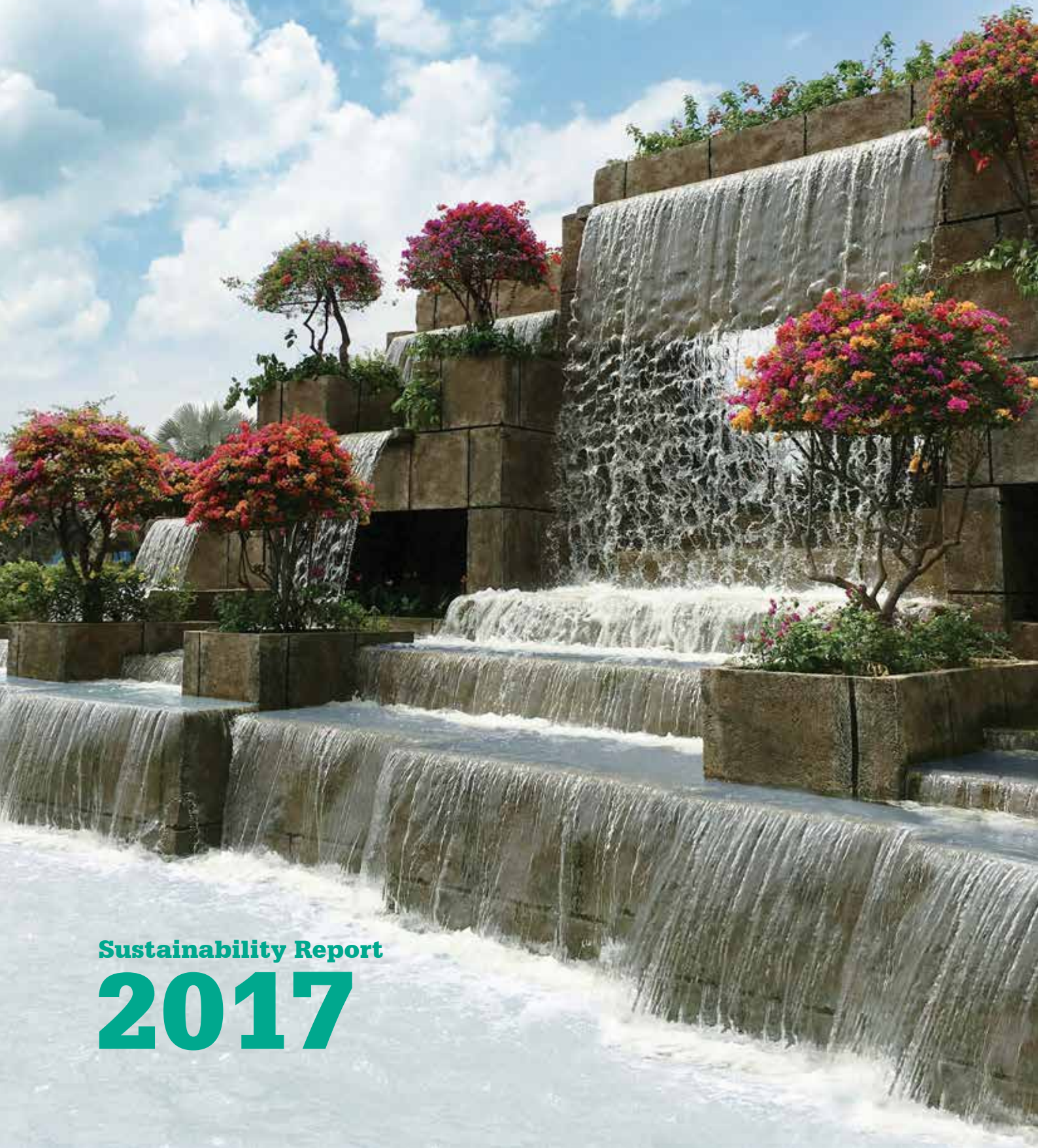




PROVEN. TRUSTED. FRIENDLY.



Sustainability Report

**2017**



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## **About This Report**

**This is our second sustainability report. It complements our Annual Report 2017, which highlights the financial aspects and other corporate governance related matters of our organisation in particular. These two publications provide a clear, comprehensive and transparent disclosure of our management of economic, social and environmental aspects across Westports' business operations.**



## Scope of Report

1 January to 31 December 2017 (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

## Feedback

This report can be downloaded by all stakeholders from our corporate website, [www.westportsholdings.com](http://www.westportsholdings.com)

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[www.westportsmalaysia.com](http://www.westportsmalaysia.com)

# Our Sustainability Performance at a Glance

	2015	2016	2017
<b>ENVIRONMENT</b>			
<b>Energy &amp; Water</b>			
Diesel (million litres)	41.8	45.4	42.3
Electricity (million kWh)	84.2	95.5	91.5
Water (million m <sup>3</sup> )	1.44	1.36	1.34
<b>Efficiency</b>			
TT (ℓ/Move)	2.36	2.19	2.21
TT (ℓ/TEU)	1.62	1.51	1.52
TT (ℓ/hr)	7.32	6.52	6.28
RTG (ℓ/Move)	1.26	1.16	1.20
RTG (ℓ/TEU)	0.86	0.80	0.83
RTG (ℓ/hr)	17.13	16.26	15.59
Tugboat (ℓ/TEU)	1.02	1.01	1.13
Tugboat (ℓ/Vessel Call)	985	1,044	1,189
kWh/TEU	9.35	9.52	10.14
<b>Emissions (tonnes)</b>			
Scope 1	110,500	120,017	111,822
Scope 2	62,392	70,766	63,501
Scope 3	-	120	284
<b>Emissions Intensity (kg)</b>			
TT (CO <sub>2</sub> e/Move)	6.24	5.79	5.83
TT (CO <sub>2</sub> e/TEU)	4.28	3.99	1.52
TT (CO <sub>2</sub> e/hr)	19.35	17.24	16.61
RTG (CO <sub>2</sub> e/Move)	3.33	3.07	3.18
RTG (CO <sub>2</sub> e/TEU)	2.27	2.11	2.19
RTG (CO <sub>2</sub> e/hr)	45.28	42.98	41.22
Tugboat (CO <sub>2</sub> e/TEU)	2.70	2.67	2.98
Tugboat (CO <sub>2</sub> e/Vessel Call)	2,604	2,760	3,142
Electricity (CO <sub>2</sub> e/TEU)	6.93	7.05	7.04
Ozone-depleting substances	0.00	0.00	0.00
<b>Waste</b>			
Scheduled Waste (tonnes)		255	393
Hydraulic Oil Recycled (tonnes)		6.56	9.60
<b>OUR WORKFORCE</b>			
<b>Total Workforce (Operations)</b>	3,891	4,212	4,062
By Gender			
Male	3,788	4,114	3,963
Female	103	98	99
By Age (Operations)			
Below 30	1,963	2,427	2,095
31 to 50	1,808	1,678	1,792
Above 51	120	107	175
By Ethnicity (Operations)			
Malay	3,346	3,628	3,469
Chinese	10	8	9
Indian	465	447	409
Others	70	129	175
<b>Total Workforce (Management)</b>	384	399	394
By Gender			
Male	344	357	355
Female	40	42	39

	2015	2016	2017
<b>By Age (Management)</b>			
Below 30	130	169	112
31 to 50	236	215	259
Above 51	18	15	23
<b>By Ethnicity (Management)</b>			
Malay	192	213	218
Chinese	31	30	28
Indian	156	150	143
Others	2	3	3
Foreigners	3	3	2
<b>Turnover Statistics</b>			
<b>Workforce Turnover (Operations)</b>			
<b>By Gender</b>			
Male	607	958	852
Female	6	23	22
<b>Turnover By Age (Operations)</b>			
Below 30	398	770	685
31 to 50	198	198	182
Above 51	17	13	8
<b>Workforce Turnover (Management)</b>			
<b>By Gender</b>			
Male	38	43	58
Female	3	10	7
<b>Turnover By Age (Management)</b>			
Below 30	16	18	32
31 to 50	23	31	30
Above 51	2	4	3
<b>Recruitment Statistics</b>			
<b>Newly-hired Workforce (Operations)</b>			
<b>By Gender</b>			
Male	505	1,284	809
Female	9	18	24
<b>By Age (Operations)</b>			
Below 30	474	1,234	750
31 to 50	40	68	81
Above 51	-	-	2
<b>Newly-hired Workforce (Management)</b>			
<b>By Gender</b>			
Male	25	56	57
Female	11	12	5
<b>By Age (Management)</b>			
Below 30	23	57	41
31 to 50	13	10	21
Above 51	-	1	0



## A Message from the Chairman and Group MD



Tan Sri Datuk Gnanalingam  
A/L Gunanath Lingam

Datuk Ruben Emir Gnanalingam  
Bin Abdullah



**We are privileged to present our Sustainability Report 2017 which highlights our initiatives that promote sustainable development at Westports. This is our second publication and we focus on our contribution to the economic, environmental and social conditions for all our stakeholders.**

Westports continues to be one of the ports of choice. It meets the regional transshipment requirements of the new container shipping alliances despite significant changes in the container shipping industry over the last year, especially for the Intra-Asia, Asia-Europe and Asia-Europe trade routes. In addition to servicing vessels calling us under the alliances, Westports also caters to individual alliance members as well as independent liners that berth at our container terminal to carry gateway cargoes and conduct transshipment moves.

The continuous calls by all categories of liners reflect our capabilities of providing exemplary services at cost-competitive rates for the turnaround of any vessels. Westports' crane and vessel productivity facilitate expedient vessel turnaround time, which supports shipping clients' aim of curtailing excessive operating costs. Westports also provides value-added logistics services in or near its port so that its clients can seamlessly integrate their requirements into Westports' core port operations.

Westports handled a total throughput of 9.0 million Twenty-foot Equivalent Unit ("TEU") in 2017. Gateway containers grew strongly to 2.8 million TEUs. However, transshipment containers reduced to 6.2 million TEUs as they were affected by the formation of new global alliances, their re-constituted service offerings, as well as mergers and acquisitions that involved some of our most prominent clients. In 2017, our capacity utilisation was around 69%. The lower volume allowed us to reflect on how to improve our overall sustainability programmes and initiatives while also reducing our diesel, electricity and water consumption.

Business operations focused on improving capacity and efficiency throughout the year. Our wharf expansion, up to CT9, is now fully operational. Our proposed long-term expansion from CT10 to CT19 should boost our long-term total annual terminal handling capacity to 30 million TEUs.

Meanwhile, our Logistic Department handled a total of 1,139,019 transactions, 6.2% more than in 2016. This was made possible by shifting all outbound import movements to our second gate with a total of 14 lanes and further improving traffic flow by making every transaction seamless for both exports and imports.

We installed 10 self-serving kiosks at the new gate, integrating the pre-arrival booking system to help expedite traffic movements and ensure the highest level of safety and security. Haulage drivers can now enter and exit from our gate lanes with a minimum average time of 35 minutes. Higher productivity at the Container gate translates to higher customer satisfaction and faster clearance in line with making Westports the preferred Gateway port of choice in Malaysia.

As always, IT played an integral role in meeting the future demands by increasing productivity, efficiency and capacity while increasing safety and security, and enhancing customer service. We also completed the migration of Terminal Operation System (TOS) to the more advanced OPUS system in 2017. Guaranteeing high system reliability with transaction load balancing at peak times, the new TOS is expected to increase yard operations, improve overall terminal operational efficiency while reducing carbon emissions per container moved in the future.

**Tan Sri Datuk G. Gnanalingam**  
*Executive Chairman*

**Datuk Ruben Emir Gnanalingam**  
*Group Managing Director*

## **Vision**

To Be A Successful Gateway for the Nation's Trade Inventory and the Pride of the Nation In Terms of Employee Relations, Customer Satisfaction and Corporate Citizenship.

## **Mission**

To Achieve 12 Million TEUs and 12 Million Tonnes of Cargo by 2020 with Excellent Returns for the Employees, Shareholders and Customers.

# About Us

Westports Malaysia is a leading port in the world, supported by superior productivity and a water depth of 15 to 17.5 metres. This makes us one of the preferred transshipment hub port 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 75% of the market share in container volume throughput as at the end of 2017. We handled 9.0 million twenty-foot equivalent units ("TEUs") and 10.9 million metric tonnes of bulk cargo in 2017

Productivity in Westports, in terms of container moves per hour ("mph"), is among the highest in the world, averaging about 30 mph per crane compared to the industry standard of 27 mph. This translates into a faster turnaround for vessels that make our port their home.

In 2018, we will be capable of handling 14 million TEUs with the current 5.8 kilometres of straight container quay and 67 ship-to-shore cranes. Our wharf expansion, up to CT9, is now fully operational. Our proposed long-term expansion from CT10 to CT19 is expected to boost our total terminal handling capacity to 30 million TEUs per annum.

Westports is a truly Malaysian Port with the Company's workforce of 4,456 being Malaysian. Many are from Pulau Indah, the island where Westports Malaysia is situated. Hardcore poverty has been reduced dramatically on the island, making us a truly Corporate Social Responsibility Malaysian Port.



# Westports Objectives



## 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.



## 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.



## 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.



## 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.



## Service Excellence

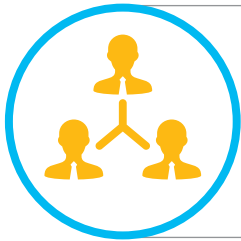
We are committed to providing world-class services that surpass our customers' requirements and expectations. We strive to focus on conducting an in-depth study and unvarying improvement to meet our customers' ever-changing needs.



## 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.

# Westports Culture



## Teamwork

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

## 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.

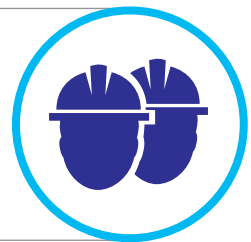


## Now Culture

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.

## 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

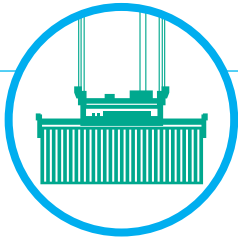
Westportians develop a passion for excellence and success through continuous innovation of new ideas and practices.



## 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.

# Services



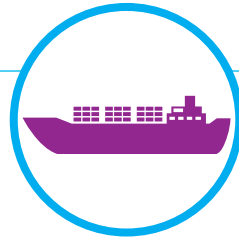
Deployment of 9 ship-to-shore cranes to CSCL Le Harve and attaining record productivity of 793 moves per hour

**Container**



Break bulk, dry bulk and liquid bulk have enjoyed favourable performance and throughput growth

**Conventional**



Ensure customers' vessels move efficiently and safely

**Marine Facilities**



Providing consolidation and break-bulking facilities within the Free Commercial Zone

**Container Freight Station (CFS)**



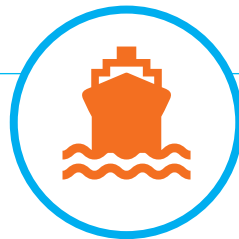
Houses government agencies, enforcement bodies, shipping lines and logistics service providers under one roof

**One-Stop Business Centre**



Provides storage services and warehousing, and facilitates the consolidation and deconsolidation of cargoes

**Distripark**



Provides bunkering services by supplying fuel for ships docking at the terminal

**Bunkering**



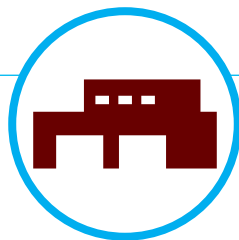
Reefers are handled at the terminal for transporting temperature sensitive cargoes

**Reefer**



The safety and security measures at Westports are of international standards befitting a world-class port

**Port Police**



Main shipping lines and feeder operators can store their empty boxes within the terminal

**On-Dock Depot (ODD)**



Specialised handling of steel, timber, agriculture and mineral cargoes

**Bulk Storage**



# Awards and Recognitions



**Value Creator: Malaysia's Outstanding CEO of The Year**  
for Tan Sri Datuk G. Gnanalingam  
by The Edge Billion Ringgit Club, 2017



**Big Cap Companies Highest Return to Shareholders over three years**  
**(RM 10 billion to RM 40 billion market capitalisation)**  
- Silver Award by The Edge Billion Ringgit Club, 2017



Excellence in Logistics Award by Malaysia International Business Awards 2017



Port / Terminal of the Year Award - South East Asia 2017 by Global Ports Forum



Life Time Achievement Award in Port / Terminal Industry for Tan Sri Datuk G. Gnanalingam by Global Ports Forum 2017



Best Employer Award 2016/2017 by Employer Branding Awards



The BrandLaureate Elite of Elites Brand Leadership Award - King of Logistics Integrated Port Solutions 2016 - 2017 for Tan Sri Datuk G. Gnanalingam by The BrandLaureate Bestbrands Awards 2016 - 2017

# Board of Directors



Tan Sri Datuk Gnanalingam  
A/L Gunanath Lingam



Tan Sri Dato' Nik Ibrahim Kamil  
Bin Tan Sri Nik Ahmad Kamil



Tan Sri Ismail Bin Adam



Ip Sing Chi



Ruth Sin Ling Tsim



Dato' Yusli Bin Mohamed Yusoff



Chan Soo Chee



Datuk Ruben Emir Gnanalingam  
Bin Abdullah



Chan Chu Wei



Kim, Young So



Shanthi Kandiah



John Stephen  
Ashworth



# Statement of Value Added and Distribution

For the Financial Year Ended 31 December

(In RM'000)	2017	2016
<b>VALUE ADDED:</b>		
Revenue	2,088,608	2,035,015
Less: Construction revenue	(372,727)	(230,679)
Operational revenue	1,715,881	1,804,336
Purchase of goods and services	(557,173)	(584,040)
<b>Total value added available for distribution</b>	<b>1,158,708</b>	<b>1,220,296</b>
<b>DISTRIBUTION:</b>		
To employees		
- salaries and other staff costs	228,215	233,228
To government		
- income tax	25,371	117,838
To provider of capital		
- dividends	445,755	446,028
- finance costs (net)	67,779	64,165
Retained for future reinvestment & growth		
- depreciation and amortisation	185,832	168,084
- retained profits	205,756	190,953
<b>Total distributed</b>	<b>1,158,708</b>	<b>1,220,296</b>
<b>RECONCILIATION:</b>		
Profit for the year	651,511	636,981
Add: Depreciation & amortisation	185,832	168,084
Finance costs (net)	67,779	64,165
Staff costs	228,215	233,228
Income tax	25,371	117,838
<b>Total value added</b>	<b>1,158,708</b>	<b>1,220,296</b>

Value added is a measure of wealth created. The above Statement shows the Group's value added for 2016 and 2017 and its distribution by way of payments to employees, government and capital providers with the balance retained in the Group for future reinvestment and growth.

# We Seek Insight From Everyone Our Business Affects

As active members of society, we strengthen the fabric of our communities so that we can prosper together. We engage with various stakeholder groups in a variety of formal and informal settings across our entire operations. Our sustainability strategy's success relies on input from key stakeholders. This invaluable insight helps us:

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

Stakeholder engagement is based on expertise, collaboration level, suitability, relevance location and sphere of influence.

