



A Member of  MMC Group

TOGETHER TOWARDS A **SUSTAINABLE FUTURE**

Sustainability Report 2022

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COVER RATIONALE

As a premier transshipment hub, our port offers reliable and advanced services to major shipping lines, connecting shippers within Malaysia and beyond. With a network spanning 74 countries, we uphold values of passion, innovation, empowerment, respect and service – driving our commitment towards excellence. Our diversified businesses in container handling, marine services, free zone operations and real estate ensures our business continues to grow to meet the ever-changing needs of our customers. Our first Sustainability Report sees us taking concrete steps towards environmental sustainability, leading with initiatives like Partnerships for Infrastructure, a cross-nations project for green bunkering hub, Green Voyage 2050, a global project to reduce maritime GHG emissions, developing a greenhouse gas inventory as well as championing women's empowerment, highlighting our diversity and inclusion agenda. By spearheading ESG practices, we hope to create long-term value for our stakeholders on our journey 'Together Towards a Sustainable Future'.

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ABOUT THIS REPORT

This is Port of Tanjung Pelepas' (PTP) inaugural Sustainability Report following the formalisation of our sustainability agenda and aspirations in 2022. In this report, we outline our sustainability strategy, the governance roles we have developed, the issues we have determined are important to our company and its stakeholders, as well as the steps we have done to address those issues. The value we produced across the Environmental, Social, and Governance (ESG) spectrum is presented to our stakeholders in this report in a fair and impartial manner. As the most technologically advanced container terminal in Malaysia, it also encourages us to implement best practices into every element of our business to ensure its sustainability as well as that of our stakeholders and the environment.

SCOPE AND BOUNDARIES

The information disclosed in this Report covers all PTP's operations including our subsidiary, Manpower Excellence Sendirian Berhad (MESB), which is fully owned by PTP. We placed the appropriate internal controls and verification processes to ensure the accuracy and completeness of data, statistics and information in this Report. Going forward, we are considering third-party assurance on our data for future reports. Unless otherwise stated, this Report covers our activities for the period 1 January 2022 to 31 December 2022.

REPORTING STANDARDS

While PTP is not a public-listed company and not obliged to produce a sustainability report, we are pleased to publish our sustainability disclosures voluntarily. In doing so, we have adopted corporate reporting best practices guided by Bursa Malaysia Berhad's Sustainability Reporting Guide (2nd Edition) and The Securities Commission's Malaysian Code On Corporate Governance 2021. This Sustainability Report has also been prepared with reference to Global Reporting Initiative's (GRI) Standards. Furthermore, in line with our efforts to instil the United Nations Sustainable Development

Goals (UN SDGs) within our organisation, we have linked our sustainability initiatives to the UN SDGs where relevant.

REPORT PRESENTATION AND PREPARATION

The preparation of the annual Sustainability Report is the responsibility of the Sustainability Department. As part of the report compilation this year, the sustainability team has introduced internal documentations, and conducted interviews with different internal departments and stakeholders. The content and disclosures provided in the Report have received formal approval by relevant function heads.

FEEDBACK

We welcome feedback on this Report as we seek to continuously improve our disclosure standards, and overall efforts in integrating sustainability practices within our organisation. Enquiries and comments can be shared to us via e-mail at sustainability@ptp.com.my or communication channels available on our website, www.ptp.com.my.

FORWARD-LOOKING STATEMENT

This Report contains forward-looking statements related to PTP's objectives, strategies, plans and future initiatives linked to our business and non-financial performance. These statements are typically identified by words or phrases such as 'expects', 'targets', 'intends', 'anticipates', 'believes', 'estimates', 'may', 'plans', 'projects', 'should', 'would' and 'will'. Such statements should not be construed as a guarantee of future operating or financial results considering the potential risks and uncertainties that can arise from unforeseen events beyond PTP's control. Factors that could cause actual results to differ materially from those in the forward-looking statements include global, national, and regional economic conditions.

LEADERSHIP STATEMENT: CHAIRMAN



MY DEAR VALUED STAKEHOLDERS,

It is my greatest pleasure to share with you Port of Tanjung Pelepas (PTP)'s inaugural Sustainability Report for FY2022.



