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# HOW WESTPORTS MAKES ITS PORT MORE SUSTAINABLE AND WHY IT MATTERS



Sustainability is too risky to neglect. Take a look around you and many of these items were likely transported by ship. Shipping accounts for the majority of the world's trade from the raw input materials to the end product.

The growing reliance on shipping goods contributes to the success of today's global economy but also increasing greenhouse gas emissions. As ports are critical connection points, improving their sustainability affects every element of the global supply chain.

The story of port sustainability is a common one — goals cannot be accurately defined, defended or evaluated without precise information and data. There is no hope of meeting these goals without this information being open to public scrutiny. Westports' annual sustainability report complements other published disclosure to tell a story from the data and find aspects most relevant to stakeholders who can help instigate change. When the data, story and metrics are released with stakeholders in mind, the path towards sustainability becomes much clearer.

# ABOUT THIS REPORT

Our annual sustainability report is an achievement for not only Westports but for the port community, country and industry. We continuously strive to raise the bar through our commitment to economic growth, community integration and environmental progress.

Westports' annual and sustainability reports are separate publications that cover all business operations during the financial year from 1 January 2019 to 31 December 2019. Together, these two reports highlight issues that are material to Westports, its stakeholders, the economy and community. Specifically, this sustainability report:

- ✓ Provides a summary of our sustainability programme, strategies, progress and performance for the past financial year
- ✓ Updates readers on ongoing sustainability efforts
- ✓ Introduces new initiatives undertaken as Westports further develops its diverse port operations and adopts more efficient and sustainable productivity
- ✓ Contains a preview of what is anticipated in the future
- ✓ Highlights accomplishments and identifies challenges faced as we

build a sustainable and financially resilient port that continues to lead in the areas of nation-building, safety, process excellence and environmental stewardship

Westports' fourth independent sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, which have become the international framework for sustainability reporting. In devising the report and defining the essential content, all six GRI Standards were used:

- ✓ **GRI 101:** We considered the reporting principles for defining report content and report quality.
- ✓ **GRI 102:** We reported on the organisation and its sustainability reporting practices, the organisation's profile, strategy, ethics and integrity, governance, stakeholder engagement practices and the reporting process.
- ✓ **GRI 103:** We used the management approach to report how the organisation manages the material topics covered by topic-specific standards GRI 200, 300 and 400. Westports has also adopted the AA1000 standards in identifying its material sustainability topics.

- ✓ **GRI 200, 300 and 400:** We used indicators for reporting on the organisation's impact on economic, environmental and social issues.

Westports has also aligned its material issues and associated chapters with the United Nations Sustainable Development Goals. "Westports", "the Company", "the Group", "we", "us" and "our" refer to Westports Holdings Berhad. We strive to extend our scope and boundary to include all parties involved in our supply chain network.

Similar to previous reports, a combined financial and non-financial assurance team from SIRIM QAS International Sdn Bhd adopted a combined assurance approach to the information in this report. Selected sustainability information was verified at a limited assurance level according to the International Standard on Assurance Engagements (ISAE) 3000.

We welcome your feedback on this report. Please submit your feedback or enquiries to:

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# ABOUT US

## CORPORATE OVERVIEW



### Vision

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



### Mission

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

## WESTPORTS' OBJECTIVES

<b>Generate Sustainable Revenue</b>	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.
<b>Operational Efficiency</b>	We provide operations and service excellence that exceed global standards through effective training, the continuous review of operational achievements and enhancement of SOPs.
<b>World Class Productivity</b>	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.
<b>Employer of Choice</b>	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.
<b>Service Excellence</b>	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.
<b>Technology Driven</b>	We are 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

<b>Teamwork</b>	Westports believes in collective and cooperative teamwork which contributes to the achievement of the Company's vision and mission.
<b>Accountability and Integrity</b>	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.
<b>Now Culture</b>	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.
<b>Safety Awareness</b>	Safety is an integral part of sustaining our business growth and success, leading to an increase in productivity.
<b>Responsible</b>	This tenet is embraced by all employees in which we are all responsible for our actions and conduct.
<b>Innovation</b>	Westportians develop a passion for excellence and success through continuous innovation of new ideas and practices.
<b>Good Family Values</b>	We work together as a family with candour, encourage open communication and solve any issues or problems together. Things are done with good thoughts, good intentions and good deeds. Westports is a big family where everyone is treated with respect.

# ABOUT US



## ABOUT THE PORT

Westports primarily manages port operations dealing with containerised and conventional cargo. It also provides a wide range of port services including marine, rental and other ancillary services.

Westports serves as the main gateway for containerised and conventional cargo for the central Peninsular Malaysia hinterland. The container business grew exponentially from 20,000 Twenty-foot Equivalent Units ("TEUs") in 1996 to 10.9 million TEUs in 2019. Our market share of container business represents approximately 80% in Port Klang, about 16% in the Straits of Malacca and 9% in South East Asia as of 2019.

Our success is attributable to our strategic location, deep channel and wharf, linear berth, high productivity, dedicated young and vibrant employees, and connectivity to more than 350 ports around the world.

We have 31 berths with a length of 8,442 metres, of which 24 berths are connected in a straight line measuring 5,800 metres. Our average container handling capacity stands at 13.9 million TEUs and our average capacity utilisation ratio was 78% in 2019.

Our conventional terminal handled 9.9 million tonnes of bulk cargo in 2019. The bulk cargo comprises mixed steel, steel coils, project cargo, animal feed, edible products, fertilisers, building-related cargo, palm oil, petroleum, chemical and liquefied petroleum gas.

# ABOUT US

## COMPREHENSIVE PORT INFRASTRUCTURE

### Port Positioning



#### Terminal facilities

A total of **31** berths with an aggregate length of 8.4 km



**24** of the berths are contiguously connected in a straight line with a total length of 5.8 km

A maximum usable quay length and flexibility in vessel berthing



The latest ship-to-shore cranes with a height of 52 metres deployed at CT8 and CT9



#### Harbour

A naturally deep harbour



Water depth of **17.5 meters** that can accommodate the largest container vessels



A protected harbour that eliminates the need for artificial breakwaters

Larger ships have to enter Port Klang using the southern approach as it has a deeper channel of 18 metres



#### Accessibility



Easy access to **405 ha** Port Klang Free Zone an integrated customs-free commercial and industrial zone

## GROUP PERFORMANCE (Highlights)

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

	2019	2018	2017	2016	2015
<b>Financials</b>					
Revenue (RM'000)	1,782,890	1,614,694	2,088,608	2,035,015	1,681,783
Profit before tax (RM'000)	773,809	701,217	676,882	754,819	650,143
Profit after tax (RM'000)	590,896	533,474	651,511	636,981	504,864
Shareholders' equity (RM'000)	2,560,291	2,415,086	<sup>^</sup> 2,336,847	<sup>^</sup> 2,131,091	1,898,121
Total assets (RM'000)	5,132,206	5,087,420	<sup>^</sup> 5,146,145	<sup>^</sup> 4,411,243	4,029,555

### Per Share And Ratios

Earnings per share (sen)	17.3	15.6	19.1	18.7	14.8
Dividend per share (sen)	13.0	11.7	14.3	14.0	11.1
Dividend payout ratio (%)	75.0%	75.0%	75.0%	75.0%	75.0%
Return on equity (%)	23.1%	22.1%	<sup>^</sup> 27.9%	<sup>^</sup> 29.9%	26.6%
Return on total assets (%)	11.5%	10.5%	<sup>^</sup> 12.7%	<sup>^</sup> 14.4%	12.5%

### Operations

Container throughput (million TEUs)	10.9	9.5	9.0	9.9	9.1
Container handling capacity (million TEUs)	13.9	14.0	13.0	12.0	11.0
Westports market share of Port Klang	80%	77%	75%	76%	76%
Conventional throughput (million MT)	9.9	10.7	10.9	11.8	10.2
Number of vessels accommodated	8,997	8,550	8,502	9,627	9,362

<sup>^</sup> Restated

## OUR FOOTPRINT



**Economic growth engine**

Catalyst for

**Malaysia's economic development**



**Employer, job creator and skills developer**



Over

**5,000 people**

in direct employment



**355,342 hours**

of training conducted



**180 hours**

of training for each employee on average



**Impact on local communities**



**36%**

of employees are from the island



Continuous engagement with the local community throughout the year



**3,029**

**volunteer hours**

dedicated to local community investment in 2019 through our corporate responsibility programmes



**Environmental stewardship**

**100%**

of our sites have been certified with ISO 14001 and we are on track in our migration journey towards ISO 45001

# OUR PERFORMANCE AT A GLANCE

	2017	2018	2019
<b>ENVIRONMENT</b>			
<b>Energy &amp; Water</b>			
Diesel (litres)	44,037,608	46,104,051	<b>49,738,114</b>
Electricity (MWh)	90,719	97,013	<b>101,328</b>
Water (m <sup>3</sup> )	1,335,444	1,303,339	<b>1,011,263</b>
<b>Efficiency</b>			
TT (ℓ/Move)	2.21	2.19	<b>2.13</b>
TT (ℓ/TEU)	1.52	1.50	<b>1.44</b>
TT (ℓ/hr)	6.28	5.95	<b>5.81</b>
RTG (ℓ /Move)	1.20	1.33	<b>1.20</b>
RTG (ℓ/TEU)	0.83	0.91	<b>0.81</b>
RTG (ℓ/hr)	15.59	14.73	<b>15.02</b>
Tugboat (ℓ /TEU)	1.13	1.10	<b>1.07</b>
Tugboat (ℓ/Vessel Call)	1,189	1,224	<b>1,284</b>
kWh/TEU	10.05	10.19	<b>9.33</b>
<b>Emissions (tonnes)</b>			
Scope 1	116,416	121,878	<b>131,485</b>
Scope 2	53,071*	56,752*	<b>59,277</b>
Scope 3 (Air Travel) **	284	258	<b>486</b>
Scope 3 (Employees Commuting) *	-	6,340	<b>9,462</b>

\* Scope 2 emissions have been restated for 2017 and 2018 to reflect the updated emission factor published in the 2017 CDM Electricity Baseline for Malaysia that was released in 2019.

\*\* Scope 3 in 2018 and 2019 is a summation of emissions arising from employees commuting and air travel while only emissions from air travel were measured in 2017.

	2017	2018	2019
<b>Emissions Intensity (kg)</b>			
TT (CO <sub>2</sub> e/Move)	5.83	5.79	<b>5.64</b>
TT (CO <sub>2</sub> e/TEU)	4.01	3.97	<b>3.81</b>
TT (ℓ/hr)	16.61	15.72	<b>15.37</b>
RTG (ℓ /Move)	3.18	3.52	<b>3.16</b>
RTG (ℓ/TEU)	2.19	2.41	<b>2.14</b>
RTG (ℓ/hr)	41.22	38.93	<b>39.72</b>
Tugboat (ℓ /TEU)	2.98	2.91	<b>2.82</b>
Tugboat (ℓ/Vessel Call)	3,142	3,236	<b>3,395</b>
<b>Electricity/TEU</b>			
Ozone-Depleting Substances	5.88	5.96	<b>5.46</b>
	0.00	0.00	<b>0.00</b>
<b>Waste</b>			
Scheduled Waste (tonnes)	393	151	<b>312</b>
Hydraulic Oil Recycled (tonnes)	9.60	10.85	<b>7.60</b>



# A MESSAGE FROM THE EXECUTIVE CHAIRMAN AND GROUP MANAGING DIRECTOR

It gives us great pleasure to present our fourth annual sustainability report. 2019 has been another record-breaking year with container volume reaching 10.9 million TEUs for the first time ever. The logistics industry is generally undergoing significant transformational and technological change. Within the container ports segment, Westports operates in markets with dynamic global economic growth, a young demographic profile and modest GDP per capita with much room for improvement. The business models within the region are evolving due to multiple factors such as changing customer behaviours, regional investments, broadened supply chain solutions, new competitors, rapid technological development and an evolving workforce.

Innovation and adaptation are imperative as the world progresses. Prior to the birth of Westports, Port Klang handled a very small volume and Malaysia transhipped its containers from Penang, Kuantan, Johor and East Malaysia through Singapore. Since its incorporation, Westports continued to expand and relentlessly pursued becoming Malaysia's leading gateway port and emerged as one of the region's main transshipment hubs. Westports' container handling capacity has grown to 13.9 million TEUs annually. Our expansion is in line with the group's supply-driven strategy.

Leading Westports is a bit like managing a football team — in order to win, we must



select the strongest players, train hard, formulate specific strategies and out-do our opponents. We must continuously develop our skills and game knowledge while innovating and seeking more effective methods. Westports' experienced management team focuses on what is important: productivity, servicing clients effectively and adapting to change. Ranked as one of the top five most productive global ports, Westports rose from 27<sup>th</sup> to 12<sup>th</sup> place in the world port traffic league rankings. We are proud to be one of only three mega-transshipment hubs in the entire ASEAN region.

Westports has a rich history and has supported Malaysia's economic expansion for 25 years. We have expanded our cargo capacity, created high-quality employment opportunities, diversified our business portfolio and continuously worked to meet industry demand. Despite handling a record number of TEUs, success is not solely measured by cargo volume. We feel a great responsibility for the port and people, as well as to the environment and local communities, and work in the interests of all stakeholder groups.

Investors are realising that company risk and growth are increasingly tied to the management of environmental, social and governance (ESG) issues. Climate risk, human rights, supply chain management, automation, equipment electrification, diversity and safety are some of the topics under our microscope. These challenges are complex, requiring detailed understanding, technical expertise and commercial awareness to deliver integrated solutions and create value in the short, medium and long-term. Increasingly, global market forces require businesses to balance their

# A MESSAGE FROM THE EXECUTIVE CHAIRMAN AND GROUP MANAGING DIRECTOR



environmental and societal responsibilities with inevitable tension to meet shareholders' commercial expectations.

We will continue to invest in enhancing the port's sustainability initiatives – from cleaner technologies and supply chain innovation to employee programmes and community development. Collaboration with our partners and the community helps us develop the local economy through trade-enabling investment and addressing the impact climate change has on our industry.

“

**We are a proudly Malaysian business that places great importance on executing our responsibility to sustain and create natural, human and social capital. Our dedication to being a responsible corporate steward of our communities continued throughout 2019 and will be equally important in years to come.**

”

## LOOKING AHEAD

The coming years will deliver important milestones. We are finalising detailed plans for our massive container terminal expansion project, which will almost double our capacity of 13.9 million TEUs to 28 million TEUs. Approval-in-principle was received from the government in 2017. Various consulting firms have been appointed to perform the necessary technical studies and these were completed in 2019.

Port Klang Authority (“PKA”) informed us that the regulator has concluded its detailed evaluations with satisfactory findings on the various studies undertaken and our proposed recommendations. We have begun a Detailed Environmental Impact Assessment study for the proposed expansion, which would see the future development from Container Terminal 10 to Container Terminal 17. This expansion plan will strengthen Port Klang as the pre-eminent port for the nation's gateway trade and transshipment in the region.

Our successes, large and small, would not have been possible without the support and hard work of our employees, community members, customers, partners, stakeholders, regulators and board of directors. There is still a lot of work ahead, but with your support, we will continue to improve all sustainability dimensions. We invite you to help us remain the proven,

trusted and friendly leading Malaysian Port. Together we can secure a sustainable future for our port and communities.

On behalf of Westports, we thank you for your interest in our sustainability programmes and the progress made in this ESG disclosure. I would also like to thank all stakeholders who worked proactively with Westports each day to address issues, develop solutions and constantly improve our performance. We are committed to setting sustainability goals and making capital investments in ESG-relevant initiatives. This report was developed with you in mind, so we welcome any feedback you may have so that we can improve once more.

Sincerely,

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

**Datuk Ruben Emir Gnanalingam**  
Group Managing Director

# APPROACH TO SUSTAINABLE BUSINESS

Managing a sustainable business requires the balanced integration of performance, corporate governance, economic, environmental and social factors into the business strategy and operations. Equally, we must adopt an approach that is both dynamic and reviewed regularly as a broad range of stakeholders influence and are affected by our business.

We engage regularly with all our stakeholder groups, understanding the importance of their input in developing our strategy and operating a truly sustainable business.

A wide range of criteria, processes and stakeholder engagements are employed in formulating Westports sustainable strategy as summarised below.



## Internal factors

Group's vision, mission, core values, policies, strategies, operational management systems, objectives and targets

Expectations and concerns of stakeholders including employees, customers, government and regulatory bodies, suppliers and communities

The underlying risk to Westports as defined by internal integrated risk methodologies

Product development and the manner in which Westports could potentially influence its supply chain partners in terms of sustainable development



## External factors

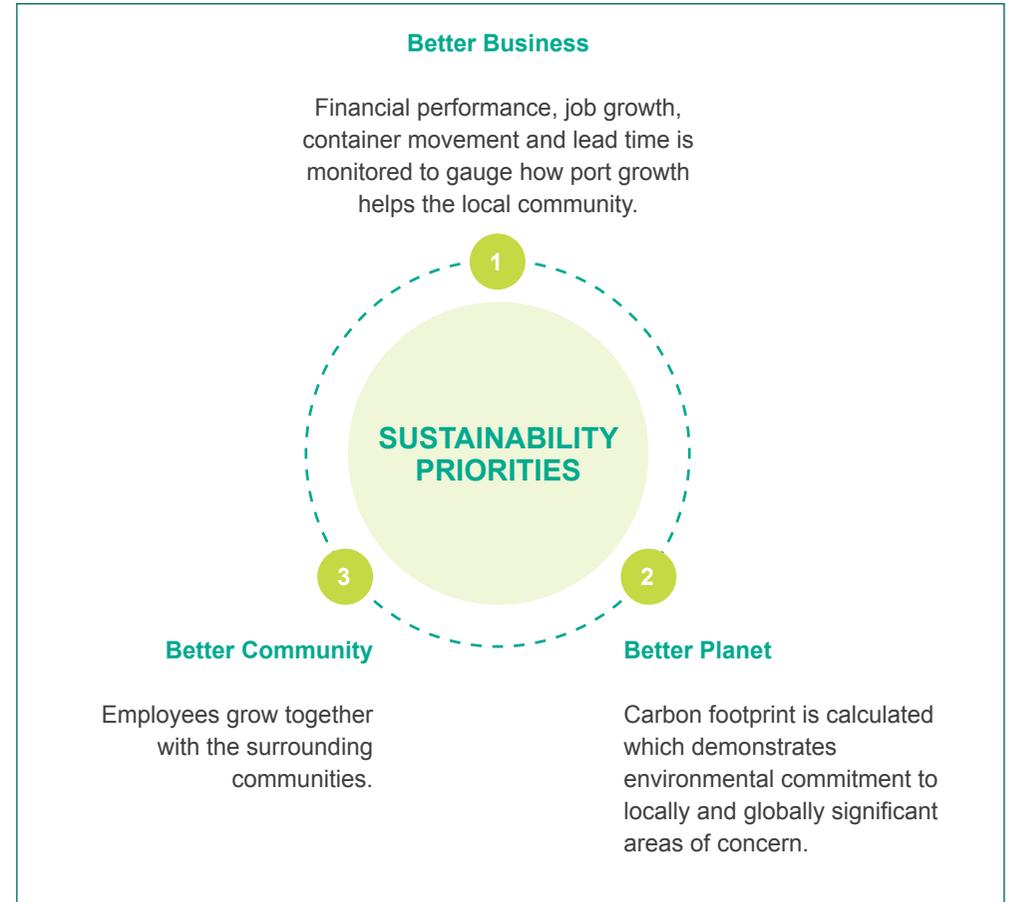
→ Challenges and emerging issues for port operations such as climate change

→ Relevant laws, regulations and changes to legislation that affect Westports and its stakeholders

→ Changes involving sustainability issues, impacts, risks or opportunities

→ Advice received from external experts in the business strategy, risk and sustainability fields

Employees from various functions and divisions, key investors, community members, governmental representatives and business partners are consulted to gauge their expectations.



Westports raises awareness and implements each sustainability priority as business operations are expanded.

# APPROACH TO SUSTAINABLE BUSINESS

## SUSTAINABILITY GOVERNANCE

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

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

- ✓ Explaining the economic, environmental and social impacts related to material aspects to the Board that subsequently influence the assessments and decisions of stakeholders;
- ✓ Promoting the integration of sustainability impacts and considerations into the Westports risk management framework; and
- ✓ Reviewing the progress of action plans developed to meet the organisational strategic objectives.

