is especially important for operations deemed to be of 'high risk'.

Westports emphasises anti-corruption and anti-bribery and its firm position is communicated to all employees. Employees receive a copy of the Employee Handbook upon joining the Company. Each must sign the acknowledgement form and return it to the Human Resources Department.

Ethics, corruption and bribery will be introduced into Westports' awareness programme and port attachment modules. Employees will also be reminded of our firm opposition to corruption during regular engagement sessions such as during our Communications Day.

Our anti-corruption policy is also communicated to suppliers, contractors, subcontractors, agents and third parties with whom we work. Terms included in our 'Letter of Award' include the prohibition of illegal cargo and fraudulent misrepresentations on cargo documents.

Every contractor, subcontractor and third party is subject to corruption and bribery risk assessments and must declare they are not involved in any misconduct or corrupt, unethical and illegal behaviour. The screening of new and existing business partners for corruption and

bribery is part of our due diligence in the context of Westports' compliance requirements.

There have been no major disciplinary cases reported for corrupt practices that resulted in the dismissal of employees. We have received zero fines and penalties from the authorities during the recent years and reporting period, which demonstrates the effectiveness of our stringent anti-corruption policies and practices.

No political contributions are made to candidates for public office or political parties and corporate funds are never used for independent political expenditures.

GIFT POLICY

Giving or receiving gifts, souvenirs, entertainment and gratuities from employees and vendors, suppliers, customers or other external business acquaintances represents a potential conflict of interest. Any gifts given or received may be perceived as having a potential effect on decision making. Gifts may come in the form of cash, meals, travel and lodging, discounts, loans, services, prizes, transportation, the use of vehicles or vacation facilities, home improvements, tickets to entertainment or sports events, gift cards or certificates, stocks and shares, products or favourable terms for products or services. There is always a temptation to favour the third party and this may prevent us from discharging our full responsibilities to the Company.

Employees may not receive or accept gifts for themselves from any party who has dealings

ECONOMIC (CONT'D)

with Westports. In a situation when it is impractical to reject a gift, especially from a customer, the employee should immediately declare it. Employees must submit a Gift Declaration Form to the Head of Department who will:

Decide on the treatment of the gift

Exercise proper care and judgment in determining the appropriateness of the gift

Decide whether to approve the acceptance of the gift on behalf of the Company or require it to be returned

Submit the gift declaration list to the Human Resources Department on a monthly basis

Employees failing to adhere to the policy face disciplinary action including termination of service. This policy took effect on 1 May 2017.

Malaysian ports are among the most efficient in the world with the capability to meet the requirements of shipping lines at very competitive prices. The country's largest port, which is home to two operators, Westports Holdings Bhd and Northport (M) Bhd, expects volume to increase, helped by the industry's growth.

Westports supports fair competition and works together with the Port Klang Authority (PKA) to focus on reinstating the confidence of major players in the shipping industry.

PUBLIC POLICY DEVELOPMENT AND LOBBYING

Westports actively participates in port-related public policy discussions and communicates regularly with the port authority.

We continuously engage with various government ministries and bodies including the Economic Planning Unit (EPU), Performance Management and Delivery Unit (PEMANDU), Ministry of Transport (MOT), Ministry of Finance (MOF), Ministry of International Trade and Industry (MITI), Malaysia Productivity Council (MPC) and Malaysia External Trade Development Corporation (MATRADE). We advocate logistics industry matters and support the national transportation agenda.

We also deal with local government agencies such as the regulators to ensure compliance with their policies, rules and guidelines. Monthly dialogue sessions are also held with local government agencies including:

- Port Klang Authority
- Royal Malaysian Customs Department
- Department of Safety and Health
- Department of Environment
- Royal Malaysia Police
- Fire and Rescue Department
- Port Health Authority and Klang Municipal Council

We also engage actively with stakeholders such as other port players, local authorities, forwarding agencies and business partners to develop the industry. The most significant key roles we play in the industry value chain are summarised below.

PORT CONSULTATIVE COMMITTEE (PCC)

The MOT appointed various government and industry representatives as members of the PCC as Port stakeholders affect and are impacted by the Port Authority's decisions. Group Managing Director, Datuk Ruben Emir Gnanalingam, represents Westports on this committee. PCC meetings are convened when port-related policies are implemented, especially if there is:

- A substantial change in tariffs
- Plans to expand or develop the port
- Any other matters that will affect the industry and country

NATIONAL LOGISTIC TASKFORCE (NLTF)

Meeting thrice annually under the purview of the MOT, the NLTF:

- Is responsible for designing, implementing and monitoring the action plans in the Logistics and Trade Facilitation Master Plan
- Reports to the Special Committee on Services, which is chaired by the Prime Minister.

Westports is consulted on port infrastructure and logistics resource development under Cluster II – Trade Facilitation Mechanism, headed by MITI and the Royal Malaysian Customs Department.

FOCUS GROUP ON TRADING ACROSS BORDERS (FGTAB)

FGTAB is an initiative by MITI to improve Malaysia's ranking in cross-border trading. As a FG TAB stakeholder, Westports engages with all key players on a quarterly basis to improve logistics in Port Klang. Other stakeholders include the Selangor Freight Forwarders and Logistics Association (SFFLA), Royal Malaysian Customs Department, MOT and MATRADE.

LOGISTICS COUNCIL OF MALAYSIAN INTERNATIONAL CHAMBER OF COMMERCE AND INDUSTRY (MICCI)

Founded in 1837, MICCI is the oldest chamber in Malaysia, representing almost 1,000 corporate members in over 30 different countries. MICCI helps its members improve their businesses. Westports and MICCI work together to ensure members can do business more easily.

ECONOMIC (CONT'D)

WESTPORTS' GROWTH OUTLOOK

Expanding Malaysia's ports is necessary to accommodate the growing container-handling requirements from shipping lines. We are growing rapidly, especially recently, with our port expansion project.

Our expansion is in line with the government's five-year Logistics and Trade Facilitation Masterplan (2015-2020), which seeks to elevate Malaysia as a preferred logistics gateway to Asia by 2020. The expansion will ensure that Port Klang keeps abreast with other expansion within the region.

A Catalyst of Growth

Our expansion will have significant impact on Malaysia's economy with an estimated economic output of RM55 billion being predicted within a 10-year period. The expansion will provide more than 6,000 jobs on average and contribute RM19 billion to Malaysia's gross domestic product over a 60-year period.

BOOSTING LOCAL EMPLOYMENT

Skilled blue-collar labour such as crane equipment operators; maritime pilots and white collar professionals such as berth and yard planners; together with other workers such as truck and train operators keep goods moving through the port safely and efficiently. Westports-related activities support a great percentage of direct jobs in Port Klang.

“ Westports prioritises locals when hiring with 99.9% of employees being Malaysian and 72% being Bumiputera. Based on our survey, 41% of employees stay on Pulau Indah. ”

Graduates and undergraduates wishing to explore a real business environment are offered internships. Personal mentors accompany the interns throughout their placement, sharing their expertise and helping them develop useful skills for their employment. Those proving themselves have an opportunity to gain a deeper insight into the world of Westports and progress further. The interns also receive an attractive allowance.

We also participated in several career fairs organised by Jabatan Tenaga Kerja. We collaborated with ministries and government agencies to provide employment to *Bumiputera* and *Orang Asli*.

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ENVIRONMENTAL



OUR GOAL IS TO BE AN ECOLOGICALLY BALANCED PORT.



Westports provides an efficient and quick means of moving large quantities of cargo. However, port operations may cause negative environmental impacts. Issues such as cargo handling, vehicle moving, effluents from port activities and noise pollution may also cause environmental degradation. The most common issues include:

- Dust, residues or emissions when handling containers and bulk cargoes
- Potential risk of leaks and spillages from surrounding vessels and the handling of liquid cargo through pipelines
- Significant air emissions produced when transporting cargo to and from the port premises.

Our management team, overseen by the Group Managing Director, Datuk Ruben Emir Gnanalingam, devises strategies to manage and minimise our environmental footprint. Team members include representatives from the environmental, utilities, operations, maintenance and risk departments.

Working responsibly and mitigating all potential environmental hazards is sometimes challenging. In this chapter, we aim to disclose key environmental issues faced and the strategies implemented to overcome or mitigate the environmental impact. The deep blue sea and the green environs around our ports is testimony to our efforts to develop and maintain our ports in a sustainable way.

“Sustainability” is a continuous journey and “to be a sustainable port” are Westports’ aspirations.

To Westports, an environmentally-sustainable port means the:

Optimisation of land use and infrastructure assets

Efficient and timely estimation of infrastructure to meet its capacity needs

Environmental Components	Port Activities	Potential Impacts	Our Approach
Water	<ul style="list-style-type: none"> • Spills, stormwater runoff and groundwater contamination from terminal operations can pollute the water. • Spills and stormwater runoff caused by infrastructure development and construction can pollute the water. • Accidental spills and planned discharges by vessels can affect water quality. 	Accidental spills, planned discharges, stormwater runoff and unmanaged groundwater contamination can adversely affect water quality and aquatic species.	<ul style="list-style-type: none"> • Project and environmental reviews • Stormwater management • Guidelines for vessel discharges, emergency management and response plan
Soil and groundwater	Terminal operations and spills can contaminate soil and groundwater	Air, soil or water contamination can affect terrestrial and aquatic species and their habitats.	<ul style="list-style-type: none"> • Land renewal strategy • Contaminated sites management • Project and environmental reviews
Air	Cargo handling and movement by ships and trucks, emit air pollutants such as particulate matter, sulphur oxides and nitrogen oxides and greenhouse gases such as carbon dioxide and methane	Cargo handling, equipment, ships and trucks negatively affect regional and local air quality which contributes to climate change.	<ul style="list-style-type: none"> • Emissions Monitoring Programme • Controlling vehicles in and out of the port • Project and environmental reviews

ENVIRONMENTAL (CONT'D)

Environmental Components	Port Activities	Potential Impacts	Our Approach
Aquatic species (e.g. aquatic plants, fish and fish habitat, water birds, marine mammals)	<ul style="list-style-type: none"> Infrastructure development and ongoing port operations such as dredging can cause habitat loss and degradation. Infrastructure development including pile driving and other activities in the water produce underwater noise and vibrations. Shipping creates underwater noise and invasive species can be introduced due to ballast water discharge and hull and propeller cleaning. 	<ul style="list-style-type: none"> Habitat loss and degradation and invasive species introduction can displace flora and fauna that negatively affect ecosystem productivity and biodiversity. In-water construction can cause some aquatic species to die and/or negatively affect their hearing. Underwater noise can displace animals and interfere with their communication, feeding and breeding. 	<ul style="list-style-type: none"> Project and environmental reviews Planned habitat rehabilitation programme
Terrestrial species	<ul style="list-style-type: none"> Infrastructure development and ongoing operations can cause habitat loss and degradation and may also introduce invasive species. Construction activities and terminal operations may increase light and noise emissions. 	<ul style="list-style-type: none"> Habitat loss and degradation and invasive species introduction can remove plants, displace animals and adversely affect ecosystem productivity and biodiversity. Light and noise emissions may displace wildlife and interfere with feeding and breeding. 	<ul style="list-style-type: none"> Noise monitoring programme Species at risk inventories and management plans Project and environmental reviews Conservation programmes

Efficient ports are vital for the economic development of surrounding areas. However, related ship traffic, goods handling in the ports and hinterland distribution can adversely affect the local environment. This section of the report covers our efforts to minimise the environmental impact resulting from our operations.

ENVIRONMENTAL COMPLIANCE



100% of our sites have been certified with ISO 14001 since 2009.



Westports has been certified with ISO 14001:2004 since April 2009. All sites (100%) are covered by this internationally-recognised environmental management standard. Abiding by environmental protection laws and regulations is part of our license to operate.

Westports opens its operational environment data to the scrutiny of an independent third party and following this ISO standard ensures compliance with the Environmental Quality Act, 1974. This management standard provides a systematic framework to manage the immediate and long-term environmental impacts of its services and processes.

This environmental legislation relates to the prevention, abatement, control of pollution and enhancement of the environment. Westports' environmental policies have clear objectives and targets for an effective and sustainable environmental management system.

We are pleased to report that there were no major incidences of noncompliance or fines for environmental damage during this reporting period.

PAPERLESS WESTPORTS

DOCUMENT MANAGEMENT SYSTEM

Preserving the environment is not the only benefit of a paperless office. The business's

bottom line benefits as much as the environment due to:

- Spending less time searching for documents
- Reducing the expenses associated with printers, scanners, ink, toner and the maintenance cost of those machines
- Improving the productivity of our employees

In 2018, this initiative has been enrolled by the Legal, Finance, Human Resources, IT, Maintenance & Repair and Engineering Departments.

E-GATE PASS

A gate pass is required to clear any import containers from Westports. A paperless invoicing system and gate passes were implemented to reduce business costs and eliminate efficiency losses from paper usage. It eliminates the use of paper-based delivery orders and the presence of forwarding agents at Westports.

This streamlined process is seamlessly integrated into the Royal Malaysian Custom's system for the release and clearance of containers and the e-Gate Pass for the issuance of terminal release documents.

E-Gate Pass utilisation reached 90.4% in December 2018, an 34% increase from 2017. On average, 64,528 of 71,362 monthly gate passes are issued electronically.

ENVIRONMENTAL (CONT'D)

IMPACT FROM OPERATIONS

Studies are conducted before any major construction works commence and for the new Westports expansion beyond CT9. The study comprises eight components that minimise any negative impact from our operations.