## TYPICAL STAKEHOLDER ENGAGEMENT



Compared with other organisations, Westports operates in a dynamic environment, which makes active two-way communication even more crucial. Regular dialogue and varying levels of engagement are held with different stakeholders, sometime on a daily basis.

**We constantly improve our engagement process so that we can understand the material issues affecting our stakeholders more clearly. Engagement helps our stakeholders while creating and sharing value.**

## OUR KEY STAKEHOLDERS



# Methods and Frequency of Engagement

There is no single way of dealing with all transactions due to the unique characteristics of port operations. Business dealings involve different stakeholder groups with different expectations, schedules, priorities and concerns. Each transaction also differs in terms of goods and services rendered and this influences the stakeholders we engage with and the required handling procedures. Westports provides a unique stakeholder engagement experience for each transaction on a day-to-day basis.

Stakeholder Group	Westports' Commitment	Engagement Method	Frequency of Engagement
Port Users	We communicate actively and deliver our work performance with speed and consistency.	Customer feedback to Westports Customer support centre Social media tools Market research Events, dialogue sessions, roadshows & engagement sessions	Daily Daily Regularly Regularly Ad-hoc
Administration & Management	We empower our staff to carry out their work responsibilities efficiently with integrity	Engagement sessions Internal meetings	Regularly Regularly
Government & Authorities	We build constructive, respectful, open and transparent relationships with all regulators and authorities.	Formal meetings Performance reports Discussions on government initiatives	Ad-hoc Regularly Ad-hoc
Shareholders & Investors	We enhance shareholder value by adhering to the highest standards of corporate governance and work towards a healthy return on investment.	IR events Annual & sustainability reports Annual general meetings Extraordinary general meetings Shareholder updates Quarterly reports Corporate presentations	Ad-hoc Annually Annually Ad-hoc Regularly Quarterly Regularly
Community	We believe that charity begins at home and are committed to the development and future of Pulau Indah.	Website Annual & sustainability reports Visits, seminars & joint activities Community engagement activities	Regularly Annually Ad-hoc Regularly
Employees	We provide a great place to work and grow, where both individual accomplishments and team efforts are rewarded.	Employee satisfaction survey Dialogue & engagement HR Portal, departmental meetings & newsletters Employee engagement programmes	Annually Regularly Regularly Regularly
Suppliers	We are committed to developing and maintaining effective professional relationships with our suppliers to provide high-quality services to customers.	Suppliers' awareness programmes Suppliers' training programmes Supplier relationship management	Ad-hoc Regularly Regularly
Professional Bodies	We work together with professional bodies to guarantee compliance and excellence.	Dialogue & engagement Joint activities Consultations & negotiations Certifications Annual & sustainability reports Campaigns & roadshows	Regularly Regularly Ad-hoc Ad-hoc Annually Regularly
Non-Governmental Organisations (NGOs)	We work with relevant NGOs for the benefit of society at large.	Dialogue & engagement Collaboration Sponsorships/donations Social media & other online channels	Regularly Regularly Ad-hoc Regularly

# Investing Time and Resources Where They Matter Most

Materiality assessments are a useful way of reviewing our sustainability issues. They reconfirm our long-standing areas of focus while shaping our sustainability strategy and investments. This exercise helps us concentrate on areas that achieve the greatest impact, determine any gaps and identify emerging issues and new leadership opportunities for our business. We are working on formulating goals related to several of our most material issues in order to manage performance and drive long-term progress.

## THE MATERIALITY PROCESS

Westports conducted a materiality survey during the last quarter of 2016. An external consultant's help was sought to guarantee complete objectivity.

### Stakeholders Views Considered During the Materiality Survey



The respondents were asked to rate the importance they placed on 38 areas of sustainability.

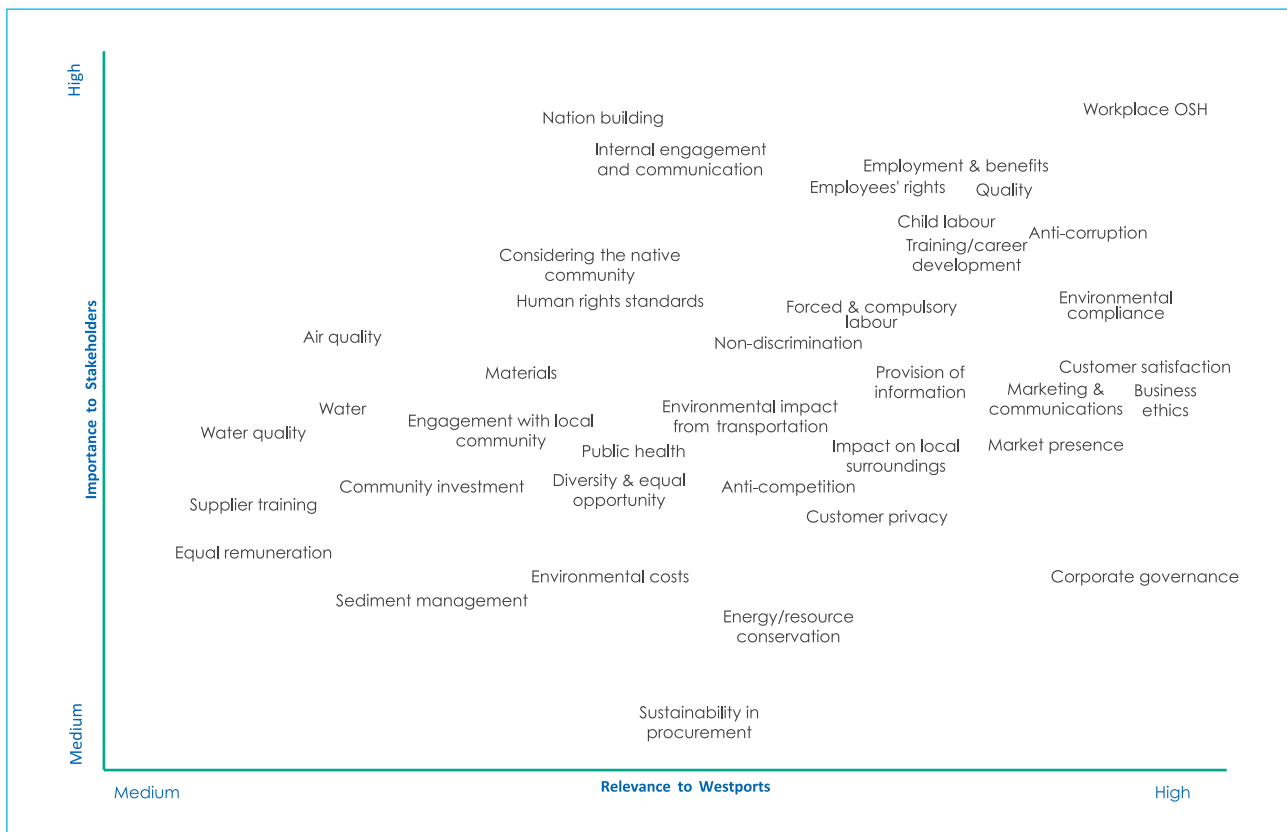
### Sustainability Areas Assessed in the Materiality Study

<b>Economic</b>
Market presence; nation building; community investment; corporate governance; business ethics
<b>Environment</b>
Energy/resource conservation; materials; water; air quality; water quality; sediment management; environmental impact from transportation; environmental compliance; environmental costs
<b>Social: Labour Rights &amp; Decent Work</b>
Employment & benefits; workplace OSH; training/career development; diversity & equal opportunity; equal remuneration; internal engagement and communication
<b>Social: Human Rights</b>
Human rights standards; non-discrimination; child labour; forced & compulsory labour; employees' rights; considering native community
<b>Social: Society</b>
Anti-corruption; impact on local surroundings; engagement with local community; anti-competition
<b>Social: Product Responsibility</b>
Provision of information; marketing & communications; public health; sustainability in procurement; supplier training; quality; customer satisfaction; customer privacy

A five-point Likert scale allowed respondents to indicate how important each criterion was, from 'Less important' (1) to 'More important' (5).

## Investing Time and Resources Where They Matter Most

The same survey was completed by several members of the Board which represented the views of Westports. In 2017, we reviewed our materiality matrix to ensure that our sustainability focus remains relevant. Our business operations have not changed so there was insufficient need to perform a new materiality study in 2017. However, we will continue monitoring these sustainability issues and will perform new analysis when required. Our materiality matrix is presented below.





# Sustainability

A sustainable port delivers economic prosperity through trade and maintains a healthy environment. It also develops thriving communities through meaningful collaborations, shared aspirations and collective accountability.

## Facilitating Nation's Economic Growth Through Trade

- Leading terminal operator in Port Klang
- 75% market share of container volume throughput
- Handled 9.0 million twenty-foot equivalent units ("TEUs") and 10.9 million metric tonnes of bulk cargo
- Container moves about 30 mph per crane

## Healthy Environment

- 100% of our sites have been ISO 14001:2004 certified since 2009
- Green Port practices
- Certified 81% of the total 427,231 laden containers that pass through our gates
- Effluents and emissions readings within limit set by the authorities

## People Oriented & Employment Creation

- 4,456 strong workforce that is almost 100% Malaysian
- 249 Penghulus and 25 mentors ensure a dynamic workforce
- Average training hours of 110 hours for employees and 55 hours for management
- All operations are OHSAS 18001:2007 certified

## Thriving Communities

- Three schools in Pulau Indah adopted under the Trust School Programme
- Westports' community projects focus on upgrading Pulau Indah and enhancing the well-being of its community
- Westports' Port Police keeps the port and Pulau Indah safe and crime free

## Good Governance

- Sustainability governance is integrated into Westports' businesses

We are committed to a safe, healthy and appealing port and environment. We are cognisant of climate change and seek to minimise unnecessary carbon emissions 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.

# Economic

As important gateways of international trade, ports are major accelerators of local economic development in the age of globalisation. Ports also generate important economic activity in coastal areas.

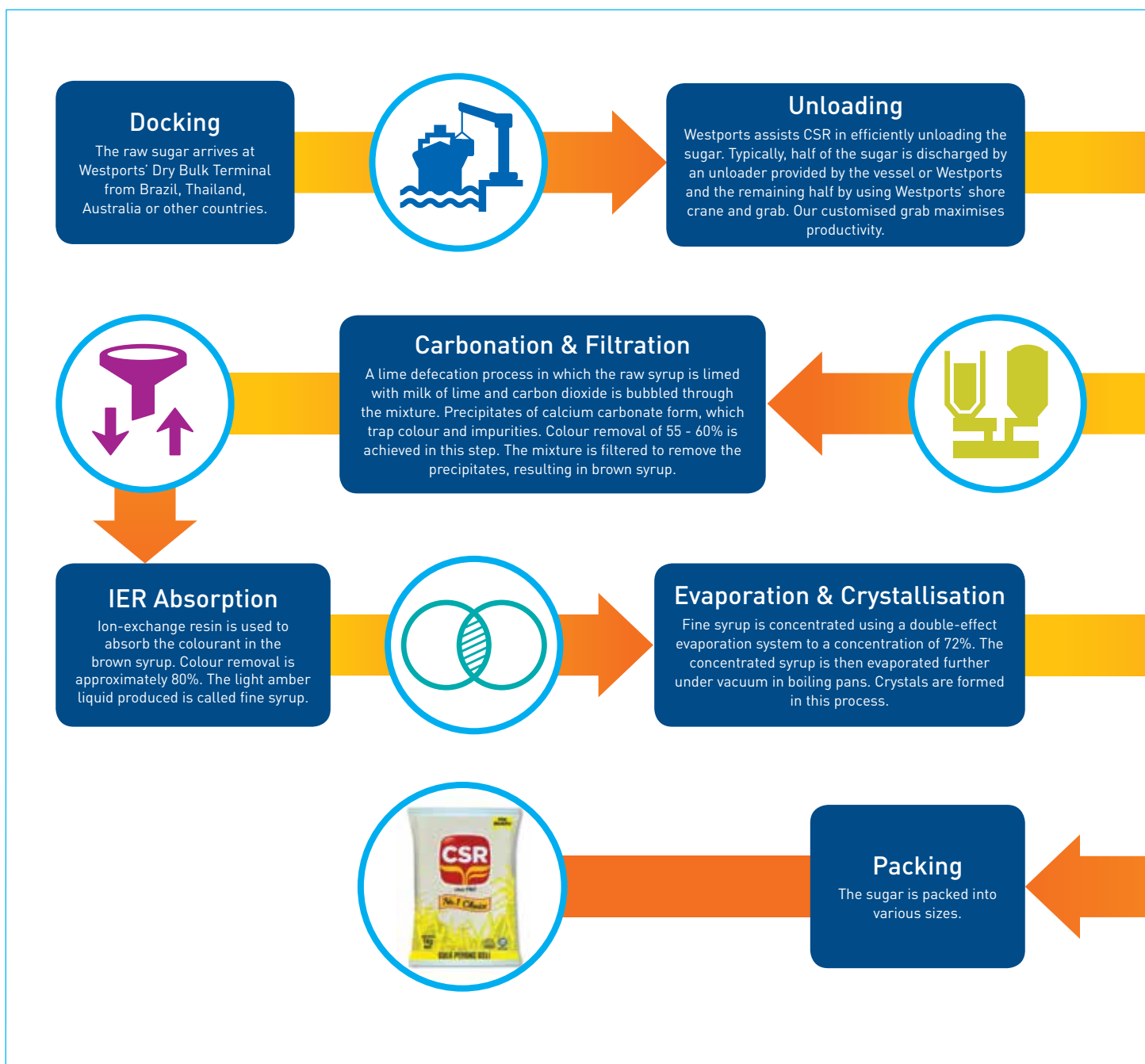


The higher the throughput of goods each year



The more infrastructure, provisions and associated services are required, bringing varying degrees of benefits to the economy and Malaysia

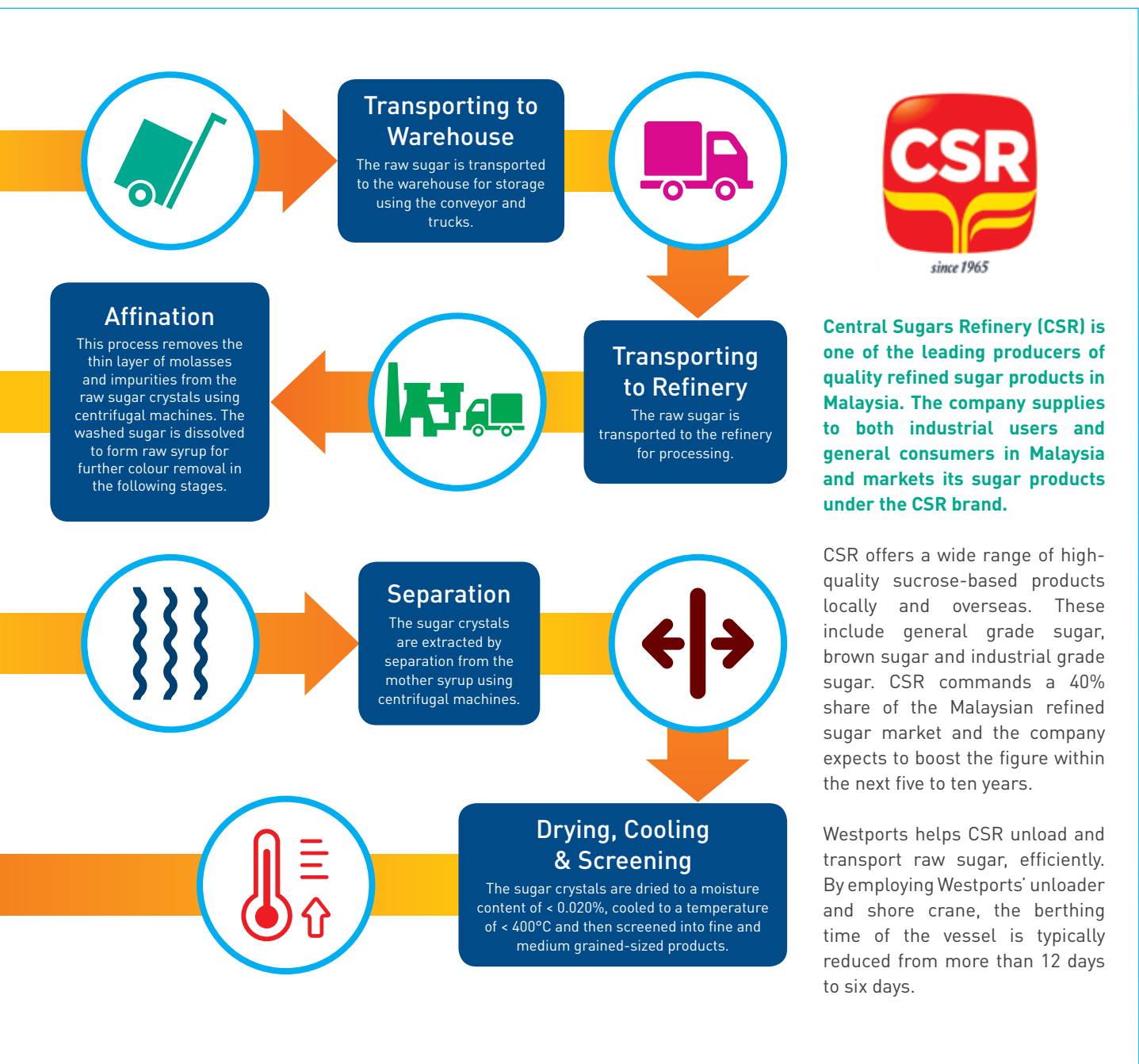
## THE JOURNEY OF SUGAR TO YOUR KITCHEN



Ports stimulate economic activity as they act as a crucial connection between sea and land transport. Ports serve as both economic and social functions by providing employment.

Seaway transportation is the cheapest and most effective system in terms of load carried. Industries require a safe and cheap means of exporting finished goods and importing raw materials. Unsurprisingly, the majority of industries across the world are located in the coastal belts, close to major ports. These industries also affect the lives of employees and indirect benefactors.

In this report, we will highlight one of our major clients and illustrate our relationship with them in bringing in goods for the benefit of consumers.



## Economic

### WESTPORTS' PIVOTAL ROLE IN INTERNATIONAL MARITIME TRADE AND MALAYSIA'S ECONOMIC DEVELOPMENT

Westports has expanded over the years to become a megahub for both local and transshipment containers. In 2018, we will be capable of handling 14 million TEUs with the current 5.8 kilometres of straight container quay length and 67 ship-to-shore cranes. Our wharf expansion, up to CT9, is now operational. Our proposed long-term expansion from CT10 to CT19 is expected to boost our total terminal handling capacity to 30 million TEUs per annum.