The Management Committee meets each month during which operational matters, strategy and the progress of operations that affect our sustainability agenda are

discussed. These meetings also provide an opportunity for senior leadership to align major strategic sustainability issues. Senior leaders remain actively engaged in executing goals that affect our overall sustainability and drive Westports' sustainability agenda with their teams. A number of committees and networks operate horizontally across the Group's different business units to guarantee a consistent approach.

## ROLE OF THE BOARD OF DIRECTORS

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

## RISK AND COMPLIANCE MANAGEMENT SYSTEM

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



for these risks. Westports also monitors the ongoing implementation of these response plans.

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

The risk management framework considers different categories including business, operational, internal and external risks. Risks related to economic, financial and compliance, market and customers, competition, regulatory/policy environment, labour, assets, operations, socio-political, partners, environment, employees, local communities and reputation are monitored and managed. Westports conducts risk

assessments for all existing and upcoming projects.

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

Westports received no significant fines or non-monetary sanctions for noncompliance with laws and regulations in social and economic areas during the reporting period.

# APPROACH TO SUSTAINABLE BUSINESS



## WESTPORTS' JOURNEY TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

Westports has adopted the United Nations Sustainable Development Goals as an action framework to follow. As an important factor within the global supply chain, we recognise our responsibility to help achieve these goals and prioritise action on shared social, environmental, economic and security challenges. Viewed together, they present opportunities for us to create meaningful and positive change within our local, national and international communities. We have identified the relevant goals for Westports and have summarised our approach over the following pages.

### United Nations Sustainable Development Goal

### Relevance and potential contribution



#### Good Health and Well-being

Maintaining the health, safety and wellbeing of our employees is a fundamental Westports value and this goal is integral to our organisation now and in the long term. We continue to advocate the best-practice health, safety and wellbeing procedures related to business operations.



#### Quality Education

This goal is aligned with our community engagement and Enhancing Education CSR Pillars. We are in a unique position to enhance the literacy and employability of the local Pulau Indah residents.



#### Gender Equality

This goal relates with our diversity objectives and our intent to commit to gender equality and equal opportunity in the workplace.



#### Clean Water and Sanitation

This goal aligns with our commitment to environmental protection and the effective resource management of Westports.



#### Affordable and Clean Energy

This goal relates to Westports' objective to adopt energy-efficient practices and identify opportunities for long-term improvement.



#### Decent Work and Economic Growth

This goal relates to Westports' core business objective to ensure sustainable business performance. We are in a position to connect local, national and international communities with markets, facilitate trade development and generate wealth and employment opportunities.

### United Nations Sustainable Development Goal

### Relevance and potential contribution



#### Industry, Innovation and Infrastructure

This goal is central to Westports and its commitment to delivering world-class port facilities and services. It also supports environmental action to enhance resource-use efficiency and adopt sound technologies and industrial processes.



#### Responsible Consumption and Production

This goal is aligned with Westports' intent to minimise emissions and matters that may be considered harmful or hazardous to land, air or water environments. It is Westports responsibility to advocate for improvements to waste management and environment protection.



#### Climate Action

This goal relates to Westports' operations and long-term commitment to managing climate change risks.



#### Life Below Water

This goal is highly relevant to Westports' waters and its ecological sensitivity. Our operations strictly comply with environmental regulations and legislative requirements.



#### Life On Land

This goal relates to our land operations and commitment to protecting, enhancing and adopting best practice in environmental management across our port.



#### Partnerships for the Goals

It is critical that Westports works alongside local, state and national governments to strengthen sustainability action.

# CREATING MEANINGFUL RELATIONSHIPS WITH OUR STAKEHOLDERS

Westports operates within a complex network of diverse local, national and international stakeholder groups, all of which play a critical role in supporting effective port operations.

Westports engages and collaborates with various stakeholders across cultures around the globe. Our active stakeholder engagement programme helps us acquire knowledge to refine our operations.

We have built strong relationships and improved our understanding of the externalities and trends that could affect us in the future through stakeholder engagement.

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

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

# CREATING MEANINGFUL RELATIONSHIPS WITH OUR STAKEHOLDERS

## INDUSTRY ASSOCIATIONS

Industry associations provide members with a range of services including support, training and lobbying. Westports' efficient supply chain processes include:

- ✓ Partnering with key industry organisations;
- ✓ Actively participating in port-related public policy discussions and regular communications with the port authority;
- ✓ Engaging with various government ministries and bodies such as 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);

- ✓ Advocating logistics matters and supporting the national transportation agenda;
- ✓ Liaising with local government agencies such as the regulators to ensure compliance with their policies, rules and guidelines; and
- ✓ Holding regular dialogue sessions with local government agencies including the Port Klang Authority, Royal Malaysian Customs Department, Department of Safety and Health, Department of Environment, Royal Malaysia Police, Fire and Rescue Department, Port Health Authority and Klang Municipal Council.

Westports also engages with other port players, local authorities, forwarding agencies and business partners in developing the industry. Westports' key roles in the value chain are summarised below.

## PORT CONSULTATIVE COMMITTEE (PCC)



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

- ✓ A substantial change in tariffs
- ✓ Plans to expand or develop the port
- ✓ Matters that will affect the industry and country

## NATIONAL LOGISTIC TASKFORCE (NLTF)



Meeting three times a year under the purview of the MOT, the NLTF:

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

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

## TECHNICAL WORKING GROUP ON TRADING ACROSS BORDERS (TWGTAB)



TWGTAB is an MITI initiative to improve Malaysia's ranking in cross-border trading. Westports engages with all key players each quarter to improve logistics in Port Klang. TWGTAB stakeholders include the Selangor Freight Forwarders and Logistics Association (SFFLA), Royal Malaysian Customs Department, MOT and MATRADE.

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



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

# MATERIALITY

Materiality is the principle of identifying and assessing a wide range of sustainability matters and refining them to those most important to our organisation and stakeholders.

## DETERMINING WHAT REALLY MATTERS

Materiality is the principle of identifying and assessing a wide range of sustainability matters and refining them to those most important to our organisation and stakeholders. Integrating our material issues is an ongoing process that analyses our many, varied opportunities, risks, strengths, weaknesses, challenges and stakeholders' concern and interests.

Stakeholder inclusiveness is central to determining our most material issues. Explicit and perceived stakeholder concerns raised through our regular dialogue sessions are regularly reported to the executive committee for consideration and the Company's policies and actions are reported to stakeholders for their input.

We also consider the macro-economic, political, social and legislative environments in which we operate and do business. The risk register and ongoing enterprise risk management systems, which are overseen by the Audit and Risk Committee (ARMC), are also consulted. This inclusive approach allows us to develop a complete picture of the various issues facing the company.

## MATERIALITY METHODOLOGY

In 2018, Westports commissioned an external consultant to perform a comprehensive, impartial and anonymous materiality assessment with all stakeholder groups. Respondents were asked the rate the relative importance they placed on 19 economic, environmental and social issues.

## Sustainability Areas Assessed in the Materiality Study



### ECONOMIC

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



### SOCIAL

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



### ENVIRONMENT

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

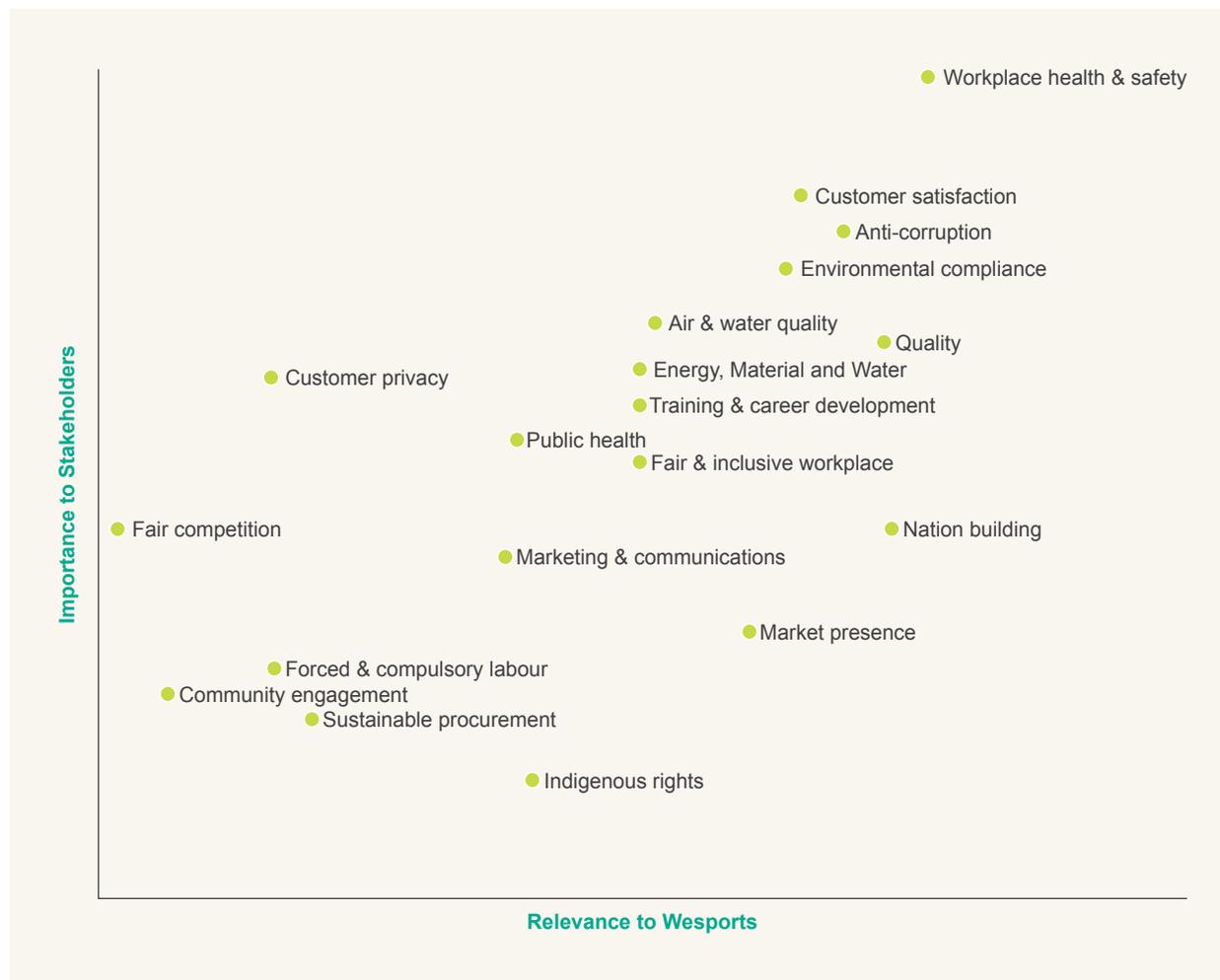
A total of **1,432** complete responses were obtained and analysed. We believe the survey provides a reasonably accurate representation of our stakeholders' opinions.

# MATERIALITY

## RESPONSE RATE OF STAKEHOLDERS CONTACTED

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

Respondents were asked to indicate the importance of each criterion from 'very unimportant' (1) to 'Very important' (5). As the stakeholder groups were not equally represented, a separate average score was calculated for each of the 19 areas within each stakeholder group before an average from all nine stakeholder groups was obtained. The same survey was completed by seven members of the Board who represented the views of Westports.



## REVIEW OF OUR MATERIALITY MATRIX

In 2019, senior management reviewed the accuracy of Westports material issues. As the structure and operations have not changed, the materiality matrix was still considered relevant and current. Westports aims to perform a third comprehensive materiality assessment in 2020.

# ECONOMIC



Although Westports is the steward of a great maritime asset, its benefits flow to virtually every Malaysian citizen and resident in the broader Klang Valley area. We are building a sustainable, economic engine for the entire of Malaysia. Success is a collective effort and we are looking to the future and building the capacity for greatness.

Our short and long-term objectives include developing world-class infrastructure, increasing market share, advancing technology and sustainability, optimising land use and strengthening the financial performance of the Group.

## WESTPORTS' CONTRIBUTION TO MALAYSIA'S ECONOMIC DEVELOPMENT

Westports national contribution has been significant. As one of the three mega-hub ports in the region, handling 10.9 million TEUs in 2019, Westports connects to more

than 350 ports globally. Westports was the first single hub port to be established in Malaysia. Previously, containers had to be diverted to Singapore to be connected or transhipped to the final destination from there.

In 1994, Westports began its conventional or non-container business and container operations commenced two years later. Phenomenal growth has transformed Westports into a regional hub and shipping lines' preferred port of calls. Westports has benefited Malaysian industries as a mega-hub with extensive service coverage and connectivity.

In addition to its prime location, Westports has invested in the latest facilities to accommodate the largest container vessels in the world. Productivity is critical. The speed with which we can turn around a vessel is imperative from our clients' perspective as less time spent at the port means more sailing time and keeping to their sailing schedule. In April 2019, Westports broke what could be a world record in terms of moves per hour, namely how quickly containers are being handled at a port. This has proven once again that Westports is one of the top ports in terms of productivity in the world, showcasing its capabilities, teamwork and facilities to execute such an operation.

## Statement Of Value Added And Distribution Highlights For The Financial Year Ended 31 December

In RM'000	2019	2018	2017	2016	2015
<b>VALUE ADDED:</b>					
Revenue	1,782,890	1,614,694	2,088,608	2,035,015	1,681,783
Less: Construction revenue	0	0	(372,727)	(230,679)	(103,485)
Operational revenue	1,782,890	1,614,694	1,715,881	1,804,336	1,578,298
Purchase of goods and services	(421,837)	(370,623)	(557,173)	(584,040)	(489,738)
<b>Total value added available for distribution</b>	<b>1,361,053</b>	<b>1,244,071</b>	<b>1,158,708</b>	<b>1,220,296</b>	<b>1,088,560</b>
<b>DISTRIBUTION:</b>					
To employees					
- salaries and other staff costs	256,290	246,490	228,215	233,228	219,507
To government					
- income tax	182,913	167,743	25,371	117,838	145,279
To provider of capital					
- dividends	445,687	455,235	445,755	446,028	391,127
- finance costs (net)	74,955	81,075	67,779	64,165	63,730
Retained for future reinvestment and growth					
- depreciation and amortisation	255,998	215,289	185,832	168,084	155,180
- retained profits	145,210	78,239	205,756	190,953	113,737
<b>Total distributed</b>	<b>1,361,053</b>	<b>1,244,071</b>	<b>1,158,708</b>	<b>1,220,296</b>	<b>1,088,560</b>
<b>RECONCILIATION:</b>					
Profit for the year	590,896	533,474	651,511	636,981	504,864
Add: Depreciation and amortisation	255,998	215,289	185,832	168,084	155,180
Finance costs (net)	74,955	81,075	67,779	64,165	63,730
Staff costs	256,290	246,490	228,215	233,228	219,507
Income tax	182,913	167,743	25,371	117,838	145,279
<b>Total value added</b>	<b>1,361,053</b>	<b>1,244,071</b>	<b>1,158,708</b>	<b>1,220,296</b>	<b>1,088,560</b>

# ECONOMIC

## A RECORD-BREAKING YEAR

On 5 December 2019, Westports had handled a record-breaking 10 million TEUs of containers. Westports is the first and the only terminal in Malaysia to handle this volume in a calendar year. The 10 million TEU threshold was attained due to container throughput increasing by approximately 14% to 9.89 million TEUs by the eleventh month. Cumulatively, Westports has handled more than 112 million TEUs of containers over the last 23 years since the container operations commenced in 1996.

Westports has achieved phenomenal growth over the years as it transformed Port Klang into the 12<sup>th</sup> busiest port globally and the ninth best-connected port in the world. As one of the main transshipment hubs in South

East Asia for international container shipping companies, Westports is the preferred port terminal for the nation's gateway economic trade.

## INFRASTRUCTURE DEVELOPMENT

Currently, Port Klang is the 12<sup>th</sup> largest port in the world in terms of container traffic. Westports invests in port infrastructure to meet current and future capacity and the region's growth projections. Capital projects including new projects, renovation and maintenance continue to contribute to economic output and GDP growth of the country. Westports engages with the government regarding the construction and widening of roads leading to Westports and Pulau Indah.

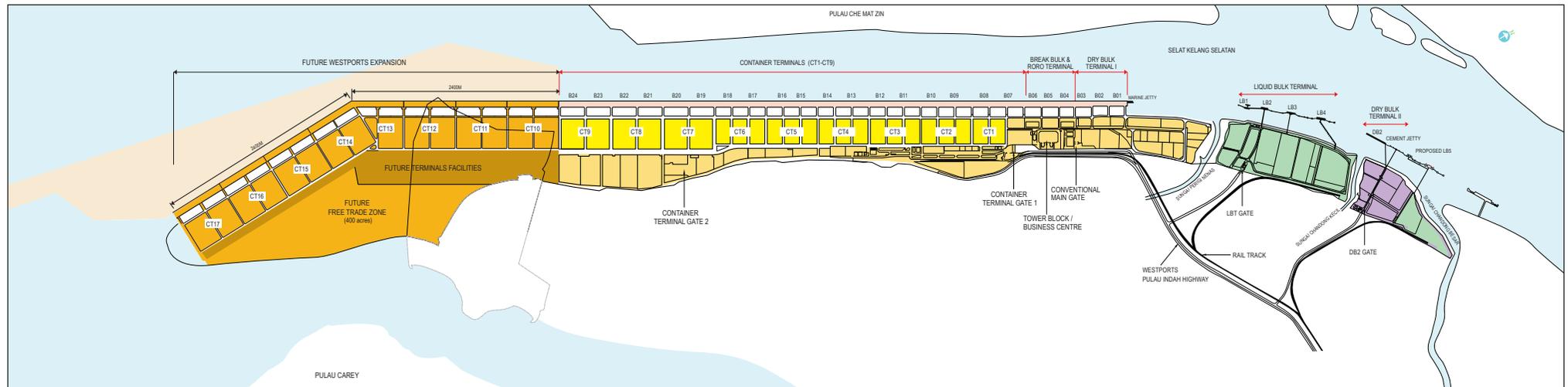
## WESTPORTS EXPANSION

Westports intends to double its existing capacity by providing new container terminals for container vessels on Pulau Indah. Expansion plans will be seamlessly integrated into current port operations to maintain Port Klang as a Leading Hub. The increased port capacity will place Westports on par with Singapore's plans while maintaining its lead as a hub against other megaport plans.

The Westports 2 Expansion consists of an additional 4,800 m wharf, creating a total of eight new berths. Westports appointed a firm that specialises in providing professional analysis, advice and support in marine engineering and navigation to conduct a Full

Mission Ship Handling Simulation (FMSS) Study for the Westports 2 expansion.

The FMSS session was held between 17 and 20 September 2019 at KASI's Centre for Maritime Simulation and Innovation, Kota Kinabalu, Sabah. The findings and conclusions validated the layout of Westports 2 Expansion with regards to safe ship transit, approach, manoeuvring, berthing, unberthing and departure operations for the design vessels. Additionally, the marine operations to the berths will not significantly affect the existing navigation channel.



# ECONOMIC

## Westport Expansion Highlights



**8** additional terminals and container yard facilities



Additional liquid bulk terminal (LBT5)



Total of **16 berths**



**8** container terminals CT10 to CT17



Quay length of **600 m** per terminal



Navigation width of the existing South Channel will be maintained at **500 m**



Widening of the entrance of existing navigation channel up to 800 m with a dredged depth of -18.0 m

Westports received approval-in-principle from the Government of Malaysia to expand its container terminal facilities in 2017. In 2018, external consultants were appointed to conduct various detailed technical studies to support our ongoing comprehensive planning processes. A topography and bathymetric survey, hydrodynamic modelling and terminal extension layout were completed in 2019 with favourable outcomes.

The preliminary Environmental Impact Assessment (EIA) has also been completed and we have obtained approval from our local port authority to proceed to the next phase of development. In 2020, Westports will work with external financial advisers and negotiate the commercial aspects of the proposed expansion with the relevant authorities.

## HYDRAULIC IMPACT ASSESSMENT STUDY

Westports appointed a company specialising in impact assessment and environmental management to perform hydraulic studies to support the expansion plan of Westports' container terminal. The study reviews the existing data and initial layout assessment and supports a preliminary environmental assessment. Hydraulic and sediment transport modelling works were employed to evaluate conditions before and after the implementation of the works. The expected

hydraulic impacts are localised and unlikely to affect the neighbouring areas. The results of the assessment are summarised below.

## WATER LEVELS

The development will not significantly affect water levels. A minimal 2 cm change of water level can be observed at the south of the development, Angler's Resort and west of Pulau Carey. These changes are mainly due to the deepening of the eastern channel.