The publication of this report is a testament to PTP's commitment to drive positive Environmental, Social, and Governance (ESG) principles across business endeavours and value chain for the greater benefit of all. We view ESG as an integral part of delivering long-term stakeholder benefits for all.

This report will also set the pace for all future strategies PTP implements, as our ESG initiatives will form a strong backbone to support our financial and non-financial performances in the long term.

ON SUSTAINABILITY JOURNEY

Today's business performance is shaped by global macro trends. In a world troubled with growing challenges, including ongoing geopolitical conflicts, economic slowdowns in key markets, inventory shortages, worsening climate change, and other serious environmental issues; businesses that are not prepared will be at a competitive disadvantage.

United Nations' Sustainable Development Goals (SDGs) are quickly becoming a top priority for businesses across the globe.

As Malaysia's largest transshipment terminal, PTP strives to stay ahead of the curve by identifying key trends affecting our business, now and in the future.

We believe sustainability is an essential part of our business strategy, and we are committed to integrating sustainable practices throughout our organisation. This includes executing well-defined framework and strategies to advance our ESG agenda.

In 2021, we commenced our sustainability journey as PTP established the baseline and development of ESG Framework and Strategies. PTP's vision of "Our People Lead the Global Benchmark for Integrated Port Services from the Straits of Malacca" set the course of our ESG Framework to transform PTP into a sustainable port.

The framework enables the organisation to systematically demonstrate value creation and guide appropriate decision-making and strategic planning.

It also guides us in implementing better management programmes for our employees and the surrounding communities as part of our symbiosis ecosystem, as well as helping us establish efficient stakeholder engagement and drive appropriate risk management and mitigation measures.

Sustainability is embedded into everything that we do – from how we manage our business, how we operate as a terminal operator, right up to how we support and contribute to the societal development objectives of the country.

ON SUSTAINABLE ENVIRONMENT PROTECTION

Today, PTP continuously works to enhance its environmental systems, practices, and policies. This includes adopting industry best practices to better minimise and manage the environmental impact of its ongoing business operations. Under the Environmental priority, PTP aims to have clean operations for climate protection.

LEADERSHIP STATEMENT: CHAIRMAN

PTP Targets

 **45%**
emission reductions
by 2030

Net zero
emissions by 2050

A sustainable ecosystem requires us to be able to use the resources we currently have without endangering the environment or making it impossible for future generations to meet their requirements.

We are proud of the fact that PTP is the first in the country to electrify our Rubber Tyred Gantry (RTG) and we are dedicated to moving towards electrification of all our terminal equipment – e-Rubber Tyred Gantry, e-Quay Cranes and e-Prime Movers and facilities, including lighting at the port.

ON SUSTAINABLE SOCIAL DEVELOPMENT

“

PTP understands and recognises its future lies in the well-being of its employees and the communities it represents.”

”

Therefore, PTP continues to have various socio-economic multiplier effects across the organisation, particularly in developing the growth and development of local talents within the organisation and in promoting the diversity of talents, especially regarding gender diversity and empowerment, wherever the opportunity arises.

Among others, PTP embraced strong and proactive efforts towards promoting gender equality and women empowerment by executing a progressive PTP Woman Empowerment Agenda. Under this agenda, PTP rolled out various programmes to increase opportunities for women in both operational and leadership positions.

The company's social pillar also looks outward to improve the various communities around it. PTP plays an important role in poverty alleviation, disaster relief, improving education levels, and supporting various other social activities, ultimately contributing to the development, and strengthening of local communities.

We believe that helping the community means improving lives, meeting needs, opening doors, and building meaningful long-term relationships. As a good corporate citizen, we are committed to support all initiatives that benefit our community and nation.

As such, under our comprehensive Sustainable Corporate Social Responsibility (CSR) framework, PTP has duly introduced measurable socioeconomic impact targets for all our relevant CSR initiatives and we will also be using the Social Return of Investment (SROI) in every CSR programme, starting from 2025.

ON GOVERNANCE AND COMPLIANCE

Good corporate governance and integrity are crucial aspects of PTP's business agenda in driving sustainability performances as our governance framework is based on the highest principles of transparency and accountability.