#### How We Create Value to Economic Growth

##### Providing connectivity to quickly transport products to consignees

We handle inventory and dispatch goods, resulting in a quicker turnaround time. We facilitate the delivery of consumer goods and raw materials that supply Malaysia and 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 wharfs 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.

### WESTPORTS' GROWTH OUTLOOK

Expanding Malaysia's ports is important in order to cater to the growing container-handling requirements from shipping lines. We are growing rapidly especially in recent years with our port expansion project.

#### Our Expansion Progress in 2017



We completed the Container Terminal 8 (CT8) expansion at a cost of RM1.17 billion in 2017.



We have completed the 600-metre CT9 container wharf and began operations at the end of 2017. The current capital expenditure for CT9 is RM559 million.

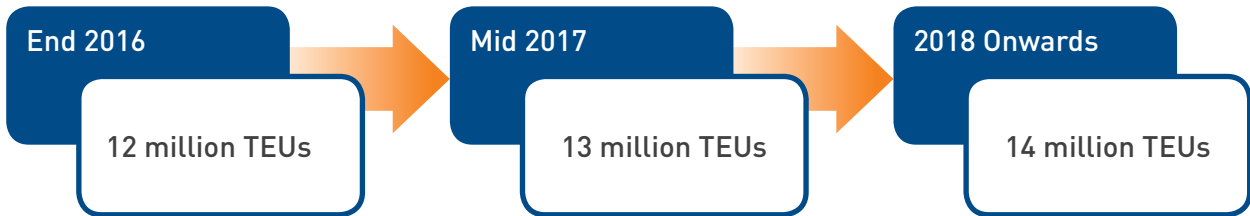


We secured an approval-in-principle from the government to expand our container terminal facilities from CT10 to CT19. This will enhance Westports total handling capacity to 30 million TEUs per annum.

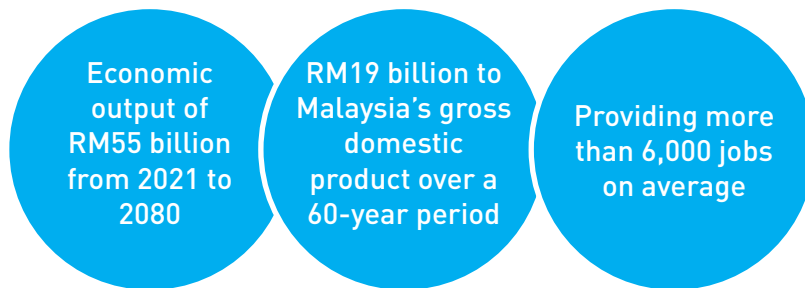
Our expansion is in line with the government's five-year Logistics and Trade Facilitation Masterplan (2015-2020), which seeks to elevate Malaysia as a "Preferred Logistics Gateway to Asia" by 2020. Our expansion will ensure that Port Klang:

- Keeps up with the planned gateway and regional transshipment requirements
- Continues to be one of the preferred mega transshipment hubs in the region

### Forecast Capacity Following Expansion



### Westports' Long-Term Expansion as a Catalyst of Growth



### BOOSTING LOCAL EMPLOYMENT

Westports prioritises locals when hiring with many being from Pulau Indah. Westports is truly a Malaysian port that upholds the spirit of 1Malaysia. Almost all employees are Malaysian with 83% being Bumiputera.

Westports offers internship opportunities to graduates or undergraduates looking to experience a real business environment. Interns are accompanied by a personal mentor for the duration of their internship. Mentors share their expertise which helps interns discover the required skills for their future careers. 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 the Jabatan Tenaga Kerja. We collaborated with ministries and government agencies to provide employment to *Bumiputera* and *Orang Asli*.

### WESTPORTS' ELECTRONIC PROCUREMENT SYSTEM

Westports' active utilisation of its Electronic Procurement System (E-proc) ensured that all prices and other related information are efficiently processed and transparent.



# Economic

## Benefits of Westports' E-proc System

 <p>Procurement process automation</p>	 <p>Higher productivity with re-usable tenders and templates</p>	 <p>Standardised buying methods across Westports</p>
 <p>Better pricing as spending is leveraged across Westports</p>	 <p>Protection against unauthorised spending</p>	 <p>Higher efficiency and reduced cost per transaction</p>
 <p>Auditable procurement information and data</p>	 <p>Automated and optimised negotiations with vendors</p>	 <p>More transparent information for suppliers</p>
 <p>Drastically reduced paperwork</p>	 <p>Reduced procurement cycle time</p>	 <p>Increased supplier pool and standardised information allows better comparisons of vendors</p>

Westports has been using the Procurehere Version 7.0 in automating its procurement process. One of the benefits of using Procurehere is that it removes much of the hassle of submitting paperwork and filling out forms. This latest version of the e-procurement application allows us to manage all types of purchases, tenders and communication with potential vendors on a single platform

# Environmental

Efficient ports are vital to the economic development of the surrounding area. However, Westports recognises that the related ship traffic, handling of the goods in the ports and hinterland distribution can cause a number of negative environmental impacts.

Shipping has an environmental impact both in ports and their immediate vicinity. This section of the report covers our efforts in minimising the environmental impact resulting from our operations.

## ENVIRONMENTAL COMPLIANCE

**100% of our sites have been certified with ISO 14001:2004 since 2009.**

Adhering to all relevant environmental protection laws and regulations is part of our license to operate. In April 2009, Westports was certified with ISO 14001:2004. The certification covers all sites within the Company (100%). Westports adopted this internationally-recognised environmental management standard as it provides a systematic framework to manage the immediate and long-term environmental impacts of its services and processes. This certification verifies the Company's operational environmental data.

Westports also adopted this ISO standard to comply with the Environmental Quality Act, 1974. 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 have been no major incidences of non-compliance or fines for environmental damage during this reporting period.

## MINIMISING NEGATIVE IMPACT FROM OPERATIONS

Westports conducts feasibility studies prior to any major construction works to minimise any negative impact that could result from our operations. The eight components included in the feasibility studies before commencement of the CT10 to CT19 proposed development are described below.

## Environmental

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

### OUR GREEN PORT INITIATIVES

Westports has positioned itself as a green port and has implemented various green initiatives throughout the Company and its operations.

## Summary of Green Port Features

 <p>Environmental induction educates all new recruits and raises awareness of resource management and environmental matters</p>	 <p>EQA 1974 training delivered to all port employees and tenants</p>
 <p>All port users attend mandatory environmental and safety training</p>	 <p>Carbon credit inventory and monitoring developed to support a 40% reduction in carbon emissions by 2020</p>
 <p>Rising sea levels considered during the terminal design</p>	 <p>Euro 4 emission standards have been incorporated into the design of the new tractor fleet</p>
 <p>Extensive landscaping programmes incorporate energy-efficient lighting systems such as LEDs to reduce energy use as part of the 'Garden Port' concept</p>	 <p>Yearly mangrove planting programmes conducted with port users, NGOs, customers and villagers of Pulau Indah</p>
 <p>3R campaign implemented through the terminals</p>	 <p>Paperless transactions are performed through the e-Terminal Plus (eTP) system to reduce paper use</p>
 <p>Operations are greened by planting trees along the wharf</p>	 <p>Prismalence technology is employed for high mast lights</p>
 <p>Halogen lamps are replaced with LED lighting</p>	

### Paperless Transactions

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

# Environmental

E-Gate Pass utilisation in 2017 reached an average of 83%, improving from the already high average of 80% in 2016.

## Key Benefits of the eGate Pass



Electronically-generated by forwarding agents through the e-Terminal Plus portal



Free of charge

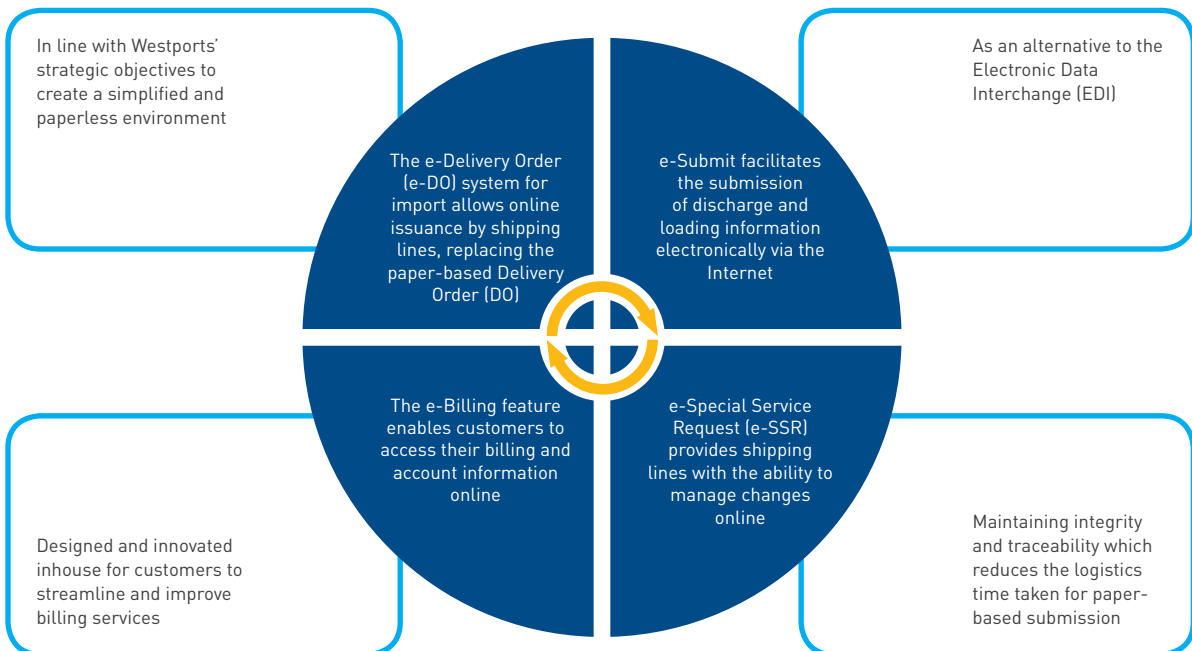
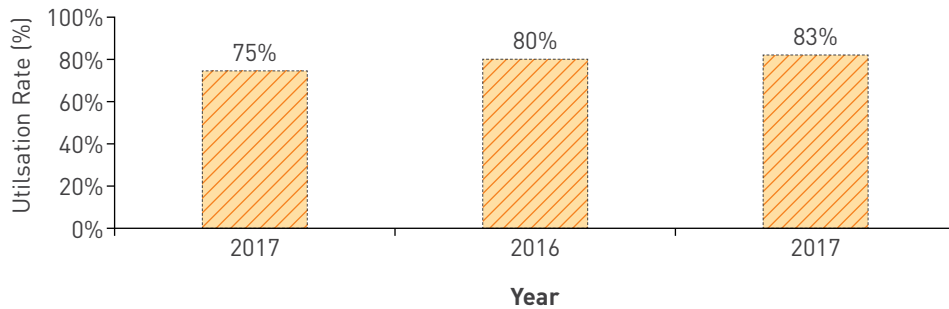


Issued instantly without the need to collect it from the port



Forwarding agents are able to collect import containers more quickly

## e-Gate Pass Utilisation Rate

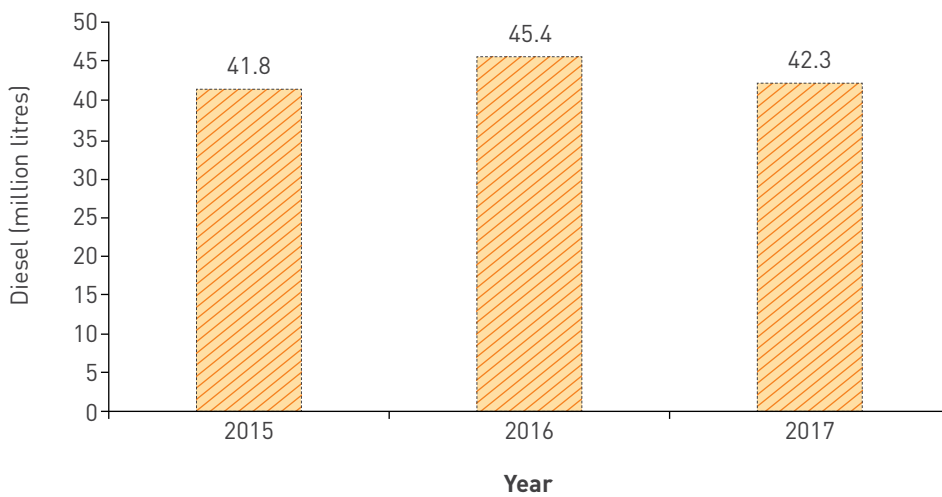




## ENERGY MANAGEMENT

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.

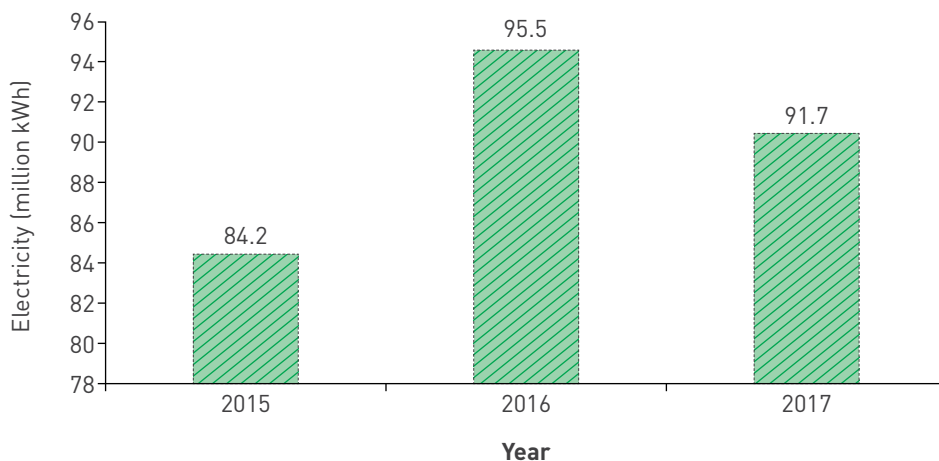
### Direct Energy Consumption



In 2017, the majority of diesel was consumed by rubber-tyred gantry cranes (38%), terminal tractors (35%) and tugboats 23%. The remaining balance was consumed by pick-up trucks, forklifts, stackers, generator sets and buses.

STS cranes, reefer containers and port operational facilities are the main users of electricity in our operations.

### Indirect Energy Consumption



## 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.

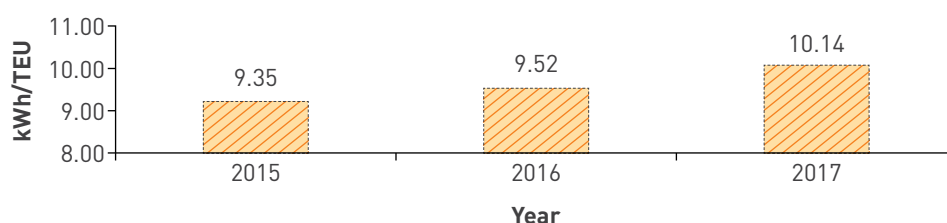
## Environmental

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	TT		RTG		Tugboats			
	ℓ/Move	ℓ/TEU	ℓ/hr	ℓ/Move	ℓ/TEU	ℓ/hr	ℓ/TEU	ℓ/Vessel Call
2015	2.36	1.62	7.32	1.26	0.86	17.13	1.02	985
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

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 chart.




Energy consumption is a material aspect of port operations. We seek new ways and explore new technical innovations to reduce our fuel costs and environmental impact.


### Supporting Clean Energy at Westports




Energy-efficient lighting systems such as LEDs to reduce energy use




Conversion of conventional high mast fittings to lower power bulbs with improved reflector and lens technology to reduce electricity consumption by 50%



Variable speed and Hybrid RTGs reduced fuel consumption by 33% and 53% respectively



Power converter units installed in RTG cranes



Recycle hydraulic oil and reduce wire rope lubricant application by 10% or more with the cost of efficiency of one reliable service

## WASTE MANAGEMENT

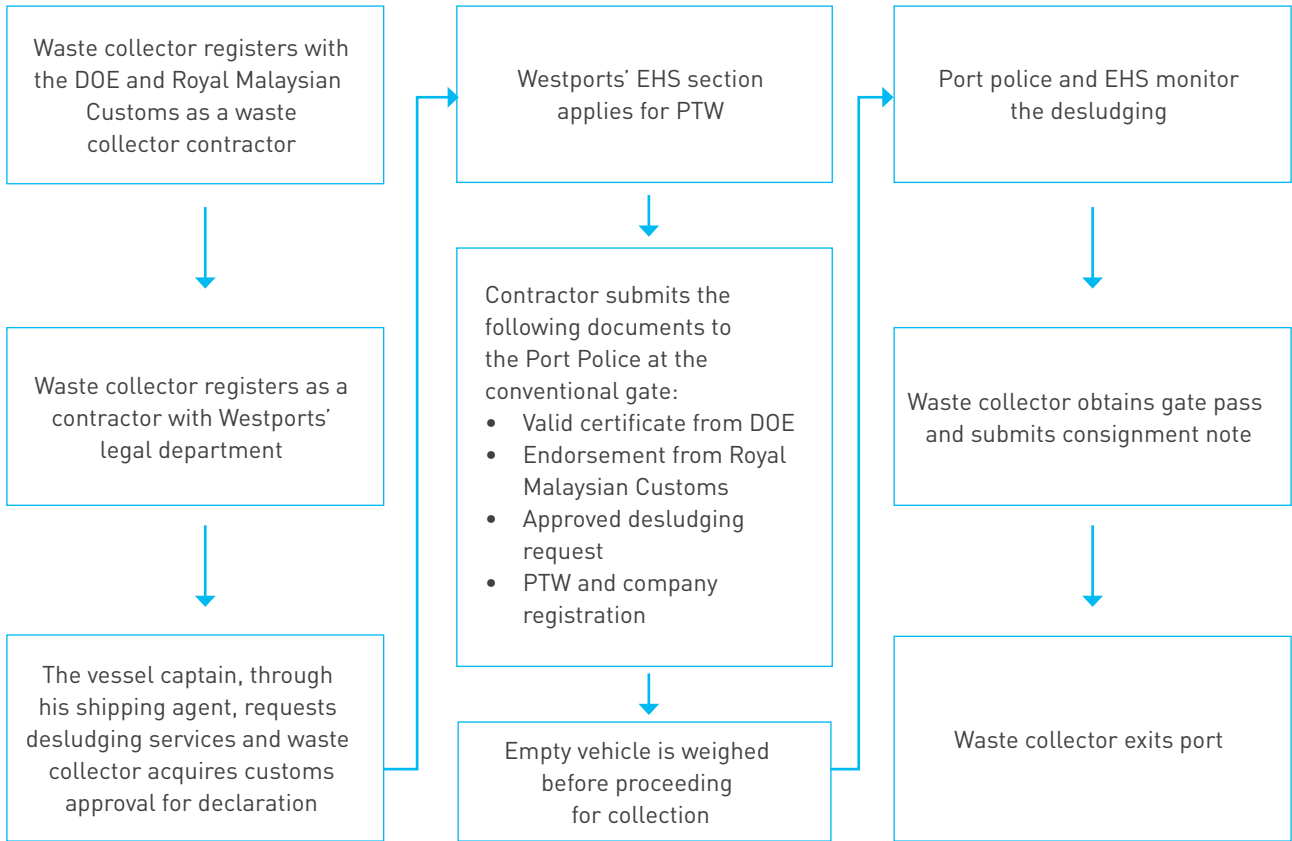
Westports has implemented proper management and control measures when using, handling, storing, packing, labelling and disposing of scheduled and general waste. These measures help prevent environmental pollution surrounding the port premises.