## CURRENT FLOWS

The proposed dredging works for berthing and navigation will reduce the localized flow within the proposed port area and on the existing Southern Access Channel. Regional current flow changes are negligible.

A reduced mean current speed of up to 0.2 m/s is predicted next to the berthing area while an increase in current speed is noticed in front of existing CT9. These flows are affected by removing the shallow area and providing a better flow condition in the CT9 berthing area.

Increased currents are predicted in the proposed eastern channel as these currents are stronger. This may lead to scouring at the southern tip of the proposed free trade zone so revetment protection is recommended. These increased currents

will eventually cause some seabed changes that eventually will reach a new equilibrium.

Reduced current speed is also predicted at the western shallow areas of Pulau Carey but this is not expected to cause any significant changes in that area.

## WAVES

Changes in wave conditions are minimal and localized around the proposed port expansion area. The results show that the maximum and mean significant wave heights at the entrance of Selat Lumut will reduce by 20 cm and 8 cm respectively once the development has been completed. The proposed berth and free zone shelter this area from the west coming waves.

## SEDIMENTATION

The sedimentation assessment shows an increase in the proposed berthing area and navigation widening in the range of approximately 650,000 m<sup>3</sup>/year to 1,050,000 m<sup>3</sup>/year. Sedimentation rates in the Southern Access Channel are predicted to increase between 220,000 m<sup>3</sup>/year and 620,000 m<sup>3</sup>/year. Sedimentation rate calculations were based on available historical data provided by Port Klang Authority (PKA).

# ECONOMIC

## ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

A preliminary environmental and social impact assessment was conducted for the initial masterplan study of the proposed expansion of container terminal CT10-CT17 and its associated works at Westports. The study assesses the suitability of the project location, particularly the adjacent port facilities, compatibility with the surrounding land use and nearby developments. The study also highlights major environmental and social-related concerns and mitigation measures that are underway and will be adopted in the later stages of design, construction and operations.

The key findings are summarised below.

Area	Main Issues	Proposed Measures
<b>Marine water quality</b>	<ul style="list-style-type: none"> <li>✓ Suspension of silt; sedimentation</li> <li>✓ Oily discharges</li> <li>✓ Ballast water</li> <li>✓ Pollution, which may lead to disturbance of marine ecology, fishing and aquaculture</li> </ul>	<ul style="list-style-type: none"> <li>✓ Monitoring the impact on water quality during the construction phase</li> <li>✓ Propose monitoring and control to prevent pollution and minimise deterioration in water quality due to discharges from vessels and port area</li> </ul>
<b>Marine ecology</b>	<ul style="list-style-type: none"> <li>✓ Loss of mangroves and mudflats</li> <li>✓ Disturbance to marine habitats</li> </ul>	<ul style="list-style-type: none"> <li>✓ The impact on mangroves and forest is found to be reversible</li> </ul>
<b>Social concerns</b>	<ul style="list-style-type: none"> <li>✓ Reduction in fish catch which will affect fishermen's livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provision of new jobs and business opportunities</li> </ul>
<b>Marine traffic</b>	<ul style="list-style-type: none"> <li>✓ Increase in vessel traffic volume</li> <li>✓ Risk to navigation in terms of safety and hazards</li> <li>✓ Risk to fishing boats</li> </ul>	<ul style="list-style-type: none"> <li>✓ Widening of navigation channel along Selat Klang</li> <li>✓ Traffic separation scheme for both northbound and southbound vessels</li> <li>✓ Implementation of Passage Plan Approval System (PPAS)</li> <li>✓ Use of automated passage plan system</li> <li>✓ Ensuring proper marine traffic management utilising a vessel Traffic Management System (VTMS)</li> </ul>
<b>Land traffic</b>	<ul style="list-style-type: none"> <li>✓ Increase in traffic volume involving container trucks</li> <li>✓ Road damage</li> <li>✓ Increased safety issues and traffic accidents</li> <li>✓ Impact on air quality and noise levels</li> </ul>	<ul style="list-style-type: none"> <li>✓ To discuss highway expansion with road authorities</li> <li>✓ To work on traffic improvement schemes</li> </ul>
<b>Coastal processes</b>	<ul style="list-style-type: none"> <li>✓ Impact on speed and sedimentation at berthing area and eastern channel</li> </ul>	<ul style="list-style-type: none"> <li>✓ To conduct maintenance on sedimentation at berthing area especially during dredging</li> </ul>

## ADDITIONAL EQUIPMENT

Favourable container volume growth over the past two years required investment in additional terminal operating equipment. In 2019, Westports acquired 12 Rubber Tyre Gantry cranes and additional Terminal Tractors. Primarily, this machinery will be deployed at Container Terminal 9. The additional equipment and the completion of Container Yard Zone Z will increase the container handling efficiency.

Significant expansions are planned at Pulau Indah to support the long-term growth in the coming decades. This upgrading will be required so that we can serve customers, international container shipping alliances and local logistics stakeholders more effectively.

Greater challenges are expected in 2020. The Port Klang Authority and its terminals, including Westports, will work seamlessly to provide better facilities and services and strive to meet the expectations of customers and stakeholders. These efforts will help transform Malaysia's principal port, Port Klang, into a regional maritime centre and cargo logistics hub.

# ECONOMIC

## ETHICS AND INTEGRITY

### CONFLICTS OF INTEREST

Employees must maintain a high standard of commitment and observe impartiality towards the Company. They must be free from conflicts of interest and avoid obtaining personal gain and advantages. Employees must not participate in an activity or relationship that would constitute a conflict of interest.

Whether conflict arises will very much depend on the situation of each case which may directly or indirectly affect the faithful discharge of an employee's duties.

### POLICY ON EMPLOYMENT OF RELATIVES

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

Westports introduced the Policy on Employment of Relatives on 1 May 2017. This policy aims to minimise the likelihood of accusations of favouritism or any other potential conflicts or work difficulties arising from relationships between employees. The employment of close relatives is permitted but subject to several conditions.

### Related employees cannot be assigned to:

**1** A position in which they will be required to check, process, approve, audit or review the work of the other.

**2** A position where their progress or salary can be directly influenced by the other.

**3** The same department.

**4** The Finance or Human Resources Department.

Any deviations to the above must be submitted to the Human Resources Department with a prior endorsement by the respective Head of Department subject to the final approval and consideration of the management.

## ELIMINATING BRIBERY AND CORRUPTION

All forms of bribery are prohibited and Westports does not tolerate such illegality. Employees committing bribery are subject to disciplinary action and possible termination.

Heads of department and section must ensure that all employees adhere to this Anti-Bribery Policy. The Board of Directors oversees compliance with the Policy. Employees have a responsibility to prevent and report instances of bribery, but also other suspicious activity or wrongdoing that may lead to bribery.

Employees who suspect or observe anything that is in contravention with this policy must make a report under the Whistle Blower Policy at the earliest opportunity. All reports are treated as highly confidential. Employees will not be penalised for raising genuine concerns about bribery even if they are mistaken.



## Examples of Bribery



**Money or cash equivalents such as shares**



**Unreasonable gifts, entertainment or hospitality**



**Kickbacks**



**Unwarranted rebates or excessive commissions**



**Unwarranted allowances or expenses**



**Facilitation payments**



**Political/charitable donations**



**Uncompensated use of Group services or facilities**



**Anything else of value**

# ECONOMIC

The Group complies with all applicable laws, rules and regulations of governments, commissions and exchanges in jurisdictions in which the Group operates. Employees are expected to understand and comply with all legislation that is applicable to their positions and work activities including the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 and the Malaysian Anti-Corruption Commission Act 2009 and Amendment 2018.

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.

Westports' anti-corruption policy is also communicated to suppliers, contractors, subcontractors, agents, joint venture companies and third parties with whom the company works. We prohibit illegal cargo and fraudulent misrepresentations on cargo documents.

Corruption risk assessments and corporate liability exposure are carefully considered with these mitigating factors, which are included in the risk register under Enterprise Risk Management (ERM).

Every contractor, subcontractor and third party is subject to corruption and bribery risk assessments and must declare they are not involved in any corrupt, unethical, misconduct

and illegal behaviour. The screening of new and existing business partners on corruption and bribery is part of our due diligence in the context of Westports' compliance requirements.

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

No political contributions to candidates for public office or political parties

No corporate funds used to make independent political expenditures.

No fines, penalties or settlements in relation to corruption

No cases of an employee or contractor disciplined or dismissed due to non-compliance with anti-corruption policies

## ANTI-CORRUPTION PLEDGE

Our Port Police have initiated a company-wide anti-corruption pledge. This pledge encourages all employees to participate in the fight against corruption. Employees are asked to affirm their commitment to combatting corruption and uphold the highest standard of ethical conduct, transparency and good governance. Westports garners employees' participation in promoting integrity and eradicating corruption.

## GIFT POLICY

Westports recognises that the giving or receiving of gifts, souvenirs, entertainment and gratuities between employees and vendors, suppliers, customers or other outside business acquaintances represents a potential conflict of interest.

Employees are forbidden from accepting gifts for themselves from any party who has dealings with Westports. Certain circumstances make it impractical to reject a gift, especially from a customer. In these cases, employees should declare it immediately by submitting a complete Gift Declaration Form to the head of department for guidance.

Heads of department exercise proper care and judgment in determining the appropriateness of gifts and decide whether to approve them or ask for their return. Heads of department submit a monthly gift declaration list to Human Resources.

## PROMOTING A COMPETITIVE ENVIRONMENT

Westports is committed to a competitive market as it encourages efficiency, innovation and entrepreneurship. Eliminating anti-competitive practices promotes competitive pricing, which improves the quality of products and services and provides a wider choice for consumers.

Anti-competitive behaviour is forbidden in Westports' Code of Conduct as it prevents, restricts and distorts competition. Employees are required to comply with competition law and strictly observe the prohibition of anti-competitive agreements, market-sharing, dumping, industrial espionage, price-fixing, concerted practices and abuse of a dominant position or of substantial market power in all business transactions as breaches of competition law will not be tolerated. Confidential agreements must be respected at all times.

All employees are responsible for preventing anti-competitive practices. Any complaints or reports can be directed to the Group Managing Director or Head of Human Resources. Employees also have an option to submit the complaint directly to the Chairman of the ARMC.

In 2019, there were no reported incidents of anti-competitive behaviour and no reported violations of anti-trust and monopoly legislation in which Westports was a participant.

# ECONOMIC

## FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

Westports monitors risks and opportunities posed by climate change that can potentially change operations, revenue or expenditure. Although not significant, the availability of fuel and changes in weather patterns have some effect on business operations. Rising sea levels are not considered to be a threat to Westports.

## SUPPORTING MALAYSIA'S BIODIESEL PROGRAMME

In 2019, the Malaysian Government implemented the B7 biodiesel programme for the industrial sector to increase the sustainability of energy resources and drive the demand for palm oil.

## BENEFITS OF B7 BIODIESEL



### Socio-Economic Benefits

- ✓ Generating additional revenue from crude palm oil exports as a result of increased demand
- ✓ Improving the livelihoods of smallholders by raising the market price
- ✓ Realising Forex savings by reducing diesel imports
- ✓ Increasing national tax collection through higher corporate taxes from oil palm companies
- ✓ Creating jobs from transportation, engineering, spare parts and other business opportunities



### Environmental Benefits

- ✓ Reduces global warming: Biodiesel industries will consume 700,000 tonnes of palm biodiesel per year, the equivalent of removing the emissions from 100,000 cars from the road
- ✓ Reduces acid rain: Biodiesel prevents 350,000 kg of sulphur from being released in the atmosphere per year as it is a sulphur-free fuel
- ✓ Improves air quality: Biodiesel burns more completely with less soot and smoke
- ✓ Reduces dependence on fossil fuels



### Technical Benefits

- ✓ Reduces engine wear and tear as biodiesel has improved lubricity
- ✓ Improves fuel combustion: Biodiesel has a higher cetane number than diesel as it contains oxygen

Using B7 biodiesel fuel has several financial and operational implications. Some older RTG models had to be modified before the B7 biodiesel could be used. There was also a difference in fuel cost and efficiency. Westports will continue to monitor the financial implications of using this new fuel.

## EXTREME WEATHER

Located near the equator, Malaysia's climate is hot and humid throughout the year. Climate change could have a notable effect on Malaysia, increasing sea levels and rainfall, increasing flooding risks and leading to large droughts.

Port operations, particularly the Quay Cranes (QC), can be affected by Malaysia's weather patterns. Westports monitors the shutdown of crane operations due to weather conditions including haze, wind and rain.

The utilisation rate and total working hours are estimated as all QCs do not operate all day every day. The percentage of total hours with extreme weather over the total hours utilised by the QCs are presented below.

## PERCENTAGE OF QC OPERATIONS AFFECTED BY WEATHER CONDITIONS



# ECONOMIC

There has been a downward trend of operations being affected by severe weather for the last three years. Westports will continue to monitor this trend to ensure operations are able to respond effectively to risks presented by climate change.

## IMPACT OF CLIMATE CHANGE ON SEA LEVEL

The world's coastlines are exposed to severe hazards such as rising sea levels and their effects on coastal communities. Rising sea levels may affect some ports by reducing the dock freeboard, increasing the water depth and modifying wave propagation patterns. This represents a potential climatic risk since Westports plays a crucial role in the global economy as a transportation hub and economic activity in Malaysia, the region and world.

Based on Intergovernmental Panel on Climate Change (IPCC) latest report, the global mean sea level (GMSL) is projected to rise under RCP2.6 by:

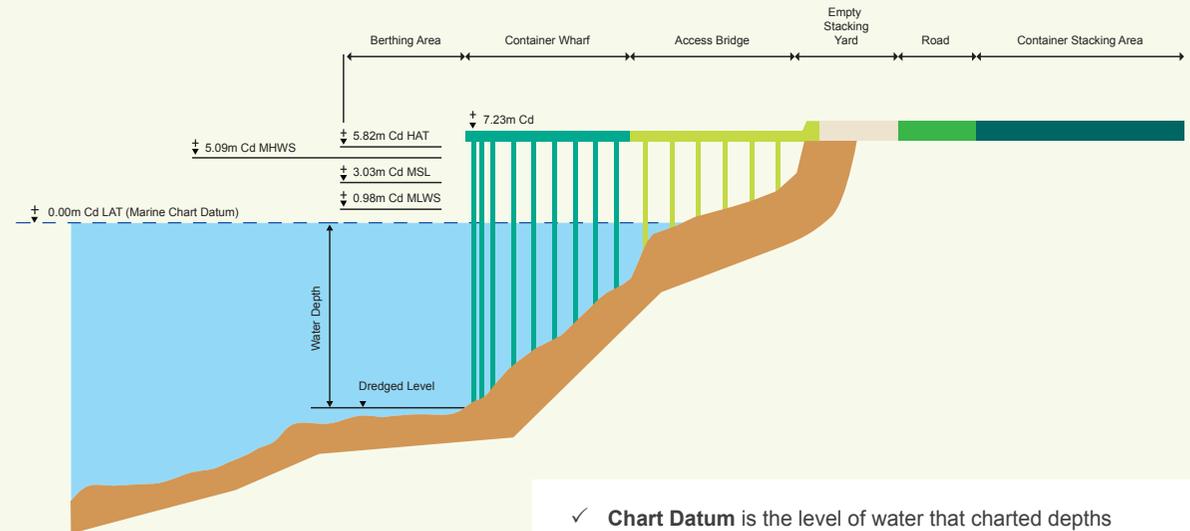
- 0.39 m (0.26–0.53 m, likely range) for the period 2081–2100; and
- 0.43 m (0.29–0.59 m, likely range) in 2100 with respect to 1986–2005.

For RCP8.5, the corresponding GMSL is projected to rise by:

- 0.71 m (0.51–0.92 m, likely range) for 2081–2100; and
- 0.84 m (0.61–1.10 m, likely range) in 2100 with respect to 1986–2005.

Based on the existing and future design, either projected sea level increase for Peninsular Malaysia is not expected to adversely affect Westports' operations. The highest astronomical tide (HAT) stands at +5.82m whereas our top of deck level is +7.23m.

## Assessment Of Impact From Climate Change: Sea Level Rise By 2100



- ✓ **Chart Datum** is the level of water that charted depths displayed on a nautical chart are measured from. A chart datum is generally a tidal datum; that is, a datum derived from some phase of the tide. Common chart datums are the lowest astronomical tide and mean lower water.
- ✓ **Highest astronomical tide (HAT)** - The highest tide which can be predicted to occur is + 5.82 m
- ✓ **Mean high water springs (MHWS)** - The average of the two high tides on the days of springs is 5.09 m
- ✓ **Mean sea level (MSL)** - This is the average sea level of + 3.03 m
- ✓ **Mean low water springs (MLWS)** - The average of the two tides on the days of spring tides is + 0.98 m

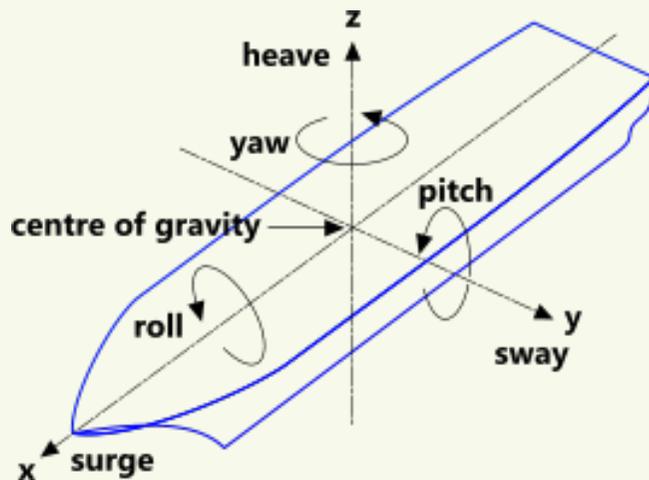
# ECONOMIC

## IMPACT OF CLIMATE CHANGE ON WAVE HEIGHT

The rise in sea levels is not the only way climate change will affect the coasts. Research suggests a warming planet will also alter ocean waves along more than 50% of the world's coastlines.

A ship at sea moves in six degrees of motion: roll, pitch, yaw, sway, heave and surge. Typically, surge motion is critical for container loading and unloading operations due to the slow movement of ship-to-shore cranes along the quay.

# 6 Degrees of Motion



Source: <https://www.calqlata.com/productpages/00059-help.html>

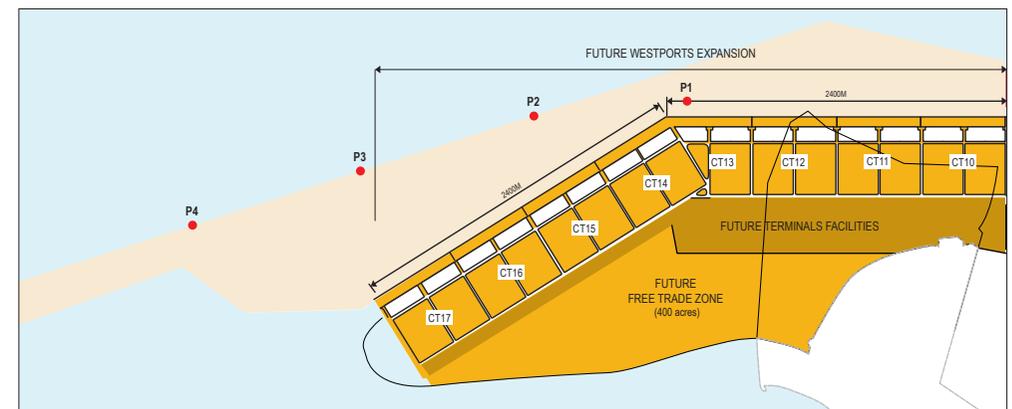
Large waves are undesirable as they will cause the vessel to move which will affect berthing, loading and unloading. A cell guide ensures containers are aligned when loading a vessel and movement makes it more difficult to place them in the cell guide.

Westports commissioned a firm that specialises in marine and coastal engineering to study how changes in wave height would affect its future expansion plans. Reference points P1, P2 and P3 are located at various distances along the proposed berths while P4 is located much further away.

The MarCom WG 115: Criteria for the (Un)loading of Container Vessels (2012) by The World Association for Waterborne Transport Infrastructure (PIANC) recommends that surge motion should be limited to less than 0.4 m to ensure 95% efficiency of crane loading and unloading operations.

This suggests that wave conditions at the proposed berths are unlikely to be too dissimilar to those at the existing berths and unlikely to pose any operational constraints. A breakwater is not deemed necessary. However, Westports will continue to monitor the effect of wave height on port operations.