We are committed to transparency in our sustainability efforts, as evidenced by the voluntary publication of this report. We are working to make transparency a core part of our strategy and reporting processes.

Spearheaded by the Board, we ensure our standards comply with national and international best practices relevant to our company. We believe good governance will enhance the confidence of the company's shareholders, business partners, and investors, as well as our internal stakeholders.

It is thus vital for us to ensure the necessary leadership, oversight, accountability, processes, systems, and controls are embedded in every operational level.

CLOSING

Even in the face of looming global economic recession, PTP will continue to prioritise ESG. We see ESG as an opportunity, not a challenge. We will continue to regularly realign and reassess our ESG goals and strategy to ensure we are meeting the expectations of our stakeholders.

We will also continue track global and local ESG trends, risks, and opportunities. To build investor trust, brand reputation, and talent retention and attraction, we will conduct through ESG reporting and ESG risk assessment. Ultimately, we will integrate ESG into all aspects of our company.

I am confident that with commitment from all parties, we can build greater partnerships in the long run as part of our collaborative efforts to achieve shared ESG objectives and targets.

“

PTP will continue to prioritise ESG.

”

YBhg. Tan Sri Che Khalib Mohamad Noh
Chairman, Port of Tanjung Pelepas

LEADERSHIP STATEMENT: CHIEF EXECUTIVE OFFICER



DEAR STAKEHOLDERS,

We are pleased to share PTP's inaugural voluntary sustainability annual report for the year 2022.



For us, this is a significant accomplishment, reflecting our commitment to transparency in our sustainability journey that will help strengthen communications with our stakeholders and consequently, help to improve business performances.

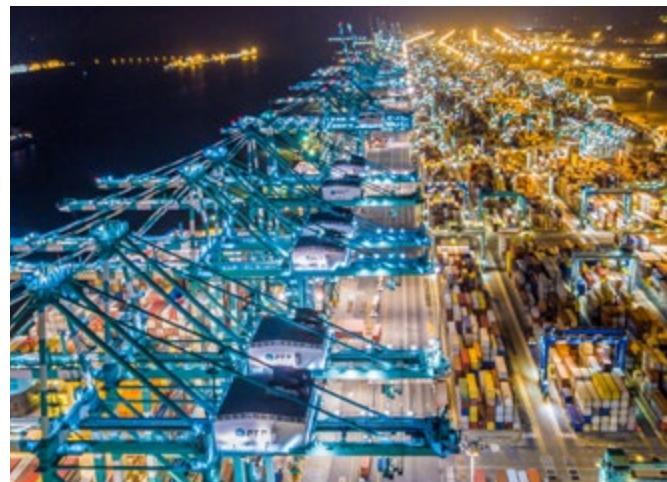
In this Report, you will get an overview of our sustainability management approach and performance thus far. You will learn about our Company's strategy, ambitions, and commitments related to ESG matters that our employees and external stakeholders value the most. We are excited to share our ESG progress with you from the time we commence this journey with the launch of our ESG policies, framework, and targets in 2022.

Our ESG agenda is ambitious. As part of our value proposition, we want to meet and exceed our stakeholders' expectations by becoming a reference point for the industry and pushing forward ESG standards. In terms of strategy, ESG is already a key point of differentiation for PTP in comparison to our peers in the region.

Before developing this report, we conducted internal and external surveys, and learned more about our stakeholders and their expectations of us. We listened to local communities, various non-governmental organisations, customers, suppliers, and investors on what they believe PTP's priorities should be as we grow our business and operations.

Although we have only just begun, it has been a busy year for us at PTP. We became a member of the United Nations Global Compact Malaysia Brunei (UNGCMYB), affirming our commitment in creating a sustainable future together with all our strategic partners and stakeholders.

LEADERSHIP STATEMENT: CHIEF EXECUTIVE OFFICER



We developed studies related to green bunkering hubs under Partnership for Infrastructure (P4I) with the Australian Government and a feasibility study on green boats under Green Voyage 2050, initiatives with the International Maritime Organisation (IMO). We also developed our first greenhouse gases inventory, and we are validating our decarbonisation roadmap. With 60% of LED light conversion in Phase 1, PTP achieved 5% of carbon reduction in FY2022 vs. FY2021.