### Scheduled Waste

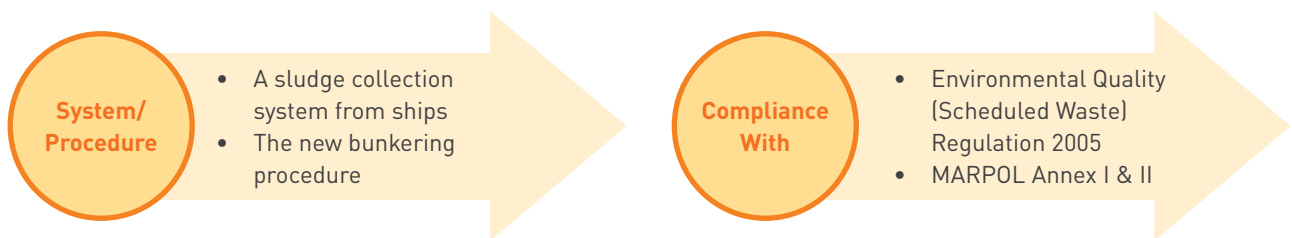
In 2017, 526 tonnes of scheduled waste was handled compared to 255 tonnes in 2016. All scheduled waste is stored and disposed of by our appointed licensed contractor as mandated by the Environmental Quality Act 1974. Westports reports its scheduled waste online through the Department of Environment's (DOE) Electronic Scheduled Waste Information System (eSWIS).

Westports' waste management system allows the proper segregation of disposable and recyclable waste. The effluent treatment plant system conforms to the Environmental Quality (Industrial Effluents) Regulations 2009.

**Desludging of Waste SOP**



Westports' waste management system allows the proper segregation of disposable and recyclable waste. The effluent treatment plant system conforms to the Environmental Quality (Industrial Effluents) Regulations 2009.

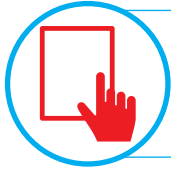






**Recycling Hydraulic Oil**

Westports invested RM250,000 in a hydraulic recycle machine to recycle used hydraulic oil. A total of 4.60 tonnes of used hydraulic oil were recycled compared with 6.56 tonnes in 2016.

# Environmental

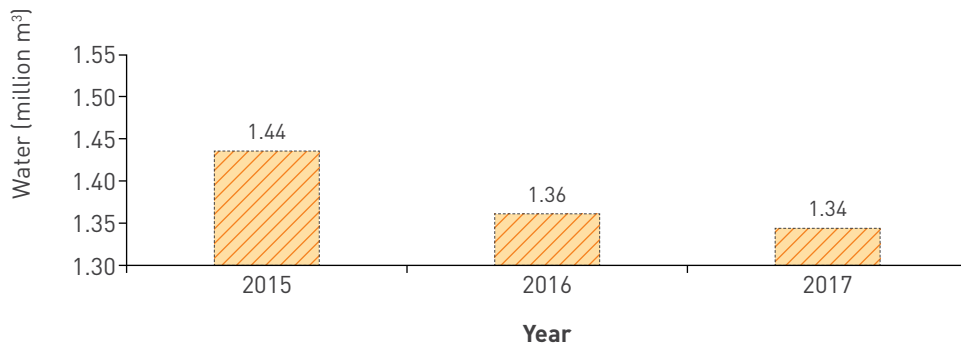
## Benefits of Recycling Hydraulic Oil

 Increased machine reliability	 Considerable cost savings on oil	 Reduced time spent on oil changes
 Reduced environmental contamination	 Decreased waste disposal costs	

## WATER MANAGEMENT

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

### Water Consumption



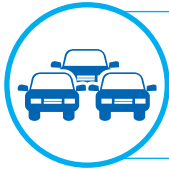
Ports facilities are highly concentrated industrial areas containing various activities such as container terminals, shipyards and cargo facilities. These activities may affect water quality directly or indirectly. It is necessary to assess the impact of port operations on the quality of receiving waters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

### Water Pollution and Leakage

<p><b>Compliance with the Industrial Effluent Regulations 2009</b></p> <ul style="list-style-type: none"> <li>Oil and grease traps installed at all maintenance and repair workshops and cleaning was done weekly</li> <li>Annual water sampling analysis is carried out at various outlets towards the sea</li> </ul>	<p><b>Compliance with the Sewage Regulations 2009</b></p> <ul style="list-style-type: none"> <li>Preventive maintenance is carried out monthly on four Sewage Treatment Plants.</li> </ul>	<p><b>Minimising water pipe leakages and water loss</b></p> <ul style="list-style-type: none"> <li>Westports replaces corroded iron pipes with the High-density Polyethylene (“HDPE”) type at the wharf areas</li> <li>This prolongs the pipes’ lifespan by up to 35 years while eliminating corrosion and water leakages</li> <li>Starting in 2014, all iron pipes are being gradually replaced with the HDPE type</li> </ul>
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## POLLUTION PREVENTION AND MONITORING

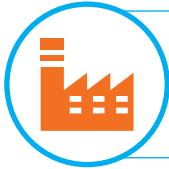
Ships, trucks, trains and other heavy-duty vehicles help move cargo and power economic growth. However, they also burn fossil fuels and create air pollution that increases regional smog and creates toxic hot spots. All wastes in the port are properly managed in accordance with the International Convention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



Smooth traffic flow, especially during peak periods, is ensured to minimise emissions from vehicles entering the port and travelling on neighbouring roads



Developed various procedures to control, minimise and monitor dust as dust from bulk cargoes is also a major source of air pollution.



Introduced the Westports Pollution Prevention Policy to:

- Reduce waste,
- Minimise the use of raw materials
- Improve equipment efficiency
- Monitor the discharge of effluents



Trees are planted within and surrounding the port to sequester emissions from operations



Carried out preventive exposure monitoring among the employees and port users. A consultant monitored mineral dust in our Dry Bulk and Liquid Bulk Terminals. The results showed 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.

## Effluents Management and Water Pollution

Westports undertook several initiatives to comply with the Industrial Effluent Regulations 2009. Oil and grease traps were installed at all maintenance and repair workshops and weekly cleaning was performed. Annual water sampling analysis is also carried out at various outlets close to 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. The minimum and maximum results are presented in the table below.

### Effluent Test Results From Four STP Plants in 2017

Test Parameter	Plant 1		Plant 2		Plant 3		Plant 4	
	Min	Max	Min	Max	Min	Max	Min	Max
Biochemical Oxygen Demand (BOD)	ND (<5)	28	8	33	5	44	5	32
Total Suspended Solids	8	36	8	38	8	34	8	29
Chemical Oxygen Demand (COD)	10	106	10	126	16	167	19	122
Oil & Grease	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)
Ammonical Nitrogen	4	12	3.7	13.8	3.75	17.1	2.2	50

## Environmental

The results show that the effluents discharged are well within the prescribed limits, as tested by an independent laboratory. Westports controls liquid pollution and continues to comply with the MARPOL for ships discharging ballast water.

Westports' monitoring programme also included water monitoring during the construction of CT8 and CT9. The results are useful in assessing the extent of any impact exerted by the construction activities.

Our water quality monitoring was performed by a SAMM accredited laboratory at four sites: MW1 and MW2 at both CT8 and CT9. Although monthly readings were taken, the minimum and maximum at each station are presented below.

### Water Quality Monitoring Results

	Unit	CT8 (MW1)			CT8 (MW2)			CT9 (MW1)			CT9 (MW2)			*Interim Std
		Baseline	Min	Max	Baseline	Min	Max	Baseline	Min	Max	Baseline	Min	Max	
Temperature	°C	28.9	27.4	29.7	28.9	27.2	29.7	29.3	25.8	29.7	29	7.74	29.7	≤ 2 °C increase over maximum ambient
pH	-	7.33	7.6	7.99	7.28	7.29	8.07	7.99	6.35	8.07	7.93	7.33	35.3	-
Dissolved Oxygen (DO)	mg/l	6.22	5.82	6.72	6.3	6.04	6.85	6.22	6.04	6.85	6.05	5.4	6.53	3
Oil and Grease (O&G)	mg/l	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	ND (<1)	5
Total Suspended Solid (TSS)	mg/l	67	8	73	52	8	68	46	8	68	7	7	215	100#
Mercury (Hg)	mg/l	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	0.05
Cadmium (Cd)	mg/l	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.001)	0.01
Chromium Trivalent	mg/l	ND (<0.02)	ND (<0.02)	ND (<0.02)	ND (<0.02)	ND (<0.001)	ND (<0.02)	ND (<0.02)	ND (<0.02)	ND (<0.02)	ND (<0.02)	ND (<0.02)	ND (<0.02)	0.48
Copper (Cu)	mg/l	ND (<0.001)	ND (<0.001)	0.26	ND (<0.001)	ND (<0.001)	0.77	ND (<0.001)	ND (<0.001)	0.77	ND (<0.001)	ND (<0.001)	0.01	0.01
Arsenic (As)	mg/l	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.002)	ND (<0.002)	ND (<0.002)	0.05
Lead (Pb)	mg/l	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.002)	ND (<0.001)	ND (<0.001)	ND (<0.001)	ND (<0.002)	ND (<0.002)	ND (<0.002)	0.05
Zinc	mg/l	0.02	ND (<0.001)	0.01	0.03	ND (<0.001)	0.01	ND (<0.001)	ND (<0.001)	0.03	ND (<0.001)	ND (<0.001)	0.02	0.1
Cyanide	mg/l	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.01)	ND (<0.05)	ND (<0.05)	ND (<0.001)	ND (<0.05)	0.02
Ammonia (unionized)	mg/l	ND (<0.1)	ND (<0.01)	ND (<0.05)	ND (<0.1)	ND (<0.01)	ND (<0.05)	ND (<0.1)	ND (<0.01)	ND (<0.05)	ND (<0.1)	ND (<0.01)	ND (<0.05)	0.32
Nitrite (NO2)	mg/l	0.03	0.01	0.68	0.04	0.01	0.1	0.05	0.01	0.1	0.03	ND (<0.01)	0.25	1
Nitrate (NO3)	mg/l	0.09	0.01	17.6	0.1	0.01	1.8	0.09	0.01	1.8	0.05	0.01	1.8	1
Phosphate	mg/l	0.36	ND (<0.01)	ND (<0.01)	0.52	ND (<0.01)	0.23	0.26	ND (<0.01)	0.46	0.11	ND (<0.01)	0.62	0.67
Phenol	mg/l	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	ND (<0.05)	0.08	ND (<0.05)	ND (<0.05)	0.12	0.1
Faecal Coliform	CFU /100	-	-	-	-	-	-	15	15	48	25	25	70	200



## Air Pollution and Emissions Intensity

Port activity, especially when handling bulk goods, unavoidably affects the air quality within the surrounding area. This is due to the dispersion of powders, especially fine particles, fumes or gases.

### Examples of Air Improvement Initiatives



Strict air condition monitoring programmes implemented to identify any violations of law-limits related to concentrations of fine particles, which have proven to affect health



Improved humidification of powdery and dusted bulk goods, green barriers and buffer zones among port areas and neighbourhoods near the port



Emissions monitoring of RTGs in compliance with the Clean Air Regulation 2014



Indoor Air Quality assessments from 39 sampling points in our main office buildings analysed in compliance with the Industry Code of Practice

In 2014, we began purchasing Variable Speed RTGs and Hybrid RTGs. Both types have greater fuel efficiency which leads to reduced emissions.

The VS RTG delivers optimum load-dependent power levels by reducing engine speed in accordance with demand. The Hybrid RTGs 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.

Emissions from RTGs are analysed through the Ringelmann Chart which complies with the Factory Machinery Act 1967 (FMA) standards. The RTGs frequently undergo corrective maintenance to ensure emissions are maintained at 20% and never exceed 40%.

Westports' terminals have in-house RTG 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 designed to the Euro 4 emissions standards.

### Emissions Intensity: kg/CO<sub>2</sub>e Produced by Westports' TTs and RTGs

Year	TT				RTG		Tug Boats	
	CO <sub>2</sub> e/ Move	CO <sub>2</sub> e/ TEU	CO <sub>2</sub> e/ hr	CO <sub>2</sub> e/ Move	CO <sub>2</sub> e/ TEU	CO <sub>2</sub> e/ hr	CO <sub>2</sub> e/ TEU	CO <sub>2</sub> e/ Vessel Call
2015	6.24	4.28	19.35	3.33	2.27	45.28	2.70	2,604
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

## Environmental

Smoking is prohibited within the port vicinity to ensure it is free from pollution. In 2015, we committed to 100% compliance with this smoking policy for our Ship-to-Shore (STS) crane operators. This policy aims to prevent pollution and comply with applicable legal and other requirements.

### AIR QUALITY MONITORING

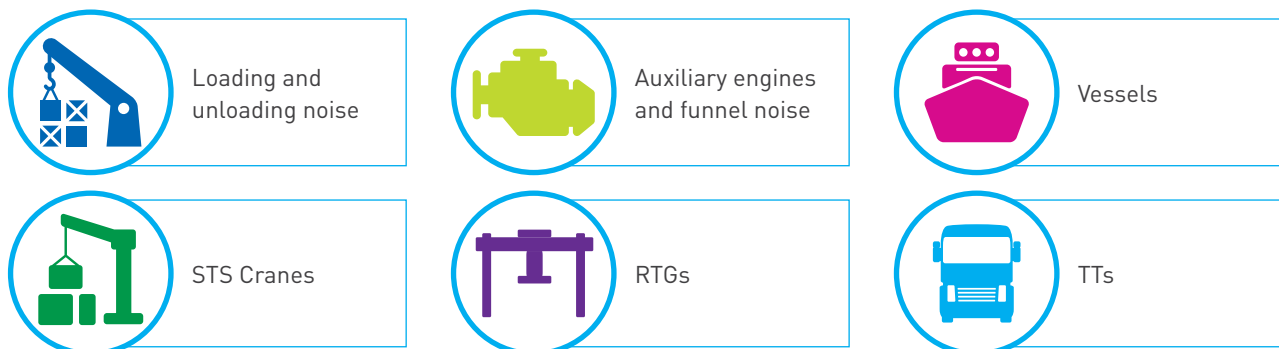
Quarterly ambient air monitoring was carried out at one station at both CT8 and CT9 as construction activities for the new container terminal expansion were being carried out in 2017. The minimum and maximum readings are presented in the table below.

#### Total Suspended Particles (24 Hours) $\mu\text{g}/\text{m}^3$

Terminal	Baseline	Min	Max	DOE Limit	Malaysian Guideline
CT8	85	82	92	82	260
CT9	74	74	86	86	260

### 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 Container Terminal, Conventional Terminal, warehouses and workshops as a preventive measure for occupational diseases caused by excessive noise exposure. We engaged an external consultant to assess noise in April 2017. The assessment results showed that the noise exposure level of our terminal is within permissible limits.

Noise produced during the construction of our new wharfs can be directly controlled by Westports. The table below shows that the construction of CT8 and CT9 has had little effect on noise levels within the port.

Quarterly noise levels were taken close to CT8 and CT9. Measurements taken during the day and night were compared to the baseline and maximum permissible sound levels stipulated by the DOE. Both the minimum and maximum levels for both stations are reported below.

### Noise Level Monitoring Results

Station	Day Time (LAeq)				Night Time (LAeq)			
	Baseline	Min	Max	Maximum Permissible Sound Level (dB(A))	Baseline	Min	Max	Maximum Permissible Sound Level (dB(A))
CT8	62.5	60.8	61.7	70	57.7	56.7	57.2	60
CT9	64.2	60.4	65.5	70	55.8	51.3	55.8	60

## CLIMATE CHANGE MANAGEMENT

Climate change is a long-term shift in weather patterns identified by changes in temperature, precipitation, winds and other factors. Climate change can also be caused by human activities, such as the burning of fossil fuels. The build-up of greenhouse gases in the atmosphere has led to a natural greenhouse effect.

Westports recognises the importance of climate change and environmental conservation. Our climate change strategy and engagement with both employees and contractors help mitigate greenhouse impacts. Examples include assessing the cost of renewable energy and emissions reduction possibilities.

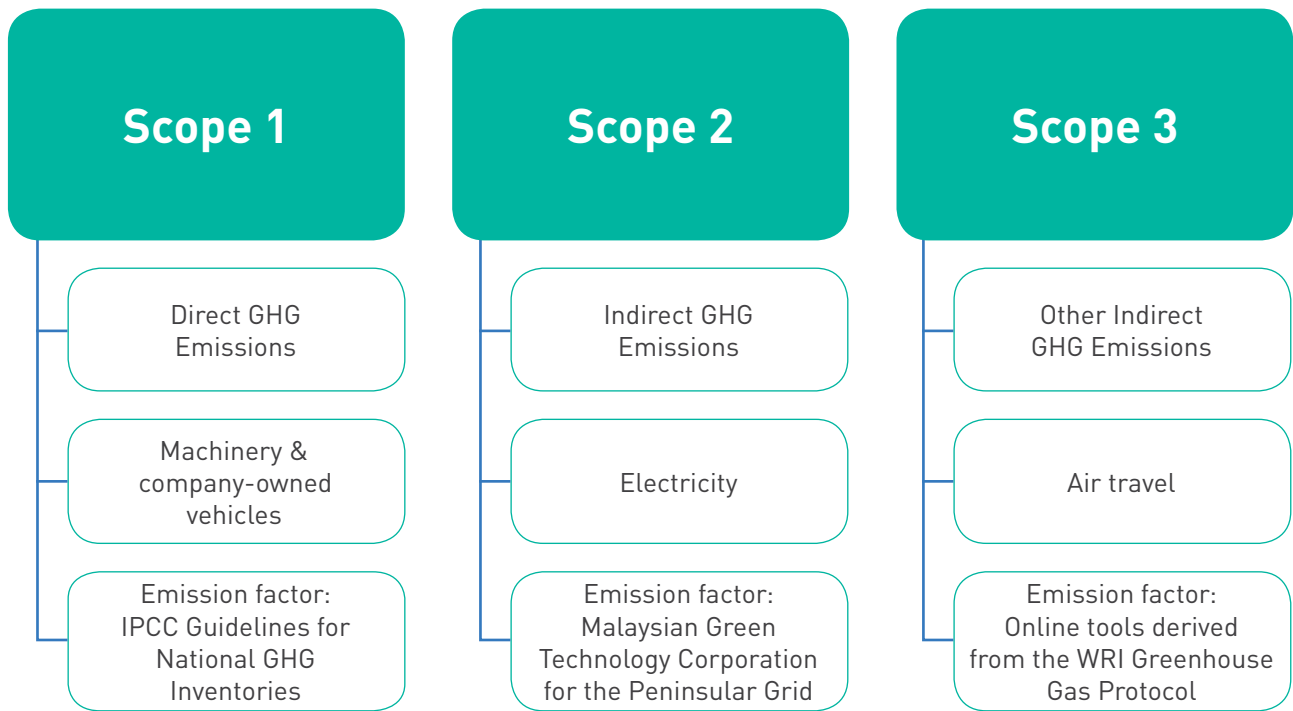
Westports achieves efficiency gains and reduces costs by adopting new technology, switching to cleaner fuels and implementing fuel efficiency measures.