Exceedance of wave height (m)	P1 (%)	P2 (%)	P3 (%)	P4 (%)
1.00	0.0	0.1	0.3	0.3
0.75	0.3	0.7	0.9	1.1
0.50	2.0	4.8	6.7	8.9



# ENVIRONMENT



Westports is committed to running its business in an environmentally-friendly manner. Our supply chain, processes and products have both direct and indirect environmental impacts. We seek to identify these and to find effective ways of eliminating or reducing them.

While retaining our position as a regional leader in containerized trade, the port also aims to increase its reputation as a cultivator of zero-emissions technologies and as a global resource for environmental best management practices.

In 2019, we introduced an Environmental Policy which outlines our aims and principles in relation to managing local pollution and the environmental effects and aspects of operations.

## ENVIRONMENTAL POLICY

Westports is committed to running its business in a responsible, environmentally sound and sustainable manner. We recognise that our services, processes and supply-chain solutions offered to our clients have both direct and indirect environmental impacts. We seek to identify effective ways of reducing or eliminating the adverse environmental impacts where possible.

## ENVIRONMENTAL OBJECTIVES

The Group is responsible for managing resources, operations, management, maintenance and development of the port. Westports is committed to:

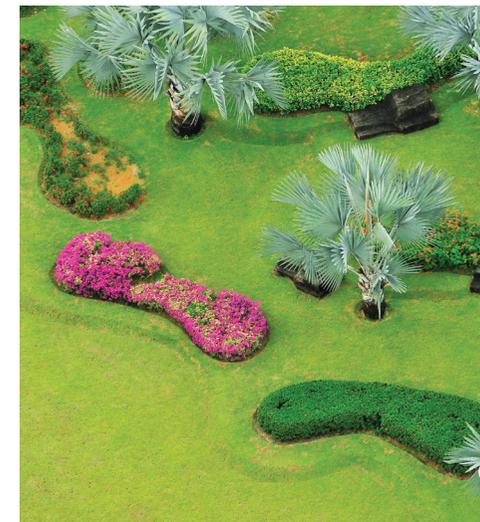
- ✓ Protecting the environment, preventing pollution and reducing emissions, releases and waste;
- ✓ Consuming natural resources and energy more efficiently, reducing GHG emissions, reporting the Group's performance and performing GHG audits wherever possible;
- ✓ Raising environmental awareness and consulting with stakeholders on environmental issues such as pollution when necessary;
- ✓ Working towards implementing an Environmental Management System throughout our operations, monitoring the Group's environmental performance and regularly reporting on notable environmental issues;

- ✓ Optimising the fleet of terminal tractors and cranes and regularly evaluating on the sourcing of alternative fuel or energy sources if the latter can be shown to be beneficial to the business and/or environment;
- ✓ Engaging with suppliers to improve environmental performance through process and service-related requirements, and assess more favourably vendors or suppliers that can demonstrate better responsible management of their environmental footprint.

The Group Managing Director is the Board member with specific responsibility for the Group's environmental policy and performance. This responsibility is delegated operationally through the line management structure, which includes the Chief Executive Officer and General Managers, who are responsible for coordinating environmental performance across the Company.

## WESTPORTS' LONG-TERM OBJECTIVES IN MINIMISING ITS ENVIRONMENTAL IMPACT

Efficient ports are vital to the economic development of their surrounding areas. However, the related ship traffic, handling of the goods in the ports and the hinterland distribution can result in a number of negative environmental impacts.



Shipping has an environmental effect in the ports and their immediate vicinity. Noise is created by the vessels' engines and machinery used for loading and unloading containers and cargoes. The ships' main and auxiliary engines exhaust particles, CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>2</sub> whereas dust is dispersed when handling substances such as grain, sand and coal. Road and rail traffic to and from the port cause additional environmental problems. The environmental impact of ports can be divided into:

1. Problems caused by the port's activity itself;
2. Problems caused at sea by ships calling at the port; and
3. Emissions from inter-modal transport networks serving the port hinterland.

# ENVIRONMENT

Environmental Components	Port Activities	Potential Impacts	Our Approach
<b>Water</b>	<ul style="list-style-type: none"> <li>✓ Spills, stormwater runoff and groundwater contamination from terminal operations can pollute the water.</li> <li>✓ Spills and stormwater runoff caused by infrastructure development and construction can pollute the water.</li> <li>✓ Accidental spills and planned discharges by vessels can affect water quality.</li> </ul>	Accidental spills, planned discharges, stormwater runoff and unmanaged groundwater contamination can adversely affect water quality and aquatic species.	<ul style="list-style-type: none"> <li>✓ Project and environmental reviews</li> <li>✓ Stormwater management</li> <li>✓ Guidelines for vessel discharges, emergency management and response plan</li> </ul>
<b>Soil and groundwater</b>	Terminal operations and spills can contaminate soil and groundwater.	Air, soil or water contamination can affect terrestrial and aquatic species and their habitats.	<ul style="list-style-type: none"> <li>✓ Land renewal strategy</li> <li>✓ Contaminated sites management</li> <li>✓ Project and environmental reviews</li> </ul>
<b>Air</b>	Cargo handling and movement by ships and trucks, emit air pollutants such as particulate matter, sulphur oxides and nitrogen oxides and greenhouse gases such as carbon dioxide and methane.	Cargo handling, equipment, ships and trucks negatively affect regional and local air quality which contributes to climate change.	<ul style="list-style-type: none"> <li>✓ Emissions Monitoring Programme</li> <li>✓ Controlling vehicles in and out of the port</li> <li>✓ Project and environmental reviews</li> </ul>
<b>Aquatic species</b> (e.g. aquatic plants, fish and fish habitats, water birds, marine mammals)	<ul style="list-style-type: none"> <li>✓ Infrastructure development and ongoing port operations such as dredging can cause habitat loss and degradation.</li> <li>✓ Infrastructure development including pile driving and other activities in the water produce underwater noise and vibrations.</li> <li>✓ Shipping creates underwater noise and invasive species can be introduced due to ballast water discharge and hull and propeller cleaning.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Habitat loss and degradation and the introduction of invasive species can displace flora and fauna that negatively affect ecosystem productivity and biodiversity.</li> <li>✓ In-water construction can cause some aquatic species to die and/or damage their hearing.</li> <li>✓ Underwater noise can displace animals and interfere with their communication, feeding and breeding.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Project and environmental reviews</li> <li>✓ Planned habitat rehabilitation programme</li> </ul>
<b>Terrestrial species</b>	<ul style="list-style-type: none"> <li>✓ Infrastructure development and ongoing operations can cause habitat loss and degradation and may also introduce invasive species.</li> <li>✓ Construction activities and terminal operations may increase light and noise emissions.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Habitat loss and degradation and invasive species introduction can remove plants, displace animals and adversely affect ecosystem productivity and biodiversity.</li> <li>✓ Light and noise emissions may displace wildlife and interfere with feeding and breeding.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Noise monitoring programme</li> <li>✓ Species at risk inventories and management plans</li> <li>✓ Project and environmental reviews</li> <li>✓ Conservation programmes</li> </ul>

# ENVIRONMENT

## ENERGY MANAGEMENT

We are committed to consuming energy as efficiently as possible in order to reduce our reliance on fossil fuels and generally lower our carbon footprint. In 2019, we formalised this commitment in our Environmental Policy. We are committed to optimising our fleet of terminal tractors and RTG cranes and regularly evaluating the sourcing of alternative fuel or energy sources if the latter can be shown to be beneficial to the business and/or environment.

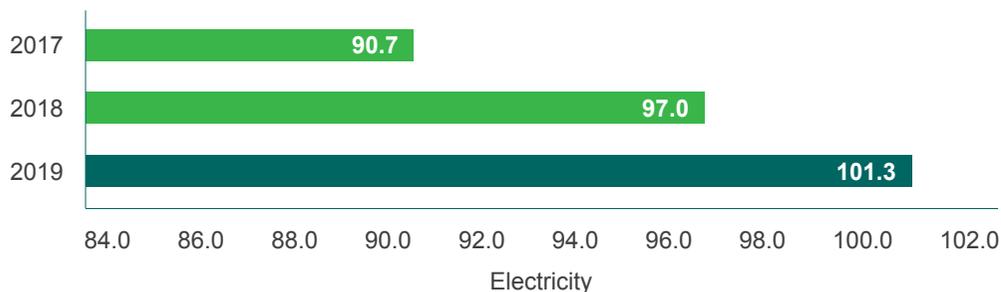
Westports energy requirements are met through direct energy in the form of diesel for mobile machinery. More static machinery such as our quay cranes or ship-to-shore cranes and cooling requirements are met through indirect energy in the form of electricity purchased from Tenaga Nasional Berhad.

## DIRECT ENERGY CONSUMPTION (LITRES)

Use	2017	2018	2019
TT	15,425,956	16,220,879	<b>17,692,935</b>
RTG	16,863,042	17,472,366	<b>18,521,165</b>
Tug	10,191,518	10,467,113	<b>11,566,701</b>
Others	1,557,092	1,943,693	<b>1,957,313</b>
Total	44,037,608	46,104,051	<b>49,738,114</b>

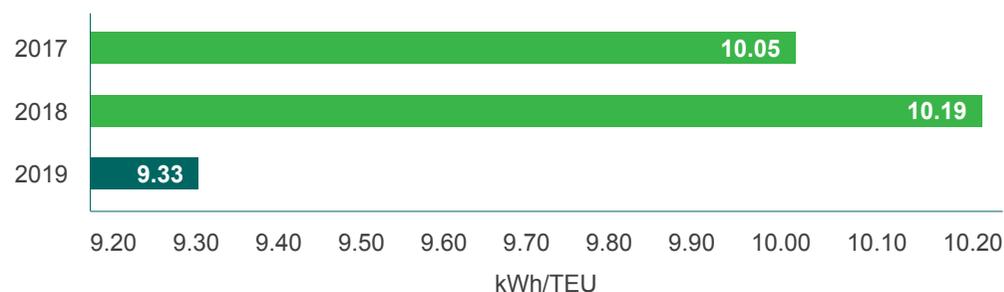
In 2019, the majority of diesel was consumed by rubber-tired gantry cranes (37%), terminal tractors (36%) and tugboats (23%). Pilot boats, pick-up trucks, forklifts, stackers, generator sets and buses consumed the remaining amount.

## INDIRECT ENERGY CONSUMPTION (MILLION KWH)



Significant electrical energy is used by our quay cranes, reefer containers and port operational facilities. Our office building also uses electricity. In 2019, 93% of our electricity was used for container operations.

## ELECTRICITY EFFICIENCY



Our electrical energy efficiency is calculated by dividing the total energy consumption by the number of moves in the year. In 2019, our reefer container operations grew, which makes the reduction in our kWh per TEU all the more impressive. Westports is examining ways of submetering which will improve the accuracy of this indicator.

## 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 rises as the number of TEUs increases.

Energy intensity is a better measure of the energy efficiency of Westports' operations. Westports expresses energy intensity as the total amount of energy required per move, TEU or hour for its TTs, RTG cranes and tugboats.

# ENVIRONMENT

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

Year	TTs			RTG Cranes			Tugboats		
	£/Move	£/TEU	£/hr	£/Move	£/TEU	£/hr	£/TEU	£/Vessel Call	
2017	2.21	1.52	6.28	1.20	0.83	15.59	1.13	1,189	
2018	2.19	1.50	5.95	1.33	0.91	14.73	1.10	1,224	
2019	<b>2.13</b>	<b>1.44</b>	<b>5.81</b>	<b>1.20</b>	<b>0.81</b>	<b>15.02</b>	<b>1.07</b>	<b>1,284</b>	

## RELATIONSHIP BETWEEN VOLUME AND DIRECT ENERGY EFFICIENCY

In many industries, particularly manufacturing, energy efficiency improves as output increases. However, the relationship between volume is not so straightforward in Westports.



More efficient handling of terminal tractors



Additional yard rehandlings

Our new Terminal Operating System has significantly improved efficiency by:

- ✓ Pooling terminal tractor resources across multiple quay cranes and vessels
- ✓ Minimising trucks' movement without a load
- ✓ Reducing yard rehandlings

Loading and unloading has a bearing on the berthing time of the vessels, which is a widely accepted indicator of port efficiency. As volume increases more of the yard space is utilised for containers awaiting transshipment, increasing the need to rehandling once a vessel has left the port before another arrives. This housekeeping affects diesel consumption as the RTGs and terminal tractors handle these operations.

## CONSIDERING THE ELECTRIFICATION OF THE TERMINAL TRACTOR FLEET

Westports is committed to optimising the fleet of terminal tractors and RTG cranes and sourcing alternative fuel sources if they are beneficial to the business and/or environment. In 2019, Westports conducted a feasibility study into the electrification of our fleet of terminal tractors.

We evaluated a proposal to retrofit our fleet of TTs and by replacing the engine, diesel tank and gearbox with an electric propulsion system including a 50 kWh battery and motor. Charging infrastructure and an application with an Internet of Things (IoT) sensor that captures information on maintenance planning, route management, battery monitoring, driver behaviour and real time vehicle location was included.

Westports was interested in this programme as CO<sub>2</sub> and other emissions would reduce in and around the port. However, the cost of investing in this new Terminal Tractor EV is high in Malaysia and ASEAN countries. There was also a heavy upfront payment and concern that CO<sub>2</sub> emissions would simply be pushed upstream. Westports is committed to reducing its energy requirements and CO<sub>2</sub> emissions and continues to seek cleaner fuel systems provided the cost is competitive.

## WASTE MANAGEMENT AND REDUCTION BEST PRACTICES

Westports is committed to reducing waste and increasing recycling or the beneficial reuse of all waste materials arising from administrative activities, site operations and all activities that take place on the Port's property. Consideration is given to the end destination of all products and materials brought on to the port's sites.

Westports' waste management system allows disposable and recyclable waste to be separated to help prevent environmental pollution.

## SCHEDULED WASTE

All scheduled waste is stored and disposed of by our appointed licensed contractor as mandated by the Environmental Quality Act 1974. The amount and types of scheduled waste are reported using the Department of Environment's (DOE) Electronic Scheduled Waste Information System (eSWIS).

Westports' Standard Operating Procedure (SOP) governs the safe disposal of waste and the breakdown in 2018 and 2019 is presented below.

# ENVIRONMENT

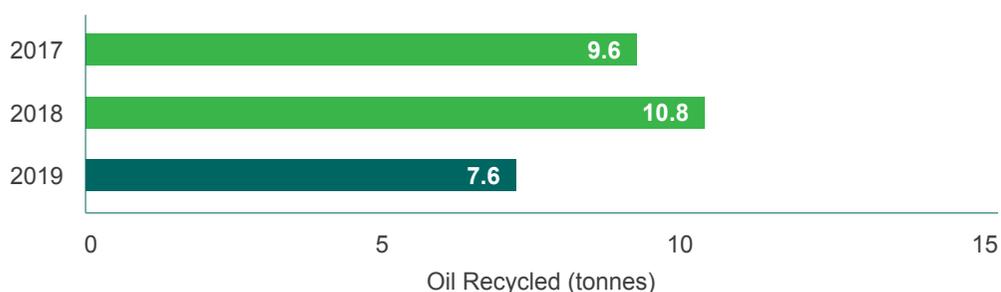
## SCHEDULED WASTE DISPOSAL (KG)

Waste Category	Waste Code	2018	2019
Used Oil	SW305	1,000	<b>87,000</b>
Spent Mineral Oil-Water emulsion	SW307	49,000	<b>78,400</b>
Used Saw Dust	SW408	3,454	<b>467</b>
Empty Drums	SW409	24,000	<b>31,200</b>
Used Oil Filters	SW410	44,000	<b>28,120</b>
Used Gloves/Rags	SW410	29,508	<b>40,641</b>
Sludge	SW312	0	<b>46,610</b>
<b>Total</b>		150,962	<b>312,438</b>

## RECYCLING HYDRAULIC OIL

Westports invested in a hydraulic recycling machine to reuse used hydraulic oil. Considerable cost and environmental savings are realised through this initiative. Scheduled waste disposal costs and time spent on oil changes are decreased which leads to less environmental contamination and increased machine reliability.

## HYDRAULIC OIL RECYCLING



## OIL SPILL CONTINGENCY PLAN (OSCP)

Westports' experienced personnel have planned effective and efficient oil spill response measures in line with regulatory requirements to mitigate business risk. The OSCP forms part of the Crisis Management Plan. It is reviewed annually by the Crisis Management Committee, which is headed by Dato Manoharan A/L Kanapathy.

A two-day OSCP training programme comprising classroom and practical onsite experience was delivered to 50 personnel. The training, which was held on 15 and 16 January 2019, was conducted by UMW Industrial Power Services Sdn Bhd (UMW), supported by their technical partner UMW OIL SPILL COMBAT, INDONESIA

OSCP equipment includes an oil boom, skimmer, powerpack, absorbent pad, absorbent booms, storage tanks as well as annual oil spill response training and a wet exercise.

## THE PLASTIC WASTE ISSUE

In 2019, Malaysia had an issue with plastic waste being dumped once China banned imports of such waste, disrupting the flow of more than 7 million tonnes of plastic scrap a year.

## THE LAW

The Port Klang Authority (PKA) can legally take possession of certain containers that have been stranded in ports for four months. In practise, PKA will auction these cargoes. This procedure is based on Regulations 34(1), 34(2), 34(3) and 34(4) of the Free Zone Regulations 1991.

## THE SCENARIO

In 2019, shipping lines were still bringing in plastic scrap (tariff code 39.15) with both import and transshipment status via Port Klang despite reminders being issued by the PKA. This is strictly prohibited without a valid import permit under import status whilst for transshipment, they are not allowed to be handled at all in Port Klang.

Shipping lines had been sent a list of recycling companies with the necessary import license (AP) issued by the National Solid Waste Management Department (JPSPN). These importers are the only valid and legitimate companies able to handle these activities in Port Klang. Failure to comply with this directive results in cargo being refused at Port Klang, which may delay the ship's operations. Legal action is taken against those failing to comply with the directive in accordance with the Customs (Prohibition of Imports) Order 2017.

# ENVIRONMENT

## THE DEVELOPMENT

YB Yeo Bee Yin, the then Minister of Energy, Science, Technology, Environment, Climate Change (MESTECC), visited the terminal several times to inspect the abandoned plastic waste containers. 'Dirty' containers were sent back to the Port of Loading (POL) whereas 'clean' containers were allowed to be imported into the country subject to permit requirements.

Approximately 3,000 tonnes of scrap waste or scrap were recorded, JPSPN revoked the AP of one of the plastics companies in 2019 and suspended some other companies for six months. The Department of Environment (DOE) issued an instruction to send all plastic scrap containers back to the POL.

The Minister instructed the DOE and JPSPN to force the forwarding agent / consignees to absorb the inspection costs by submitting the Special Service Request (SSR) to Westports.

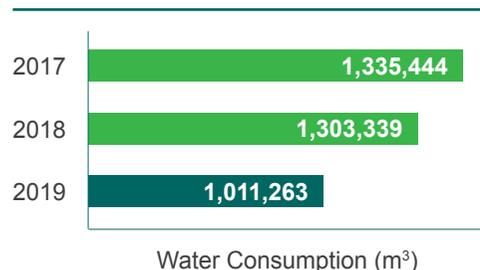
## WATER AND EFFLUENT MANAGEMENT

Water is central to environmental health and business sustainability. Westports is committed to transparently reporting water consumption, performance and related risks. Working with others allows more effective water governance and stewardship.

## WATER CONSUMPTION

Ports facilities are highly concentrated industrial areas housing container terminals, warehouses and cargo facilities that may directly or indirectly affect water quality. The following measures had been taken in adherence to the Industrial and Effluents Regulations 2009:

- ✓ Installed oil and grease traps at all maintenance and repair workshops;
- ✓ Performed weekly cleaning as required; and
- ✓ Conducted annual water sampling analysis at various outlets near the sea.



## CLEAN SHIPPING

Emissions produced by shipping in the form of sulphur, nitrogen, particulate matter and carbon dioxide represent a significant share of emissions in and beyond the port. Ballast water, underwater noise, ship waste, the degassing of volatile organic substances and ship recycling also cause pollution.