Topography & Bathymetric Surveys	<ul style="list-style-type: none"> To delineate the seabed profiles and surrounding project areas' land profile
Soil Investigation Works	<ul style="list-style-type: none"> To identify the general subsoil profile and engineering properties of the subsoils for the whole project site
Hydraulic Studies	<ul style="list-style-type: none"> To evaluate the feasibility of the proposed layout and final selected layout's marine impact assessments based on hydrodynamic, waves and sand/mud transport modelling
Port Master Planning	<ul style="list-style-type: none"> To establish the port extension layout concept. To review the container footprint locally, regionally and globally including: <ul style="list-style-type: none"> Internal logistics review and reviews of vessel sizes; and Logistics requirements, current and planned, for Marine Navigational Risk Assessment with simulations to assess the navigation at the narrow entrance
Environmental Impact Assessment (EIA)	<ul style="list-style-type: none"> To assess the marine environment, dredged materials disposal areas, marine water quality and environmental screening of key environmental issues and sensitive receptors.
Social Impact Assessment (SIA)	<ul style="list-style-type: none"> To analyse and forecast the probable and unintended social impacts to individuals and the community arising from the development To propose actions to optimise the positive impacts of development and propose actions to overcome the negative impacts of development Traffic Impact Assessment (TIA)
Traffic Impact Assessment	<ul style="list-style-type: none"> To analyse the overall roadway and junction requirements as well as improvements to existing roads and junctions To determine the transportation requirements for the Land Value Assessment of these developments
Land Value Assessment	<ul style="list-style-type: none"> To provide a valuation at current market levels for the land acquisition

OUR GREEN PORT INITIATIVES

Ports can make a big difference by reducing human impact on the environment. There is an increasing demand for the "Green Port" concept by the international port community. Westports has implemented various green port initiatives throughout the Company and its operations.

Training and education are instrumental in changing the mindset of an organisation. All new recruits receive an environmental induction that raises awareness of resource management and other environmental matters. All port employees and tenants receive EQA 1974 training and all port users must attend mandatory environmental and safety training.

Environmental consideration is given from the design stage. Rising sea levels are studied during the terminal design and Euro 5 emission standards have been incorporated into the design of the new tractor fleet. Primalence technology is employed for high mast lights and extensive landscaping programmes incorporate the 'Garden Port' concept.

Several initiatives are also based on the green port concept. Yearly mangrove planting programmes are conducted with port users, NGOs, customers and villagers of Pulau Indah. A 3R campaign has been implemented throughout the terminals and paperless transactions are performed through the e-Terminal Plus (eTP) system to reduce paper use. Carbon credit inventory and monitoring also support Malaysia's commitment to reducing carbon emissions by 2020.

IMPACT OF CLIMATE CHANGE ON SEA LEVEL RISE

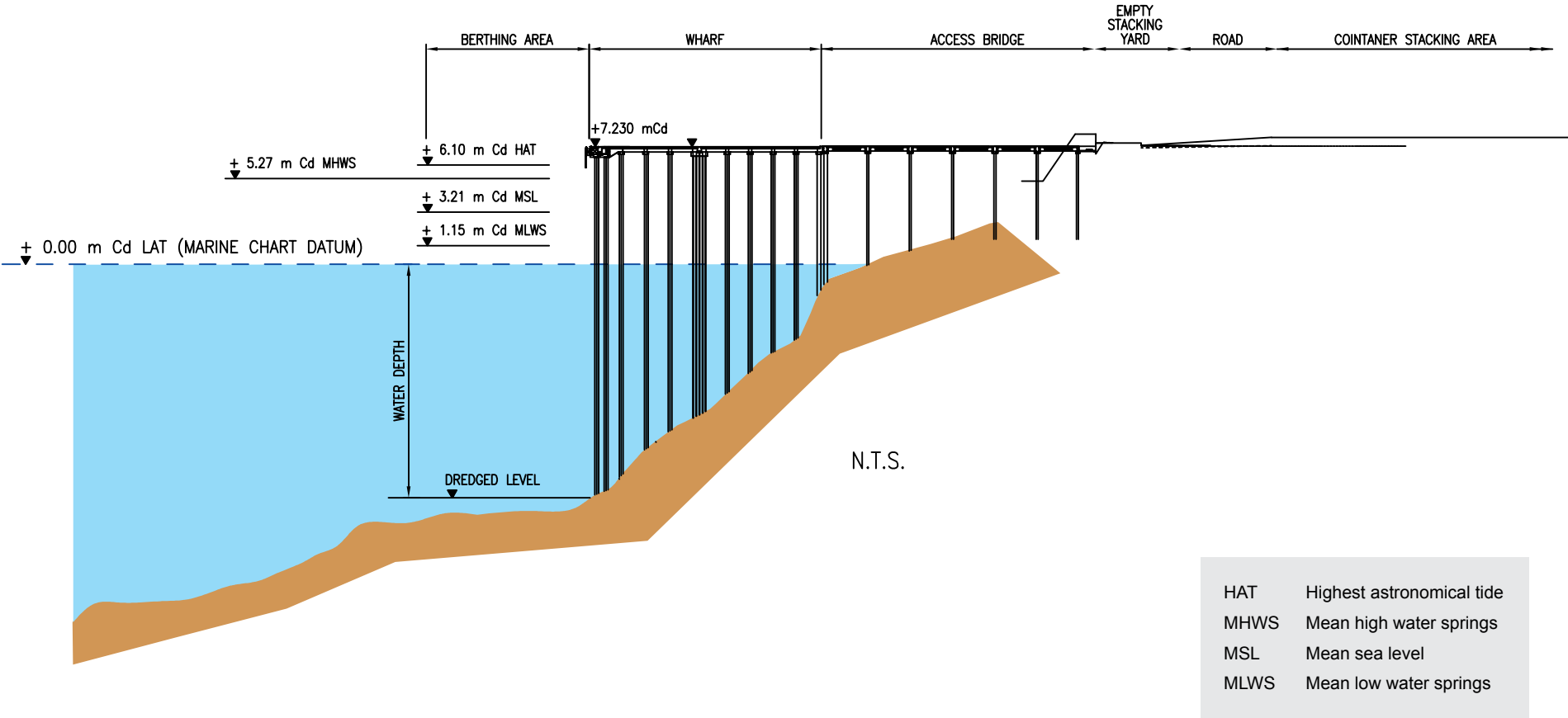
The spatial variation of the sea level change is estimated by assimilating the global mean sea level projections from the Atmosphere-Ocean coupled with the Global Climate Model/General Circulation Model (AOGCM) simulations to the satellite altimeter observations along the subject coastlines. Using the assimilated AOGCM projections, the sea level around the Peninsular Malaysia coastline is projected to rise between:

- 0.066m and 0.141m by 2040 and
- 0.253m to 0.517m by 2100.

According to the IPCC Special Report on the impacts of global warming, Global Mean Sea Level (GMSL) is forecast to rise approximately 0.1m less by 2100 in a 1.5° Celcius to a 2° Celcius warmer world.

Based on the existing and future design, either projected sea level increase for Peninsular Malaysia is not expected to adversely affect Westports' operations. The highest astronomical tide (HAT) stands at +6.10m whereas our current top of deck level is +7.23m. Based on this scenario, we still have 1.13 m clearance during high tide.

ENVIRONMENTAL (CONT'D)



ENVIRONMENTAL (CONT'D)

ENERGY MANAGEMENT

Westports' operations use significant amounts of diesel. Much of this fuel is consumed by the terminal tractors, rubber-tyred gantry cranes and tugboats. Pick-up trucks, buses, forklifts, stackers and generators also run on diesel. Our direct and indirect energy usage by year is presented in the chart below.

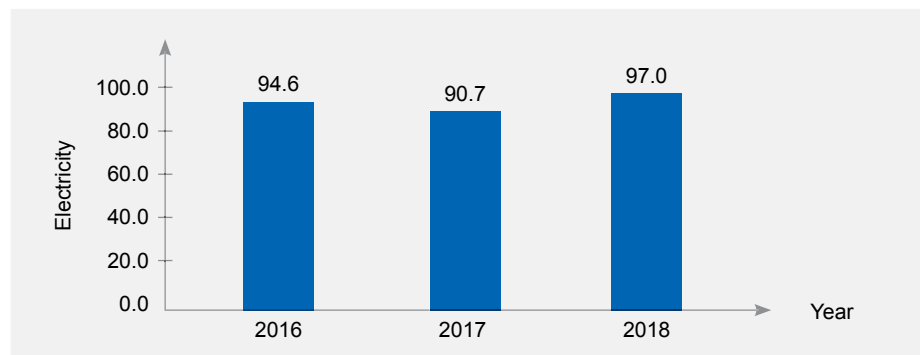
Direct Energy Consumption (litres)

Use	2016	2017	2018
TT	16,459,893	15,425,956	16,220,879
RTG	16,758,548	16,863,042	17,472,366
Tug	10,047,982	10,191,518	10,467,113
Others	1,678,394	1,557,092	1,943,693
Total	44,944,817	44,037,608	46,104,051

In 2018, the majority of diesel was consumed by rubber-tyred gantry cranes (38%), terminal tractors (35%) and tugboats 23%. The remaining balance was consumed by pilot boats, pick-up trucks, forklifts, stackers, generator sets and buses.

Ship-to-Shore (STS) cranes or quay cranes, reefer containers and port operational facilities are the main users of electricity in our operations.

Indirect Energy Consumption (million kWh)



ENERGY INTENSITY AND FUEL EFFICIENCY

Westports works to improve operational efficiency and minimise energy use throughout its operations and also reduce emissions generated where possible.

Total energy consumption is a poor indicator of energy efficiency as the number of containers handled, measured by TEUs, fluctuates year on year. Energy usage increases as the number of TEUs increases.

Energy intensity is a better measure of the energy efficiency of Westports' operations. Westports monitors the litres per move, litres per TEU and litres per hour of its TTs and RTGs. The number of litres per TEU and vessel call is also monitored for the tugboats.

Energy Intensity/Fuel Efficiency Indicators

Year	TTs			RTG Cranes			Tugboats	
	€/Move	€/TEU	€/hr	€/Move	€/TEU	€/hr	€/TEU	€/Vessel Call
2016	2.19	1.51	6.52	1.16	0.80	16.26	1.01	1,044
2017	2.21	1.52	6.28	1.20	0.83	15.59	1.13	1,189
2018	2.19	1.50	5.95	1.33	0.91	14.73	1.10	1,224

Similarly, Westports monitors the amount of energy required per move as this information helps the Group assess the energy efficiency of its STS cranes, reefer containers and port operational facilities. This information is presented in the following table.

Efficiency Indicator	2016	2017	2018
kWh/TEU	9.52	10.05	10.19

Energy consumption is a material aspect of port operations and Westports supports the use of clean energy whenever possible. We seek new ways and explore new technical innovations to reduce our fuel costs and environmental impact. Energy efficient lighting systems such as LEDs help reduce energy use. Conventional high mast fittings have also been converted to lower power bulbs with improved reflectors and lenses that reduce electricity consumption by 50%.

However, the major energy savings come from our efficient machinery. Variable speed and Hybrid RTGs reduced fuel consumption by 33% and 53% respectively. Power converter units have been installed in our RTG cranes.

ENVIRONMENTAL (CONT'D)

WASTE MANAGEMENT

Westports has implemented proper management and control measures when using, handling, storing, packing, labelling and disposing of scheduled and general waste. These measures help prevent environmental pollution surrounding the port premises.

SCHEDULED WASTE

All scheduled waste is stored and disposed of by our appointed licensed contractor as mandated by the Environmental Quality Act 1974. Westports reports its scheduled waste online through the Department of Environment's (DOE) Electronic Scheduled Waste Information System (eSWIS).

Westports has developed a Standard Operating Procedure (SOP) that governs the safe disposal of waste. Westports recently developed a new waste management system that allows the proper segregation of disposable and recyclable waste.

Waste Category	Waste Code	Scheduled Waste (kg)
Used Oil	SW305	1,000
Spent Mineral Oil-Water emulsion	SW307	49,000
Used Saw Dust	SW408	3,454
Empty Drums	SW409	24,000
Used Oil Filters	SW410	44,000
Used Gloves/Rags	SW410	29,508
Total		150,962

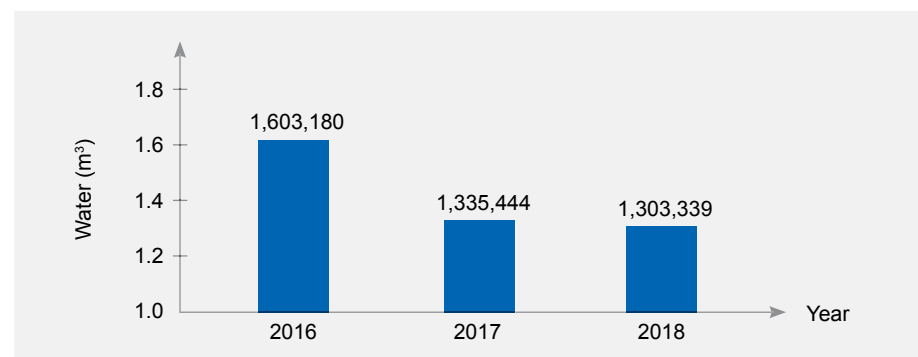
RECYCLING HYDRAULIC OIL

Westports invested in a hydraulic recycling machine to reuse used hydraulic oil. A total of 10.8 tonnes of used hydraulic oil were recycled compared with 9.6 tonnes in 2017. Westports enjoys considerable cost saving by recycling hydraulic oil including decreased scheduled waste disposal costs. Less time is spent on oil changes which leads to less environmental contamination and increased machine reliability.