In 2016, we replaced all buses used to transport workers with a more fuel-efficient model. These shuttle buses minimise emissions from transportation and reduce the number of vehicles entering the wharf and container yard areas. They also improve overall safety levels in the terminal as fewer vehicles lower the risk of incidents.

Our management team, overseen by the Group Managing Director, Datuk Ruben Gnanalingam, devises strategies to manage and minimise our environmental footprint. 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 working to manage and measure 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.

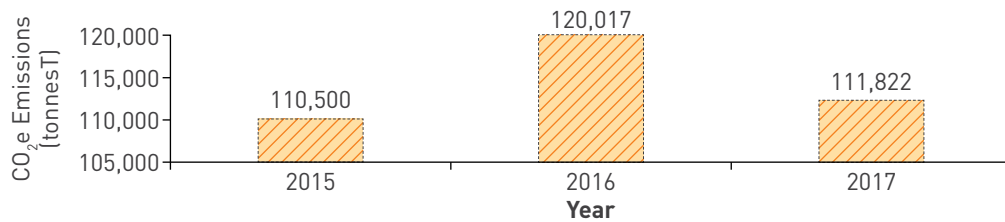
# Environmental



## Scope 1

Our direct GHG emissions are produced by machinery and company-owned vehicles such as TTs, RTGs, tugboats, buses and other machinery. Fuel volume is derived from the cost of purchase.

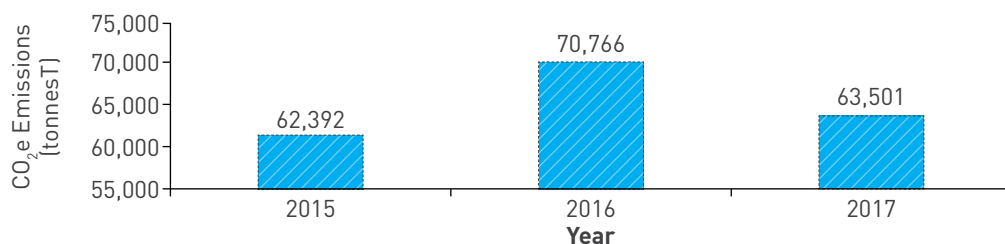
### CO<sub>2</sub> Emissions from Machinery and Company-owned Vehicles



## Scope 2

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.

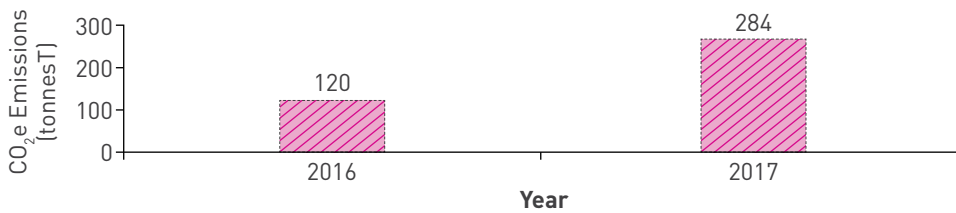
### CO<sub>2</sub> Emissions from Purchased Electricity



### Scope 3

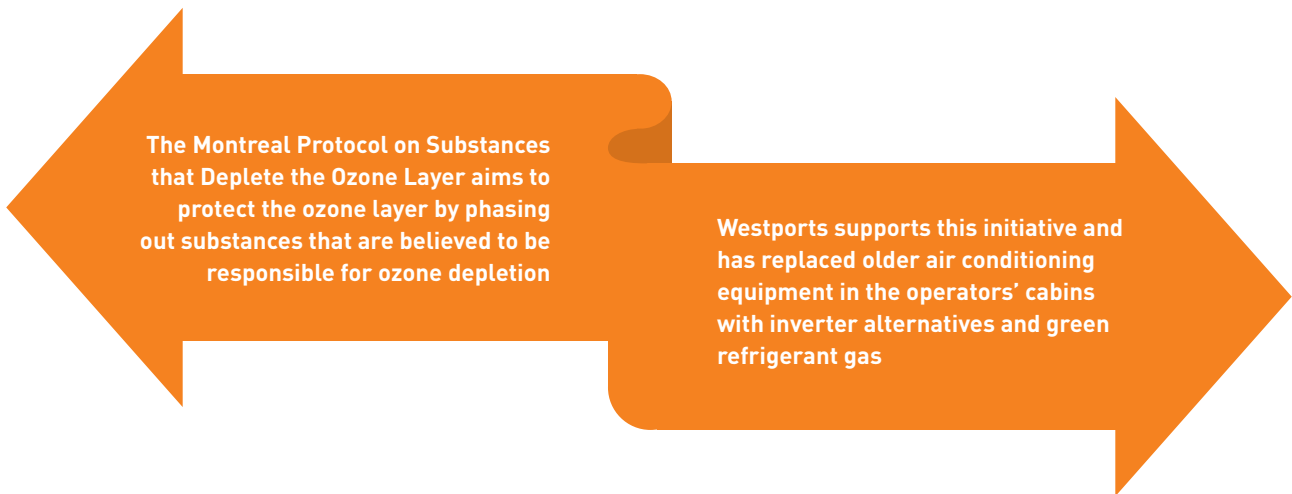
Air travel GHG emissions were calculated point to point including the number of employees on board and distance travelled. Separate calculations were performed for business and economy class flights. A centralised system is employed for the booking of the majority of short and long-haul flights.

#### CO<sub>2</sub> Emissions from Air Travel



#### Ozone-Depleting Substances

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



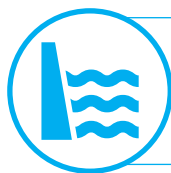
### PROTECTING BIODIVERSITY

Westports believes environmental protection should be the responsibility of all parties including companies, schools and individuals. On 23 July 2017, Westports initiated a mangrove replanting programme to help rebuild Pulau Indah's ecosystem and beautify the area.

#### Importance of Mangrove Forests



Protect shorelines from damaging storms and hurricane winds, waves, and floods



Prevent erosion by stabilising sediments with their tangled root systems



Maintain water quality and clarity, filtering pollutants and trapping sediments originating from land

Westports collaborated with Infinity Logistics & Transport Sdn Bhd and Central Spectrum Sdn Bhd (Central Spectrum) under the guidance of the Coastal Fishermen Welfare & Education Association Malaysia. Approximately 500 people planted 3,800 mangrove trees during this event.

## Environmental

An additional 650 mangrove seedlings were set to ensure a stable and cost-effective supply of mangrove trees in the future. A mangrove nursery was also established in Selangor to purchase seeds at preferential rates. Many fishermen recognise the importance of mangrove ecosystems for coastal defence as well as providing a habitat, nursery and breeding grounds for marine life. Westports aims to continue with this collaboration to safeguard the interests of the fishing communities in Pulau Indah.

### COMPLIANCE

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

# Society

## CHARITY BEGINS AT HOME

In the early 1990s, Pulau Indah was home to a mere 5,000 farmers and fishermen. Two decades later, Westports is sitting on the island as a leading port in the world, providing employment for 4,456 people.

From the beginning, we take our social responsibilities to the people of Pulau Indah seriously as it is our home. We try 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 in five focus areas.

### Five CSR Focus Points



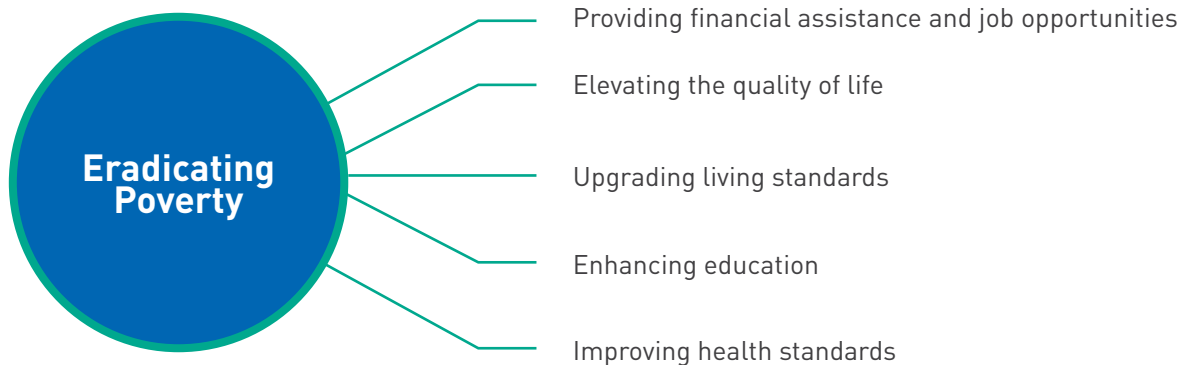
Westports' corporate philosophy of growth with equality led to a strong belief that economic development must involve and benefit everyone. We adopted Pulau Indah as a core CR initiative in 1994, even before the term CR became fashionable.

## POVERTY ERADICATION

“Right from the day it was born, Westports had adopted Pulau Indah at the core of its CSR initiative. Apty 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*

### Corporate Responsibility Objectives



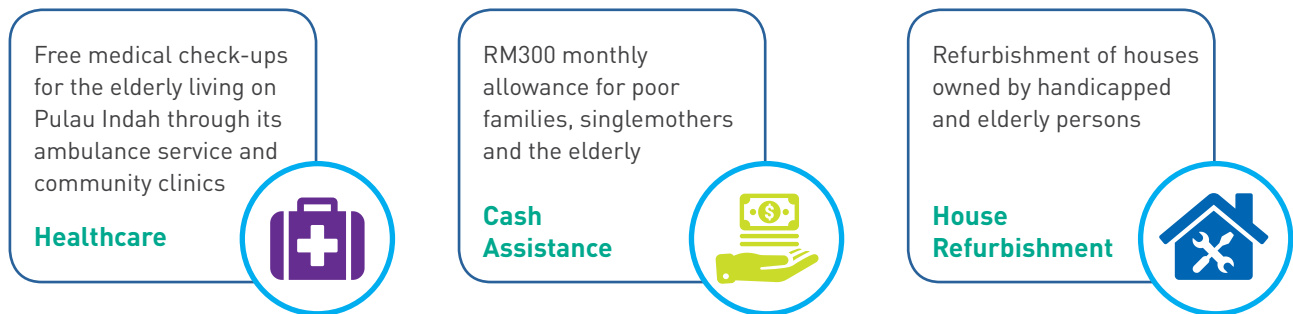


## Society

The Zero Poverty Programme at Pulau Indah aims to elevate the quality of life of villagers and improve the island's development. As a result of Westports' efforts, poverty on the island has reduced to zero from 62% in 1995. Approximately one third of Westports' employees are also Pulau Indah residents.

Today, Westports not only provides job opportunities for the locals but has also become a local partner in uplifting the standard of living for Pulau Indah residents so that poverty no longer exists. As Westports expands over the years, the organisation also creates employment opportunities for residents on the mainland and also those that reside in Port Klang.

### Key Poverty-eradicating Initiatives in 2017



### ENHANCING EDUCATION

**We believe education is the most crucial element in uplifting society's socioeconomic status and livelihood. Over the years, Westports has invested a significant amount of time, energy and money in providing education to the children of Pulau Indah.**

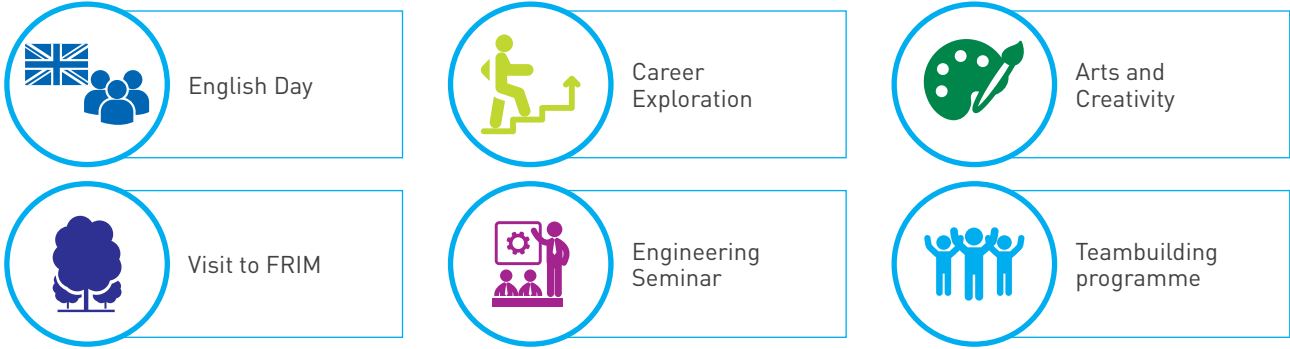
#### Trust School Programme

The Trust School programme is managed by Yayasan Amir, a unit of Khazanah Nasional in collaboration with the Ministry of Education. The schools aim to meet key performance levels that will lead to sustainable and positive outcomes.

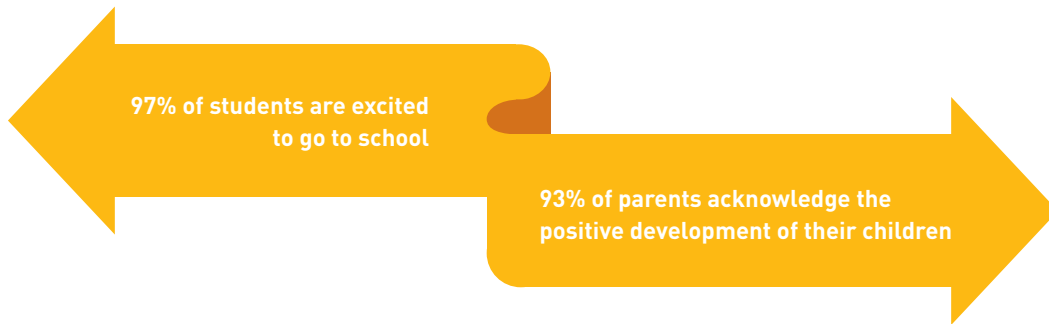
Under this Programme, we have adopted two schools on the island, namely SK Pulau Indah and SMK Pulau Indah. This year marked the final year of the adoption programme which brought the total investment to RM5.6 million.

On 30 March 2017, Westports' CSR Committee and WJCC team visited SMK Pulau Indah to witness the improvements the adoption has made over the past three years. Last year, SMK Pulau Indah was upgraded from the Band 6 to Band 5 category; its school ranking also improved significantly from 1,595 to 736.

### Activities Conducted Under the Trust School Programme Umbrella in 2017



### Trust School Programme Results



### SK Pulau Indah Performance Throughout the Trust School Adoption Period

Leadership & management qualities	Learning and teaching qualities (performance/maturity level)	Maximising student potential		Involvement of parents and community
		Student performance	Average monthly student attendance	
57.8% Year-end 2015	41.7% Year-end 2015	64% Year-end 2015	97.3% Year-end 2015	60% Year-end 2015
79.1% Year-end 2016	68.6% Year-end 2016	76% Year-end 2016	100% Year-end 2016	72.8% Year-end 2016
82.7% Mid-year 2017	82.5% Mid-year 2017	79.2% Mid-year 2017	93.8% Mid-year 2017	90% Mid-year 2017
90% 2018 Target	90% 2018 Target	90% 2018 Target	>90% 2018 Target	90% 2018 Target

### SK Pulau Indah Performance Throughout the Trust School Adoption Period

Leadership & management qualities	Learning and teaching qualities (performance/maturity level)	Maximising student potential		Involvement of parents and community
		Student performance	Average monthly student attendance	
63.2% Year-end 2015	47.8% Year-end 2015	71.8% Year-end 2015	88.9% Year-end 2015	65.6% Year-end 2015
84.8% Year-end 2016	77.5% Year-end 2016	81% Year-end 2016	89.3% Year-end 2016	90% Year-end 2016
86.9% Mid-year 2017	84.6% Mid-year 2017	84.4% Mid-year 2017	96.9% Mid-year 2017	90% Mid-year 2017
90% 2018 Target	90% 2018 Target	90% 2018 Target	>95% 2018 Target	90% 2018 Target

## Society

### English Language Campaign

Westports raises awareness of the importance of English proficiency. In 2017, we held an English Language Campaign on 28 March 2017 at Westports' T.A.N.S.R.I.G. Culture Hall. Students from SK Pulau Indah 2 were invited to take part in interactive activities such as role play and public speaking to boost their confidence when using English.

On 28 March 2017, children from SK Pulau Indah 2 participated in English Day activities at Westports' T.A.N.S.R.I.G. Culture Hall. Activities consisted of a movie screening, games and quizzes on English grammar and vocabulary.

### Career Day

SMK Pulau Indah students were given an opportunity to witness life inside a port. Each student was introduced to port operations and the process involved in importing their daily goods. Students listened to a career talk on various port roles and were introduced to skills required when joining the working world.

### Westports RSYC Community Sailing Programme

The Royal Selangor Yacht Club (RSYC), Westports Community sailing programme continues to provide sailors from SK Pulau Indah and SMK Pulau Indah with exposure. Since the programme commenced in 2016, students have entered various state and national-level competitions. They also represented the Selangor state team at the Malaysian Schools Sports Council (MSSM) championships.

### Assistance for Special Students

Westports provided learning tools to students with learning difficulties throughout 2017 including a spring board, trampoline and plastic loops to SK Pulau Indah 2 students. These tools assisted in their learning and improved their motor skills.

Our M&R team also assists students and the management of Klang Vocational College with learning tools and advisory services. Topics such as safety and career planning are focused on in particular.

### Refurbishing Community Facilities

Westports' community projects began in 1995 with the construction and renovation of houses, schools, sports and recreational facilities on Pulau Indah. In 2017, we continued maintaining communal space and facilities for use by the local community on the island. Our Engineering Team recreates a better living space for residents by repairing and refurbishing local facilities.

### Contribution to the Native *Orang Asli* Community

Westports has worked closely with the Pulau Indah *Orang Asli* community for 20 years. We are widely known throughout the region for our numerous CSR initiatives that improve the welfare of the *Orang Asli* community. The Mahmeri community was living on the island before there was any development. It is now receiving our assistance.