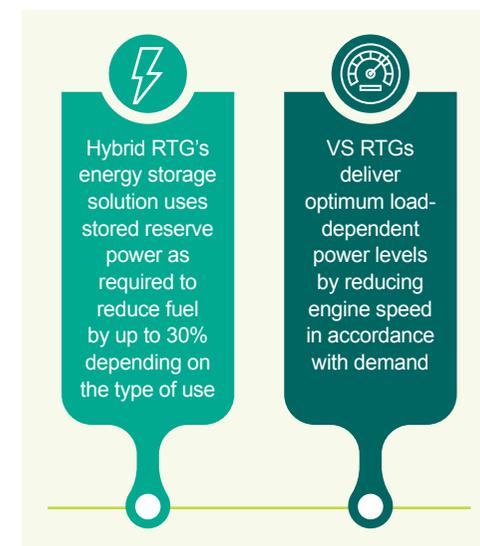
Ships burn fossil fuels and create air pollution that increases regional smog and creates toxic hot spots. All port wastes are properly managed in accordance with the International Convention on the Prevention of Pollution from Ships (MARPOL) International Laws. Westports works closely with the Port Authority on pollution matters.

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

Dust from bulk cargoes can be a major source of air pollution. Port activity, especially when handling bulk goods, affects the air quality within the surrounding area. This is generally unavoidable as it is due to the dispersion of powders, especially fine particles, fumes or gases. Various procedures have been developed to control, minimise and monitor dust. Strict air condition monitoring programmes identify any violations of law-limits related to concentrations of fine particles, which are proven to adversely affect human health. Improved humidification of powdery and dusted bulk goods, green barriers and buffer zones among port areas and nearby neighbourhoods have all helped.

## EMISSIONS INTENSITY

RTGs emissions are monitored to ensure they are within the limits set by the Clean Air Regulation 2014. Westports' Variable Speed RTGs and Hybrid RTGs have greater fuel efficiency which leads to reduced emissions.



Corrective RTG maintenance ensures emissions are maintained between 20% and 40%. Westports' in-house RTG engine injector servicing facilities help reduce heavy black and white smoke being emitted during injector failures by 10%. All new terminal tractors (TTs) follow the Euro 5 emissions standards.

# ENVIRONMENT

## EMISSIONS INTENSITY (KG)

	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
<b>2017</b>	5.83	4.01	16.61	3.18	2.19	41.22	2.98	3,142
<b>2018</b>	5.79	3.97	15.72	3.52	2.41	38.93	2.91	3,236
<b>2019</b>	<b>5.64</b>	<b>3.81</b>	<b>15.37</b>	<b>3.16</b>	<b>2.14</b>	<b>39.72</b>	<b>2.82</b>	<b>3,395</b>

## ON OUR ROADS: THE CHALLENGE WE FACE IN DRIVING EMISSIONS DOWN

Vehicles and machinery load and unload increasingly large quantities of cargo from container ships and a vast array of trucks arrive and leave the terminals each day. Westports works to formulate opportunities for environmental leadership and stewardship.

## NOISE POLLUTION

Noise from port areas originates from several different sources and is often outside Westports' control. However, it can negatively affect the natural ecosystem, urban population and human health. Westports monitors noise during any construction but no such work was performed during 2019.

## OZONE-DEPLETING SUBSTANCES

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

The Montreal Protocol on Substances that Deplete the Ozone Layer aims to protect the ozone layer by phasing out substances that are believed to be responsible for ozone depletion. Westports supports this initiative and has replaced older air conditioning equipment in the operators' cabins with inverter alternatives and green refrigerant gas.

## CLIMATE CHANGE MANAGEMENT

Climate change is a proven reality that challenges productively and the entire planet. Combating climate change is a strategic priority and Westports has the

potential to contribute to a more sustainable future.

Our climate change strategy and engagement with both employees and contractors help reduce greenhouse impacts. Examples include innovation and adaptation, research into renewable energy and a complete climate change risk assessment.

Westports is also cognisant of efficiency gains as well as cost and emissions reductions by adopting new technology, switching to cleaner fuels and implementing technical and operational measures that improve fuel efficiency.



# ENVIRONMENT

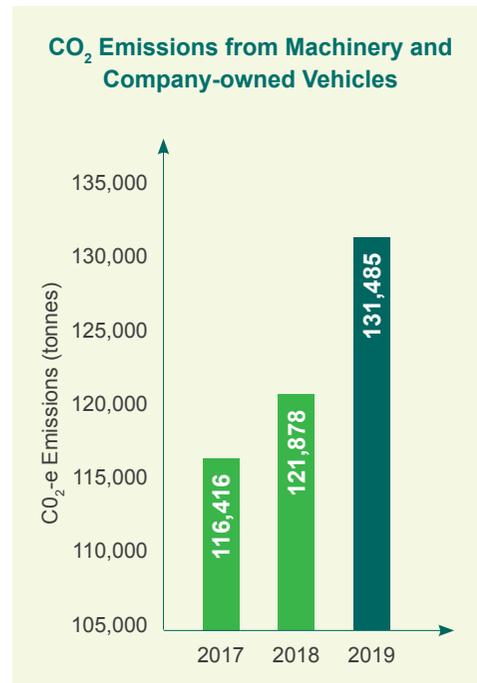
Westports continues to work with the Port Klang Authority and indirectly with International Maritime Organisation (IMO) to collectively mitigate the impact of climate change. Senior management personnel use their expertise during discussions to shape public policy and regulations. Westports is committed to reducing its long-term carbon emissions intensity and utilising energy-efficient terminal operating equipment as this technology becomes financially viable.

Progress reports and proposals on energy management, climate change and pollution reduction, supported by financial indicators and Return on Investment calculations, are tabled at internal meetings.

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

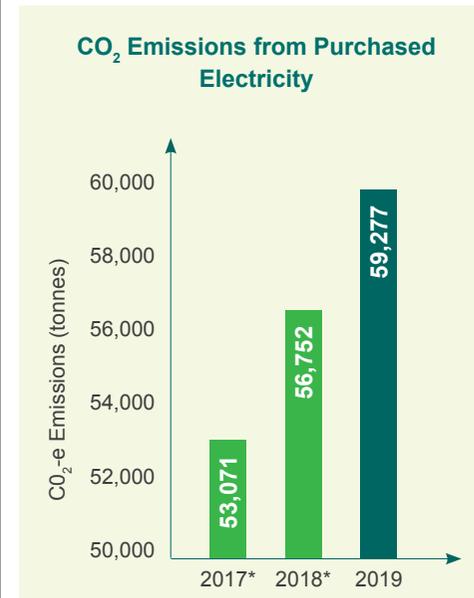
## SCOPE 1: DIRECT GHG EMISSIONS

Direct GHG emissions are produced by company-owned vehicles and machinery such as TTs, RTGs, tugboats and buses. Fuel volume is derived from the cost of purchase. CO<sub>2</sub> emissions from the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.



## SCOPE 2: INDIRECT GHG EMISSIONS

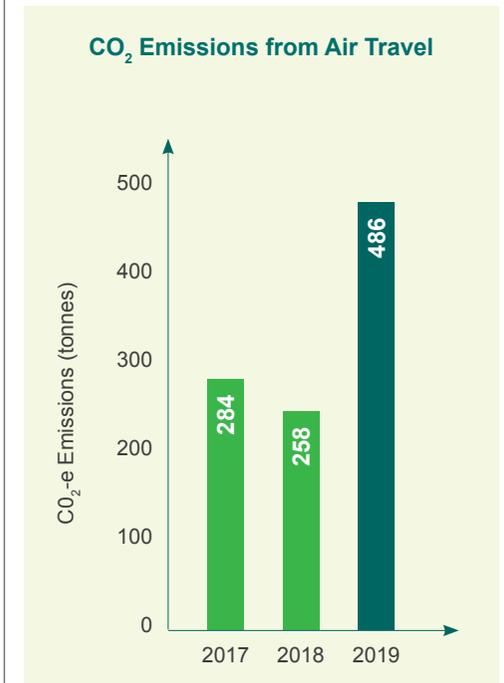
Indirect emissions are produced from electricity consumption, which is used to power STS cranes, reefer containers and the port operational facilities at the company headquarters. CO<sub>2</sub> emissions from electricity use were derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.



\* In 2019, a new emission factor was published in the 2017 CDM Electricity Baseline for Malaysia by the Malaysian Green Technology Corporation. Westports has used this emission factor in 2019 and restated previous years to improve the accuracy of its carbon reporting.

## SCOPE 3: OTHER INDIRECT EMISSIONS

Other indirect GHG emissions comprise air travel and employees travelling to and from work. Air travel GHG emissions were calculated point to point including the number of employees on board and distance travelled. Separate calculations were performed for business and economy class flights. A centralised system is employed for the booking of the majority of short and long-haul flights. Online tools derived from the WRI Greenhouse Gas Protocol have been used to calculate the CO<sub>2</sub> emissions from air travel.



# ENVIRONMENT



## WESTPORTS EMPLOYEES' DAILY COMMUTE TO WORK

Significant CO<sub>2</sub> emissions result from employees travelling to and from the port. In 2018, we embarked on a project to estimate the total annual emissions produced by our entire workforce's daily commute. This project was repeated in 2019 so that emissions can be tracked annually.

## METHODOLOGY

A survey was launched during the last quarter of 2019. Questions were presented to estimate the:

- ✓ Most common method of travelling, such as bicycle, LRT and own vehicle

- ✓ Approximate total daily distance travelled each day to work and back
- ✓ The type, make, model, age, engine size and type of fuel used if employees used their own vehicle

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

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

## RESULTS

The survey amassed 1,117 responses, of which 743 were usable and 374 were incomplete. Almost 15% of the total workforce responded.

Method of Transport	No. of Employees in Sample	Estimated Total No. of Employees in Westports	% of Employees
Bicycle	3	20	0.40
LRT	2	14	0.28
Own Vehicle	738	5,008	99.32
<b>Total</b>	<b>743</b>	<b>5,042</b>	<b>100</b>

In 2019, Westports employees travelled an estimated 49,324,359 km to and from work. The total estimated yearly CO<sub>2</sub> emissions for employees commuting in 2019 was 9,462 MT.

Method of Transport	Total Yearly Distance of Sample (km)	Estimated Total Year Distance of Westports (km)	Total Yearly Emissions (MT CO <sub>2</sub> e) of Sample	Estimated Total Yearly Emissions (MT CO <sub>2</sub> e) of Westports
Bicycle	16,416	111,399	0	0
LRT	29,376	199,346	3	20
Own Vehicle	7,222,752	49,013,615	1,391	9,442
<b>Total</b>	<b>7,268,544</b>	<b>49,324,359</b>	<b>1,394</b>	<b>9,462</b>

# ENVIRONMENT, SOCIAL & SOCIETY

## ENVIRONMENTAL COMPLIANCE

### 100% OF OUR SITES HAVE BEEN CERTIFIED WITH ISO 14001 SINCE 2009.

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

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

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

There were no major incidents of noncompliance or fines for environmental damage during this reporting period.



## SOCIAL

Westports continued supporting Malaysia's economic development and logistics industry supply-chain. 24/7 operations allow business partners and shipping clients to serve cargo owners efficiently and effectively. Employees are empowered to improve the well-being of local communities on Pulau Indah.

Activities are underpinned by Westports' guiding mission to facilitate economic growth while proactively mitigating the potential negative impacts on the Westports' family, local communities, port users and the general public.



## SOCIETY

Westports' extensive Corporate Social Responsibility initiatives improve the quality of life of Pulau Indah residents. Over 25 years, the Company has focused on eradicating poverty, enhancing education, improving community facilities, increasing the well-being of the native community, and boosting safety and security on Pulau Indah. As the largest employer on the island, Westports also operates medical clinics and provides port police, ambulance and fire engine services as first responders in the event of emergencies.

## TRANSFORMING PULAU INDAH

Located off the coast of Klang, Pulau Indah is a fast-growing industrial hub, as seen by the presence of landmarks such as the Pulau Indah Industrial Park, the Selangor Bio Bay and IKEA's regional distribution hub. Twenty-five years ago, the landscape was very different; where there are now roads, buildings and infrastructure, there were just mangrove swamps. Westports has played a major role in transforming Pulau Indah.



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

*Tan Sri Datuk G. Gnanalingam,  
Founder and Executive Chairman,  
Westports Holdings Berhad*



Since commencing operations in 1994, Westports has helped transform Port Klang into the 12<sup>th</sup> busiest and 9<sup>th</sup> best-connected port in the world. Operations have accelerated both the transformation of Pulau Indah and the Malaysian logistics sector.

## CREATING JOBS

Westports' contribution to the socio-economic growth of Pulau Indah is most apparent in its efforts to uplift the local community by tackling poverty. Westports has provided financial assistance and employment opportunities while helping improve housing, education and health services for Pulau Indah residents.

When operations commenced, Pulau Indah's inhabitants were mainly fishermen and farmers, with a significant number of indigenous people (*orang asli*). The vast majority of them were impoverished, living hand-to-mouth. Westports recognised the need to help the community and provide them with the means to raise their standards of living through training and employment opportunities. Today, 99% of the 5,042 people employed at the terminal are Malaysian with 36% of them being from the island itself.



# SOCIETY

## LIFTING EDUCATION STANDARDS

Westports' community care also focuses on the youth. Tan Sri G. Gnanalingam, Founder and Executive Chairman of Westports, believes that every child has a right to education. Two schools have been adopted under the Trust School Programme: SK Pulau Indah and SMK Pulau Indah. The Trust School Programme, which was initiated under the National Education Blueprint, aims to:

- 1 Improve the quality of learning and teaching
- 2 Maximise students' achievements and potential
- 3 Strengthen the engagement of parents, community members and other stakeholders
- 4 Develop high-quality leadership and management.

A study was conducted recently to assess the impact of our participation in the Trust School Programme. The results show that the achievements of two schools far outstripped the targets set by at least 20% on average.

## IMPACT ASSESSMENT INDICATORS

- Leadership and Management Qualities
- Learning and Teaching Qualities
- Maximising Student Potential
- Involvement of Parents and Community

## BUILDING SOCIAL INFRASTRUCTURE

Over the past four years, Westports has spent more than RM9 million on community-building activities on Pulau Indah and much more over 25 years. Westports has developed social infrastructure through the establishment of two clinics in the terminal: Klinik Westports for employees and Klinik Masyarakat for the general community. Klinik Masyarakat has provided free medical consultations and affordable medicines to local residents since operations began in 1997.

Westports also provides services such as policing and fire and rescue to improve safety on Pulau Indah. Westports Auxiliary Port Police safeguards the security of the terminal and also handles general policing duties across the island.

## WESTPORTS' COMMUNITY FOCUS AREAS

Westports recognises its responsibility to drive positive, sustainable change through consultations with local communities. Our community contributions and involvement agenda support the Company's vision and business strategy to be a successful gateway for the nation's trade inventory and the pride of the nation in terms of corporate citizenship.

## COMMUNITY INVESTMENT AREAS

- Enhancing Education
- Refurbishing Community Facilities
- Environment
- Poverty Eradication
- Ensuring Safety and Security on Pulau Indah

Westports will continue to recognise and value its employees' contributions and volunteerism spirit.



**698** employees spent a total of **3,028.5** hours on CSR activities



A total of **4,030** community members benefited from these programmes

*\*Indicators*

- Enhancing Education
- Refurbishing Community Facilities
- Environment
- Poverty Eradication
- Ensuring Safety and Security on Pulau Indah



### Number of Westports' Volunteers by Community Investment Area



- 44
- 37
- 224
- 112
- 281



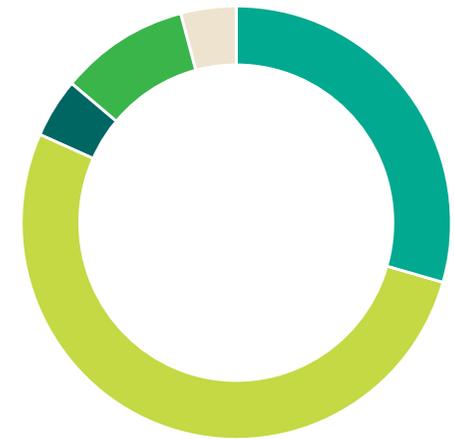
### Total Number of Hours by Community Investment Area



- 187
- 118
- 1,113
- 424
- 1,187



### Breakdown of Participants Benefiting by Community Investment Area



- 1,194
- 390
- 2,105
- 161
- 180



**ENHANCING CHILDREN'S RIGHTS TO EDUCATION**

**MOTIVATIONAL TALK**

Our Human Resource Department delivered a four-hour Motivation Talk to Form 3 and 5 students of SMK Pulau Indah on 12 March 2019. Four Westports' volunteers and eight teachers supported 461 students throughout the talk. The talk aimed to enhance the students' motivation in studying for their examinations.

**BASICS OF MICROSOFT OFFICE POWERPOINT**

On 24 September 2019, 10 IT staff delivered a two-hour workshop on the fundamentals of presentation using Microsoft Powerpoint at SMK Pulau Indah. Twenty students learned the basics of this software that has become an industry standard.

**WORKSHOP FOR UPSR STUDENTS**

Eleven volunteers from the Finance Department delivered workshops for UPSR students on 20 and 27 July and 3 August 2019. This academic support targeted families of poor to average affluence. The workshops increased the self-confidence and motivation of the students in preparation for the examinations.

**PC TROUBLESHOOTING WORKSHOP AND IT CAREER TALK**

Five Westports' employees delivered a workshop to 40 students on 13 March 2019. The session trained the IT Club members to support the school on IT-related issues. Students were also given practical training in solving troubleshooting issues.

**ENGINEERING SEMINAR AND PORT TOUR**

The Engineering Department held an Engineering Seminar and Port Tour on 13 March 2019. The seminar exposed students to electrical, mechanical and civil engineering and helped motivate them to further their studies in science. The students were also taken for a port tour to experience the work of the engineering team in the terminal first hand. Twenty employees joined two teachers and 80 students for this six-hour event.

Sixteen employees from the M&R Department introduced 40 students to port operations on 16 October 2019. The students gained a working knowledge of the container terminal equipment in the hope that these quality graduates would be encouraged to pursue their careers at Westports' M&R Department.

**IT SECURITY AWARENESS TALK**

Six employees from the IT Department gave an IT Security Talk to 38 students and four teachers at SMK Pulau Indah on 12 November 2019. The talk focused on the fundamentals of IT security awareness and recommended action to counter a security breach. The talk consisted of a slide presentation on password change, an online quiz and potential risks from surfing the internet.

**COMPUTER LAB**

Three members of the Engineering Department visited SMK Pulau Indah on 19 February 2019. The air conditioning in the school's computer lab was tripping due to a faulty switch socket. The team quickly replaced the faulty equipment.

**HEALTH AWARENESS PROGRAMME**

On 13 March 2019, the Finance Department invited Pulau Indah senior citizens to join 15 employees for its health awareness programme. The programme raised awareness of various aspects of health among senior citizens. The old people also received free medical examinations from the Westports' medical team.

## SOCIETY

### HIRARC AWARENESS PROGRAMME

Nineteen Westports volunteers delivered a HIRARC Awareness Programme to 80 students of Kolej Vokasional Klang. The programme raised awareness of HIRARC among the students. The Maintenance and Report Department briefed the students on workshop hazards, specifically when welding or working with automobiles.

### SEMINAR IN MATHS AND ADD MATHS

Three volunteers from the Human Resource Department delivered seminars in mathematics and advanced mathematics in August and September 2019. One hundred and sixty-eight Form 3 and 5 students learned the concept and method for answering questions in accordance with the syllabus and answer scheme. They were also exposed to an assortment of KBAT questions to help them answer examination questions more effectively.

On 31 October 2019, three volunteers from the Human Resource Department delivered an additional Seminar in Mathematics. The seminar introduced higher-order thinking (HOT) questions to 104 Form 5 students and offered useful tips to answer questions according to the syllabus and answer scheme.

### TELE MATCHES AT ORANG ASLI VILLAGE

Twenty volunteers held Tele Matches with 70 children at Kg. Asli on 13 April 2019. The event strengthened relationships between Westports and the *Orang Asli* community. The Westports Team also encouraged the children to practise a healthy lifestyle through the aerobic session.

### MERDEKA TECHNICAL EXPLORACE AT KOLEJ VOKASIONAL KLANG

On 4 September 2019, 18 volunteers from the M&R Department delivered a programme entitled Merdeka Technical Explorace at Kolej Vokasional Klang. The programme improved the cooperation, perseverance, patience and patriotism skills of the 40 participants. It also enhanced their leadership and communication skills and increased their marketability skills.

### BASICS OF NETWORKING TALK/ WORKSHOP

On 10 July 2019, eight Westports volunteers delivered a presentation that introduced networking fundamentals, types of networking and critical devices. Forty-two students and four teachers were also exposed to basic networking equipment such as routers, modems, network cards and different layers of network involved.