WATER MANAGEMENT

Westports monitors its water use with the aim of reducing it whenever possible. Our annual water consumption is presented below.

Water Consumption



Ports facilities are generally highly concentrated industrial areas containing various activities such as container terminals, shipyards and cargo facilities. These activities may affect water quality directly or indirectly. It is necessary to assess the impact of port operations quality in receiving waters in and around the port areas. The results of long-term water quality monitoring projects will be important and designed to complement existing monitoring programmes for some marine organisms.

WATER POLLUTION AND LEAKAGE

Westports complies fully with the Industrial Effluent Regulations 2009. Oil and grease traps have been installed at all maintenance and repair workshops and weekly cleaning is performed. Annual water sampling analysis is carried out at various outlets near the sea.

In compliance with the Sewage Regulations 2009, Westports conducts monthly preventive maintenance at its four Sewage Treatment Plants (STPs). Contaminants are removed from the wastewater. The effluent is pre-treated at these plants to reduce the pollutant load before it is safely released into the sewer. Westports conducts monthly maintenance and testing programmes.

ENVIRONMENTAL (CONT'D)

POLLUTION PREVENTION AND MONITORING

Ships, trucks, trains and other heavy-duty vehicles help move cargo and power economic growth. However, they also burn fossil fuels and create air pollution that increases regional smog and creates toxic hot spots. All wastes in the port are properly managed in accordance with the International Convention on the Prevention of Pollution from Ships (MARPOL) International Laws. Westports works closely with the Port Authority on pollution matters. In 2018, Westports pollution prevention steps were introduced to:



Traffic in and around the port can be very heavy and a major source of pollution. Westports ensures a smooth traffic flow, especially during peak periods, to minimise emissions from vehicles entering the port and travelling on neighbouring roads. Trees are planted within and surrounding the port to sequester emissions from operations.

Dust from bulk cargoes is another major source of air pollution. Port activity, especially when handling bulk goods, affects the air quality within the surrounding area. This is generally unavoidable as it is due to the dispersion of powders, especially fine particles, fumes or gases. Various procedures have been developed to control, minimise and monitor dust. Strict air condition monitoring programmes

identify any violations of law-limits related to concentrations of fine particles, which are proven to adversely affect human health. We have improved the humidification of powdery and dusted bulk goods, green barriers and buffer zones among port areas and neighbourhoods near the port.

Westports assessed the indoor air quality at 39 sampling points in our main office buildings to ensure we comply with the Industry Code of Practice. We have also appointed a consultant to monitor mineral dust in the Dry Bulk and Liquid Bulk Terminals. The results show that our terminal was free from hazardous dust in compliance with the OSHA Act 1994 and the Factories and Machinery Act 1967 (Mineral Dust) Regulations 2000.

EMISSIONS INTENSITY

We monitor RTG crane emissions to ensure they are within the limits set by the Clean Air Regulation 2014. Our Variable Speed RTGs and Hybrid RTGs have greater fuel efficiency which leads to reduced emissions.

The VS RTG Crane delivers optimum load-dependent power levels by reducing the engine speed in accordance with demand. The Hybrid RTG Cranes are fitted with an energy storage solution, which offers substantial savings without a loss in productivity. Using stored power from the reserve when required, the reduced dependency on the diesel engine can deliver fuel savings of up to 30% depending on the type of use.

The RTG Cranes frequently undergo corrective maintenance to ensure emissions are maintained at 20% and never exceed 40%.

Westports' terminals have in-house RTG Crane engine injector servicing facilities. Regular injector maintenance reduces heavy black and white smoke being emitted during injector failures by 10%. All new terminal tractors (TTs) are ready for Euro 5 emissions standards.

ENVIRONMENTAL (CONT'D)

	TTs			RTG Cranes			Tug Boats	
	CO ₂ e/ Move	CO ₂ e/ TEU	CO ₂ e/ hr	CO ₂ e/ Move	CO ₂ e/ TEU	CO ₂ e/ hr	CO ₂ e/ TEU	CO ₂ e/ Vessel Call
2016	5.79	3.99	17.24	3.07	2.11	42.98	2.67	2,760
2017	5.83	4.01	16.61	3.18	2.19	41.22	2.98	3,142
2018	5.79	3.97	15.72	3.52	2.41	38.93	2.91	3,236

NOISE POLLUTION

Noise from port areas originates from several different sources. Although noise pollution is often outside of Westports' control, it can produce negative effects on both the natural ecosystem and urban population. If uncontrolled, it can have a negative effect on human health.

In compliance with the Factories and Machinery Act 1967 (Noise Exposure Regulation 1989), we carry out noise monitoring within Westports terminals covering the Container Terminal, Conventional Terminal, warehouses and workshops as a preventive measure for occupational diseases caused by excessive noise exposure. The assessment results showed that the noise exposure level of our terminal is within permissible limits.

CLIMATE CHANGE MANAGEMENT

Westports recognises the importance of climate change and environmental conservation. Our climate change strategy and engagement with both employees and contractors help reduce greenhouse gases. Examples include research into renewable energy and a climate change risk assessment.

Efficiency gains and reduced costs are realised by adopting new technology, switching to cleaner fuels and implementing fuel efficiency measures.

All buses used to transport workers have been replaced with a more fuel-efficient model in recent years. These shuttle buses minimise emissions from transportation and reduce the number of vehicles entering the wharf and container yard areas which improves safety.

Westports continues to work with the Port Klang Authority and International Maritime Organisation (IMO) to collectively mitigate the impact of climate change. Senior management personnel use their expertise during discussions to shape public policy and regulations.

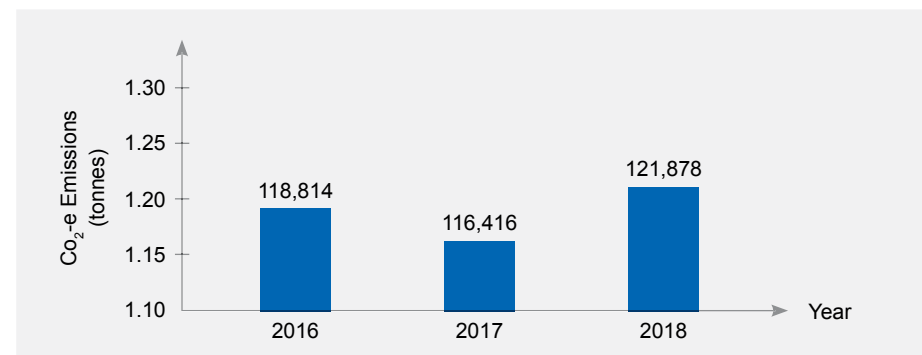
Westports is making a long-term commitment to reducing its carbon emissions intensity in the coming years. We will continue to focus on greater utilisation of more energy efficient terminal operating equipment as this technology becomes financially viable.

Westports is working towards managing and measuring its carbon emissions as part of its Carbon Management Plan. The Company uses the internationally-recognised Greenhouse Gas ("GHG") Protocol established by the World Business Council for Sustainable Development (WBCSD) and World Research Institute (WRI). Our emissions accounting is based on the GHG Protocol classification of direct and indirect emissions.

SCOPE 1: DIRECT GHG EMISSIONS

Our direct GHG emissions, produced by machinery and company-owned vehicles, comprise TTs, RTGs, tugboats, buses and other machinery. Fuel volume is derived from the cost of purchase. CO₂ emissions from the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

CO₂ Emissions from Machinery and Company-owned Vehicles

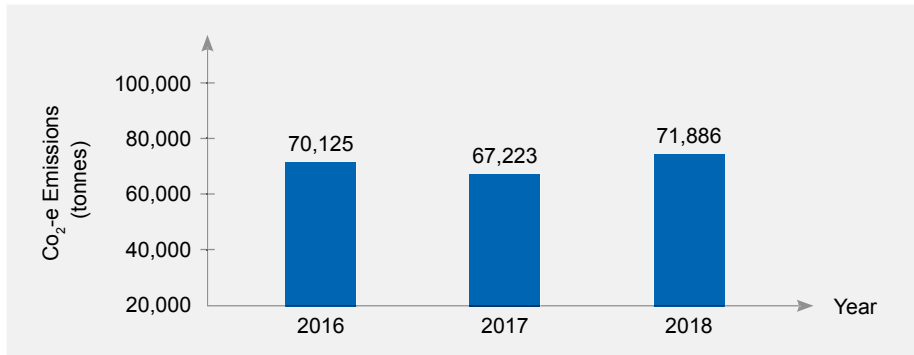


ENVIRONMENTAL (CONT'D)

SCOPE 2: INDIRECT GHG EMISSIONS

We calculated emissions resulting from electricity consumption, which is used to power our STS cranes, reefer containers and the port operational facilities at our headquarters. CO₂ emissions from the use of electricity were derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.

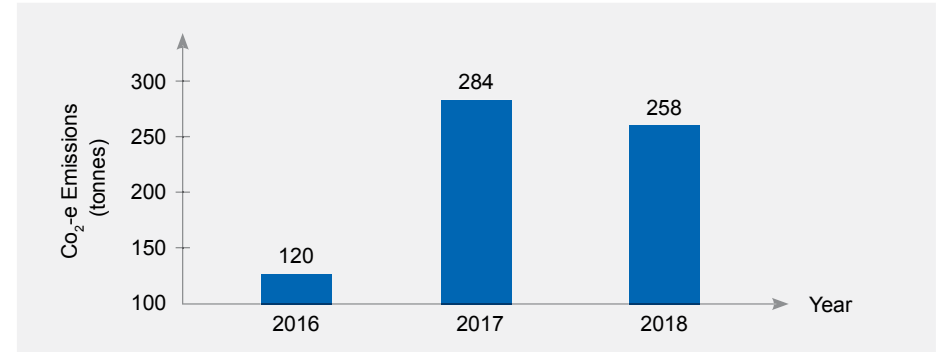
CO₂ Emissions from Purchased Electricity



SCOPE 3: OTHER INDIRECT EMISSIONS

Air travel GHG emissions were calculated point to point including the number of employees on board and distance travelled. Separate calculations were performed for business and economy class flights. A centralised system is employed for the booking of the majority of short and long-haul flights. Online tools derived from the WRI Greenhouse Gas Protocol have been used to calculate the CO₂ emissions from air travel and employees travelling to and from work.

CO₂ Emissions from Air Travel



WESTPORTS EMPLOYEES' DAILY COMMUTE TO WORK

Significant CO₂ emissions result from employees travelling to and from the port. In 2018, we embarked on a project to estimate the total annual emissions produced by our entire workforce's daily commute.

METHODOLOGY

We conducted a survey during the last quarter of 2018. Questions were presented to estimate the:

- Most common method of travelling, such as bicycle, bus, LRT, overground train, own vehicle and walking
- Approximate total daily distance travelled each day to work and back
- The type, make, model, age, engine size and type of fuel used if employees used their own vehicles

The survey was conducted online by an external consultant in both English and Bahasa Malaysia. All employees were encouraged to respond.

The emissions of each respondent were calculated using a Mobile Combustion GHG Emissions Calculation Tool from the GHG Protocol Initiative. Employees work an average of 288 days a year and this information was used to estimate Westports' annual emissions.

ENVIRONMENTAL (CONT'D)

RESULTS

The survey amassed 1,215 responses, of which 1,209 were usable and six were incomplete. More than a quarter of the total workforce responded and no obvious skew was discovered in the data.

Method of Transport	No. of Employees in Sample	Estimated Total No. of Employees in Westports	% of Employees
Bicycle	4	15.2	0.33%
Bus	3	11.4	0.25%
LRT	1	3.8	0.08%
Overground train	1	3.8	0.08%
Own Vehicle	1,194	4,545.9	98.76%
Walking	6	22.8	0.50%
Total	1,209	4,603	100%

In 2018, Westports employees travelled an estimated 34,926,527 km to and from work. The total estimated yearly CO₂ emission for employees commuting in 2018 was 6,340 MT.

Method of Transport	Total Year Distance of Sample (Km)	Estimated Total Year Distance (km) of Westports	Total Yearly Emissions (MT CO ₂ e) Of Sample	Estimated Total Yearly Emissions (MT CO ₂ e) of Westports
Bicycle	20,468	77,927	0.00	0.00
Bus	8,648	32,927	0.58	2.19
LRT	11,531	43,902	1.17	4.46
Overground train	86,484	329,268	9.96	37.92
Own Vehicle	9,017,949	34,333,845	1,653.49	6,295.30
Walking	28,540	108,658	0.00	0.00
Total	9,173,620	34,926,527	1,665.20	6,339.88

OZONE-DEPLETING SUBSTANCES

Ozone-depleting substances (ODSs) are substances which deplete the ozone layer and are widely used in refrigerators, air conditioners, fire extinguishers, dry cleaning, cleaning solvents, electronic equipment and as agricultural fumigants.

The Montreal Protocol on Substances that Deplete the Ozone Layer aims to protect the ozone layer by phasing out substances that are believed to be responsible for ozone depletion.

Westports supports this initiative and has replaced older air conditioning equipment in the operators' cabins with inverter alternatives and green refrigerant gas.

SOCIETY

Westports is not only a good corporate citizen — we live, work and play here too. Many of our employees are native to Pulau Indah and call the island their homes. Clearly, we have an obligation to the local community, which includes our customers, workforce, partners and stakeholders. We take every opportunity to create a positive impact here and beyond our gates.