PTP is honoured to be recognised on the international stage, with invitations to speak about ESG in various engagements. We were featured as one of the speakers among 30 other world class speakers addressing various topical issues and challenges on supply chain, port management and operations, sustainability for ports and shipping in the 20th ASEAN Ports and Shipping Conference 2022, which was held in Ho Chi Minh City, Vietnam.

At the GO ESG ASEAN Corporate and Sustainability Summit 2022, we sat down with other panellists from leading global companies to discuss on the current data driven ESG trends for partnerships and innovation. Organised by UNGCMYB, in November 2022, PTP was also featured as one of the conference speakers at the SME SDG Festival, addressing various sustainability topics on sustainability trade, climate action, strategy and leadership.

Beginning FY2022, PTP embarked on embedding ESG in our Key Performance Indicators (KPIs) for the first time. We are proud to share all the KPI targets for the year were achieved successfully. The Average Volunteer Hours among our employees rose to 4.80 hours from our initial target of 3 hours. We have also started the single use plastic campaign across the organisation reaching out to our employees, business partners, and port users as our contribution towards responsible consumption.

These initiatives and accomplishments reflect our commitment to transform the culture among our people.

We strongly believe ESG can be a tool for driving continuous improvement and better business performance. The case studies, partnerships, events and thought leadership initiatives we have included in the report will provide evidence of ongoing efforts to implement our ESG strategy.

It has been an exciting journey so far. We invite you to read the report, provide feedback and continue to follow our progress. Our intent is to be an ESG leader in the industry, particularly from the Straits of Malacca, but this is only possible through an open and transparent dialogue with you and all our stakeholders.

We would like to conclude by bringing your attention to look at what lies ahead. For the future, we want to further expand our role as a leader in corporate responsibility and sustainability, and become a benchmark organisation for responsible business. We are excited about the incredible potential opened up by digitisation, automation and electrification, and will continue to seize the opportunities they bring. As a terminal operator company, we enable the exchange of goods, thus promoting economic growth and development around the world as we connect people and improve their lives.

From the time our sustainability committee was established, we have made significant progress in sustainable development over a short period of time, but we believe that there is a lot more we can do. We constantly challenge ourselves to explore new ways of delivering our services to fulfil the needs of society while minimising adverse impacts on our environment, our people, and our business.

This report conveys our intentions and aspirations, in our journey towards a sustainable future. We know that with the strong support of our employees and our stakeholders, we can build a better world for the next generation.

“

Together towards a sustainable future.

”

Marco Neelsen

Chief Executive Officer, Port of Tanjung Pelepas

ABOUT PTP



Pelabuhan Tanjung Pelepas Sdn Bhd (PTP) is the premier transhipment port in Malaysia, equipped with state-of-the-art facilities, equipment and information technology systems integrating all port users.

The port delivers reliable, efficient and advanced services to major shipping lines and box operators, providing shippers in Malaysia and abroad extensive connectivity to the global market.

The integration of Pelepas Free Zone with the port terminal which allows seamless movement of cargoes is one of the added advantages to customers and business partners.

PTP is a joint venture between MMC Corporation Berhad (70%), a utilities and infrastructure group and APM Terminals (30%), a leading global ports group with a global port network in 74 countries.



PASSION

We take pride and committed to go extra mile

INNOVATIVE

We innovate to improve

EMPOWERMENT

We give trust and take accountability to perform

RESPECT

We respect people and everyone's views matter

SERVICE

We deliver and exceed expectations

BOARD OF DIRECTORS



**YBHG. TAN SRI CHE KHALIB
MOHAMAD NOH**
Chairman



DATO' MOHD TAUFIK ABDULLAH
PTP Director



DATO' RAZALI MOHAMAD
Ministry of Transport Malaysia
Deputy Secretary-General Management



MOHD AZMAN ISMAIL
Ministry of Finance Malaysia
Deputy Undersecretary



JOAO CARLOS VENDEIRINHO ALMEIDA
APM Terminals
Chief Financial Officer – Hubs



TIMOTHY JOHN SMITH
APM Terminals
Chief Executive, Asia Region



DATUK OOI TEIK HUAT
MMC Senior Independent
Non-Executive Director



BADRULHISYAM FAUZI
MMC Group
Chief Financial Officer

OUR DEDICATED AND DRIVEN LEADERSHIP



Kindly scan the QR code to
visit our Board of Director
profiles.