#### Orang Asli Initiatives in 2017



Telematch and IQ test for 70 children at the Orang Asli village



Mini library/ reading corner at the Orang Asli Community Hall



Gotong-royong at the Orang Asli Village

With Westports' helping hand, our livelihood has improved due to the various contributions and assistance given to us. For example, Westports has frequently provided school uniforms and bags for the *Orang Asli* children. This has really lifted a burden off our shoulders.

*Tok Batin, Leader of the Mahmeri community*

## 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. It is empowered to keep the port and Pulau Indah safe and crime free. The Port Police and security officials work together to provide an around-the-clock emergency response on our facilities and surrounding areas for community members. The unit also responds to distress calls from islanders and on occasions some beyond its jurisdiction.

### Responsibilities of Westports' Port Police Department



Westports' Port Police have the power to investigate, arrest, interrogate and prosecute criminals for offences committed on Pulau Indah. The Port Police are equipped with an online police reporting system (PRS), directly linking the command centre to PDRM headquarters in Bukit Aman, Kuala Lumpur.

# Society

## The Calibre of Our Port Police

All Port Police undergo a rigorous training programme so they are equipped to deal with all types of emergency. Upon completion of this training, every recruit is prepared for early emergency response, recovery and prevention.

### Compulsory Training for Our Port Police

Training Components	Other Compulsory Training
<ul style="list-style-type: none"> <li>• Short placements at PDRM and the Tengku Ampuan Rahimah Hospital in Klang</li> <li>• 4.5 months of in-house training at the Westports Port Police Training Centre</li> <li>• Nine weeks training at PDRM's Training Centre (PULAPOL) in Kuala Lumpur</li> <li>• Two-week internship at a department within PDRM</li> <li>• 1.5 months of vigorous drills in firefighting, hazmat management and emergency medical treatment</li> <li>• Training by the fire brigade, navy and SMART teams to perform rescues in high-rise buildings, confined areas, on ships, at sea and underwater</li> </ul>	<ul style="list-style-type: none"> <li>• High-angle rescue</li> <li>• Weapons handling</li> <li>• International Ship &amp; Port Facility Security Code (ISPS) awareness</li> <li>• Ship shore safety</li> <li>• Scuba</li> <li>• Fire prevention and firefighting</li> <li>• Handling of explosives</li> <li>• Medic and CPR</li> </ul>

## Community Clinic

Medical coverage is extended to employees' immediate family members and residents of Pulau Indah. The Group has operated the Community Clinic next to the in-house clinic since 2003.

Our 24-hour ambulance service is on call to bring patients to the clinic or hospital. Consultation fees are waived for Pulau Indah residents and medicine is affordable. The clinic also performs basic medical examinations for senior citizens and single mothers.

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

## 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. All forms of corruption are forbidden and the highest ethical standards are followed when doing business.

### Corrupt Practices Outlawed at Westports

 <p>Bribery</p>	 <p>Fraud</p>	 <p>Money laundering</p>
 <p>Embezzlement</p>	 <p>Obstruction of justice</p>	 <p>Trading in influence</p>

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 and compliance. Every employee is responsible for preventing bribery. Instances of bribery, suspicious activity or wrongdoing that may lead to bribery must be reported using our whistleblowing channels.

**Components of Our Comprehensive Anti-corruption Efforts**



A keen understanding of corruption risk exposure is the cornerstone of an effective anti-corruption compliance programme. This helps the Company to properly design 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 in 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, joint venture companies 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 which 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.

## Society



No political contributions to candidates for public office or political parties



No corporate funds used to make independent political expenditures.

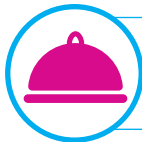
### Gift Policy

The giving or receiving of gifts, souvenirs, entertainment and gratuities between 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. There is always a temptation to favour the third party and this may prevent us from discharging our full responsibilities to the Company.

### Examples of Gifts



Cash



Meals



Travel and lodging



Discounts



Loans



Services



Prizes



Transportation



Use of vehicles or vacation facilities



Home improvements



Tickets to entertainment/sports events



Gift cards or certificate



Stocks/shares



Products



Favourable terms for products or services

Employees may not receive or accept gifts for themselves from any party who has dealings 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 from 1 May 2017.

### Policy on Employment of Relatives

Westports is committed to a policy of employment and advancement based on merit. On occasions, people who work for the Company are closely related to other employees.



This policy aims to minimise accusations of favouritism, potential conflicts or work difficulties due to relationships between employees. Introduced on 1 May 2017, the policy permits the employment of close relatives provided the related employee is not assigned to:

- A position where he or she will be required to check, process, approve, audit or otherwise review the work of the other
- A position where his or her progress or salary can be directly influenced by the other
- The same department
- The Finance or Human Resources Department

Any deviations to these rules must be endorsed by the respective head of department and submitted to the Human Resources Department for management approval. However, spouses may not be employed in executive positions in the same company. The spouses of non-executives are not allowed to be employed in the Human Resource or Finance Department due to work confidentiality and sensitivity.

Employees who marry their colleagues are permitted to continue in their employment provided the four basic conditions above are satisfied.

### Automating Claims

Westports aims to automate all claims as it will help:

- Systemise, control and oversee the entire process
- Avoid fraud by ensuring every claim is verified by the responsible party
- Simplify the audit process

### Claims Automated in 2017

 Medical	 Dental	 Antenatal
 Baby	 Mileage and toll	 Utilisation of public transport for business purposes
 Parking	 Other personal claims allowed by the Company	

### 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.

## Society

### Government Agencies Westports Engaged in Talks With



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.

Body	Contribution
Port Consultative Committee (PCC)	<p>As port stakeholders affect and are affected by the Port Authority's decisions, the Ministry of Transport (MOT) appointed various government and industry representatives as members of the PCC. 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:</p> <ul style="list-style-type: none"> <li>• Is a substantial change in tariffs</li> <li>• Are plans to expand or develop the port</li> <li>• Are any other matters that will affect the industry and country</li> </ul>
National Logistic Taskforce (NLTF)	<p>Operating under the purview of the Ministry of Transport, the NLTF meets three times a year. It is responsible for designing, implementing and monitoring the action plans as stated in the Logistics and Trade Facilitation Master Plan. NLTF reports to the Special Committee on Services, which is chaired by the Prime Minister.</p> <p>Westports is consulted on port infrastructure and logistics resource development under Cluster II – Trade Facilitation Mechanism, headed by the Ministry of International Trade and Industry and the Royal Malaysian Customs Department.</p>
Focus Group on Trading Across Border (FGTAB)	<p>FGTAB is an initiative by the Ministry of International Trade to improve Malaysia's ranking in cross-border trading. As an 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, Ministry of Transport and Malaysia External Trade Development Corporation (MATRADE).</p>
Logistics Council of Malaysia International Chamber of Commerce and Industry (MICCI)	<p>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.</p>

# Workplace

Our employees gain from working in a family environment. We aim to create an inviting and nurturing workplace by caring and supporting each and every employee.

## Employment Philosophy

To conduct our business with integrity and efficiency while providing excellent compensation benefits and training to our employees, job enrichment and developing our human capital, as they form an integral component of the Company's achievements.

## WESTPORTS' HR CHAMPIONS MEET EMPLOYEES' DEMANDS

Currently, employees have more options than ever before. They demand a new value proposition that allows them greater career support, flexibility to manage their work and more opportunities to develop their skills.

Westports' HR champions are mindful of all these challenging demands so we maintain our viability in the talent ecosystem. HR champions are executives and managers from various departments who act as mediators between the management and employees. Monthly dialogue sessions are held to encourage two-way communications between the management and employees. Employees are updated on the Company's performance during these sessions and are encouraged to raise any issues they are facing at work.

## A UNIQUELY ENGAGED WORKFORCE

### The Penghulu Programme: Pivoting to a New Paradigm

Westports' Direct Feedback mechanism is the brainchild of Tan Sri Datuk G. Gnanalingam. Since its humble beginnings in 2011, it has helped build relationships through dialogue and engagement.

A familial/communal concept of the Village Headman has been incorporated into operations. The colloquially elegant, yet pragmatic framework solicits quick and unfiltered feedback from the workforce. This invaluable information has helped mitigate or even eliminate many operational and employee wellbeing issues.

Penghulus and their ability to earn the trust of their charges are the backbone of the Penghulu. Building and earning trust varies according to group dynamics, especially the younger, newer members of the team. These employees have yet to fully appreciate Westports' team-oriented culture. However, once a 'bridge-of-trust' has been established, it is a bond that lasts.

The Penghulu, comprising executives and managers, is responsible for soliciting feedback and communicating regular updates to non-executive employees.

Mentors, appointed from Senior Management, are assigned as guides and sounding boards. They help Penghulus manage people dynamics, which may be complicated.

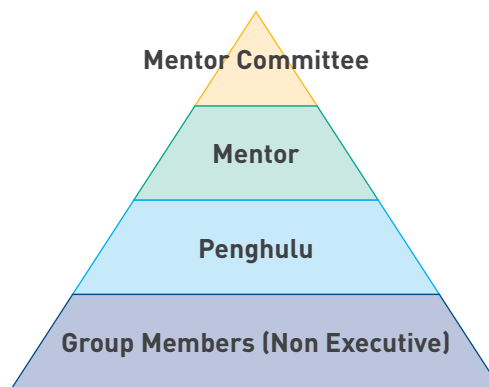
Guided by a Mentor Committee, Penghulus hold monthly informal meetings with their charges to discuss pertinent group-level events at the ground level. Face-to-face time with Penghulu is important as equipment operators and other wharf-side employees do not have means of communication such as e-mail. Penghulus collate and submit this feedback to the Chairman.

## Workplace

The Mentor Committee has recently initiated the 'Effective Penghulu Programme (EPP)' to help Penghulus re-orientate the conversation. The EPP also aims to rectify overdependence on communications technology such as WhatsApp and SMS. These technologies erode 'face-time', which in turn diminishes the fundamental currency of the Penghulu Programme, 'TRUST'.



### Penghulu Structure

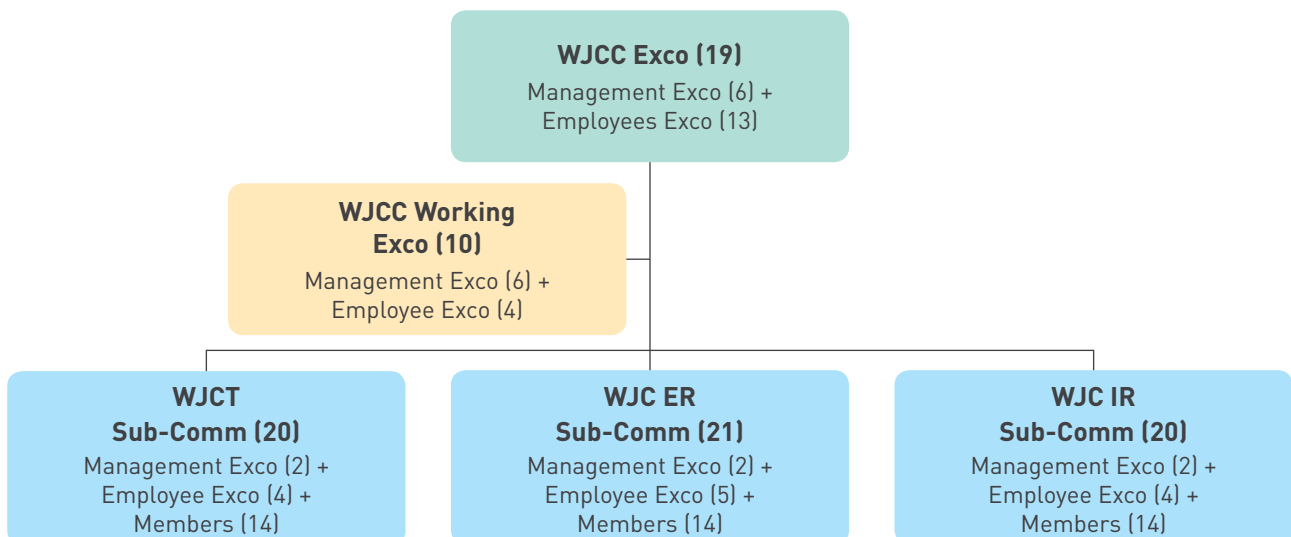


### Westports Joint Consultative Council (WJCC)

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



### WJCC Operating Structure



### Communications Day

Working at ports can be physically and mentally demanding. Operational staff may be required to work independently as each worker operates his or her own machinery. These workers may feel isolated and it is not easy to stay motivated when you are drained mentally.

Our Communications Day keeps our operational staff engaged. We continued this practice with a total of 50 Communications Days being held in 2017. Divided into small groups, operational staff are briefed on Group performance, their disciplinary records, accidents and overall attendance records. Various activities are also held which provide an exciting experience for employees such as talks, teambuilding programmes, leisure activities, quizzes and competitions.

### Westports HR Portal

Westports HR Portal is an internal homepage where employees can access HR-related information such as the employee handbook, safety manual, policies, forms, vacancies, online surveys, news and messages from the management. This central depository is an efficient and cost-effective way of disseminating information.

#### Objectives

- Quick and easy for employees to access information on company events and employee-related matters
- Improved employee communications
- Effective way of sharing information

#### Other Compulsory Training

- Accessible anywhere and everywhere
- Real-time information for the organisation
- Employees stay informed with this improved technology

## SKILLS DEVELOPMENT

We invest in developing employees so they are better equipped to fulfil their current and future missions. The Training and Development (T&D) Department was formed to train and develop operators' skills at the terminal. This department was recognised by Lembaga Pelabuhan Klang for its delivery of employee training programmes. It supports container operations by providing all TEOs and non-TEOs with efficient and effective learning programmes.

The T&D Department consists of 30 senior trainers, certified by relevant bodies. In 2017, it educated Westports staff on the new Terminal Operating System (TOS).

100% of employees  
have been trained on  
TOS's basic application

90% of employees  
received the advanced  
module

In 2017, container volume handling increased significantly and it was vital that support operations handled the set target of 35 gross moves per hour. The T&D Department also increased its investment in upskilling 549 Terminal Tractor Operators (TTOs).

## Workplace

**280 hours  
(35 working  
days)**

for those  
with a  
license

**360 hours  
(45 working  
days)**

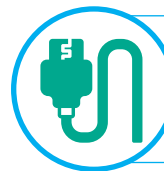
for those  
without a  
license

A two-day teambuilding programme was also held in Trolak for 795 TTOs and 192 technicians. The programme instilled a high team spirit and inculcated positive values, aligned with the Group's vision and mission. Employees also attended several external professional and certification courses.

### Examples of External Courses Attended by Employees



Electrical LV  
Chargeman A1 & A4  
certification courses



Electrical HT  
Chargeman  
BO 11Kv & 33Kv  
courses



Certification in CSR  
& Sustainability  
Management



Certification in  
Maritime Law



Certified  
Practitioner in  
Human Resources  
Management



Certified  
Environmental  
Professional in  
Sewage Treatment  
Plant Operation



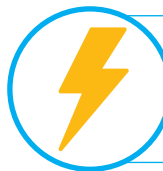
Schedule Waste  
Management  
Training

Our Maintenance and Repair (M&R) Department recorded 544 training hours in 2017.

### Major Topics Covered by M&R Department



Operator cabin  
maintenance



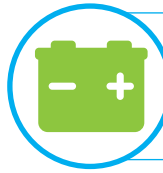
Electrical panel  
maintenance



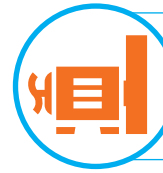
Inspection of  
abnormal noise



Inspection of  
spreader



Battery inspection



Generator  
maintenance



Forklift driving  
training



Trolley interlock  
limits

## Categories of Internal and External Training Programmes Delivered to Employees

### Yearly management development

- ISO 14001:2015 EMS Internal Auditor Training
- Basic first aid & CPR training
- Port planning programme
- Customer service excellence
- International Maritime Dangerous Goods (IMDG) awareness programme
- Damage container training

### Public training

- Internal fraud control
- Emergency genset maintenance
- Internal audit report writing

### Conference and seminars

- Malaysia World Maritime Week 2017
- The 30<sup>th</sup> World Port Conference
- 1 Malaysia Maritime Conference
- Global Transformation Forum
- Total Safety Seminar

### Safety training

- Dangerous goods port safety audit
- High-performance safety management
- Hazardous area classification
- International Borders Port Interdiction training

## Training Hours by Category of Employees

	2015	2016	2017
<b>Training hours</b>			
Management	10,324	21,232	21,608
Workforce	336,704	491,354	447,184
Total training hours	347,028	512,586	468,792
<b>Training hours per year per employee</b>			
Management	27	53	55
Workforce	87	117	110

## CULTURE OF INNOVATION

Innovation is at the core of everything we do at Westports. It is integrated into all aspects of the business from the running of our operations to how we exceed our customers' expectations.

### Port Innovation Project

The Port Innovation Project invites all workers to explore, identify and propose new innovative ideas related to their work or future development of the Company.



## Workplace

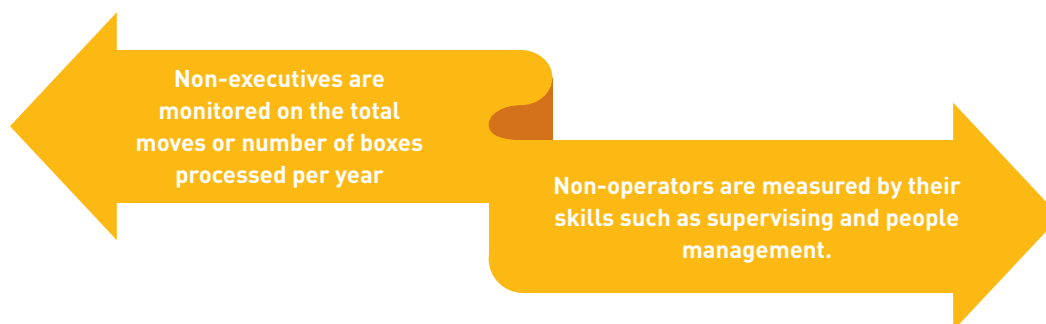
Projects are based on new ideas or processes that provide a better solution for the organisation. The Port Innovation Project aims to create value by transforming ideas into cost savings, productivity and efficiency. Eight group and six individual submissions were received in 2017.

### Group and Individual Submissions in 2017

Prize	Group Submission Project	Individual Submission Project
<b>First Prize</b>	Replacing 9 dot-matrix with thermal printers in booths at all gates resulting in long-term cost and storage reduction, easier handling and improved productivity	Modifying current equipment by adding a joining plate between two gantry gearboxes to prevent damage
<b>Second Prize</b>	Relocating the RTG air filter to avoid engine damage, reduce breakdown and increase productivity	Modifying current festoon carrier to reduce damage by heavy operations
<b>Third Prize</b>	Establishing an in-house testing bench for the fuel injector and pump to reduce breakdown and maintenance costs	Enhancing the current planner system

### PERFORMANCE VS REWARDS

Employees' performance and development potential are systematically and objectively evaluated, biannually. Attendance, discipline, analytical and solutions-formulation are considered during the evaluation.