In the early 1990s, a mere 5,000 farmers and fishermen resided on Pulau Indah. Currently, Westports operates as a leading global port that employs over 4,600 people.

We have taken our social responsibilities for the people of Pulau Indah seriously since our infancy. We aim to prevent any community groups including *Orang Asli*, the elderly, orphans or single mothers from being left behind. Westports is committed to growing together with the community and has categorised its investment into five focus areas.

A total of RM8.5 million has been spent on community building and CSR-related causes over the past three years.

Westports' Five Community Focus Areas



Westports conducted a community impact assessment that analysed, monitored and managed the social consequences of planned port activities. Both the intended and unintended, positive and negative were assessed to bring about a more sustainable and equitable human environment. Our approach to each impact identified during the assessment is presented in the following table.

Potential Community Impacts	Effects on Society	Our Approach
Noise and light pollution from port operations and development	<ul style="list-style-type: none"> Peace disturbance, stress and annoyance 	<ul style="list-style-type: none"> Noise monitoring programme Community feedback channels
Water quality degradation through spills on land and in water and stormwater runoff	<ul style="list-style-type: none"> Restriction on recreational activities (swimming, boating, fishing) Impact on aquatic species 	<ul style="list-style-type: none"> Community feedback channels Environmental monitoring process Impact assessment Biodiversity programme
Air pollution from cargo movement and cargo handling	<ul style="list-style-type: none"> Dust Low air quality 	<ul style="list-style-type: none"> Monitoring container and trucks movement in and out of the gate Environmental requirements for container trucks
Traffic surrounding the port	<ul style="list-style-type: none"> Traffic congestion in local communities Air pollution Traffic noise Safety incidents 	<ul style="list-style-type: none"> Community engagement Traffic management by the Port Police

SOCIETY (CONT'D)

We provide employees with opportunities to roll up their sleeves and give their time and talent. The community outreach programmes championed by each department in 2018 are summarised below.

DEPARTMENT	PROGRAMME
Human Resources	<ul style="list-style-type: none"> 70 students from Sekolah Kebangsaan Pulau Indah were invited to learn hydroponic planting techniques on 21 February 2018. Ninety-five Standard 6 students from Sekolah Kebangsaan Pulau Indah attended a Score A Mathematics Workshop on 30 April 2018 at Westports. The workshop helped these students understand and tackle difficult questions for their upcoming UPSR examinations. 40 Sekolah Kebangsaan Pulau Indah students attended a Building a Circuit Board programme on 29 March 2018. The programme provided a greater understanding and practical experience of electrical circuit diagrams and flow. Three hundred and sixty students of Sekolah Kebangsaan Pulau Indah 2 were invited to Ceramah Agama, which introduced the benefits and principles behind fasting in the Quran. The session was held on 15 May 2018 and led by Ustad Jeffri. Westports' Human Resources Department hosted Roda Ilmu, a fun and interactive science and maths quiz. Thirty-six students from Sekolah Kebangsaan Pulau Indah and Sekolah Kebangsaan Pulau Indah 2 took part in the quiz which was held on 28 August 2018 at Westports Auditorium. Westports' Human Resources Department organised a Knowledge Adventure Camp (K-Adventure Camp): A Mathematics Discovery on 18 November 2018. The programme cultivated an interest in these two important subjects for 80 SMK Pulau Indah students.
Conventional	<ul style="list-style-type: none"> Seventy <i>Orang Asli</i> children and their parents attended an awareness session on personal hygiene and cleanliness on 24 March 2018 at Kampung Orang Asli. The session aimed to minimise illnesses resulting from poor hygiene management. Westports' Conventional Team held a Rumahku Syurgaku programme that instilled clean living habits into Kampung Orang Asli residents at their homes on Pulau Indah.

DEPARTMENT	PROGRAMME
Container	<ul style="list-style-type: none"> On 29 March 2018, 60 container employees volunteered to clean areas of Masjid Sultan Abdul Aziz on Pulau Indah. The drains and toilets were cleaned and trees cut in order to eradicate mosquito breeding grounds and eliminate dengue cases. Westports' Port Police, Container Department and Environment, Health and Safety (EHS) Department worked with key stakeholders including the Klang Municipal Council, Klang Health Department, Selangor Communication for Behavioural Impact (COMBI) and Flat Samudera Pulau Indah Port Klang Selangor Community on Program Gempur Aedes. Held at Flat Samudera on Pulau Indah on 5 September 2018, the programme involved gaining public support for dengue prevention. At least 56 community members benefited from this programme. Westports Container Department volunteered to help Madrasah Tahfiz Ar-Raudhah to paint the Madrasah toilet and canteen areas. Westports sponsored all paint and equipment.
Engineering	<ul style="list-style-type: none"> Westports' Electrical and Civil Engineering Department conducted a street light audit during the day and night along Jalan Persiaran Masjid Sultan, Pulau Indah on 15 February 2018. The audit findings were presented to JKPP and JKPPK with the hope of reducing crime rates and improving road safety on Pulau Indah. Three Westports' Civil Engineering Department engineers volunteered to paint an area of the administration building of Sekolah Kebangsaan Pulau Indah on 25 April 2018. The cost of the paint was also borne by Westports to provide a better teaching and learning environment. Recognising the rising demand in the engineering sector especially Port industries, Westports' Engineering Department conducted an Engineering Seminar for 67 SMK Pulau Indah secondary students to raise awareness of career opportunities in this field.
Port Police	<ul style="list-style-type: none"> Eighteen Westports' employees including six port police and EHS and 350 residents of Flat Sri Bahtera worked together to destroy Aedes mosquito breeding grounds on 22 April 2018. With rising crime rates and road traffic accidents in Malaysia, Westports' Port Police Department organised a Crime Prevention and Road Safety Programme on 11 October 2018 at SMK Pulau Indah. Local youths were educated about the dangers of illegal activities such as narcotics and firearms. Five hundred students attended the session which also shared practical road safety tips. A Fire Prevention Programme was held for community members of Flat Samudera on 22 December 2018. 150 adults and children learned essential fire prevention and extinguishing skills.

SOCIETY (CONT'D)

DEPARTMENT	PROGRAMME
IT	<ul style="list-style-type: none"> Westports sponsored five computers and internet connections to improve the learning experience of SMK Pulau Indah students on 21 February 2018.
Maintenance and Repair	<ul style="list-style-type: none"> An Engagement Camp was held for 155 final year students of Kolej Vokasional Klang on 11 April 2018. These students were motivated to succeed in their careers through exposure to working life at the port. Twenty-nine athletes from Kolej Vokasional Klang (KVK) were treated to new jerseys. The sponsorship handover ceremony was held on 11 July 2018. A career talk was held by Westports' Maintenance and Repair Department for 75 Kolej Vokasional Klang students. These students, who were in their final year of studies, were introduced to available career opportunities in the Port industry. Westports also used this opportunity to strengthen its relationships with the local community.
Marketing	<ul style="list-style-type: none"> The Westports Royal Selangor Yacht Club (RSYC)-Community Sailing Programme certificate presentation ceremony was held on 14 April 2018. Westports provided these students with an opportunity to sail. Westports invited two of its key stakeholders, Infinity and Jaring, to plant mangroves on 28 July 2018 at Sungai Chandong, Pulau Indah. This CSR event, held in conjunction with the International Mangrove Conservation Day, aimed to preserve mother nature which was affected by the development of Pulau Indah. Sixty SK Pulau Indah students were invited to an Edible Garden Farming programme on 16 October 2018. These students were introduced to the world of botany by planting vegetables within their school compound. Working in groups, students were tasked to plant and water a variety of vegetables on their designated plot of land. After a month, the students revisited their farm and the group with the most harvested plot of land was rewarded.
Planning	<ul style="list-style-type: none"> Westports' Planning team led a fertigation farming activity at Kampung Perigi Nenas throughout 2018. Ten residents of Perigi Nenas attended with more than 1,200 kg of cucumbers being planted and sold. Profits from the sales financed the next farming session.
Finance	<ul style="list-style-type: none"> As part of Westports' initiatives to support small business growth, the Finance Department hosted a baking class for 15 single mothers. Providing basic baking skills will help them earn extra income to support their family. The class was conducted by the founder of 'Dapur Kak Hajjah'. Westports, through its Finance Department, sponsored a Back-to-School Programme for 19 primary and secondary students. These students, who came from low-income families, were treated to school items including uniforms, shoes, stationery and meals.

POVERTY ERADICATION

"Right from the day it was born, Westports had adopted Pulau Indah at the core of its CSR initiative. Aptly called 'Zero Poverty Programme at Pulau Indah', it aims to elevate the quality of life of the villagers and upgrade the development of the island. Today, Pulau Indah is poverty-free"

Tan Sri G.Gnanalingam, Executive Chairman

Westports' Corporate Responsibility objective is to eradicate poverty by:



Westports' Zero Poverty Programme aims to elevate the quality of life of villagers and improve Pulau Indah's development. Westports' efforts have helped reduce poverty on the island from 62% in 1995 to virtually zero today. Westports provides the islanders with job opportunities and has also become a local partner in uplifting the residents' standard of living so that poverty is eradicated.

ENHANCING EDUCATION

Education helps improve society's socioeconomic status and the livelihoods of community members. Westports continues to invest significant resources in providing the children on Pulau Indah with a good education.

SOCIETY (CONT'D)

TRUST SCHOOL PROGRAMME

The Trust School programme is part of the National Education Blueprint released in 2013 to lift schools in Malaysia to the top third of the international benchmark in 15 years. The programme is managed by Yayasan Amir, a unit of Khazanah Nasional in collaboration with the Ministry of Education.

Westports has adopted two schools on Pulau Indah: SK Pulau Indah and SMK Pulau Indah. The strategy goals of the programme are to:



As 2018 was our final year contributing to the programme, we conducted a study to understand the impact it has had on each school. Overall, the Trust School Programme benefited the students, teachers and the schools' academic ranking.

Measurement	Indicators	SK Pulau Indah		SMK Pulau Indah	
		Target	Performance (2018)	Target	Performance (2018)
Leadership & management qualities	Overall performance determined through inspection and survey	60%	90%	66.67%	88.3%
Learning and teaching qualities		66.67%	85.3%	63.33%	88.75
Maximising student potential		60%	86.9%	66.67%	88.3%
Involvement of parents and community		66.67%	90.8%	63.33%	88.75



The schools have enjoyed numerous successes in recent years:

- SK Pulau Indah's rugby team became the overall champions in the Majlis Sukan Sekolah Daerah (MSSD) 2018 championship and third place in the National Rugby Development Programme (NRDP)
- SK Pulau Indah was the champion in Kawad Kaki Unit Beruniform organised by Pejabat Pendidikan Daerah (PPD)
- SK Pulau Indah came second in the MSSD men's handball competition
- SMK Pantun's team has been the Klang District Pantun Champion for two consecutive years from 2017 to 2018 and third place at the state level in the 2018 Pantun Festival

COMMUNITY CLINIC

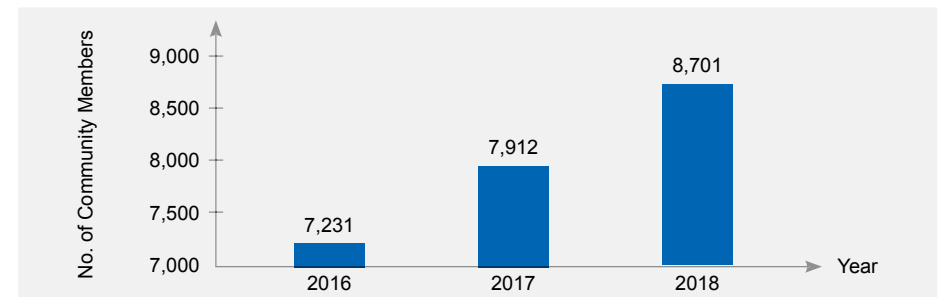
Westports has operated the Community Clinic beside the in-house clinic since 1997. Employees' immediate family members and Pulau Indah residents receive medical coverage at this medical facility.

A 24-hour ambulance service brings patients to the clinic or hospital. Consultations are free of charge for Pulau Indah residents and medicine is affordable. Senior citizens and single mothers also receive basic medical examinations at the clinic.

This medical facility also serves as a panel clinic for employees of our landed clients and other companies on Pulau Indah.

We are pleased that the number of community members benefiting from this facility has continued to increase over the years. RM912,826 has been spent on running and maintaining this clinic for the past three years.

Number of Community Members Benefiting from Westports' Klinik Masyarakat



WORKPLACE

Port operations and the supply chain require a diverse, skilled and productive workforce:

For the safe, efficient and sustainable movement of goods

To meet the region's future trade demand

Employee engagement has a significant influence on our communities and economies. We take this responsibility seriously and want the legacy of our dynamic workforce to continue.

CAPACITY BUILDING

Every employee should have an individual development plan to help identify their training and development needs. The development plan is important for their current roles but also considers their future ambitions.


The following training programmes were conducted during the year as identified by our Competency Based Training Needs Analysis:

 Customer service excellence	 Business acumen	 Strategic thinking, planning and implementation
 Project management professional	 Change management for leaders	 Lean management technique
 Inspiring teams for results	 Effective negotiation skills	 Seven habits of highly effective people

WESTPORTS LEADERSHIP TALENT PROGRAMME

Westports introduced the Leadership Talent Development Programme in early 2018. Held in collaboration with Leaderonomics, the programme was attended by 25 executives and managers. Learning modules covered during the programme included Strengths-based Leadership, Fundamentals for Managers, Building Trust & Relationships, Contextual Team Leadership (iLead) and Business Acumen.