### PARAMEDIC EQUIPMENT EXHIBITION

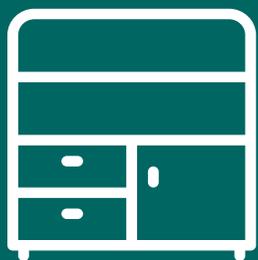
Six volunteers from Westports Port Police took part in an exhibition of paramedic equipment with 400 students organised by SK Pulau Indah 2. The exhibition raised awareness of the role of paramedics and the various types of equipment used. The exhibition was held on 5 October 2019 during the Geger Armada Carnival.

### CAREER & MOTIVATIONAL TALK AT KOLEJ VOKASIONAL KLANG

On 27 June 2019, 16 volunteers delivered a career and motivation talk to 50 students at Kolej Vokasional Klang. The programme briefed the students on career paths and growth and enhanced their leadership and communication skills.

### BACK TO SCHOOL PROGRAMME

Seventeen volunteers from the Finance Department participated in a Back to School Programme at Cheng On Trading in Port Klang on 25 November 2019. The programme helped caretakers prepare school items for 20 underprivileged students. Hopefully, this initiative improved the students' motivation before the new school term commenced.



## REFURBISHING COMMUNITY FACILITIES

### GOTONG-ROYONG BY OUR CONTAINER DEPARTMENT

#### GROUP A

On 23 April 2019, 30 employees volunteered to clean the area surrounding Masjid Al Qayyum. The team was divided into six groups that focused on different tasks such as grass cutting as well as drain and air conditioning cleaning.

On 12 July 2019, an additional 30 employees helped three villagers cut the grass and clear the area near the main junction at Kampung Sungai Pinang. The work provided vehicles using this junction with a clearer view.

#### GROUP B

The Container Department conducted a *gotong-royong* at Galeri Warisan Pulau Indah on 19 March 2019. Established by the village head of Kampung Perigi Nenas, Galeri Warisan Pulau Indah is a small gallery that preserves unique items including early photos of Pulau Indah. Twenty employees volunteered to help nine committee members clean the surrounding area of this gallery.

On 18 April 2019, 20 volunteers helped clean the area surrounding Dewan Orang Ramai in Kg. Teluk Nipah. The volunteers also cut the grass and trees outside of the grounds.

#### GROUP C

On 10 October 2019, 25 volunteers cleared and constructed a platform for the dumpster area in Balai Raya, Kampung Sungai Pinang. The volunteers helped 10 villagers clear the surrounding area of Balai Raya to enhance the look of the centre.

On 9 December 2019, 30 employees helped 10 villagers clear the area surrounding Surau Haji Muhammad. The employees helped cut the grass, clear the drains and clean inside the *surau*.

#### GROUP D

On 29 March 2019, 10 volunteers cleaned the area surrounding the library at Kg. Teluk Nipah. The library was beautified in the hope that more community members, particularly children, would use this public resource.

On 8 April 2019, 25 volunteers helped the village head and villagers clean up Kg. Perigi Nenas. The group split into two teams who focused on grass cutting and cleaning the area.

On 17 July 2019, 30 volunteers held a *gotong-royong* in collaboration with the village head of Perigi Nenas and its committee and school teachers.

Twenty-five employees helped 40 villagers clean the cemetery and cut the grass surrounding Kampung Perigi Nenas on 4 December 2019.

# SOCIETY

## AIR CONDITIONER REPAIR AND SERVICING

Eight technical staff repaired and serviced 17 air conditioning units on 29 and 30 April 2019. A survey had been performed prior to the service to identify the status of each unit. The major servicing, which involved changing chemicals and the air filter, benefited two teachers and 80 students.



**8** technical staff repaired and serviced **17** air conditioning units



**2** teachers and **80** students benefited from the major servicing, which involved changing chemicals and the air filter

## UPGRADING THE BUS STOP AT PERSIARAN MASJID SULTAN

Twenty staff worked on rotation throughout July, August and September on upgrading an existing bus stop at Persiaran Masjid Sultan on Pulau Indah. The volunteers dedicated 288 hours to provide a safe and conducive place for community members to wait for public buses.



**20** staff on rotation basis worked on upgrading an existing bus stop at Persiaran Masjid Sultan on Pulau Indah



The volunteers dedicated **288** hours to provide a safe and conducive place for community members to wait for public buses

## MAINTAINING SCHOOL FACILITIES

Eight employees from the Engineering Department maintained the facilities at SAR (KAFA) Perigi Nenas on Pulau Indah. The work was performed on 10 and 11 July 2019 at Sekolah Agama Rendah to provide the school with a safe learning and teaching environment.



# ENVIRONMENT

## MANGROVE PLANTING

On 3 August 2019, 30 marketing employees conducted a mangrove planting exercise with 140 participants. Westports has carried out the programme since 2015 and successfully planted 5,988 mangroves in total with Infinity Logistics & Transport Sdn. Bhd, Central Spectrum (M) Sdn. Bhd and Persatuan Pendidikan dan Kebajikan Jaringan Nelayan Pantai Malaysia (JARING). We planted 2,500 mangroves during this programme, which was held in conjunction with Westports' 25<sup>th</sup> Anniversary.



On 3 August 2019, **30** marketing employees conducted a mangrove planting exercise with **140** participants.

## RECYCLING PROGRAMME

On 6 November 2019, six employees from the Marketing Department conducted a recycling programme at SK Pulau Indah 2. The programme inculcated recycling habits into the 250 students and explored their creativity in using recycled items.



The programme inculcated recycling habits into the **250** students and explored their creativity in using recycled items.



## POVERTY ERADICATION

### CELEBRATING RAMADHAN WITH PULAU INDAH COMMUNITY

On 24 May 2019, 13 Westports volunteers celebrated Ramadhan with the local community on Pulau Indah. The programme allowed Westports to bond with the local community during this festive season and provide financial assistance and dry goods to needy families.

### 'BUBUR LAMBUK' PROJECT

On 22, 25 and 30 May 2019, 45 volunteers from our Container Department delivered *bubur lambuk* to villagers in our local communities. This initiative helped employees engage with local communities during Ramadhan.

### HEALTH CAMP

On 22 June 2019, 28 volunteers organised a health camp at Dewan Orang Ramai in Kg. Asli Pulau Indah. Sixty children and 10 senior citizens were educated on caring for their health and living a healthy lifestyle. This initiatives strengthened the bonds between Westports and the *Orang Asli* community.

### EDIBLE GARDEN FARMING

On 26 March 2019, 12 volunteers from the Marketing Department prepared the farming area at SK Pulau Indah 2 to ensure that the plants would thrive. Compost and agricultural lime were added to the soil to ensure the soil acidity and nutrients were adequate before the vegetables were planted. Six volunteers returned on 9 May 2019 to harvest 105 kg of kang kung, spinach and pak choi.

### FERTIGATION FARMING (HARVESTING)

Four volunteers from our Planning Department held this programme with six participants at Pusat Pertanian Pulau Indah. This programme encouraged the participants from the Pulau Indah community to plant vegetables for their own consumption and generate additional income through farming.

On 1 August 2019, two volunteers visited Pusat Pertanian Pulau Indah once more. The volunteers discovered that the pH of the water was not suitable for farming and sought assistance from the Department of Agriculture to treat the water coming from the nearest pond.

On 10 October 2019, 18 Westports' volunteers helped harvest chillies that the participants had planted at Pusat Pertanian Pulau Indah. The participants learned the correct way to maintain the polybags and clear the plants.



**28** volunteers organised a health camp at Dewan Orang Ramai in Kg. Asli Pulau Indah

**60** children and **10** senior citizens were educated on caring for their health and living a healthy lifestyle





## ENSURING SAFETY AND SECURITY OF PULAU INDAH

### DENGUE PREVENTION PROGRAMME

On 4 August 2019, Our ESH Department conducted a Dengue Prevention Programme at Flat Kolej Inспен on Pulau Indah. Twenty-one employees joined 78 members of the community and local authority. The main objective was to reduce the breeding of Aedes mosquitoes and epidemic cases with the support of community members and local authorities. Quizzes were held for the younger residents to teach them ways of preventing dengue.

### ETHICAL DRIVING AND SIMULATION OF STROKES PENALTY TALK

On 15 April 2019, three volunteers from the Port Police Department delivered an Ethical Driving and Simulation of Strokes Penalty Talk to 300 students at SMK Pulau Indah. The Port Police Department collaborated with the Royal Malaysia Police Klang Traffic and Prison Department Malaysia for this programme.

The students were educated on road safety and types of punishment that can lead to strokes penalties. The Prison Department described living conditions in the prison to the students.

### SAFETY EXHIBITION

Three volunteers from the ESH Department manned a safety exhibition at SK Pulau Indah 2 on 5 October 2019. The exhibition promoted school safety and introduced situations that can lead to accidents and injuries on the roads to 200 participants.

### FIRE DRILL TRAINING

On 18 June 2019, 13 volunteers from our Port Police Department conducted fire drill training for 800 students of SK Pulau Indah. The session educated the students and teachers on fire prevention, emergency preparedness and the proper use of a fire extinguisher. The team also performed a post mortem to suggest improvements for the school to implement in an emergency situation.



**13** volunteers from our Port Police Department conducted fire drill training for **800** students of SK Pulau Indah

### BASIC FIRST AID AND CPR CLASS

On 19 December 2019, the Port Police Department raised awareness among the Pulau Indah community of the importance of first aid. Five volunteers taught 16 first aiders how to attend to emergency cases before the ambulance arrives.

### QUIT SMOKING PROGRAMME

On 21 November 2019, three Human Resource employees raised awareness of the implications of smoking to 140 Form 1 students. The students learned of the long-term effects smoking has on their health and the critical illnesses that it can cause.



**3** Human Resource employees raised awareness of the implications of smoking to 140 Form 1 students

### STREET LIGHT AUDIT AT PERSIARAN MASJID SULTAN

Two employees from the Engineering Department conducted a street light audit on 19 November 2019. The audit ensured that the street lighting along Jalan Persiaran Masjid Sultan on Pulau Indah was working well.

# SOCIETY

## COMMUNITY CLINIC

Westports has operated the Community Clinic (“*klirik masyarakat*”) next to its in-house clinic since 2003. A dedicated doctor, staff nurse and administrator are supported by a shared medical team and full medical facilities. Westports also has its own ambulance service, which is available 24 hours a day, to transport patients to other nearby clinics and hospitals if required.

Consultation fees are waived for Pulau Indah residents and the medicine dispensed is affordable. The clinic also serves as a panel clinic for the staff of landed clients and other Pulau Indah companies.

The number of community members benefiting from this facility has continued to increase over the years. RM596,984 has been spent on running and maintaining this clinic over the last three years.

### Number of Staff Dependents Benefiting from Westports’ Klinik Masyarakat



# SOCIAL: LABOUR PRACTICES AND DECENT WORK

Westports' safe, healthy and harmonious working environment values the contributions of all workers. Attracting new employees from the local community is extremely important. Engaging with colleagues and listening to their opinions helps ensure that everyone goes home safely at the end of each day.

In 2019, our hard work was recognised by the 'Top 100 Asia's Best Employer Brands' and 'Malaysia Best Employer Brand Awards'.

## WESTPORTS' DIVERSE FAMILY

Workforce diversity is defined as recognising, respecting and valuing differences. Our ultimate aim is nurturing a workplace in which all employees can fully participate and are valued for their distinctive skills, experiences and perspectives. We respect and appreciate what makes us all unique — be it age, gender, ethnicity, religion, disability, sexual orientation, education or cultural identity.

A key component of our inclusive culture is an ongoing commitment to championing gender equality and equal opportunity in the workplace, which extends across the industry where possible.

	Operation	Management	Total	Operation	Management	Total	Operation	Management	Total
Diversity	2017			2018			2019		
<b>Gender</b>									
Male	3,963	355	4,318	4,100	370	4,470	4,498	411	4,909
Female	99	39	138	99	34	133	96	37	133
<b>Age</b>									
<30	2,095	112	2,207	2,289	137	2,426	2,591	175	2,766
31 - 50	1,792	259	2,051	1,750	246	1,996	1,829	243	2,072
>51	175	23	198	160	21	181	174	30	204
<b>Ethnicity</b>									
Malay	3,469	218	3,687	3,616	224	3,840	4,015	263	4,278
Chinese	9	28	37	8	23	31	8	27	35
Indian	409	143	552	401	151	552	391	153	544
Others	175	3	178	174	4	178	180	2	182
Foreigner	0	2	2	0	2	2	0	3	3
<b>Total Employees</b>	<b>4,062</b>	<b>394</b>	<b>4,456</b>	<b>4,199</b>	<b>404</b>	<b>4,603</b>	<b>4,594</b>	<b>448</b>	<b>5,042</b>

	Operation	Management	Total	Operation	Management	Total	Operation	Management	Total
Recruitment	2017			2018			2019		
<b>Gender</b>									
Male	809	57	866	613	54	667	1,061	90	1,151
Female	24	5	29	14	1	15	21	8	29
<b>Age</b>									
<30	750	41	791	579	40	619	1,006	75	1,081
31 - 50	81	21	102	48	14	62	72	18	90
>51	2	0	2	0	1	1	4	5	9
<b>Total Employees</b>	<b>833</b>	<b>62</b>	<b>895</b>	<b>627</b>	<b>55</b>	<b>682</b>	<b>1,082</b>	<b>98</b>	<b>1,180</b>

## SOCIAL: LABOUR PRACTICES AND DECENT WORK

	Operation	Management	Total	Operation	Management	Total	Operation	Management	Total
Resignation	2017			2018			2019		
<b>Gender</b>									
Male	853	58	911	642	49	691	661	55	716
Female	22	7	29	21	6	27	24	5	29
<b>Age</b>									
<30	685	32	717	545	18	563	575	15	590
31 - 50	182	30	212	103	34	137	91	40	131
>51	8	3	11	15	3	18	19	5	24
<b>Total Employee</b>	<b>875</b>	<b>65</b>	<b>940</b>	<b>663</b>	<b>55</b>	<b>718</b>	<b>685</b>	<b>60</b>	<b>745</b>

### WORKPLACE WELLBEING

The health, wellness, safety and satisfaction of employees are essential priorities. Strong labour relations and robust employee programmes provide the support our people need. We take an active role in promoting healthy lifestyles. Westports respects employees' rights to leisure time. Protecting the physical and mental health as well as social wellbeing of employees helps build a positive work environment and resilient organisation.

We monitor health and safety data including absenteeism and rates of stress and occupational diseases as these indicators are relevant to employees' wellbeing.

In 2019, a number of activities and programmes were undertaken that help employees prioritise their health and

wellbeing and create a sensible balance between their work and home lives.

### CHILDCARE FOR EMPLOYEES' CHILDREN

Benefits and compensation are important factors in attracting and retaining employees in today's competitive business climate. Westports continues to strengthen its packages to meet employees' needs and retain the position as their employer of choice.

Westports founded a child care centre for the children of all employees at the Tower Block Plaza Level. This centre has provided the best child care services and a conducive learning environment since its opening on 22 April 2019. Managed by an experienced external child care service provider, the centre serves balanced and nutritious meals each day.

### KLINIK WESTPORTS

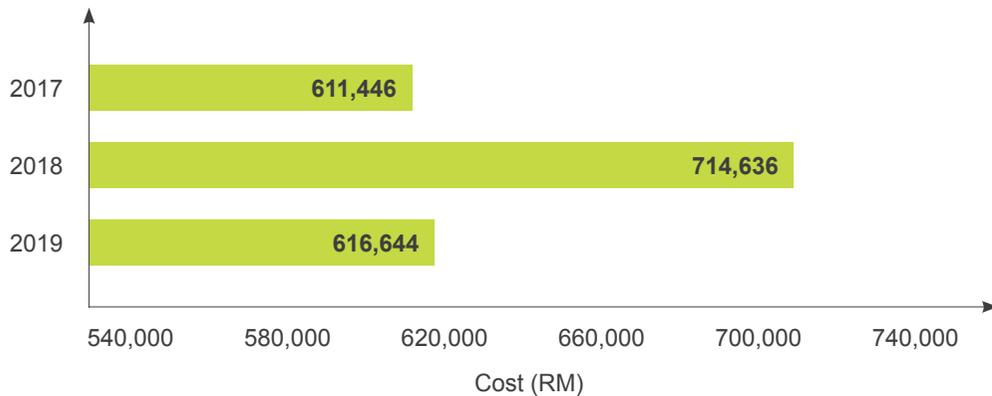
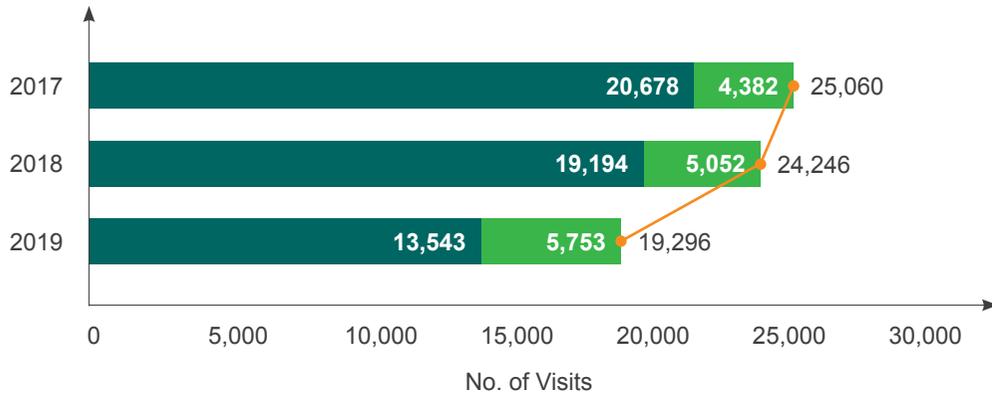
Westports' benefits go beyond standard health care and paid leave. Established in 2009, Klinik Westports is the first in-house clinic on Pulau Indah designed for employees. Health and wellness incentives offered to employees are extended to their spouses and children. All family members are entitled to a free consultation and treatment at Klinik Westports. Colleagues have complete peace of mind to take care of what is most important – their health and wellness.

### KLINIK WESTPORTS SERVICES

- 1 First-class medical treatment for staff
- 2 Medical surveillance in the workplace
- 3 Liaising with specialists on staff health issues
- 4 Regular health talks for staff, dependents and community members
- 5 Return to work assessments
- 6 Announcements and health updates on latest medical issues

# SOCIAL: LABOUR PRACTICES AND DECENT WORK

Westports funded the entire running and maintenance of this clinic with RM616,644 being spent in 2019. The number of beneficiaries and cost for running this clinic are presented below.



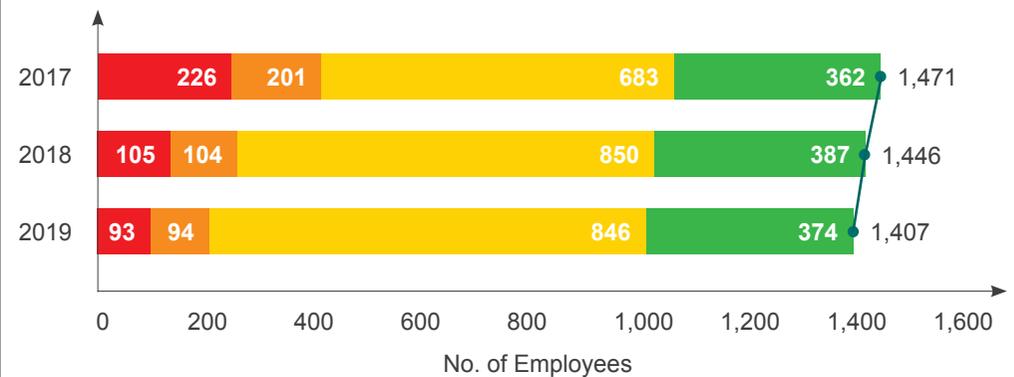
## HEALTH PASSPORT

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

<p style="text-align: center;"><b>GOOD (GREEN)</b></p> <p>Healthy lifestyle advice is given by our in-house doctor.</p>	<p style="text-align: center;"><b>MODERATE (AMBER)</b></p> <p>Healthy lifestyle advice is given by our in-house doctor and workers are encouraged to exercise at least two to three times a week.</p>	<p style="text-align: center;"><b>HIGH-RISK (RED)</b></p> <p>Healthy lifestyle advice is given by our in-house doctor and gym attendance is compulsory. Diet control is monitored by our panel of private hospitals and employees are reviewed in six months.</p>
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In 2019, 1,407 employees above 35 years of age were enrolled on a health passport programme. 374 green category employees required no action. 93 red, 94 high amber and 846 low amber employees were required to attend compulsory gym sessions. Each was required to attend a follow-up health examination.