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

In 2012, Westports introduced its incentive to motivate employees to perform effectively and supplement their earnings. Incentives for supervisory positions are based on group performance, which promotes team performance, teamwork, planning and coordination with team members. The Incentive Scheme is reviewed biannually by a committee.

**Westports awards the highest increments by a Malaysian port and largest EPF contribution in the port industry.**

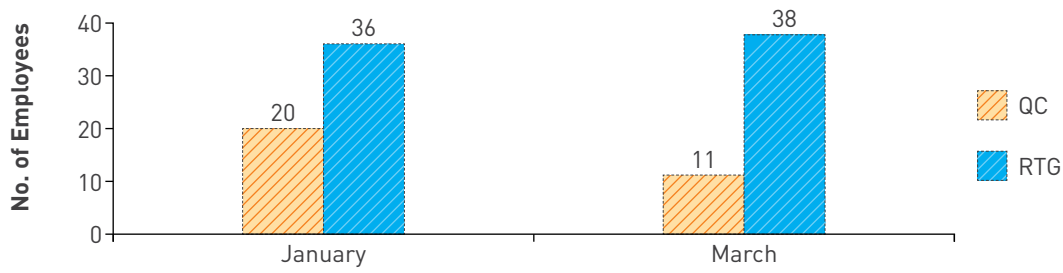
## EMPLOYEE UPGRADING

Employees are instrumental to a company's success and it is vital to both recognise and reward their achievements. Westports' Upgrading Programme was introduced in 2017 to develop employees' career opportunities. Our aim is to retain top performing employees, especially operations staff, and continue motivating them so they can achieve their full potential.

Top performing employees with qualifying disciplinary records are nominated by their respective heads of department. These employees undergo an upgrading screening process from:

- TT operators to RTG operators, or
- RTG operators to QC operators.

### Employees Upgraded to RTG and QC Positions



We also introduced the Employee Engagement Programme for all TEOs and non-TEOs, which reinforces Westports' culture. Twenty-eight cohorts comprising 2,282 employees were completed in 2017.

We also ran the Buddy System and "Enhancement Programmes" for TTOs and SCs throughout 2017. These programmes help terminal operators perform optimally. We have completed 10 batches involving 1,136 employees for the Buddy System and 32 batches involving 749 employees for the Enhancement Programme to date.

## WORK ENVIRONMENT AND HEALTH

Westports provides employees with a good, secure working environment. Our supportive workplace encourages each and every employee to perform to the best of their ability each day.

### Health and Safety Excellence

We aggressively protect the health and safety of our colleagues and tenants by identifying risks, developing solutions and encouraging participation. Listening closely to our colleagues helps us identify and prioritise each organisational risk. Risks identified by our employees, or during a post-incident investigations, are catalogued and scored.

Westports was certified with the internationally-recognised OHSAS 18001 in 1999. The current OHSAS 18001:2007 is valid until 9 October 2018.

Westports is committed to the health and safety of its workers and eliminating work-related illness and injury. Zero harm is the ultimate goal and reflects our belief that all workplace injuries and illnesses are preventable. Ensuring our people are not hurt at work and can return home injury free is of paramount importance.

## Workplace

Our Environmental Health and Safety (EHS) officers are responsible for coordinating and ensuring EHS programmes are implemented effectively. The EHS officers:

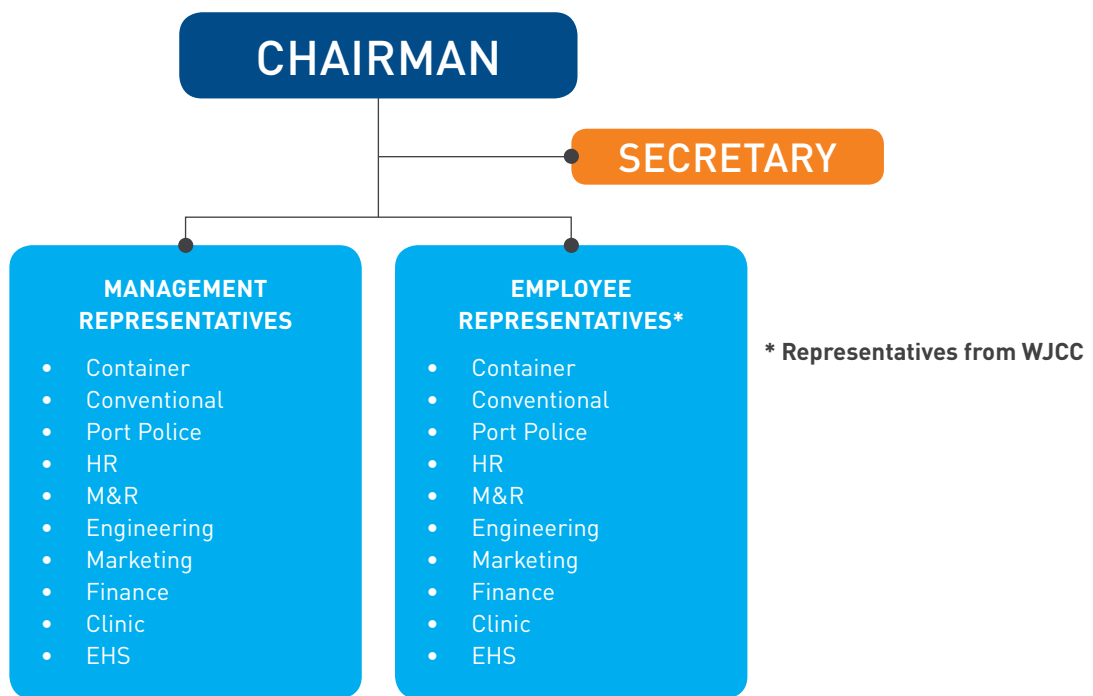
- Check the port's facilities and infrastructure comply with applicable EHS standards
- Ensure employees and port users meet all EHS requirements
- Inspect all port facilities and infrastructure daily to ensure compliance with the Occupational Safety and Health Act 1994, Act 514 (OSHA 1994) and our safety guidelines

Westports conducts biannual internal and external audits to ensure the SHE Management System is implemented effectively and conforms to ISO 14001 and OHSAS 18001 standards. The audit team observes practice and records, interviews relevant staff, drafts corrective action and presents findings to the board.

Westports has developed a SHE monitoring and measurement matrix for each function to implement a corrective and prevention procedure for dealing with actual and potential nonconformity.

The UCUX (You See You Act) programme was introduced to improve incident reporting. UCUX allows reports made through a mobile phone via calls or text messages to be attended to immediately.



### Safety and Health Committee



Westports strives for a workplace in which a health and safety culture, integrated into core business activities, is a responsibility for all.

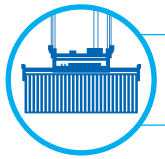

The SHE Committee comprises a chairman and both management and employee representatives. This committee meets at least monthly to review safety concerns and performance. The committee, led by Tan Sri Datuk G. Gnanalingam, Executive Chairman of Westports, reports the Company's safety performance to the Board.

**Core Responsibilities of the EHS Committee**

 <p>Investigating and inspecting</p>	 <p>Awareness programmes</p>	 <p>Managing near misses</p>
 <p>Accident and incident monitoring</p>	 <p>Chairing forums on EHS-related grievances</p>	 <p>Assessing health and safety risks for existing and potential projects and operations</p>

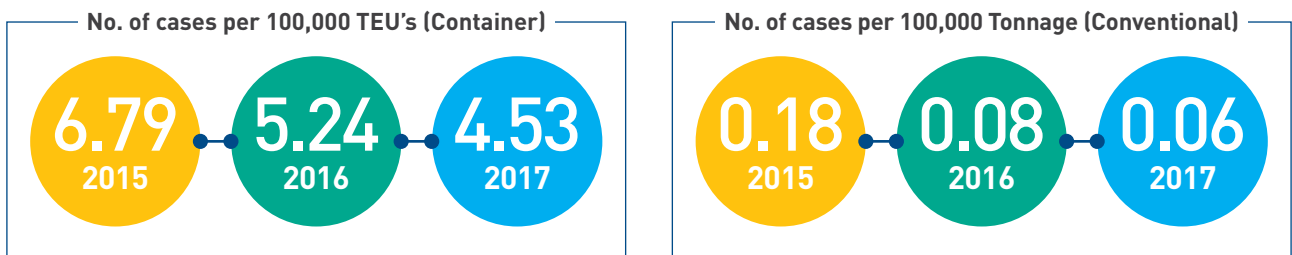
**OHSAS 18001:2007 Coverage**

**Operation of a port for provision of port services for:**

	<p>Handling container, including activities within the container terminal, business centre and tower block</p>
	<p>Conventional terminals, including activities with the break bulk terminal, dry bulk terminal 1 &amp; 2 and liquid bulk terminal</p>

OHSAS has been implemented and we ensure strict compliance with this certification which was renewed on 1 September 2015. OHSAS aims to eliminate or minimise associated safety risks for employees and port users. Our safety-related performance, initiatives and activities are summarised below.

**ACCIDENT STATISTICS**



**Safety Initiatives**

**Accident Tracking System (“ATS”)**

Westports monitors and tracks accidents, near-miss incidents and dangerous occurrences in the port with ATS. This system allows us to facilitate appropriate investigation and corrective action plans to minimise the risk of accidents. ATS 2.0 has been operational since 16 October 2017.

## Workplace

### Safety, Health and Environment (SHE) Committee

All departments are represented in the SHE Committee, in compliance with the OSHA Act 1994 and Regulation. The SHE Committee meets each month to review safety and health issues arising and the control measures undertaken by the respective departments.

The OSHA Act 1994 and Regulations are enforced throughout the terminals each day by a dedicated team. Any violations are penalised with the issuance of summons or defaulters.

The SHE section comprises a section head, assistant manager, three executives, one safety supervisor and five safety assistants. It ensures the port is operating in compliance with the Occupational Safety and Health Act 1994 and Factory and Machinery Act 1967.

### Safety Induction

Westports conducted mandatory half-day safety induction sessions for all port users on 13 March 2017. This training is delivered from Monday to Thursday to familiarise them with our safety requirements within the port. Two separate modules cater for the different risks and requirements of port users and haulier drivers as stipulated in the DOSH guidelines.

#### Topics Covered in the Safety Induction



### Working at Height

Working at height requires proper training and employees should be familiar with safety protocols. In 2017, we introduced Working at Height training following several mishaps that occurred in 2016. A total of 14 sessions were held throughout the year. The training targeted M&R technicians, engineers, the EHS team and training department in particular. An external consultant was appointed to check those working at height are adequately protected.

### Forklift Training

EHS, Training & Development and the M&R team met early in 2017 to discuss forklift operators' competencies. Following the meeting, refresher training was held for all forklift operators to reinforce safety. A total of 36 M&R employees attended the in-house training. Contractors and tenants were also invited to forklift competency training conducted by an external training provider.

### Safety Campaign

In 2017, Westports' safety campaign was extended to all employees and contractors. The campaign aimed to change behaviour and improve safety attitudes. Employees and contractors were coached with state-of-the-art methods and programmes that enabled them to managed personal and organisational safety more effectively. The participants listened to lectures on safety and were briefed on the consequences of safety non-conformance.

### Medical and Healthcare

Westports provides one of the best medical benefits coverage for its employees. Two clinics are located on the ground floor of the tower block.

**Klinik Westports**



**History**

- Established in 1998
- First in-house clinic in Pulau Indah for employees
- Expansion of clinic and manpower in 2001
- Operated by one doctor and three medical assistants



**Services Available**

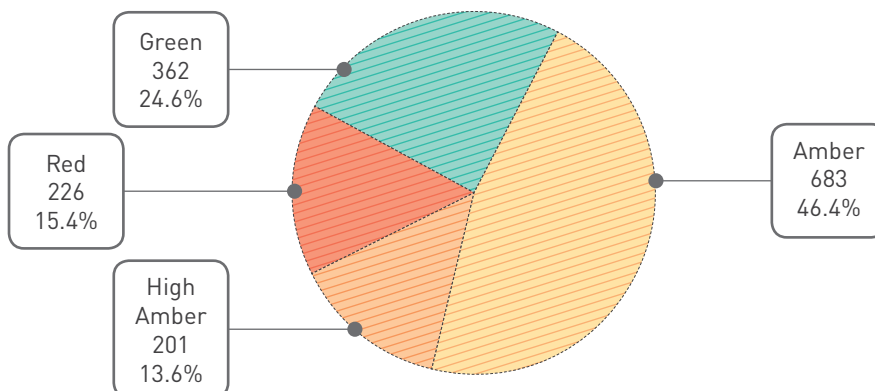
- First-class medical treatment for staff
- Medical surveillance in the workplace
- Liaisons with specialists on staff health issues
- Regular health talks for staff, dependents and community members
- Return to work assessments
- Announcements and health updates on latest medical issues

**Health Passport**

We ensure that our employees are not just fit for work, but fit for life. All employees must undergo a compulsory health examination, which checks Body Mass Index (BMI), cholesterol, glucose, waist-hip ratio and blood pressure. Medical profiles are categorised into three groups that indicate their health.



This screening is part of our Health Passport programme that was introduced in 2011. In 2017, a total of 1,472 employees above 35 years of age were tested for the health passport. 226 employees who were categorised as red and 201 as high amber were required to attend compulsory gym sessions. They will receive a follow-up health screening in May 2018.



## Workplace

### Sports

The focus on better productivity for a company dwells in the well-being of its employees, both physically and mentally. Westports recognises the value of sports in developing and bringing out the best in our people, bonding our communities as "One Team".

In order to ensure the best performance, fitness and teamwork, Westports has actively promoted sports and recreational activities for its employees.

Sports and recreational activities are managed by our Sports Committee. The Committee consists of employees from various departments. Annual programmes and inter-departmental events are organised by the Committee. A total of 9 inter-departmental games were organised in 2017.

### Annual Programme and Inter-departmental Games Organised by Westports' Sports Committee



Congkak, Batu Seremban, Darts, Carom and Dam Haji have been planned for our female employees. These ladies also competed in a few tournaments including badminton, bowling, table tennis and a mini-marathon.

Our employees also represent the Company in various external sports events organised by other associations including:

- Bowling with Royal Malaysian Customs (Pelabuhan Barat) and Forwarding Agencies;
- Bowling 'Piala Pengarah Laut' Malaysia;
- Neymar Jr's Five at Real Sports Arena, Telok Gadong;
- Badminton tournament with the Prime Minister's Department (Kelab UKAS) and KEBPB;
- 3<sup>rd</sup> Relay Blue Cap Run for Prostate Cancer 2017, University Malaya;
- APA Malaysia Mini Marathon, Kota Kinabalu;
- Selfiewefie Run: "In Support of Dyslexia Children", KL; and
- SIROM Walk The Talk: "Stop Trafficking Women & Girls", Kuala Lumpur.

### Celebrating the National Sports Day

Westports organised a 5-km fun run in conjunction with the National Sports Day on 15 October 2017. The run commenced at 7:30 am following an interactive warm-up session led by our gym trainer, Mr Iswandy. The fun run was a great platform to remind the 193 employees that took part of the importance of nurturing wellness and safety.

### **A New Look for Westports' Gym**

Our gymnasium room underwent major refurbishment in August 2017 to receive a new look. New equipment was also added to ensure it can handle peak periods. Westports purchased a selection of award-winning fitness and wellness products from Johnson Fitness, the world's leading fitness equipment manufacturer.

Our mini gymnasium at CT7 was officially opened on 16 October 2017 for all employees. This gym operates between 8:00 am and 1:00 am.

Employees can perform stress-releasing exercises at these gyms and keep healthy for a better quality of life at home and work.

### **DIVERSITY AND INCLUSION**

We embrace diversity and inclusion at every level of the Company. Employees are proud to work in an environment that reflects the communities in which they live and work.

Differing backgrounds, opinions, experiences and perspectives of a diverse workforce make us a stronger business. We help foster a truly collaborative workplace and seek ways of incorporating diversity throughout our operations. Leveraging on our skills helps us compete in the marketplace and serve our communities. As of 31 December 2017, we recorded a strong headcount of 4,456: 3,815 operational staff and 641 support staff. Great workplaces operate on a foundation of trust.

**Our vision is a diverse and inclusive environment that fosters skilled and motivated people working together to drive innovation and deliver results in support of our core business and emerging opportunities.**



# Human Rights

Westports recognises human rights as a key management issue when conducting business. We respect the human rights of all stakeholders including our own employees and across the supply chain. We also raise awareness of human rights and promote the use of a grievance mechanism to address employee concerns throughout the Company.

## Westports' Commitment to Human Rights

 <p>Provides a safe and healthy workplace for associates</p>	 <p>Does not use child labour</p>
 <p>Does not use forced, prison, indentured, bonded or involuntary labour</p>	 <p>Prohibits discrimination in hiring and employment practices including gender, race, religion, age, disability and nationality</p>
 <p>Prohibits physical abuse and the harassment of associates as well as threats of either</p>	 <p>Supports freedom of association and the rights of workers and employees to bargain collectively</p>

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 comply with the Children and Young Persons (Employment) Act 1966. The minimum age is 20 years for all job types including crane operators. Employees are expected to have SPM qualifications as a minimum.

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 at any time in Westports' history.



### Care for the Disabled

The Group makes reasonable accommodation for qualified individuals with known disabilities.

### **No Discrimination or Harassment**

Westports practises a flat hierarchy with all employees being of equal value. 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. The term discrimination includes any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction, social origin or age.

Any acts of discrimination or harassment when dealing with employees, customers and/or suppliers are not tolerated. Offenders are subject to severe disciplinary action including the possible termination of employment.

### **WHISTLEBLOWER POLICY**

Westports is committed to 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. The Whistleblower may feel that the Group is better served if the report is made to levels higher than management. In these cases, the complaint or report can be submitted directly to the Chairman of the ARMC.