Objectives of the Programme:



Upskilling the knowledge, skills and mindsets of the young leaders to increase leadership competencies at the junior levels



Increasing the young leaders' capabilities so they become effective people managers

Learning methodologies adopted included experiential learning with simulations, learning projects, peer learning, external sharing, Training Application Commitment (TAC) and digital learning.

SPECIAL SALARY INCREMENT

As a Best Employer recipient, the management strives to improve the well-being of employees. Employees' performance continues to be reviewed and rewarded with performance-based bonuses and merit increments. Fun activities are organised to make Westports a fun place to work.

Following the salary scale review, the management announced a special one-off salary increment in January 2018 for all non-executive employees. This salary increment of RM200 is for Grade 1 and 2 employees. Grade 3 to 7 and sub-professional employees received a salary increment of RM150. The next salary review is scheduled for 2021 or before if deemed necessary.

RETAINING SKILLS AND TALENT

Westports focuses on attracting and retaining talent and developing employees by:

 Providing rewarding work	 Offering competitive salaries and benefits	 Delivering a comprehensive training programme	 Encouraging diversity and inclusion in the workplace
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WORKPLACE (CONT'D)

We have created an open, collaborative and thriving organisational culture and an attractive working environment. Various programmes and facilities are made available to our employees to enhance their well-being such as an on-site fitness facility, employee and family assistance programme and benefits for employees' immediate family members.

A UNIQUELY ENGAGED WORKFORCE

THE PENGHULU PROGRAMME: PIVOTING TO A NEW PARADIGM

Westports' Direct Feedback mechanism is the brainchild of Westports' Chairman, Tan Sri Datuk G. Gnanalingam. It has helped build relationships through dialogue and engagement since 2011.

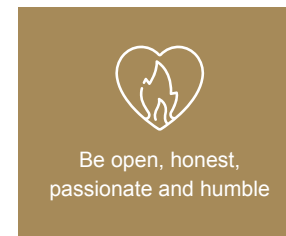
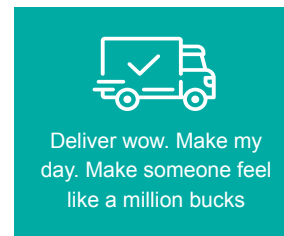
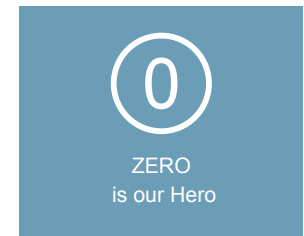
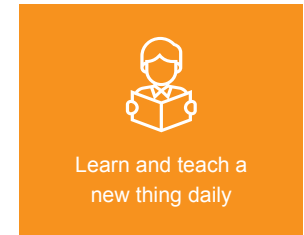
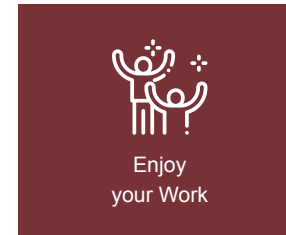
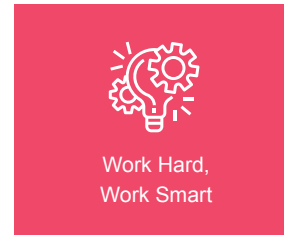
A communal village headman concept has been incorporated into operations. The colloquially elegant and pragmatic framework attracts unfiltered, timely feedback from the workforce. This invaluable information has helped mitigate or even eliminate many operational and employee wellbeing issues.

Penghulus have the ability to earn the trust of their charges. This concept is the backbone of the Penghulu as earning trust varies according to group dynamics. This is particularly true of recently-hired employees who are yet to fully appreciate Westports' team-oriented culture. However, once a bridge-of-trust has been established, it is a bond that lasts.

Comprising executives and managers, the Penghulu solicits feedback and provides regular updates to non-executives. Appointed by senior management, mentors act as guides and soundboards to help Penghulus manage people dynamics, which may be difficult.

Guided by a Mentor Committee, Penghulus hold informal meetings with their charges each month to discuss pertinent group-level events on the ground. Direct time with Penghulu is essential as equipment operators and other wharf-side employees cannot access email and other communications channels. Penghulus collate and submit this feedback to the Chairman.

A total of 24 mentors helped 238 Pengulus look after 4,199 employees in 2018. The Penghulu Committee also introduced quarterly activities for the Penghulu, mentors and their members in 2018. These activities aimed to create a productive and happy workforce based on the following 10 core values:



WORKPLACE (CONT'D)

Penghulu Activities in 2018

OBJECTIVE	INITIATIVE	DESCRIPTION
Towards Creating Happy, Healthy & High Performing Champions	The Pledge Session	The Penghulu encouraged each member to commit to achieving the target set at the beginning of the month such as zero accidents.
	Identify Role Model or “Pekerja Tauladan” as a Pat on the Back Initiative	<p>Penghulus are encouraged to identify a role model in the team and share their contribution and commitment with other team members. This will also motivate others to work hard on self-improvement.</p> <p>The Penghulu is required to report the details of the role models each month and this is monitored by the committee.</p>
Towards Zero Attrition and Creating a Healthy Workforce	Towards Zero Attrition	Penghulus delivered employee engagement sessions with their team to boost loyalty and continue making Westports their chosen workplace.
	Creating a Healthy Workforce	Penghulus shared tips on healthy eating habits and a healthy lifestyle. Special attention was paid to members who are in the red category of the health passport programme. Their gym attendance was also monitored.

OBJECTIVE	INITIATIVE	DESCRIPTION
Creating a Safe Working Condition & Keeping the Environment Clean for Our Future	Safe Working Environment	Penghulus emphasized the importance of a safe workplace. Discussions on unsafe behaviour and near-miss incidents were held.
	Clean Working Environment	Penghulus shared the importance of maintaining good cleanliness at home and work with their members. A <i>gotong-royong</i> initiative was held at an area surrounding the port and a cleanliness audit was held for the TT, RTG worksites and SC cabin.
Towards Greater Performance & Productivity	Emphasis was placed on: <ul style="list-style-type: none"> • Team Engagement and Motivation • The importance of communication and teamwork • Commitment and dedication • The way forward • Habits of highly productive teams 	Activities held included: <ul style="list-style-type: none"> • A motivational session • Coaching and mentoring • The pat on the back initiative • Communicating team achievements

WESTPORTS JOINT CONSULTATIVE COUNCIL (WJCC)

Westports Joint Consultative Council (WJCC) was formed in 2001. It was established to promote and maintain industrial harmony and is also a platform for discussion and consultations between employees and company representatives.

WORKPLACE (CONT'D)

Objectives of the WJCC:



WESTPORTS' HR CHAMPIONS

A leader's job is to motivate his or her employees and ensure work gets done correctly and on time. This is often easier said than done. Bridging the gap between the management and employees is essential for a good working relationship. The workplace is full of people with differing outlooks and managing conflicting ideas effectively demands patience and understanding. Our HR champions rise to this challenge.

HR champions are executives and managers from various departments. They work as mediators between the management and employees. Two-way communication between the management and employees is promoted through monthly dialogue sessions in which employees are:



STAYING CONNECTED

WESTPORTS RADIO - G.FM

In September 2018, Westports proudly launched its first ever radio station — G.fm. Named after Westports' founder, Tan Sri Datuk. G. Gnanalingam, the station is dedicated to our terminal tractor operators (TTO) and RTG operators. They can enjoy a wide selection of radio channels that keep them entertained with lively music. Listeners are also updated with immediate internal announcements that are broadcast through the radio station.

They can access G.FM through the tablets that have been mounted inside the terminal tractors since June 2018. The feedback has been positive and we truly hope that it will help create a more enjoyable working environment for them.

COMMUNICATIONS DAY

Working at ports can be physically and mentally demanding and it is challenging to stay motivated when you are drained. Operational staff also work independently when operating their own machinery. This can cause isolation and loneliness.

Westports introduced a Communications Day for operational staff with 48 sessions being held in 2018. Operations staff were split into smaller groups before being briefed on Group performance, their disciplinary records, accidents and overall attendance records.

Exciting activities held during the Communications Days included talks, teambuilding programmes, leisure activities, quizzes and competitions.

WESTPORTS HR PORTAL

Westports HR Portal operates on the Company's intranet. Employees can access HR-related information such as the employee handbook, safety manual, policies, forms, vacancies, online surveys, news and messages from the management.

Highlights of the Westports HR Portal



WORKPLACE (CONT'D)

SKILLS DEVELOPMENT

Westports provides employees with training, engagement, mentoring and career development. Talent is promoted from within whenever possible and existing talent is retained.

Key Training Programmes Delivered in 2018



Training Hours by Category of Employee

	2016	2017	2018
<i>Training hours</i>			
Management	21,232	21,608	20,770
Workforce	491,354	447,184	398,098
Total training hours	512,586	468,792	418,868

Training Hours per Year per Employee

Management	53	55	51
Workforce	117	110	102
Total average per employee	111	105	153

INVOLVING OUR PEOPLE IN OUR VALUE CREATION JOURNEY THROUGH INNOVATION

Innovation is a critical component of success; it helps develop our business and improves employees' effectiveness. By nurturing employees' creativity, we are launching a powerful in-house think tank that can help Westports achieve its goals.

PORT INNOVATION PROJECT

The Port Innovation Project invites workers to develop new innovative ideas in their fields of expertise for the future development of the Company.

New ideas or processes that offer a better solution to the organisation are invaluable. The Port Innovation Project creates value by transforming ideas into cost savings, productivity and efficiency.

Group and Individual Submissions in 2018

Prize	Description	Outcome	Department
First Prize	Replacing 9 dot-matrix printers with thermal equivalents at all gates which reduces costs while improving productivity and handling.	Process speed without relying on outsourcing	Civil
Second Prize	Using an informative monitor instead of paper during deployment at the gate.	Paperless processes	Logistics
Consolation Prize	Replacing the current SANY tube tyres with tubeless equivalents that do not need to be replaced.	Prolonging the lifespan of the tyres and eliminating the costs of replacements.	Maintenance and repairs
	Creating a new learning platform that delivers modules through educational videos.	Learning modules can be easily accessed using a smartphone.	Maintenance and repairs

WORKPLACE (CONT'D)

REWARDING PERFORMANCE

Westports systematically and objectively evaluates employees' performance and development every six months:

The attendance, discipline, analytical and solutions-formulation are considered during the evaluation

Non-executives are monitored on the total moves or number of boxes processed annually

Non-operators are measured by their skills such as supervising and people management

Executives and managers submit fortnightly status reports to their supervisors for evaluation. Executives are evaluated by their immediate supervisors, peers and subordinates during 360° performance appraisals.

Westports' incentives motivate employees to perform effectively and supplement their earnings. Incentives for supervisory positions are based on group performance. This approach encourages team performance, teamwork, planning and coordination with team members. The Incentive Scheme was introduced in 2012 and is reviewed biannually by a committee.

WORK ENVIRONMENT AND HEALTH

Westports ensures a safe port is provided to all employees and port users. Everyone who

enters the port is our responsibility and we look after their safety throughout their stay on our premises.

Our stringent safety induction requires visitors to be first inducted before entry to the port is allowed. All persons visiting our port must also abide by certain rules and attend a PPE briefing depending on the nature of work. Adhering to the safety rules and regulations is mandatory for every employee and associate including suppliers and customers. There is no compromise when it comes to people's safety.

HEALTH AND SAFETY EXCELLENCE

We aggressively protect the health and safety of our colleagues and tenants by identifying risks, developing solutions and encouraging participation. Our Environmental Health and Safety (EHS) officers are responsible for:

- Coordinating and ensuring EHS programmes are implemented effectively
- Checking that the port's facilities and infrastructure comply with applicable EHS standards
- Ensuring employees and port users meet all EHS requirements
- Inspecting the port facilities and infrastructure each day to ensure compliance with the Occupational Safety and Health Act 1994, Act 514 (OSHA 1994) and our safety guidelines

Biannual internal and external audits ensure:

- The effective implementation of the SHE Management System
- The SHE Management System conforms to ISO 14001 and OHSAS 18001 standards
- The audit team observes practice and records, interviews relevant staff, drafts corrective action and presents the findings to the board

Westports has implemented a SHE monitoring and measurement matrix. The matrix guides each function in implementing a corrective and prevention procedure to deal with actual and potential nonconformity.

Westports also introduced the You See You Act (UCUX) programme. UCUX improves our incident reporting by allowing reports made through a mobile phone via calls or text messages to be attended to immediately.

SAFETY AND HEALTH COMMITTEE

Westports SHE committee is an important part of improving working conditions. The committee provides a forum for employees and management to work together to solve health and safety problems. Working together effectively can help prevent injury and illness on site, increase awareness of health and safety issues and develop strategies to make the work environment safe and healthy.

The SHE Committee comprises a chairman and both management and employee representatives. Convening at least monthly, the committee is responsible for reviewing safety concerns and performance. The committee, led by Tan Sri Datuk G. Gnanalingam, Executive

Chairman of Westports, reports the Company's safety performance to the Board.