## HEALTH PASSPORT PERFORMANCE BY YEAR



# SOCIAL: LABOUR PRACTICES AND DECENT WORK

## CELEBRATING 25 YEARS OF GROWTH

Commencing operations in 1994, Westports was one of the privatisation initiatives under the then Prime Minister, Tun Dr Mahathir Bin Mohamad. In 2019, Westports celebrated its 25<sup>th</sup> anniversary as the fastest growing terminal. We have helped transform Port Klang into the 12<sup>th</sup> busiest and the ninth best-connected port in the world. Activities held in conjunction with our anniversary celebration included a:

- ✓ Luncheon for all employees at Dewan Budaya T.A.N.S.R.I.G. with smartphones and tablets being won in the lucky draw and door gifts;
- ✓ “WAR CRY” competition, a drama competition themed “Our Westports”, with total rewards of RM6,000 being presented;
- ✓ 25<sup>th</sup> Anniversary Logo Competition, which received 105 designs from the Container, Engineering, M&R, Finance, Gate, Corporate Affairs, Port Police, Conventional, Human Resources and Corporate Resources departments, with RM2,000 in prizes; and
- ✓ Photography competition depicting ‘Teamwork at Westports’, ‘TSG and I at Westports’, ‘Best Moments at Westports’, ‘Westports History’, ‘The Beauty of Westports’ and ‘Innovation & Technology at Westports’ with total prizes totalling RM2,000.



### Westports Anniversary Highlights for Blue Collar Workers



A financial incentive of between RM50 and RM300 per employee, depending on performance



Increase of RM100 monthly salary for all employees and attractive yearly increment



Increase of minimum living wage and salary from RM1,200 to RM1,300



Minimum of 2 months bonus



RM800 gift for each employee as a token of appreciation

## FOSTERING AN OPEN AND INCLUSIVE CULTURE

Nothing affects Westports’ sustainability more than the men and women who report to work and support its operations each day. Great care is taken to foster an environment and culture of empowerment. We encourage each employee to achieve their personal and professional goals and provide opportunities to force real change and progress across business operations.

Employee communications are instrumental in this goal. Employees are updated on current events and milestones achieved through a variety of mechanisms.

### THE PENGHULU PROGRAMME: PIVOTING TO A NEW PARADIGM

The Penghulu Programme is the brainchild of Westports’ Executive Chairman, Tan Sri Datuk G. Gnanalingam. This Direct Feedback mechanism has helped build relationships through dialogue and engagement since 2011.

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

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

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

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

A total of 24 mentors helped 227 Pengulus look after 5,042 employees in 2019. The Penghulu Committee also introduced quarterly activities for the Penghulu, mentors and their members in 2019. These activities aimed to create a productive and happy workforce based on the following 10 core values:

# SOCIAL: LABOUR PRACTICES AND DECENT WORK

## TEN PENGHULU VALUES



**1.**  
Work Hard, Work Smart



**2.**  
Enjoy your work



**3.**  
Learn and teach a new thing daily



**4.**  
Jom Cari Ideas. Be creative and innovative



**5.**  
“Cekap, Cepat & Tepat”  
(Do it right the first time & every time. Do it now. Do it fast.)



**6.**  
Everyone is a Hero.  
Everyone is a leader.  
Everyone is a champion.



**7.**  
ZERO is our Hero.



**8.**  
Deliver wow. Make my day.  
Make someone feel like a million bucks.



**9.**  
Be open, honest,  
passionate and humble.



**10.**  
Be Good. Be Great.  
Be Better.

## PENGHULU OBJECTIVES AND PRACTICES

**1**

Towards creating happy, healthy & high performing champions



Motivating members to aim for zero accidents



Identifying role models as a ‘Pat on the Back’ initiative

**2**

Towards zero attrition and creating a healthy workforce



Conducting regular engagement sessions



Sharing tips on a healthy lifestyle and wellbeing

**3**

Creating a safe working condition & keeping the environment clean for our future



Sharing and discussing unsafe behaviour



Performing *gotong-royong* initiatives in areas surrounding the port

**4**

Towards greater performance & productivity



Delivering coaching, mentoring and motivational sessions



Holding active, healthy two-way communications with members

# SOCIAL: LABOUR PRACTICES AND DECENT WORK

## WESTPORTS JOINT CONSULTATIVE COUNCIL (WJCC)

Westports Joint Consultative Council (WJCC) promotes and maintains industrial harmony. Established in 2001, it is also a platform for discussion and consultations between employees and company representatives. Other objectives of the WJCC include:

- ✓ Working cooperatively towards achieving the Company's vision and mission
- ✓ Resolving all issues at the earliest opportunity and as expeditiously as possible
- ✓ Preventing differences from arising and resolving them as they occur
- ✓ Making appropriate recommendations and decisions on relevant issues

## WESTPORTS' HR CHAMPIONS

Managing conflicting ideas in a workplace full of people with differing outlooks demands patience and understanding. Westports' HR Champions bridge the gap between the management and employees to promote good working relationships. HR champions are executives and managers from various departments that work as mediators. Two-way communication between the management and employees is promoted through monthly dialogue sessions in which employees are:

- ✓ Updated on Westports' performance
- ✓ Encouraged to raise any issues they face in the workplace

## COMMUNICATIONS DAY

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

Westports introduced a Communications Day for operational staff with 52 sessions being held in 2019. Operations staff were split into smaller groups before being briefed on Group performance, their disciplinary records, accidents and overall attendance records.

Communications Day is an initiative to enhance wellbeing, improve mental health and reduce stress. These engagement sessions allow us to identify the source of stress, raise awareness and teach employees to manage stress while providing instruments for stress support.

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

## EMPLOYEE DEVELOPMENT

Westports values the contributions made by its employees and vows to give any individual a chance to succeed who works hard.



I built a career for myself in marine cargo surveying and shipping insurance for hull and machinery since 1998. Before joining Westports, I held my previous post for 15 months and was then unemployed for nine months. Westports gave me a chance to get back on my feet and offered me a position.

I am extremely grateful to be able to gain their trust as I was much older than many other hires when I joined. Westports was flexible and merged two areas: company insurance and claims. These areas were assigned to me. I am proud to use my expertise in handling claims from shipping lines, liners and other third-parties. I find my position at Westports both interesting and challenging. Previously, I had worked outside the port and I now have a 360° view of this area of shipping.

Westports offers a nice working environment with a mix of old and young. I haven't experienced any discrimination due to age or other factors. Westports really cares about its staff which is unique. The salary and benefits are good and the company has focused on human values.

Gopala Krishnan Chettiar



Six years ago, I joined Westports' Technical Spreader Team with diploma level education in mechanical engineering. As a team, we grew together and identified lots of new end-user problems. Acquiring this knowledge helped make the spreader perform with a higher degree of reliability. I believe that Westports understands the operational issues better than the manufacturers themselves.

I work on my degree in my spare time and time management is critical. However, the working environment is conducive for experiential learning and the acquired expertise helps in my area of study. The technical knowledge learned from the books can also be applied in the working environment.

I have acquired certificates in welding, electrical and programme logic controls. I am grateful that Westports promoted me from non-executive to executive work and my position leapt over two grades. Opportunities are provided here at Westports; with the right mindset, dreams and aspiration, anything is possible. Westports allows me to learn and improve myself in a supportive working environment with encouragement from my colleagues.

Mohanadevan A/L Ravendran



## SOCIAL: LABOUR PRACTICES AND DECENT WORK



I worked as an IT manager in the banking industry for 22 years before being made redundant. I was between positions for seven months and some employers may have preferred younger candidates. Following an interview with Westports, I was informed that there was no suitable direct role. Kindly, Westports made my expertise known to other departments to canvas for potential work for someone with my experience.

The M&R Department accepted me and put me in charge of IT projects. The job is rewarding as I am able to leverage my previous IT expertise. I have been developing new Internet of Things (IoT) applications to enhance Planned Preventive Maintenance. For example, we introduced sensors to detect vibrations and temperature to ascertain the best time to replace parts before the equipment fails.

Westports has an excellent working environment and I am thankful for the support I receive from colleagues and senior management. I am proud to be a part of the R&D pioneering team working on technology that even the equipment vendor does not possess.

Ravi A/L Subramaniam



Westports' learning culture empowers employees to nurture their own minds, challenge ideas and make other improvements. Employees are encouraged to upgrade their skills by participating in internal and external training programmes.

	2017	2018	2019
<b>Training Hours</b>			
Management	21,608	20,770	31,536
Workforce	447,184	398,098	323,806
Total training hours	468,792	418,868	355,342

### Training Hours Per Year Per Employee

Management	55	51	75
Workforce	110	102	105
Total average per employee	105	153	180

### COMPTIA NETWORK+ CERTIFICATION TRAINING

Westports delivered CompTIA Network and Certification Training for IT developers and executive employees. Twelve different staff attended the beginner and intermediate level training sessions, which were held during November and December 2019.

### SPECIALIST TRAINING DELIVERED IN 2019

- ✓ Bridge Resource Management (BRM) for marine pilots
- ✓ Course for certified environmental professionals in sewage treatment plan operation
- ✓ Kursus Building and Fire Safety Management
- ✓ Elements of Marine Pilotage
- ✓ Maritime Security
- ✓ Industrial Power System

- ✓ Port Automation Summit
- ✓ Digital Ports
- ✓ ISO 45001 requirement training
- ✓ Embedding an Innovation Culture

### MIM-LEGION BUSINESS CHALLENGE

The MIM-Legion Business Challenge helps young Malaysian business talent achieve world-class standards. The programme focuses on experiential business excellence learning by adapting the simulation model. Four teams consisting of 28 employees from various departments represented Westports in the Challenge. They were privileged to work with experienced mentors on real business scenarios including disruption, change and tackling future markets.

The programme modules included classroom training, the online system, a case study as well as internal and external competitions. One of the teams was ranked in the top six, competing at a national level. The final two teams will represent Malaysia in the Asia Pacific level next year.

### BEST INNOVATIVE PROJECT DURING ANUGERAH INOVASI NEGERI SELANGOR (AINS)

Westports won an award for Best Innovative Project for the private sector category at Anugerah Inovasi Negeri Selangor (AINS) 2019. The competition was held at the Malaysia International Trade and Exhibition Centre (MITEC) from 10 to 13 October 2019.

AINS 2019 is a joint initiative between Anugerah Inovasi Sektor Awam Negeri Selangor and Program Cabaran My Innovation. This competition provides an opportunity for government and private sector companies as well as children and youths to showcase their creative and innovative inventions to the public for the betterment of society.

# SOCIAL: LABOUR PRACTICES AND DECENT WORK

Each innovation was judged on four criteria: the novelty of innovation, complexity, market value and user-friendliness. The Container IT Team, which represented Westports, showcased the C-TAB, in-house developed terminal GPS system and the Westports Mobile App.

## AN ALL-OUT FOCUS ON SAFETY

Westports provides a working environment that is safe, secure and free of danger, harassment, intimidation, threats and violence. Appropriate precautions are taken to prevent injuries, reduce stress, promote well-being and adverse working conditions for all employees. Westports is committed to minimising its health and safety impact through continuous improvements. It is the responsibility of each and every worker to:

- ✓ Adhere to the prescribed safety rules and acts; and
- ✓ Raise any concerns that may represent a potential threat to health and safety.

## HEALTH AND SAFETY EXCELLENCE

The health and safety of employees and tenants are protected by identifying risks, developing solutions and encouraging participation. All employees will be responsible for safety with the Group MD and CEO's bonuses and remuneration now being directly linked to fatalities. This demonstrates the responsibility taken for everyone who is on the port premises. Westports' stand on health and safety also applies to contractors and other

port users. Environmental Health and Safety (EHS) officers are responsible for:

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

Biannual internal and external audits ensure the:

- ✓ Effective implementation of the SHE Management System;
- ✓ SHE Management System conforms to ISO 14001 and OHSAS 18001 standards; and
- ✓ Audit team observes practice and records, interviews relevant staff, drafts corrective action and presents the findings to the board.

A SHE monitoring and measurement matrix guides each function in implementing a corrective and prevention procedure to deal with actual and potential nonconformity. Westports also introduced the You See You Act (UCUX) programme, which allows reports to be made through a mobile phone. All of our employees are trained on health and safety standards being practiced in the Company (100%).

A risk assessment regarding health and safety is conducted for existing and potential new operations or projects as part of the Company's due diligence. Performance monitoring results and trends are benchmarked against the Company's targets and industry standards.

## OSHAS 18001 AND ISO 45001

We are certified with OHSAS 18001 until 2021 as a result of a surveillance audit that was conducted from 13 to 15 February 2019 by SGS. We are currently in the process of migrating to the new ISO 45001 standard.

## BENEFITS OF ISO 45001



**Adopts Annex SL High-Level Structure (HLS) for easy integration with ISO 9001 and 14001**



**Identifies and controls risks rather than hazards**



**Improves planning**



**Considers how suppliers and contractors manage their risks**



**Enhances the role of senior management**



**Embeds responsibility and engagement as widely as possible**



**Integrated management system protects both body and mind**



**Formalises organisational goals more explicitly**

# SOCIAL: LABOUR PRACTICES AND DECENT WORK

## COVERAGE OF ISO 45001

We do not report the coverage of the certification in terms of its percentage but list the sites included in the certification.

### ISO 45001:2018 Occupational Health and Safety Management

**1** Operation of a port for provision of port services for handling Containers, including activities within the container terminal, Business Centre and Tower Block.

**2** Operation of a port for provision of port services for Conventional Terminals, including activities with the Break Bulk Terminal, Dry Bulk Terminal 1&2 and Liquid Bulk Terminal.



Westports is acutely aware of the potential risks facing the industry. Significant resources are dedicated to promoting a safe working environment as we strive to achieve 100% compliance. Safety initiatives include creating a robust set of safety protocols and delivering a carefully developed safety orientation and ongoing training.

### SAFETY AND HEALTH COMMITTEE

A SHE committee helps improve working conditions and provides employees and management with a forum to solve health and safety problems. Working together effectively can help prevent injury and illness, raise awareness of health and safety issues and develop strategies to make the work environment safe and healthy.

The SHE Committee, comprising a chairman and both management and employee representatives, is responsible for reviewing safety concerns and performance. Led by Tan Sri Datuk G. Gnanalingam, Executive Chairman of Westports, the committee reports the Company's safety performance to the Board. The committee convenes at least monthly and is responsible for:

- ✓ Investigating and inspecting
- ✓ Conducting awareness programmes
- ✓ Managing near misses
- ✓ Monitoring accidents and incidents
- ✓ Chairing forums on EHS-related grievances
- ✓ Assessing health and safety risks for existing and potential projects and operations

### SAFETY PROGRAMME HIGHLIGHTS

#### FIRE DRILL

Fire drills play an important role in workplace fire safety. Ten fire drills were held during 2019 to ensure employees are prepared for any eventuality. During each drill, employees were trained in emergency procedures such as a building evacuation, night fire drill and tabletop exercise.

#### SAFETY CAMPAIGN 2019

Our 2019 safety campaign was officially launched by our Executive Chairman on 10 October 2019 at Dewan Budaya Tan Sri G. The safety campaign:

- ✓ Supports the evolution of safety by developing and implementing safety programmes that influence employee behaviour;

## SOCIAL: LABOUR PRACTICES AND DECENT WORK

- ✓ Raises awareness of the importance of preventing accidents and occupational diseases amongst managers, employees, landed clients, contractors and port users;
- ✓ Changes underlying factors known to influence safety behaviour and alert people to new risks and possible solutions;
- ✓ Instils a safety and health culture in employees and contractors who are engaged in high-risk activities; and
- ✓ Collaborates with other relevant government and private agencies to raise the level of occupational safety, health and environmental awareness.

### GOVERNMENT AGENCIES INVOLVED IN WESTPORTS' SAFETY CAMPAIGN 2019

- ✓ Department of Occupational Safety and Health (DOSH) Selangor
- ✓ Bomba
- ✓ Port Kelang Authority (PKA)
- ✓ Social Security Organization (SOCSO)
- ✓ Department of Environment (DOE) Selangor
- ✓ National Anti-Drugs Agency of Malaysia (AADK)
- ✓ National Institute of Occupational Safety and Health (NIOSH)
- ✓ Kementerian Kesihatan Malaysia (KKM)
- ✓ Hospital Tengku Ampuan Rahimah Klang (HTAR)
- ✓ Malaysian Institute of Road Safety Research (MIROS)



#### Talks, briefings and training

- ✓ Safety, Health and Environmental talk and exhibition by Government agencies on Communications Day
- ✓ Fire drill at CT4 Admin Building with post-mortem
- ✓ Commuting Safety Support Programme (CSSP)
- ✓ Refresher safety briefing for landed clients and contractors to remind these stakeholders of our guidelines



#### Audits, inspections and tests

- ✓ Internal Safety Audit competition that nominates the best safety practitioner who will be interviewed and examined. Each category winner receives a certificate and token.
- ✓ Random inspections for traffic violations to ensure all guidelines are followed.
- ✓ M&R conducted working at height audits at all workshops and relevant sites to ensure requirements such as wearing a safety harness were strictly followed.
- ✓ A safety audit and safety briefing will be carried out to Pulau Indah School (SKPI 1) to educate them on important aspects of school safety.
- ✓ Westports collaborated with HTAR on blood donations and tests to increase blood levels and provide general information on individual health conditions.

### SAFETY AREAS FOR IMPROVEMENT

Regrettably, Westports suffered two fatal incidents in 2019. Although both incidents did not involve employees, we investigated each case thoroughly and devised precautionary measures to avoid similar accidents from reoccurring.

The first accident occurred at the wharf involving a lashing gang staff member on 9 July 2019. The victim was thought to have been hit by a Terminal Tractor Trailer and was pronounced dead at the scene.

Several mitigation measures have been introduced including deploying staff to monitor the traffic, installing No U-Turn signage at the cranes and adopting a Terminal Tractor to Crane concept parking. A toolbox briefing is conducted by the lashing

company before work commences and refresher training delivered to all Terminal Tractor Operators.

The second case happened on an internal road on Westports' premises on 5 September 2019. A shuttle bus was travelling to the beat base bus stop to pick up employees. While turning, the bus hit the victim who was walking in the opposite direction. The victim sustained head and hand injuries and the paramedic team rushed to the scene. The victim was taken to hospital for further treatment but was pronounced dead upon arrival.

Prevention measures were taken following this incident including introducing a designated walkway demarcated with traffic poles.

### WESTPORTS' HEALTH AND SAFETY PERFORMANCE

	2017	2018	2019
Incidents and accidents (total)	414	479	428
Average number of cases per 100,000 TEU's (container operation)	4.53	3.40	2.92
Average number of cases per 100,000 tonnage (conventional operation)	0.06	0.09	0.03
Fatalities (employees)	2	0	0
Fatalities (third-party contractors)	3	1	2

# SOCIAL: HUMAN RIGHTS

Westports recognises the importance of respecting human rights across all aspects of business operations. Our four focus areas of human rights that are critical to operations are communities, security, labour rights and supply chains.

Our approach applies to all employees and contractors and follows the Universal Declaration of Human Rights, the core conventions of the International Labour Organization and the United Nations Guiding Principles on Business and Human Rights.

## EQUAL OPPORTUNITIES

Westports is committed to providing equal employment opportunities to all individuals regardless of race, colour, religion, sex, national origin, age, disability, marital status, sexual orientation or any other characteristics protected by law. It is the Group policy to provide equal opportunity to all employees with regard to hiring, pay rates, training and development, promotions and other terms of employment. Westports accommodates any reasonable requests for qualified individuals with known disabilities unless doing so would cause undue hardship.

## DISCRIMINATION AND HARRASSMENT

Westports' policy on discrimination and harassment is clearly stated in its Code of Conduct. The Group is committed to

the ILO conventions by providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, gender, creed, religion, age, family responsibilities, disability, medical condition, union membership and activities or sexual orientation.

Employees should never be discriminated against in employment decisions such as hiring, promoting and redundancies or their working conditions such as the number of working hours, training, remuneration or social security (SOCSSO). Westports' Human Resources Department encourages employees to air their concerns about any types of discrimination in the workplace. Employees are reassured that they can raise legitimate concerns and make reports in good faith without fear of reprisal.