SENIOR MANAGEMENT TEAM



OUR EXPERIENCED, EFFECTIVE AND ENERGETIC LEADERSHIP



Kindly scan the QR code to
visit our Senior Management
Team profiles.

OUR DIVERSIFIED BUSINESS



WORLD'S TOP 20 Port



Scan to view our
corporate website



Scan to take our
virtual tour

CONTAINER HANDLING SERVICES

- Terminal handling services
- State-of-the-art equipment capable of handling Ultra Large Container Vessels



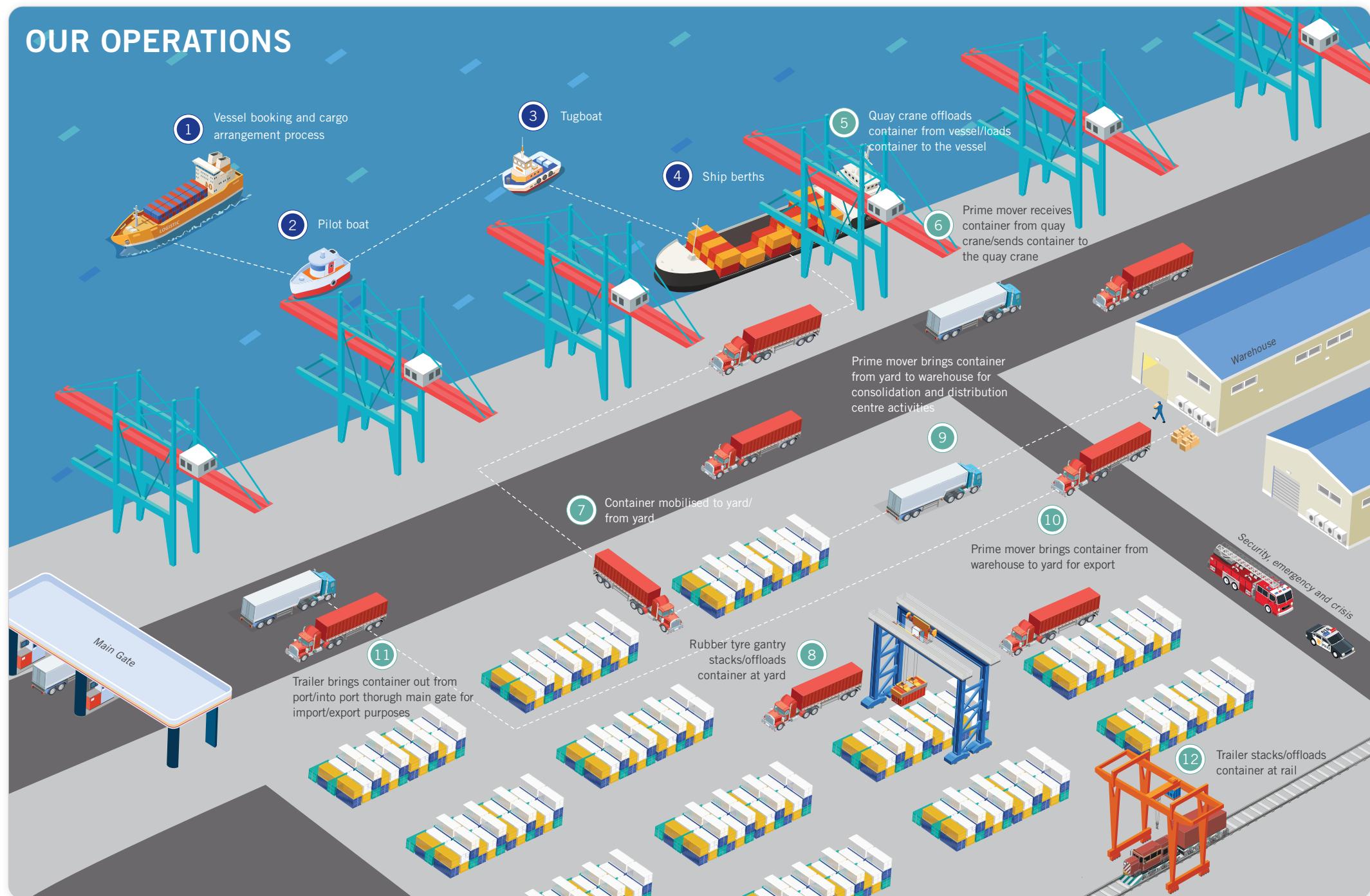
MARINE SERVICES

- Towage services
- Pilotage services
- Ship-to-ship services

FREE ZONE & REAL ESTATE

- Lease of land, storage facilities and office space
- Diversity of clients: Manufacturing to warehouse operators and freight forwarders

OUR OPERATIONS



SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS



PTP won Terminal Operations Optimisation Award at the 2022 Inspire Awards ceremony during the Navis World Conference.



PTP achieved an average of 4.80 volunteering hours per employee in FY2022 surpassing the target of 3.00 average volunteering hours.



PTP becomes the #1 container terminal in Malaysia to surpass more than 1 million twenty-foot equivalent units (TEUs) throughput handling mark in a month, with an all-time highest volume of 1,001,819 TEUs.



PTP spoke at international platforms including ASEAN Ports and Shipping Conference 2022, GO ESG ASEAN Summit and Exhibition 2022 and SME SDG Festival 2022, sharing insights on ESG megatrends and opportunities, partnership and innovative possibilities based on data driven ESG and trends, and the ESG emphasis in driving sustainability in organisations.



PTP reduced 5% of our carbon emissions in FY2022 from FY2021 baseline data through the implementation of 60% LED light conversion in Phase 1.

SUSTAINABILITY VOYAGE

As a port operator, we recognise the impact we can have and the contribution we can make towards building a sustainable future for all. We are committed to embrace sustainability and continuously strive to incorporate sustainable practices across our business. We believe this creates shared values for our stakeholders.

OUR SUSTAINABILITY APPROACH