Responsibilities of the Safety and Health Committee



Investigating and inspecting



Conducting awareness programmes



Managing near misses



Monitoring accidents and incidents



Chairing forums on EHS-related grievances



Assessing health and safety risks for existing and potential projects and operations

WORKPLACE (CONT'D)

CHALLENGES AND IMPROVEMENTS

Despite our stringent processes, incidents do unfortunately occur. On 25 September 2017, a Container Maintenance & Repair team employee was hit while performing general maintenance work. It was the first time an incident of its kind has occurred since the establishment of the Company. Westports was deeply saddened by the incident and we extended compensation, insurance coverage and counselling to the family.

As a result of the incident, Westports has re-assessed, evaluated and enhanced the requirements of this type of maintenance work. We assure our continued compliance with the DOSH Risk Assessment general safety requirements.

In the future, all employees will be responsible for safety with the Group MD and CEO's bonuses and remuneration now being directly linked to fatalities. This demonstrates the responsibility taken for everyone who is on the port premises.

Specifically, we have made a detailed HIRARC (Hazard Identification, Risk Assessment, Risk Control) evaluation of this type of maintenance work which resulted in:

- Enhancing our SOP for even safer work involving a hoist, trolley and head block
- Placing greater emphasis on safety before work commences

- Ensuring the movement of all equipment and components is strictly supervised during maintenance
- Installing an additional safety warning and signage at critical parts of the quay crane structure

CERTIFICATIONS

Westports' operations have been certified with OHSAS 18001 — a framework to identify, control and decrease the risks associated with health and safety within the workplace. The certification is valid until 9 October 2021 and covers the:

- Operation of a port for provision of port service for handling container, including activities within the container terminal, business centre and tower block
- Operation of a port for provision of port service for conventional terminals, including activities with the break bulk terminal, dry bulk terminal 1 & 2 and liquid bulk terminal

ISO 14001 specifies the requirements for an environmental management system that an organisation can use to enhance its environmental performance. Westports' ISO 14001 certification is valid until 14 September 2021 and covers the operation of a port for the provision of port service for handling containers including activities within the container terminal, business centre and tower block.

We are also working towards upgrading our certifications by obtaining ISO 45001 in the future.

This framework specifies the requirements for an occupational health and safety management system. It helps organisations provide safe and healthy workplaces by preventing work-related injury and ill health as well as by proactively improving its safety performance.

SAFETY PROGRAMME HIGHLIGHTS

EHS Month Campaign

Westports EHS Month Campaign supports the evolution of the safety culture across the Company by influencing employees' behaviour.

Other objectives include:

Supporting the evolution of the safety culture across Westports by influencing employees' behaviour

Extending the safety and health culture to employees and contractors who are engaged in high-risk activities in particular

Raising the awareness of managers, employees, contractors and port users so they understand the importance of preventing accidents and occupational diseases in the workplace

Collaborating with other relevant Government and private agencies to raise awareness of Occupational Safety, Health and Environment

For a Safer Port

Strict safety procedures enforced during the year consisted of:

- Night enforcement which has been conducted each week from September 2018
- Haulier traffic enforcement by checking truck drivers for incidents of non-compliance and safety offences. Specifically, we are tracking drivers' behaviour including those without a valid license or passport pass or are speeding. We also check the condition of the trucks and tyres along with ensuring cargo is properly strapped and stacked

We will begin issuing commendation badges to Good Safety Practitioner (GSP) drivers to recognise, motivate and encourage everyone to prioritise safety at work.

Contractor Safety Refresher Programme

A safety refresher programme was held for all contractors on 30 August 2018. They include stevedores, foremen, crane operators, forklift drivers and supervisors.

HIRARC Briefing

Hazard Identification, Risk Assessment and Risk Control (HIRARC) has become fundamental to the planning, management and operation of a business as a basis of risk management. In 2018, 18 HIRARC sessions were held to familiarise employees with HIRARC which allows practitioners to identify hazards, analyse

WORKPLACE (CONT'D)

and assess the associated risks and then apply suitable control measures.

Program Gempur Aedes Di Flat Samudera

Three hundred participants took part in Program Gempur Aedes on 5 September 2018. The event was graced by YB Charles Anthony Santiago and was also attended by representatives from Majlis Perbandaran Klang and Pejabat Kesihatan Daerah.

Kualiti Alam & EGA Recycling Site Visit

On 9 August 2018, Westports conducted environmental site visits to its scheduled waste contractors. The team visited Kualiti Alam which disposes of its clinical waste and EGA Recycling which handles its electrical waste.

Periodic Machinery Inspection by DOSH Selangor

Westports welcomes periodic machinery inspections of its new equipment and other machinery including Quay Cranes, Rubber Tyred Gantry Cranes, Air Receiver and Overhead Travelling Cranes by Department of Safety and Health Selangor officers.

Chemical Exposure Monitoring Assessment

Westports conducted a Chemical Exposure Monitoring Assessment from 31 July to 10 August 2018 to evaluate and record the chemical hazardous exposure levels. The assessment checked that the readings were within the

stipulated levels set by the Occupational Safety and Health (USECHH 2000) to ensure the safety and wellbeing of our employees and the surrounding local community.

Fire Drill at Tower Block

A fire drill was jointly held by the Port Klang Fire and Rescue team, The Fire Department of the Port Klang Authority, Port Police and Westports' EHS team on 17 July 2018. All employees were reminded of the evacuation steps and use of firefighting equipment.

Port Safety Audit 2018 (Dangerous Goods)

Westports welcomed a Port Safety Audit for Dangerous Goods on 3 to 5 October 2018. The audit was held by 40 auditors from various Malaysian port authorities and local port operators. The main objective of this audit was to improve the safe handling of dangerous goods in the terminal.

Medical and Healthcare

Westports provides one of the best medical benefits coverage for its employees in the country. Two clinics are located on the ground floor of the tower block: Klinik Westports and Klinik Masyarakat. Established in 1997, Klinik Westports is the first in-house clinic in Pulau Indah designed for employees. The clinics offer:

- First-class medical treatment for staff
- Medical surveillance in the workplace
- Liaisons with specialists on staff health issues
- Regular health talks for staff, dependents and community members
- Return to work assessments
- Announcements and health updates on latest medical issues

Westports funded the entire running and maintenance of this clinic with RM714,636 being spent in 2018. We are pleased that at least 19,194 employees benefited from the clinic during the year.

Health Passport

Westports' Health Passport Programme was introduced in 2011. It monitors employees' health by measuring their Body Mass Index (BMI), cholesterol, glucose, waist-hip ratio and blood pressure. Medical profiles are categorised into three groups that indicate their overall health.



GOOD (GREEN)

Healthy lifestyle advice is given by our in-house doctor.



MODERATE (AMBER)

Healthy lifestyle advice is given by our in-house doctor and workers are encouraged to exercise at least two to three times a week.



HIGH-RISK (RED)

Healthy lifestyle advice is given by our in-house doctor and gym attendance is compulsory. Diet control is monitored by our panel of private hospitals and employees are reviewed in six months.

In 2018, 1,446 employees above 35 years of age were enrolled on a health passport programme. 387 green category employees required no action. 105 red category, 104 high amber and 850 low amber employees were required to attend compulsory gym sessions. Each was required to attend a follow-up health examination.

WORKPLACE (CONT'D)

CONTAINER DEPARTMENT EHS INITIATIVES

Internal and External Safety Audit

Biannual safety audits are conducted by the Safety Committee and relevant government agencies such as Lembaga Pelabuhan Klang (LPK), Department of Environment (DOE) and other external parties. The audits check that the terminal and port users are in full compliance with the requirements of OHSAS 18001 and ISO 14001.

Refreshment Programme for Terminal Tractor Operators (TTO)

This programme enforces safety compliance in the use of terminal tractors inside the terminal. All TTOs are refreshed on the SOPs and safety precautions when driving terminal tractors. This weekly programme is jointly delivered by the Training and Development Department and the EHS department.

Clash Day Safety Forum

In April 2018, our Container Operations Department coordinated a forum with the Safety Department. The forum was held in the Tan Sri G Hall to facilitate two-way communications between these departments on health, safety and environmental matters.

CONVENTIONAL DEPARTMENT EHS INITIATIVES

Jetty Walkabout with LPK and Tenants

On 2 August 2018, the EHS Department conducted a jetty walkabout at LBT with clients and the LPK BOMBA team. The findings of the walkabout were recorded and reported to the team in charge for rectification.

Conventional Contractor Safety Refresher Programme

The Maintenance and Repair (M&R) Department conducted a series of Safety Refresher Training Programmes from January to May 2018. The programme helped more than 339 M&R technicians build on their safety-first approach to work. Employees received basic safety, health, environment and fire prevention training that is an important part of Westports' hazards and risks mitigation measures.

Subsequently on 30 August 2018, the Conventional Team conducted a similar Safety Refresher Programme for its contractors including stevedores, foremen, crane operators, forklift drivers and supervisors.

Internal and External Safety Audit

Internal and external audits are initiatives that improve Westports' safety, health and environment management system. Westports has been accredited with OHSAS 18001:2007 & ISO 14001:2015 by the certification body, SGS. Audits for both certifications were conducted by our team of internal and external auditors.

Chemical Exposure Monitoring

Chemical Exposure Monitoring was performed to ensure workers are not exposed to hazardous chemicals that may adversely affect their health. Chemicals absorbed by the skin or ingested can be easily recognised and prevented; evaluating inhalation hazards is more difficult.

Air monitoring was conducted as part of this exercise to determine employees' exposure levels to individual hazardous chemicals. The type of contact, length of contact and chemical concentration are factors in determining airborne chemical exposure. The programme ascertains whether specific hazardous chemicals are present and if the concentration levels are hazardous.

The monitoring was performed at CT1, CT3 and CT4 Workshop, Conventional Workshop, M&R Store, Fuel Bay and TSD Store from 30 July to 10 August 2018.

Environmental Site Audit

On 9 August 2018, an environmental site audit was held for clinical waste (SW 404) and e-waste (SW 101) at Ega Recycling Sdn Bhd. The audit confirmed our compliance with the management of scheduled waste at our facilities.

CONTRACTORS' SAFETY GUIDELINES

Westports extends its safety guidelines to contractors and other external parties to minimise safety problems from arising. Stakeholders are required to follow Westports' safety rules and regulations to comply with the:

- Occupational Safety and Health Act, (OSHA 1994),
- Factory and Machinery Act (FMA 1967) and
- Environmental Quality Act (EQA 1974).

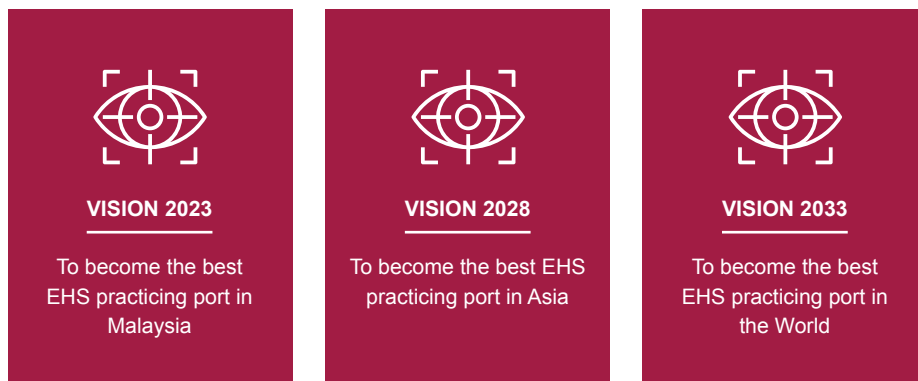
All equipment used by contractors and subcontractors must have a valid Certificate of Fitness (CF) and be certified by the Department of Occupational Safety and Health (DOSH) before use.

Westports' risk assessment for existing and potential projects includes elements of ethical labour practices. Contractors and other external stakeholders must also comply with all applicable labour and employment laws, ordinance, by-laws, rules, regulations or orders.

WORKPLACE (CONT'D)

WESTPORTS 15-YEAR EHS VISION

Westports has drawn up a 15-year journey which benchmarks ourselves with other established global sea-ports. The journey incorporates best industrial EHS technology and focuses on changing the mind-sets and behaviour of our workforce. Hopefully, we can all embrace a 'safety' culture in our daily lives.



WESTPORTS' HEALTH AND SAFETY PERFORMANCE

	2016	2017	2018
Incidents and accidents (total)	529	414	479
Average number of cases per 100,000 TEU's (container operation)	5.24	4.53	3.40
Average number of cases per 100,000 tonnage (conventional operation)	0.05	0.06	0.09
Fatalities (employees)	0	2	0
Fatalities (third-party contractors)	3	3	1

Moving forward, Westports has developed an enhancement system to monitor stevedores' safe working behaviour. Refresher programmes are being held for stevedores, foremen and signalmen to ensure consistent safety practices at the port. Westports has also highlighted its safety guideline of bulk cargo to the Port Klang Authority.