Westports is also committed to providing a positive work environment that values the wide-ranging perspectives inherent in our diverse workforce and fosters individual growth and achievement of business goals. Values encouraged include courtesy, an ability to deal with change and respect of humanity, personal dignity and privacy.

Forms of harassment include unwelcome and offensive behaviour based on that person's race, ethnicity, gender, creed, religion, age, disability or sexual preference. Acts of discrimination or harassment when dealing with employees, customers or suppliers are not tolerated

and offenders are subject to severe disciplinary action, including possible termination of employment.

## HOW WE MANAGE FOREIGN WORKERS

Westports proudly supports the principles outlined in the Universal Declaration of Human Rights, the UN Global Compact and the International Labour Organisation's core conventions. Our human rights stand includes all who make Port operations a success, including foreign workers. We are deeply committed to ensuring that the people who facilitate smooth operations work safely and fairly and are treated with dignity and respect at all times.

Vendors who hire foreign workers must adhere to our Code of Vendor Conduct which outlines our standards for labour, working conditions, management systems and environmental management. This guide forms the core of our commitment to ensuring our vendors respect the human rights of the people who are part of the Westports family. Verifications being taken include:

- ✓ Conducting random checks with foreign workers on salary payments, living and working conditions.
- ✓ Performing quarterly audits on salary payments made to foreign workers including scrutinizing overtime rates and ensuring deductions are made in accordance with the Malaysian Employment Act 1955.

- ✓ Checking working hours each day to ensure foreign workers are not exploited by working more than 16 hours a day and that they are receiving sufficient rest.
- ✓ Auditing foreign workers' accommodation quarterly to assess living conditions such as hygiene, safety and the availability of a fit for purpose first aid kit.
- ✓ Requesting that vendors provide documentation of foreign workers' rights to social security, welfare measures and benefits provided are in accordance with applicable laws.

## UNETHICAL EMPLOYMENT

Our workplace practices are in line with the Malaysia Employment Act 1955 and the International Labour Standards. Overtime is paid accordingly. However, we do not allow employees to work more than a double shift for health and safety reasons. We adhere to all applicable employment and human rights regulations where operations are based and our suppliers are expected to do the same. Our human rights policy is summarised in the Code of Conduct which is available in English and Bahasa Malaysia. All associates review and receive annual awareness briefings on this Code.

Westports supports freedom of association and the rights of workers and employers to bargain collectively.

## SOCIAL: HUMAN RIGHTS

We comply with the Children and Young Persons (Employment) Act 1966. The minimum age for all job types, including crane operators, is 20 years. 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.

### WHISTLEBLOWING

Employees play an important role in maintaining the highest level of corporate ethics within the Group and have a professional responsibility to disclose any known malpractice or wrongdoing. Westports' Whistle Blower Policy covers all operations and subsidiary companies.

Whistleblowers are protected against being dismissed or penalised. The Group also considers mitigating circumstances if the Whistleblower is involved in the activity that has been reported.

### IMPROPRIETIES

**1** Improproprieties or irregularities (including financial and operational)

**2** Suspected fraud or criminal offences

**3** Breach of confidentiality

**4** Miscarriage of justice

**5** Corruption or bribery

**6** Endangerment of an individual's health and safety

**7** Failure to comply with legal or regulatory requirements

**8** Negligence in carrying out work obligations

**9** Acceptance of gifts/ favours beyond the threshold allowed by the Company

**10** Misuse and/or misappropriation of the Company's funds or assets

**11** Breach of Code of Ethics of the Company including sexual, physical or other abuse of human rights

Any employee is welcome to write their concerns to the Group Managing Director, Head of Human Resources or directly to the Chairman of the ARMC.

### REWARD FOR INFORMATION

On 5 November 2019, we began incentivising crime prevention by encouraging the reporting of illegal activities and dishonest practices within the port premises. Employees who provide useful information receive a cash reward based on the category. The details of those providing the information will be protected by the Company and kept as private and confidential.

All employees are obliged to report any corrupt, criminal or illegal activity under their employment terms. Each report is reviewed by the Head of Port Police and both the EHS and Legal departments and their committee members. These parties are also responsible for identifying the case and the subsequent arrest and recovery of items. This policy encourages and appreciates the role employees take in keeping Westports safe.

### NOTICE PERIOD OF OPERATIONAL CHANGE

Regardless of whether operational change is major or minor, Westports understands the importance of ensuring that it is properly managed. Effective change management delivers good results every time.

Operational changes that may potentially affect employees are communicated throughout Westports through email or other communication channels. The management uses an online intranet platform to communicate updates and changes within the Company and recognises the importance of two-way dialogue with employees.

# SOCIAL: PRODUCT RESPONSIBILITY

Westports ensures that the port, its operations and environment are safe and sustainable at all times. Product responsibility extends from the shipping companies to all those working and living in or around the port. Our comprehensive security system promotes safe, smooth, clean and secure operations in the port, covering safety on land and in the water.

## WESTPORTS POLICE, FIRE & RESCUE AND EHS DEPARTMENT

Westports Police, Fire & Rescue and EHS Department was established under the provision of the Police Act 1990 and Privatisation Agreement 1994 to keep the port and Pulau Indah safe and crime-free. The Port Police and security officers provide around-the-clock emergency response on facilities and surrounding areas for community members. They respond to distress calls from islanders and on occasions some beyond its jurisdiction

Westports Port Police serves as a relief squad for the Royal Malaysia Police (PDRM), fire brigades and medical services. During emergencies, they are first responders to incidents on Pulau Indah and provide an emergency response to accidents, vehicle breakdowns, fires and ambulance services. They also patrol selected areas to ensure the safety of the Pulau Indah community.

Westports Police, Fire & Rescue and EHS Department oversees the safety and security of the island. Specifically, the department is responsible for emergency and rescue; safety and traffic; port security and crime prevention. In 2019, 1,990 hours were dedicated to traffic management and 2,190 hours to patrolling traffic.

## RESPONSIBILITIES OF WESTPORTS' PORT POLICE DEPARTMENT

- Emergency and Rescue**
- ✓ On land and underwater rescue operations
  - ✓ Ambulance services for port users and employees
  - ✓ Training on security, port police, industrial safety, fire prevention and rescue training for port users and employees



- Safety and Traffic**
- ✓ Industrial safety, fire protection and prevention aspects
  - ✓ MSDS consultancy on dangerous cargo handling, transportation and storage
  - ✓ Escort services
  - ✓ Standby duty at liquid bulk terminal and dangerous goods storage area
  - ✓ Fire audit for private warehouses
  - ✓ Road safety and traffic control on the Pulau Indah road



- Port Security**
- ✓ Port pass processing
  - ✓ Smart card security system (SCSS) processing
  - ✓ Visitor Management System (VMS) processing at the conventional gate
  - ✓ Security of vessels and cargo
  - ✓ Safeguarding the office building, distriparks and other properties



- Crime Prevention**
- ✓ Joint operations with the police department in curbing index and maritime crime
  - ✓ Patrolling services for the companies on the port premises and both industrial and residential areas on Pulau Indah
  - ✓ Crime prevention consultancy for commercial sectors in Westports



## PUBLIC SAFETY

Westports has adopted a strategic approach to safeguarding the health and safety of its people, contractors, visitors and all those who reside near the port. The port contains numerous hazards by its nature. However, we regularly review our safety systems and submit any recommended improvements to the Board for approval. A robust safety system, which meets industry expectations, continues to drive high-performance levels.

Westports has a mechanism to collect, record and address complaints or grievances from the surrounding community.

## RANDOM ALCOHOL TESTING

Westports introduced a breathalyser for estimating blood alcohol content on 15 June 2019. Three enforcement exercises were conducted and we are pleased to report that all recorded negative results.

Port users are required to provide a random breath sample to a competent tester in order to ensure Westports terminal remains free from alcohol abuse.

Individuals who are found to have alcohol in their blood are banished from the terminal while they are intoxicated. These offenders face stern action.

# SOCIAL: PRODUCT RESPONSIBILITY

## CRIME PREVENTION INITIATIVES

Westports has designated an area for all valuable containers and cargo to be held by Customs as one of Westports' crime prevention initiatives. This area is monitored by our Port Police personnel on a 24/7 basis. We have also installed CCTV surveillance cameras for stricter monitoring of containers moving in and out of the port.

Westports also works with the Malaysian Royal Police Force to minimise the number of crimes on the road by regularly patrolling at identified hot spots around Pulau Indah. We work closely with police stations, particularly our local station, Balai Polis Pandamaran, to analyse crime statistics and devise mitigation measures.

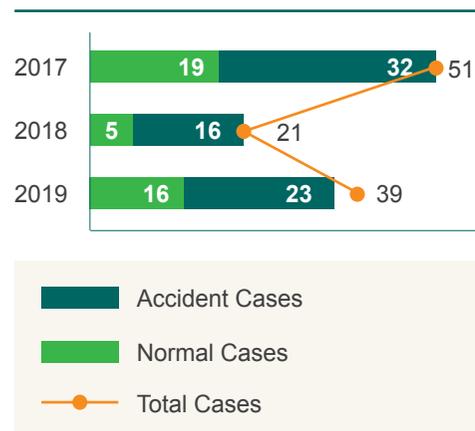
## ROAD SAFETY AND TRAFFIC MANAGEMENT

Our Port Police are first responders for all emergency cases involving ambulances and fire engines on Pulau Indah. The police set up contraflows in the event of accidents and vehicle breakdowns, and control daily traffic flow, especially during peak times.



**Our response time is within 15 minutes upon receiving an emergency call at the Port Police Control Centre (PPCC) from Pulau Indah reidents and landed clients.**

Westports collaborated with Malaysian Institute of Road Safety Research (MIROS), Social Security Organization (SOCSCO) and several other companies in Malaysia on a Commuting Safety Support Programme (CSSP). Westports' EHS Team worked with MIROS and SOCSCO to deliver this two-day workshop to educate motorcyclists on safe riding practices when commuting to and from the workplace. The first day covered a Train the Trainer Programme; the second targeted those who travel to work on motorcycles.



## PORT SECURITY ENHANCEMENT PROGRAMME

The Port Security Enhancement Programme aimed to improve port security at all access points: the Tower block, conventional main gate, Container Gates 1 & 2 and marshalling 2 Port Klang Free Zone (PKFZ) exchange gates. Security was improved with the installation of turnstiles, barriers and CCTV cameras. Other system enhancements that improved people and vehicle movement included:

- ✓ Limiting the duration of stay in the port to 24 hours or less
- ✓ Developing a central blacklist module system for any violations
- ✓ Tracking movement within the port
- ✓ Installing port pass scanners or portable scanning devices at all access points
- ✓ Going paperless with the introduction of online port pass/vehicle sticker applications

## PROTECTING PERSONAL DATA

Westports treats all personal data as private and confidential and handles it fairly, accurately and securely. All employees with control or authorisation to process personal data must ensure that it is protected to safeguard the interests of each individual. Any relevant rules, regulations, legislations and controls that are established to protect

privacy are followed. Westports adhere to the seven enforceable data protection principles of good practice.

## PORT AUTOMATION FOR GREATER EFFICIENCY

The advancement of technology has introduced new and better methods of controlling ports and terminals. In 2019, we continued to gradually implement automation in our process flows to achieve greater efficiency and productivity.

## I-TERMINAL AUTOMATION & PLANNING SOLUTIONS

Introducing i-terminal automation and planning solutions has produced many benefits. Cargo can be handled more consistently and this automation has also reduced labour costs and carbon emissions compared to the previous manually operated terminals.

This solution system, which includes digitising records and inventory management, has also reduced human error and delays.

# SOCIAL: PRODUCT RESPONSIBILITY

## Objectives

1

Digitalize manual form into online IID and IED documentation submission, review and approval via the online portal by agents and terminal

2

Paperless transaction as submissions by forwarding agents can be done from their premises

3

Simplified direct delivery and direct loading application and approval

## PROTECTING CUSTOMER PRIVACY

Westports understands that protecting personal and confidential data is of paramount importance. All customer data is handled with a high level of security and integrity to safeguard the interests of all customers. Westports complies with all relevant rules, regulations, legislation and controls in the protection 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

## VESSEL INCIDENT

On 8 November 2019, strong winds, heavy rain and poor visibility made berthing difficult. A berthing container vessel made contact with two quay cranes, which damaged both the vessel and cranes. Two berths were temporarily closed so that the damage could be assessed.

Fortunately, both the container vessel and Westports' affected assets were covered by insurance. The temporary berths closure did not have a material impact on the overall container operations as the terminal handling of containers at all other berths continued as usual.

## ACQUISITION OF LAND FOR PORT EXPANSION

Westports handled 10.9 million Twenty-foot Equivalent Units ("TEUs") of containers in 2019. The increased throughput of 14% from previous years was due to transshipment containers increasing to 7.2 million TEUs and gateway containers expanding to 3.6 million TEUs.

Westports' current Container Terminal (CT) facilities, comprising CT 1 to CT 9, are operating at 78% of their total terminal handling capacity. The current CT facilities are expected to reach full utilisation within the next few years.

As part of its proactive management strategy, Westports:

- ✓ Intends to periodically increase its CT capacity to meet the projected increase in throughput demand while remaining competitive in the industry
- ✓ Will invest in the deployment of additional terminal handling equipment at CT 9
- ✓ Plans to expand current CT facilities by developing eight additional berths comprising CT 10 to CT 17 to support the expected long-term growth in the coming decades.

On 7 February 2020, Westports entered into a conditional sale and purchase agreement to acquire a parcel of leasehold land measuring

approximately 146.4 hectares (361.762 acres) for RM393,958,900. The land will be used for this proposed expansion which is expected to be undertaken in stages over a period of 25 years. This expansion will increase the port's total handling capacity to 28 million TEUs per annum upon completion.

## NEW WESTPORTS LOGISTICS CENTRE

### SYARIKAT LOGISTIK PETIKEMAS SDN BHD (26.354 ACRES)

Petikemas leased land from Westports as part of its expansion agenda. The building of a 701,522-sqft warehouse commenced in November 2019 and is scheduled for completion in July 2020. The warehouse will also include polymer bagging facilities.

### SEA HAWK GLOBAL LINES SDN BHD (25 ACRES)

A sublease agreement has been approved by the Port Klang Authority for 25 acres of land and has been signed by this integrated logistics solution provider. We are currently waiting for approval from the Port Klang Authority for the construction of a Dangerous Goods (DG) warehouse on this land. Once approved, the area will house a 150,000 sq ft DG warehouse and 400,000 sq ft general warehouse.

# SOCIAL: PRODUCT RESPONSIBILITY

## ALFRED TALKE LOGISTIC SERVICES (19 ACRES)

The construction of a dangerous goods (DG) and general cargo warehouse is being planned on 19 acres of land within the free zone. Hopefully, this facility will attract new business as it will be one of the few DG warehouses in the region.

## INFINITY LOGISTICS & TRANSPORT SDN BHD (18.46 ACRES)

Infinity Logistics & Transport Sdn Bhd plans to build a consolidation centre at Westports Logistics Centre, behind Container Terminal 8 and Container Terminal 9.

### KEY OPPORTUNITIES

#### TRANSHIPMENT STAGING POST (TSP)

Westports helps companies expand their facilities in areas surrounding the port. Typically, these businesses provide export, bulk export or import shipment services. As the largest gateway port in Malaysia with extensive shipping networks connecting more than 350 destinations globally, Westports is ready to serve.

## BENEFITS OF WESTPORTS' TSP



**Can handle high-volume international trade**



**The largest gateway port in Malaysia with extensive shipping networks connecting to more than 350 destinations globally**



**Ideally located New Liquid Terminal to help multinational energy companies store Liquefied Petroleum Gas**



**Simplified TSP documentation requirements facilitate the movement and promote the use of products and commodities from other ports**



**Transshipment hub helps in the regional distribution of commodities and containerised cargoes**



**Supports a regional distribution centre and supply chain centre**



**Preferred hub port due to its location, which caters to domestic customers and international markets**



**Feeder connectivity between Westports and niche Indonesian ports**

Westports is ideally located to help companies handle their imports and redistribution. This area is becoming increasingly attractive to overseas companies to increase regional business and penetrate new markets in Asia. We are ideally positioned to help companies increase their production capacity.

### 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 Sales and Service Tax Act 2018. We also conform to all other relevant regulations related to operational safety and environmental protection.

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

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

# SOCIAL: PRODUCT RESPONSIBILITY

## STATEMENT OF COMPLIANCE UNDER THE INTERNATIONAL SHIPPING PORT SECURITY CODE

Ports operating in Malaysian waters that comply with International Shipping Port Security (ISPS) Code will obtain a Statement of Compliance (SoC) from the Marine Department of Malaysia as the Designated Authority (DA). On 13 June 2019, Westports renewed its SoC, which will be valid until 12 June 2024. The Marine Facility continues to comply and operate in accordance with the approved Marine Facility Security Plan.

## VESSELS APPROVED UNDER SOC



Passenger ship



Oil tanker



Chemical tanker



Gas carrier



Bulk carrier



Cargo ship



**INDEPENDENT ASSURANCE STATEMENT  
 (PARTIAL)**

**Scope and Objective**

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Westports Holdings Berhad (hereafter referred to as Westports) to perform an independent verification and provide partial assurance of Westports Sustainability Report 2019. The main objective of the verification process is to provide assurance to Westports and its stakeholders of the accuracy and reliability of the selected information presented in the Sustainability Report. This was confirmed through reviewing and verifying claims made in the report. The verification audit by SIRIM QAS International covered only sustainability-related activities selected by Westports which had been included in Westports Sustainability Report 2019.

The management of Westports was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Westports Holdings Berhad Sustainability Report 2019.

**Verification team**

The verification team from SIRIM QAS International consisted of:

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



A wholly-owned subsidiary of SIRIM Berhad

**Methodology**

The verification process was carried out by SIRIM QAS International between February and March 2020. It covers the selected sustainability-related activities as follows:

No.	Topic	Page no. in the Sustainability Report 2019
1	Energy Management	30
2	Waste Management and Reduction Best Practices	31
3	Water and Effluent Management	33
4	Climate Change Management	34

The verification involved the following activities:

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

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

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of information reported in the Westports Annual Report 2019;
- The verification was designed to provide limited assurance irrespective of the organization's ability to achieve its objectives, targets or expectations on sustainability-related issues;

- Only the corporate office in Pulau Indah, Port Klang was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Westports's operating assets; and
- The verification team did not verify any contractor or third party data.

**Greenhouse Gases (GHG) emissions and Carbon footprint**

As for the GHG emission reporting in year 2019, Westports has included Direct GHG Emissions (Scope 1), Indirect GHG Emissions from imported energy (Scope 2) and Indirect GHG Emissions from other sources (Scope 3). The GHG emission identification and quantification has been carried out in reference to the requirements of ISO 14064-1:2018 with the following boundaries:

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

The total computation of the GHG emission for Westports has been determined by appointed external consultant. The verification was carried out in reference to the requirements of ISO 14064-3:2019. Based on reviewed information, the following was verified:

Greenhouse gas emissions (tCO <sub>2</sub> e)		
Scope 1	Scope 2	Scope 3
131,485	59,277	9,948

**Conclusion**

Based on the selected topics and information provided during the verification process, the following represents SIRIM QAS International's opinion:

- The level of data accuracy presented in the selected topics which is included in Westports Holdings Berhad Sustainability Report 2019 is fair and acceptable;
- The verification of data related to the operational GHG emissions, energy consumption reductions and operational environmental data has been verified with limited assurance guided by an international standard on assurance engagements document;
- The selected topics content was prepared according to the GRI Standards requirements and the quality of the data were well established. The level of sustainability performance information in the selected topics was found to be acceptable;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the report;
- Westports has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit.

Prepared by:

**AERNIDA ABDUL KADIR**

Verification Team Leader  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date : 20 March 2020

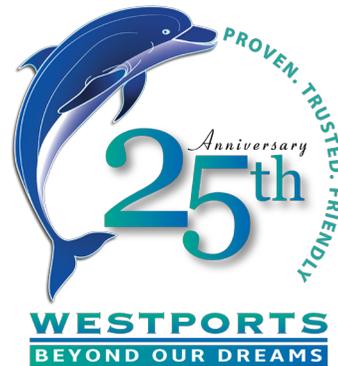
Approved by:

**MOHD HAMIM BIN IMAM MUSTAIN**

Senior General Manager  
Management System Certification Department  
SIRIM QAS International Sdn. Bhd.

Date : 20 March 2020

Note:  
This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd will not be responsible for any changes or additions made after the referred date.



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

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