Driven by a sense of purpose for almost two decades, our efforts in sustainability are built on various initiatives we have put in place to strengthen values and create positive impacts for the people and the planet.

With the completion of our Sustainability Framework in 2022, we embarked on a voyage to transform into one of the world's smartest green port. The framework and its targets guided us to deliver sustainable value by integrating ESG commitments into our core business in a robust and holistic manner corresponding to the applicable UN SDG. In tandem with this, we established the appropriate governance structure to monitor the implementation of our sustainability activities.

Our approach to sustainability strategically ensures adequate management of our opportunities and risks to enable long-term value creation. Today, sustainability is an integral element in our business strategy. Our efforts are built on various initiatives we have put in place throughout the years to create positive impacts on society and the environment.

With the formalisation of our sustainability framework, we identified our material sustainability matters and its related initiatives, categorised according to the spectrum of ESG.

We are guided by our eight-step process (A-H), which promotes transparency and accountability of our activities:

ADHERE TO REQUIREMENT Determine the conditions in the concession agreements and the relevant laws and regulations	BENCHMARK Identify practices of comparable organisations and industry players	CHECK THE STANDARDS Establish practices and disclosure standards at national and international levels	DETERMINE AND STRATEGISE Develop a strategy with desired outcomes (framework) in managing sustainability
ESTABLISH GOVERNANCE STRUCTURE Establish a governance and reporting structure for execution and monitoring of all sustainability matters	FIND MATERIALITY Identify materiality that matters to stakeholders and understand the significance	GET OUR PRIORITIES RIGHT Construct our aspirations and focus areas for immediate and future action	HOLISTIC DISCLOSURE Disclose sustainability initiatives and efforts through a periodic reports.