Safety Risk Map

Work Activity	Hazard	Cause/Effect	Existing Control Measure (ECM)	Likelihood	Risk
Trolley Wheel Inspection	Unguarded operating system, slippery floor and limited space	Severe head injury, hand caught between wheel and rail or amputation	Use of safety harness and leather gloves and a watcher to monitor	3	6
Wheel floating shaft	Unguarded operating system, slippery floor and limited space	Severe head injury, hand caught between wheel and rail or amputation	Watcher and maintenance mode system set at 10% speed	2	6
Gear box oil check	Slippery floor and unguarded platform	Falls from height or fatality	Use of safety harness and maintenance mode system	1	4
Trolley rope sheaves check	Unguarded operating system and slippery floor	Hand caught in sheaves, fall from height or fatality	Use of safety harness, leather glove and watcher to monitor	2	6
Guide rollers and bearing inspection	Slippery floor, unguarded platform and obstruction	Falls from height or fatality	Use of safety harness, leather glove and watcher to monitor	2	8
Trolley junction box	Slippery floor, unguarded platform and obstruction	Falls from height or fatality	Use of safety harness, leather glove and watcher to monitor	2	6
Trolley mountings	Uneven platform and slip down tools	Falls from height or fatality	Use of safety harness, leather gloves and barricade wharf crane area	2	6

WORKPLACE (CONT'D)

DIVERSITY AND INCLUSION

Westports is a dynamic organisation that cares about its employees, customers and the communities it serves. Workplace diversity is embraced as it makes us a better employer and provides our customers with a more efficient service. A diverse workforce helps us truly understand the challenges facing the industry and puts us in a stronger position to build and maintain the fabric of our communities. The diverse background and perspectives of our people are key strengths of our company. Creating an inclusive environment and embracing diversity is instrumental in:

- Learning and getting the best from our differences and similarities
- Improving our ability to be innovative
- Helping us serve a broader group of customers
- Supporting our efforts in building strong community ties
- Building strength within our company

DIVERSITY	Operation	Management	Total	Operation	Management	Total	Operation	Management	Total
	2018			2017			2016		
Gender									
Male	4,100	370	4,470	3,963	355	4,318	4,114	357	4,471
Female	99	34	133	99	39	138	98	42	140
Age									
<30	2,289	137	2,426	2,095	112	2,207	2,427	169	2,596
31 - 50	1,750	246	1,996	1,792	259	2,051	1,678	215	1,893
>51	160	21	181	175	23	198	107	15	122
Ethnicity									
Malay	3,616	224	3,840	3,469	218	3,687	3,628	213	3,841
Chinese	8	23	31	9	28	37	8	30	38
Indian	401	151	552	409	143	552	447	150	597
Others	174	4	178	175	3	178	129	3	132
Foreigner		2	2	0	2	2		3	3
Total Number Employee	4,199	404	4,603	4,062	394	4,456	4,212	399	4,611

WORKPLACE (CONT'D)

RECRUITMENT	Operation	Management	Total	Operation	Management	Total	Operation	Management	Total
	2018			2017			2016		
Gender									
Male	613	54	667	809	57	866	1,284	56	1,340
Female	14	1	15	24	5	29	18	12	30
Age									
<30	579	40	619	750	41	791	1,234	57	1,291
31 - 50	48	14	62	81	21	102	68	10	78
>51	0	1	1	2	0	2	0	1	1
Total Number Employee	627	55	682	833	62	895	1,302	68	1,370

RESIGNATION	Operation	Management	Total	Operation	Management	Total	Operation	Management	Total
	2018			2017			2016		
Gender									
Male	642	49	691	853	58	911	958	43	1,001
Female	21	6	27	22	7	29	23	10	33
Age									
<30	545	18	563	685	32	717	770	18	788
31 - 50	103	34	137	182	30	212	198	31	229
>51	15	3	18	8	3	11	13	4	17
Total Number Employee	663	55	718	875	65	940	981	53	1,034

VALUING HUMAN AND WORKPLACE RIGHTS

Respecting human rights is a fundamental value of Westports and the organisation has built a reputation on trust and respect. We earn that trust by adopting a set of values that represent the highest standards of integrity and excellence.

We strive to respect and promote human rights in accordance with the UN Guiding Principles on Human Rights. Increasing the enjoyment of human rights extends beyond the workplace into the communities in which we operate.

We provide a safe and healthy workplace to all associates. Employees come to work of their own free will and the use of forced, prison, indentured, bonded or involuntary labour is strongly forbidden. We do not use child labour and we comply with the Children and Young Persons (Employment) Act 1966 at all times. The minimum age is 20 years for all job types including crane operators. Employees are expected to have SPM qualifications as a minimum.

Westports supports freedom of association and the rights of workers and employees to bargain collectively. We adhere to all applicable employment and human rights regulations where operations are based. Our human rights policy is summarised in the Code of Conduct. Suppliers are expected to follow our high standards and all associates review and receive annual awareness briefings on this code.

Westports' Code of Conduct set standards for employees and all subsidiary companies to promote honest and ethical conduct. These standards contain provision for the ethical handling of actual or apparent conflicts of interest between personal and professional relationships in the workplace.

We are pleased to report that there have been no reported incidents or risks of child, forced or compulsory labour. There were no violations of human rights involving the rights of indigenous people in Westports' history.

NO DISCRIMINATION OR HARASSMENT

Discrimination in hiring and employment practices is prohibited. Westports defines discrimination as any distinction, exclusion or preference made on the basis of gender, race, colour, religion, political opinion, national extraction, social origin or age. The Group also makes reasonable accommodation for qualified individuals with known disabilities.

Diversity and inclusion are promoted as cooperation between people with different skills, perspectives, backgrounds and cultures. This approach is a key element in enabling business growth and innovation. A flat hierarchy is practised with all employees being of equal value. We provide a working environment that is free from any form of discrimination, harassment, intimidation or bullying. Physical abuse and the harassment of associates, as well as threats of either, are not tolerated under any circumstances.

The Group policy stipulates that equal opportunities must be provided to all employees with regards to hiring, pay rates, training and development, promotions and other terms of employment. Any acts of discrimination or harassment when dealing with employees, customers and/or suppliers is not tolerated. Offenders are subject to severe disciplinary action including the possible termination of employment.

WHISTLEBLOWER POLICY

Whistleblowing is disclosing misconduct in the workplace. Reporting mismanagement, corruption, illegal, unethical or other wrongdoing is essential to protect employees, customers and Westports as a whole.

Westports insists on a high degree of integrity, transparency and good governance in the conduct of its operations. Westports' Whistleblower Policy provides an avenue for whistleblowers to raise genuine concerns of any wrongdoing without fear of reprisal.

Any complaints or reports can be directed to the Group Managing Director or Head of Human Resources. In the event that the Whistleblower feels that Westports is better served if the report is made to levels higher than management, he or she may submit the complaint directly to the Chairman of the ARMC.

NOTICE PERIOD OF OPERATIONAL CHANGE

Operational change may be minor such as implementing a new work system, or something major such as merging two departments. Westports understands that it is important to ensure that the change is appropriately managed. Proper change management delivers effective results.

Any operational changes occurring that potentially affect employees are communicated throughout the Company through email or other means. The management uses our online intranet platform to communicate updates and changes within the Company. We recognise the importance of two-way dialogue between management and employees.

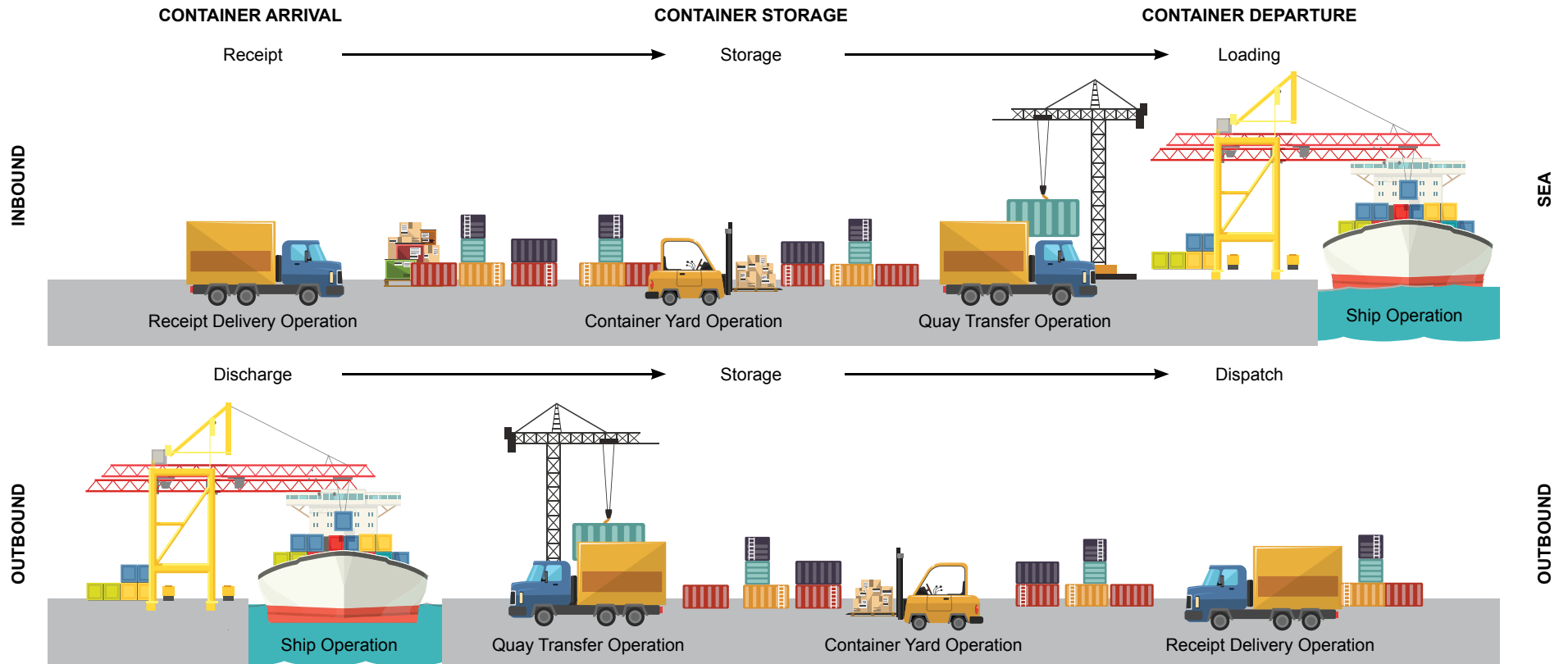
SAFER, SMARTER, SUSTAINABLE OPERATIONS

Terminals are pressured to move greater volumes of cargo faster than ever before while demanding significant improvements in terminal productivity.

Connected technologies are moving ports into the digital age and helping to boost productivity and reduce costs. As global trade increases, vessel sizes and cargo volumes become larger which places additional pressure on ship berths and yards.

Increasingly, Westports invests in smart solutions that will help optimise operations, promote efficiency and reduce logistics costs while considering the impact they have on socio-environmental sustainability.

Terminal Activities and Operations Life-Cycle



SAFER, SMARTER, SUSTAINABLE OPERATIONS (CONT'D)

PROTECTING PUBLIC SAFETY

Westports is responsible for safeguarding the sea and land on its concession operating area at Port Klang's waterfront.

Areas Addressed by Hazards Management



Effective controls protect workers and the public from workplace hazards by:

- Minimising injuries, illnesses and incidents
- Eliminating or at least minimising safety and health risks
- Helping Westports provide workers with safe and healthy working conditions.

ENSURING SAFETY AND SECURITY ON PULAU INDAH

Westports Police, Fire & Rescue and EHS Department was established under the provision of the Police Act 1990 and Privatisation Agreement 1994 to:

- Keep the port and Pulau Indah safe and crime free
- Allow the Port Police and security offices to provide an around-the-clock emergency response on our facilities and surrounding areas for community members
- Respond to distress calls from islanders and on occasions some beyond its jurisdiction

Westports Port Police serves as a relief squad for the Royal Malaysia Police (PDRM), fire brigades and medical services.

During emergencies, our Port Police Team are first responders to incidents on Pulau Indah. They provide an emergency response to accidents, vehicle breakdowns, fires and ambulance services.

Westports Port Police also routinely patrol selected areas to ensure the safety of the Pulau Indah community.

Westports Police, Fire & Rescue and EHS Department oversees the safety and security of the island. Specifically, the department is responsible for emergency and rescue; safety and traffic; port security and crime prevention. In 2018, 34,560 hours were dedicated to traffic management and 26,280 hours to patrolling traffic.

Responsibilities of Westports' Port Police Department

Emergency and Rescue	Safety and Traffic	Port Security	Crime Prevention
<ul style="list-style-type: none"> • On land and underwater rescue operations • Ambulance services for port users and employees • Training on security, port police, industrial safety, fire prevention and rescue training for port users and employees 	<ul style="list-style-type: none"> • Industrial safety, fire protection & prevention aspects • MSDS consultancy on dangerous cargo handling, transportation and storage • Escort services • Standby duty at liquid bulk terminal and dangerous goods storage area • Fire audit for private warehouses • Traffic control on the Pulau Indah road 	<ul style="list-style-type: none"> • Port pass processing • Smart card security system (SCSS) processing • Visitor Management System (VMS) processing at the conventional gate • Security of vessels and cargo • Safeguarding the office building, distriparks and other properties 	<ul style="list-style-type: none"> • Joint operations with the police department in curbing index and maritime crime • Patrolling services for the companies on the port premises and both industrial and residential areas on Pulau Indah • Crime prevention consultancy for commercial sectors in Westports

SAFER, SMARTER, SUSTAINABLE OPERATIONS (CONT'D)

SMART PORT

Connected technologies are moving Westports into the digital age — helping boost productivity and cut costs. As global trade grows, vessel size and cargo volume increase, placing additional pressure on ship berths and yards. The need for Westports to venture into smart solutions is becoming more intense to boost efficiency and reduce costs. Significant progress has been made in recent years to promote a smart and efficient port by introducing various smart infrastructure and processes.