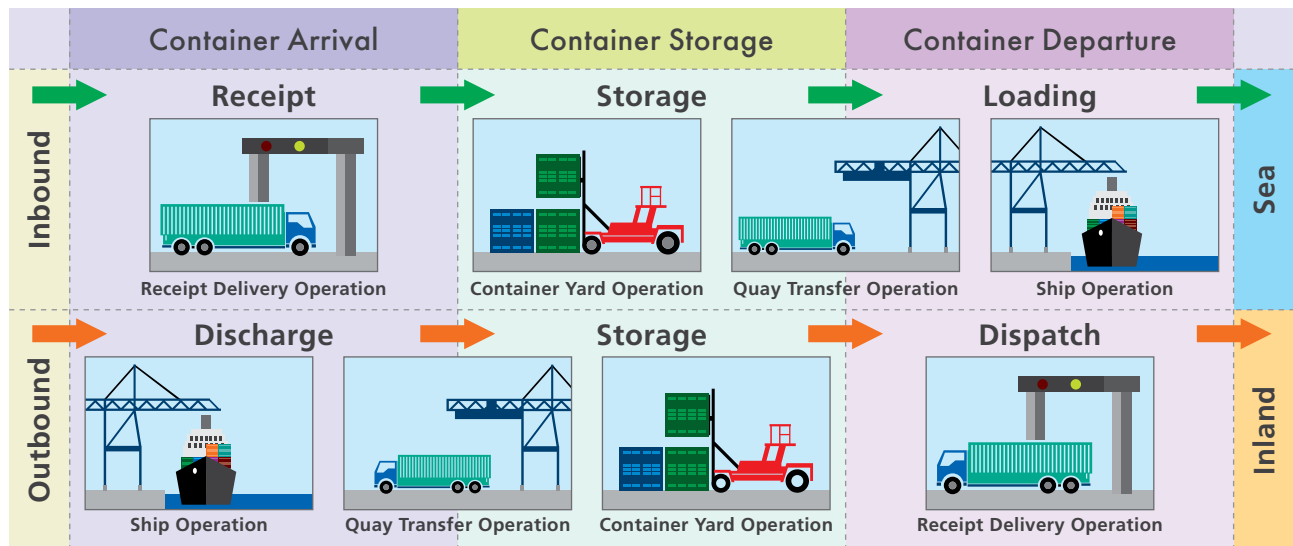
### **NOTICE PERIOD OF OPERATIONAL CHANGE**

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 the management and employees.

# Sustainable Operations

Westports designs sustainability and optimised safety performance into its terminals and other operations from the initial concept to operational implementation. The interaction with communities and the natural environment is always considered to ensure the best possible outcome is achieved for business and society. We aim to avoid, reduce or mitigate potential negative impacts and we manage this through Westports' Life Cycle Assessment.

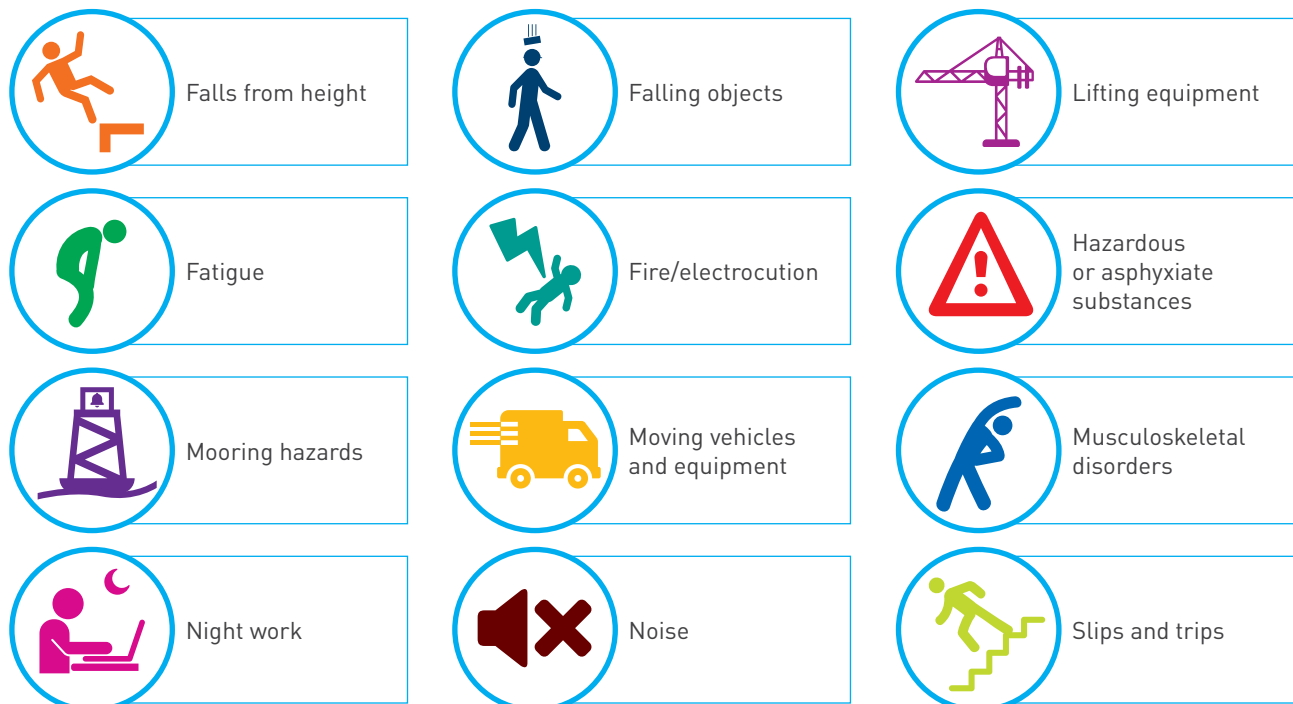
## Terminal Activities and Operations



## HAZARDS MANAGEMENT

Hazard management continues from our occupational safety and health processes. It is a continuous process that protects the safety and health of port users, customers, vessel operators and others visiting the port.

### Hazards Addressed by Our Hazards Management



## SOCIAL AND ENVIRONMENTAL SUPPLY CHAIN

Westports' safety guidelines are also extended to contractors and other external parties. All stakeholders must abide by the Company's safety rules and regulations in compliance 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 be certified by the Department of Occupational Safety and Health (DOSH) and have a valid Certificate of Fitness (CF) before it can be used.

Westports risk assessment for existing and potential projects include 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.

## WESTPORTS SECOND GATE: INCREASED CAPACITY AND NORMALISED TRAFFIC FLOW

Westports' second gate, which consists of 14 lanes, was opened on 22 July 2017. The new facilities aim to ease congestion and have benefited shoppers, especially manufacturers practising just-in-time inventory systems.

More lanes have provided sufficient capacity to cope with increasing demand from shoppers for local imports and exports. Additional capacity has helped reduce manufacturing inventory costs. A more efficient port system reduces the export and import costs by eliminating exorbitant demurrage and detention charges imposed by shipping lines on hauliers which are then passed on to shippers.

Royal Customs Malaysia has also installed three scanners at the second gate to examine laden containers. Customs has been able to reduce manpower and the time taken to check containers during the gate out process.

**An improved port system helps to increase the number of trips by hauliers and reduce unproductive time spent by lorry drivers waiting at the gate or outside the depot.**

**-Association of Malaysian Hauliers-**

A total of 10 self-serving kiosks have also been installed at the new gate. These kiosks have been integrated with the pre-arrival booking system to expedite traffic movements and ensure the highest levels of safety and security.

Following the introduction of the second gate, the time taken for haulage drivers to enter and exit our gate lanes has been reduced to an average of 35 minutes.

## ENSURING QUALITY IN WESTPORTS' IT SYSTEMS

Information technology plays an increasingly important role in work and leisure. It ensures that our departments run smoothly and is used extensively across all business functions including human resources, finance, port operations and security.

## Sustainable Operations

Westports was certified with the MS ISO/IEC 27001:2007 Information Security Management System standard on 7 May 2012. We were recertified with MS ISO/IEC 27001:2013 on 7 May 2015 and are currently preparing for recertification on 7 May 2018.

This management system is important as it:

- Systematically examines security risks, considering the threats, vulnerabilities and impacts.
- Implements a coherent and comprehensive suite of information security controls to address risks that are deemed unacceptable.
- Adopts an overarching management process to ensure that the information security controls continue to meet Westports' ongoing information security needs.

### GREATER TRANSPARENCY AND EFFICIENCY WITH WESTPORTS' E-TERMINAL PLUS

Westports' customer portal, e-Terminal is an in-house digital delivery system that is non-hierarchical, non-linear, interactive and available 24 hours a day, 7 days a week. Customers can obtain information at their own convenience and interactively exchange information with Westports.

#### e-Terminal components

e-Berthing

e-Submit

e-SSR

e-Loading

e-Delivery  
Order

e-Gate  
Pass

e-  
PreArrival

e-TDR

e-Billing

e-Terminal is seamlessly integrated with the Royal Malaysian Custom's system for the release and clearance of containers and e-Gate Passes for the issuance of terminal release documents. This streamlined process eliminates the use of paper-based Delivery Orders (DO) and forwarding agents being present at Westports.

**Westports e-Gate Pass utilisation reached 83% in 2017, increasing from the previous year of 80%. 91% of export container approvals by Customs were sent to Westports electronically. This allows full automation for cleared containers to be loaded on board vessels, eliminating daily commutes to the port.**

### CARGOMOVE

Cargomove is an enhancement of our current depot booking system. This platform allows greater efficiency and transparency when entering the port and both collecting or leaving empty containers. The empty depots are operated by third parties but are located 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 truck enters a 30-minute zone.

Objectives
<ul style="list-style-type: none"> <li>• Increase haulier optimisation</li> <li>• Reduce haulier waiting time</li> <li>• No more futile trips</li> <li>• Improve depot's equipment deployment</li> </ul>

Main features
<ul style="list-style-type: none"> <li>• Pre-arrival booking</li> <li>• Two-way communications between haulier and depot</li> <li>• 30-minute arrival features for the depot (Geo-fencing)</li> </ul>

### CONTAINER MANPOWER RATIONALISATION FOR HIGHEST EFFICIENCY

Westports proactively manages its manpower requirements given the lower volume in 2017. The container department reexamined and assessed manpower rationalisation requirements. The internal volume target was assessed and it was determined that the manpower to operate 37 quay cranes is sufficient. The hiring of additional and replacement staff was temporarily suspended in April 2017 and the manpower rightsizing exercise was concluded in November 2017.

### TERMINAL OPERATING SYSTEM MIGRATION

Efficient planning is essential for the smooth running of port operations and optimising the use of resources. Previously, the container terminal operating system (COSMOS) controlled the entire container terminal operations including berth allocation, ship planning, yard planning and rail planning to quay, yard, rail and gate operations.

In 2016, Westports began a migration from COSMOS to OPUS Terminal Operation System (TOS), which was implemented progressively throughout 2017. OPUS TOS is already being used by more than 20 major terminals around the world. Developed with state-of-the-art technology, OPUS TOS is among the most advanced terminal operating solution. This system guarantees high flexibility and scalability, allowing us to save on the total cost of ownership. OPUS TOS is optimised for automated terminal operation. The latest IT technology has been employed in its system architecture, which guarantees high system reliability with transaction load balancing at peak times.

OPUS Terminal allows us to concentrate on increasing the efficiency of yard operations and can be integrated to complement other terminal operation processes. Some of the many benefits of OPUS TOS are summarised below.

# Sustainable Operations

## Opus TOS Features











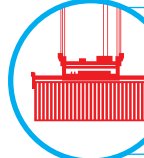
Optimised yard operation	Yard equipment pooling	Resource management	Value-added management
<ul style="list-style-type: none"> <li>Maximises terminal productivity with optimised real-time planning, job scheduling, dispatching and resource pooling functions</li> <li>Supports the controlling of terminal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

## MDS

Westports systemised the deployment of Terminal Tractors (TTs) in February 2017. TTs are managed more effectively as we have reduced human error and achieved a faster deployment process and more efficient deployment trail.

TTs were previously assigned to either the loading or unloading of a vessel. TT and manpower efficiency was reduced as the TTs returned empty. During testing, the Pooling Forecasting Service has led to an improved utilisation of our TTs with efficiency expected to improve by between 11% and 61% once the migration has been completed in 2018. This will also lead to improved fuel efficiency and fewer greenhouse gases being emitted into the atmosphere.

## Westports Achievements with OPUS TOS

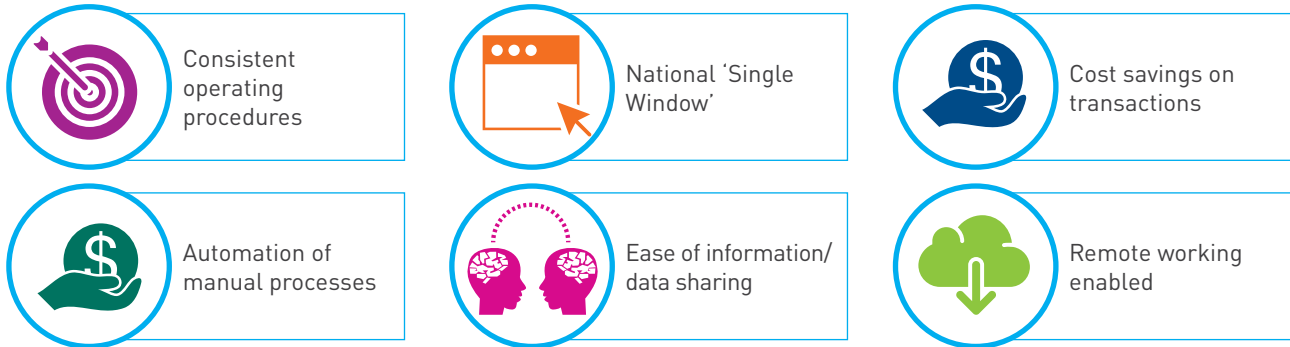
 <p>Better manpower optimisation that supports multitasking</p>	 <p>21 planners reduced to 16 per shift</p>	 <p>Reduced total equipment use by reducing redundancy</p>
 <p>A 30-40% reduction in futile trips</p>	 <p>Trucks serve the closest vessel rather than being dedicated to a crane</p>	 <p>Reduced fuel use, emissions, and wear and tear</p>
 <p>Automation support</p>	 <p>Supports DGPS, more accurate than GPS, and registers all movements in the system</p>	 <p>More organised traffic improves safety as fewer TTs occupy the same area</p>
 <p>Ensures all export containers are VGM-certified, one of the first implementations in Malaysia</p>	 <p>Improved planner efficiency and reduced bad planning problems</p>	

## COLLABORATING WITH AUTHORITIES IN ENHANCING EFFICIENCY

### uCustoms

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.

#### Benefits of uCustoms

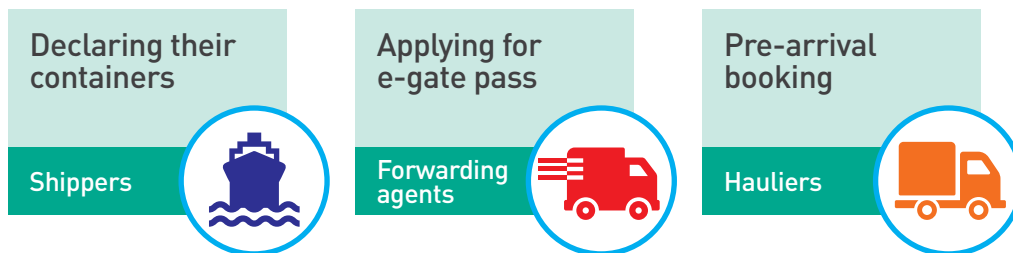


Westports has been selected to be part of the uCustoms pilot run on 30 September 2017. Since then, Westports has begun integrating the uCustoms modules into its processes such as the Journey Declaration, Cargo Clearance, Vehicle Entry Permit, Physical Check Announcement, Cargo Block and Free Zone Declaration modules. The full integration with the uCustoms system was completed in the fourth quarter of 2017.

### PKNet

Port Klang Authority (PKA) is implementing the Port Klang Net (PKNet) initiative to increase efficiency while reducing cost. PKNet establishes a port and trade-focused community system that connects key industry players under a common platform.

Westports is one of the players in the PKNet system. Information on container movement in and out of the terminals is updated for tracking. PKNet, an alternative to e-terminal plus, also benefits other parties.



## 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



# Sustainable Operations

## Port Innovation Project

Conventional Operations uses two unloader cranes (ULC) to discharge dry bulk cargo such as sugar, maize and soya beans. The safe working load (SWL) of our ULCs is 27 tonnes and we used grab numbers 07 (G07) and 08 (G08). The specifications of these grabs are presented below.

Grab No.	Grab Net Gain (tonnes)	Maximum Cargo Weight per grab (tonnes)	Total weight of Grab and Cargo (tonnes)
G07	9	10	19
G08	9	10	19

Our ULCs were not being maximised; 19 tonnes were being carried out of a total of 27 tonnes. We purchased two new grabs with a higher capacity to allow more cargo to be discharged at any one time. This increased both our productivity and wharf capacity.

We were performing 45 cycle swings per hour on average with 10 tonnes of cargo per cycle swing. Our average discharge rate is approximately 450 tonnes per hour. Our current grabs are not designed to carry their full load. The grabs are hollow at the top which leads to significant spillage.

Together with the Conventional M&R team, we have welded steel plates onto Grab G07, allowing more cargo to be discharged without spillage and with increased productivity. Our tests show an average discharge rate of 400.52 tonnes per hour, which is 33.5% more than our targeted FPS.

## Improvement in FPS by Grab Optimisation

FPS Before	FPS After	Variance	Improvement (%)
344.53	400.52	55.99	16.25%

## SAFE OPERATIONS

The maritime industry's greatest concerns are the safety of personnel and preventing marine pollution for smooth cargo transportation and marine operation at high seas. International Maritime Organisation (IMO) introduced SOLAS – Safety of life at sea and MARPOL – The International Convention for Prevention of Marine Pollution from Ships, for protecting human life and the marine environment from various types of pollution.

SOLAS 74, the latest adopted revised convention of 1974, contains safety precautions that begin with the ship's construction to real emergency situations. The convention is updated in line with safety norms in the modern shipping industry.

MARPOL 73/78 came into force in 1973 and was later revised in 1978. It ensures that shipping remains the least environmentally-damaging mode of transport. It highlights points that help preserve the marine environment by eliminating pollution from all harmful substances that can be discharged from ships.

Westports complies with the stringent international standards of IMO's SOLAS convention for the safety of container transport. Verified Gross Mass (VGM) has been implemented throughout its incoming gate for all export containers. This development included:

- An integrated weighbridge and smart internal systems to seamlessly weigh containers and trucks upon arrival to our gate; and
- A user-friendly interface from declaration to the issuance of SOLAS VGM certification for all export containers.

By ensuring 100% VGM is applied for the handling of all export containers, we fully comply with the industry and international safety of transportation by sea standards.

In 2017, we have certified 81% of the total 427,231 laden containers that pass through our gates, proving to the shipping industry and port community that SOLAS implementation is successful with neither delays nor disruption to our Gate operations.

#### **Westports Gazetted as an Essential Point - Priority 1 by the Government of Malaysia**

**Any party wishing to carry out official duties at Westports is required to obtain a valid legal pass as stated under Section 4 & 5 of Protected Area and Protected Places Act 1959 and Section 84(1) Port Kelang Authority by-Laws (amendments 1985). A person wishing to enter the port area should have a port-authorized identification card, called a Port Pass. This can be obtained by registering the company with Westports.**

#### **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.

[www.westportsholdings.com](http://www.westportsholdings.com)

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