TABLET TERMINAL TRUCK (TT-TAB)

In August 2018, Westports launched its cost-effective and practical Terminal Truck (TT) Vehicle Mounted Tab (VMT). This customised tablet solution rides on an uninterrupted DIGI 4G LTE connection and GPS signal as well as a stable WIFI connection. All of our TTs are now equipped with this tablet.

TT-TAB's real-time GPS tracking system has helped streamline operations and increase the efficiency of container operations. Our TT drivers' attrition rate has increased as result of our improved way of working. Our TT drivers were happy when the G.FM Radio app was installed on all TT-TABs. G.FM Radio provides entertainment and also serves as an important communication tool for TT drivers.

GLOBAL POSITIONING SYSTEM (GPS)

In 2018, we installed an in-house GPS application that allows us to track all equipment from TTs, RTGs and Stackers in real time. It displays a 3D rotational map of Westports terminal and congestion at the wharf and yard so corrective measures can be taken. Tracing the location and travelling route of equipment helps us increase productivity by identifying idling cases and frequency.

OPUS TERMINAL OPERATING SYSTEM

In 2016, Westports began the migration process from COSMOS to OPUS Terminal Operating System (TOS). This migration has now been completed.

TOS is optimised for automated terminal operations. The latest IT technology has been employed in its system architecture, which guarantees high system reliability with transaction load balancing at peak times.

TOS allows us to concentrate on increasing the efficiency of yard operations and can be integrated to complement other terminal operation processes. Some of the TOS's many features are summarised in the following table.

Opus TOS Features

Optimised Yard Operation	Yard Equipment Pooling	Resource Management	Value-Added Management
<ul style="list-style-type: none"> Maximises terminal productivity with optimised real-time planning, job scheduling, dispatching and resource pooling functions Supports the controlling of terminal equipment 	<ul style="list-style-type: none"> Increases the availability of equipment by decreasing yard truck idle time and unnecessary travel by suggesting the optimal travel path Supports pooling per STS crane, vessel and berth which boosts productivity 	<ul style="list-style-type: none"> Supports resource planning and management for labour and equipment that reduces terminal running costs. 16 planners are now required per shift compared to 21 previously. Minimises terminal's unnecessary manual work and maximises the productivity of operations 	<ul style="list-style-type: none"> Offers comprehensive systems for integrated terminal operation: Gate, CFS, M&R Operation, Statistics & Analysis Report, Document Management EDI and Web Service Billing & Customs

The new TOS supports Global Positioning Systems (GPS) and registers all movements in the system. Terminal Tracker real-time data is synced through all IT systems and the global pooling algorithm reduces terminal tractor cycle time. Terminal tractors serve the closest vessel rather than being dedicated to a crane. Truck turn time and empty travelling are reduced, which has resulted in a 30 to 40% reduction in futile trips. The total equipment requirements have also decreased due to reduced redundancy.

The OPUS TOS also has a significant impact on safety and the environment. Fewer futile trips have resulted in reduced fuel use, emissions and vehicle maintenance. More organised and orderly traffic improves safety as fewer Terminal Tractors occupy the same area.

SAFER, SMARTER, SUSTAINABLE OPERATIONS (CONT'D)

TOS also ensures that all export containers are VGM-certified, which is one of the first implementations in Malaysia.

OPUS TOS IMPACT

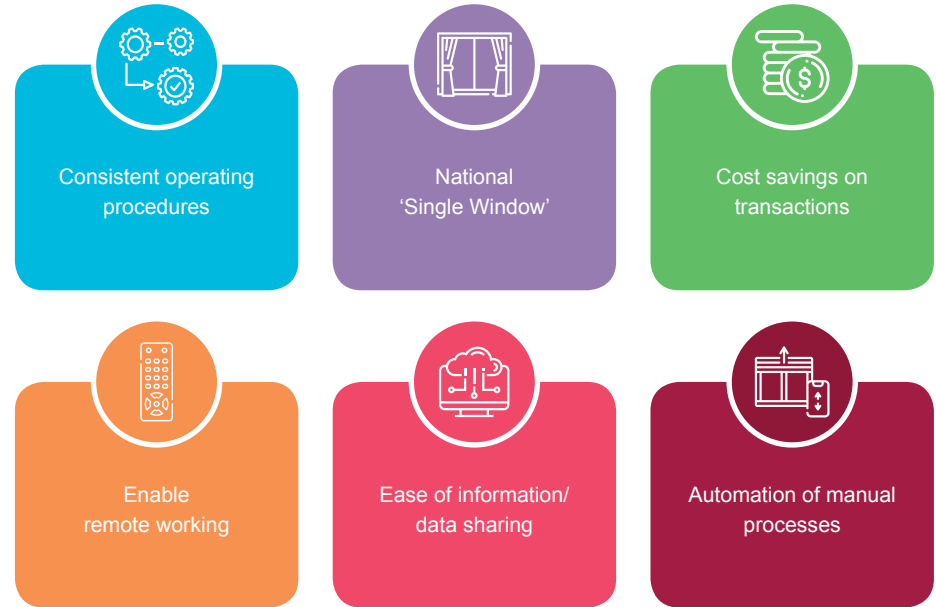
- Terminal truck pooling and deployment efficiency rate has improved 5% to 42%
- TT travels from quay to yard with containers and returns to the quayside with another loading container without futile trips
- TT queueing within the block is minimised by semi-scattering for import and complete scattering for export
- TOS uses effective yard grounding strategy; Inter-Bay Shifting (IBS) is reduced
- Faster servicing time, 10% reduced turnaround for exports and 40% for imports and dual transactions
- Consistently high productivity with fewer TTs deployed
- Vessel planning time reduced by up to 3 hours per vessel which saves 1,100 man-hours per month
- Tight connections improved by 50% as manpower is reduced from 84 to 64 planners
- Plan amendments reduced from 6.5% to 1.1%
- Dual transactions increased by 7% per month on average

COLLABORATING WITH AUTHORITIES IN ENHANCING EFFICIENCY

uCustoms... Towards World Class Customs Administration

uCustoms is an initiative by the Royal Customs of Malaysia to establish an integrated, end-to-end, customs-modernisation solution that delivers a 'Single Window' trade facilitation for goods clearance. The "u" stands for "Ubiquitous" which is defined as "Present, accessible and, or found everywhere*". Westports was selected to be part of the uCustoms pilot that ran in September 2017

This system, which is now fully operational, helps improve Westports' ratings on trading across borders by delivering the following benefits:



uCustoms modules are integrated into our processes such as the Journey Declaration, Cargo Clearance, Vehicle Entry Permit, Physical Check Announcement, Cargo Block and Free zone declaration modules.

Impact of uCustoms

People	Process	Technology
<ul style="list-style-type: none"> • Increased productivity • Capability and knowledge development • Specialisation of skill sets 	<ul style="list-style-type: none"> • Effective accurate and efficient processes • Adopt world standardised processes 	<ul style="list-style-type: none"> • Automated paperless processes • Increased efficiency • Integrated processes and functions

SAFER, SMARTER, SUSTAINABLE OPERATIONS (CONT'D)

CARGOMOVE

CargoMove is an enhancement of Westports current depot booking system which has started to be implemented in May 2018. This platform allows greater efficiency and transparency when entering the port to collect or drop off empty containers. The empty depots are operated by third parties but are collected within the port. Depots are able to plan for the required containers once a booking has been made. This creates a just-in-time readiness as a haulier enters a 30-minute zone. A summary of CargoMove's main features and benefits are shown below.

Main Features	Benefits
Pre-arrival booking	Improved planning and optimised haulier and depot resources
Two-way communication between haulier and depot	Reduced waiting time in terminal as haulier is able to know the readiness of box and depot in advance. Indirectly, emissions and costs for these external hauliers are also reduced.
Automatic registration of 'in' and 'out' terminal via GeoFence / GPS	Fewer futile trips for Terminal Tractors
Data analytics and reporting capability for depot and haulier	Availability of data, which can be benchmarked with other industry players overseas, to improve our logistics efficiency

PROTECTING CUSTOMER PRIVACY

Westports understands the importance of keeping personal data private and confidential and all customer data is handled with a high level of security and integrity. Safeguarding the interests of each and every customer is vital and Westports complies with all relevant rules, regulations, legislation and controls in protecting the privacy of personal information.

Westports adheres to the seven principles of data protection as set out in the Personal Data Protection Act 2010 (PDPA). Under the PDPA, every individual, including our customers has:

- The right to be informed of how personal information is accessed
- Some control over the nature and content of information held
- The right to know the purpose for which the information is held or processed

COMPLIANCE

Westports takes compliance issues seriously, investigating each and revisiting operational controls when necessary. We comply with all rules and regulations which govern our operations including the Ordinan Perkapalan Saudagar 1952, Customs Act 1967, Free Zone Act 1990 and GST Act 2014. We also conform to all other relevant regulations related to operational safety and environmental protection.

Westports adheres to all laws and regulations relevant to operations. Examples of laws and regulations complied with include the:

- Port Authorities Act 1963
- Port (Safety of Workers) Rules, 1985
- International Ship and Port Facility Security (ISPS)
- ISO/ IEC 27001 – Information Security Management System (ISMS)
- SOLAS Act – Weighbridges at Container Gate

ASSURANCE STATEMENT



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INDEPENDENT ASSURANCE STATEMENT

Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Westports Holdings Berhad (hereafter referred to as Westports) to perform an independent verification and provide assurance of the Westports Holdings Berhad Sustainability Report 2018. The main objective of the verification process is to provide assurance to Westports and its stakeholders of the accuracy and reliability of the information presented in this report. This was confirmed through checking and verifying claims made in the report. The verification audit by SIRIM QAS International covered all sustainability-related activities which had been included in the Westports Sustainability Report 2018.

The management of Westports was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Westports Holdings Berhad Sustainability Report 2018.

Verification team

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aernida Abdul Kadir : Team Leader
- 2) Mr. Shaiful Azmir A. Rahman : Team Member

Methodology

The verification process was carried out by SIRIM QAS International in February and March 2019. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report;
- Reviewing of internal and external documentation and displays such as awards, press releases, media publications, internal newsletters, internal systems, etc.;
- Interviewing of key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims;
- Evaluating the adequacy of the Sustainability Report of Westports Holdings Berhad and its overall presentation against the GRI Standards.

During the verification process, issues were raised and clarifications were sought from the management of Westports relating to the accuracy of some of the data and statements contained in the report. The report was subsequently reviewed and revised by Westports in response to the findings of the verification team. It can be confirmed that the changes that have been incorporated into the final version of the report satisfactorily address the issues that had been raised.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of information reported in the Westports Annual Report 2018;
- The verification was designed to provide limited assurance of whether the Sustainability Report is presented fairly, in all material aspects, and in accordance with the reporting criteria. It was not intended to provide assurance of the organization's ability to achieve its objectives, targets or expectations on sustainability-related issues;
- Only the corporate office in Pulau Indah, Port Klang was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Westports's operating assets; and
- The verification team did not review any contractor or third party data.



ASSURANCE STATEMENT (CONT'D)

Materiality

Since 2016, Westports has strengthened its materiality determination process to enable better disclosure of the level of impact of each material issue along with the value chain. Important sustainability areas are prioritized to further improve business operations and drive sustainable progress in the society. In 2018, Westports has appointed an external consultant to conduct a stakeholder materiality survey in order to ensure impartiality and secure the anonymity of the respondents. From the engagement exercise, nineteen (19) material topics were identified and the results were then presented on a materiality matrix. Accordingly, the relevant materiality topics were mapped into the relevant Sustainability Development Goals (SDGs).

Carbon footprint

As for the GHG emission reporting in year 2018, Westports has included Scope 1 – Direct Emission, Scope 2 – Indirect Emission and Scope 3 – Other Indirect Emission. The GHG emission identification and quantification has been carried out in accordance with the requirements of ISO 14064-1:2006 with the following boundaries:

- The Scope 1 covered emissions from fuel consumption by machinery and company-owned vehicles;
- The reporting of Scope 2 emissions resulting from electricity consumption, which was used to power the cranes, reefer containers and the port operational facilities at headquarters;
- The Scope 3 covered air travelling and employee commuting;
- The air travelling for Scope 3 has been based on the information provided from a centralized system which has been employed by Westports to handle the booking of all majority flights;
- As for the employee commuting, it has been estimated based on the total annual emissions produced by the entire workforce's daily commute. The information was collected via online survey managed by the appointed external consultant.

The total computation of the GHG emission for Westports has been determined by an appointed external consultant. The verification was carried out in accordance with the requirements of ISO 14064-3:2006. Based on reviewed information, the following was verified:

Greenhouse gas emissions (tCO ₂ e)		
Scope 1	Scope 2	Scope 3
121,878	71,886	6,596

Conclusion

Based on the scope of the verification process, the following represents SIRM QAS International's opinion:

- The level of accuracy of data included in the Westports Holdings Berhad Sustainability Report 2018 is fair and acceptable;
- The Sustainability Report was prepared in accordance with the GRI Standards. The overall report content and quality were well established. The level of sustainability performance information in the report was found to be acceptable;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origins and interpretation of data contained in the report;
- Westports has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit;
- The report provides a reasonable and balanced presentation of the sustainability performance of Westports.

Prepared by


AERNIDA ABUL KADIR
 Verification Team Leader
 Management System Certification
 Department
 SIRM QAS International Sdn. Bhd.

Date : 15 March 2019

Approved by


HJ BASORI BIN HJ SELAMAT
 Acting Senior General Manager
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 SIRM QAS International Sdn. Bhd.

Date : 15 March 2019

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