OUR SUSTAINABILITY APPROACH

BASELINE STUDIES AND GAP ASSESSMENT

ADHERE TO REQUIREMENT	BENCHMARK	CHECKING WITH STANDARDS
<p>We started by listing the conditions in the concession agreements and the laws and regulations that control and may influence our business throughout the full execution range of ESG. This established the minimum sustainability standards the organisation must meet.</p>	<p>We performed a sustainability benchmarking exercise against industry players and other well-known businesses that are engaged in sustainable practices. This made it easier for us to comprehend the opinions and methods of our peers and other industry leaders in the sector.</p>	<p>For check and balance, we then looked at local and international standards available for sustainability activities and reporting. We are able to better match our initiatives with established local and worldwide standards through this exercise.</p>

We comply to the following standards:

MALAYSIAN STANDARDS 	Bursa Malaysia Sustainability Reporting Guide <p>Provides detailed guidance on reporting in accordance with sustainability related Listing Requirements, including examples of disclosures and good practice recommendations.</p>	
	Malaysian Code on Corporate Governance (MCCG) <p>Outlines good corporate governance practices, and disclosures on sustainability practices, and is recommended for non-publicly listed companies.</p>	
INTERNATIONAL STANDARDS 	Sustainability Accounting Standards Board (SASB) <p>Focuses on financially material information covering a range of industry-specific sustainability areas, including environmental and social topics.</p>	
	Global Reporting Initiative (GRI) <p>Provides disclosure guidelines and reporting principles to help organisations increase their transparency and communicate their impacts on sustainable development.</p>	
	United Nations Sustainable Development Goals (UN SDG) <p>A universal call to action by 2030 on goals that meet the urgent environmental, social and economic challenges.</p>	

SUPPORTING THE UN SDGS

In upholding our commitment to creating a sustainable future for the nation, one of PTP's core missions is to contribute to the UN SDGs. Therefore, the organisation supported this commitment in 2022 by conducting a review that prioritised SDGs and set targets based on their relevance to PTP's operations. It is also applicable to our action plan towards the 2030 Sustainability Goals with our ability in providing support and the potential impact it has on PTP and our stakeholders.

Environmental: Clean Operations for Climate Protection



PTP is committed to substantially utilising clean and renewable energy in the effort to improve energy efficiency within the port and its surrounding ecosystem.



PTP is set to reduce the impacts of climate change and achieve the Net Zero Goal by 2050, using a holistic approach of decarbonisation including electrification of equipment, renewable energy on-site and asset digitalisation as well as environmental protection spanning across waste and water efficiency management.



PTP aspires to protect and conserve the marine areas, ecosystem and biodiversity within the port vicinity and its surroundings by taking proactive sustainable actions and measures.



PTP aims to ensure the ecosystem and biodiversity of the terrestrial areas are protected, restored and conserved by managing their resources sustainably.

Social: Benefits for Business and Society



PTP recognises the value of an inclusive and high-quality education by promoting lifelong learning among our employees through continuous training and development, upgrading educational facilities for children and the community, and providing opportunities for the upskilling of youths and adults in general.



PTP advocates for gender equity by empowering women through various efforts including providing equal opportunity for women's leadership participation, recognising fair procedures in employment practices and adopting a zero-tolerance stance towards all forms of discrimination and violence against women.



PTP strives to create a safe, diverse and equal workplace to keep employees happy and motivated in their work. Furthermore, we provide support to communities and society through collaborative projects for product development and procurement of community products.



PTP promotes equity across our value chain by adopting policies covering fundamental principles of human rights, ethical labour practices and facilitating responsible migration, in addition to contributing to improve the livelihood of the community by elevating their socioeconomic status.

Governance: Highly Trusted Organisation



PTP places emphasis on building high-quality, and safe infrastructures through the efficient use of resources, and cultivating a culture of innovation via technological adoption, ensuring the sustainable development of the economy as well as the well-being of people.



PTP ensures the development of our businesses are inclusive, resilient and sustainable by providing integrated services within the port and the surrounding business areas, and implementing relevant policies via comprehensive planning and strategies.



PTP has always operated on the principles of fairness for all parties, advocating transparency, accountability and ensuring strict compliance with the law, which are the keystones of our operations.



PTP has joined efforts with all sectors, nationally and internationally, to enhance the capacity of the country, particularly that of our stakeholders in progressing towards sustainability.

OUR SUSTAINABILITY FRAMEWORK

We have identified specific aspirations for each ESG factor and determined outcome-led initiatives we will undertake. Our sustainability framework is illustrated below:

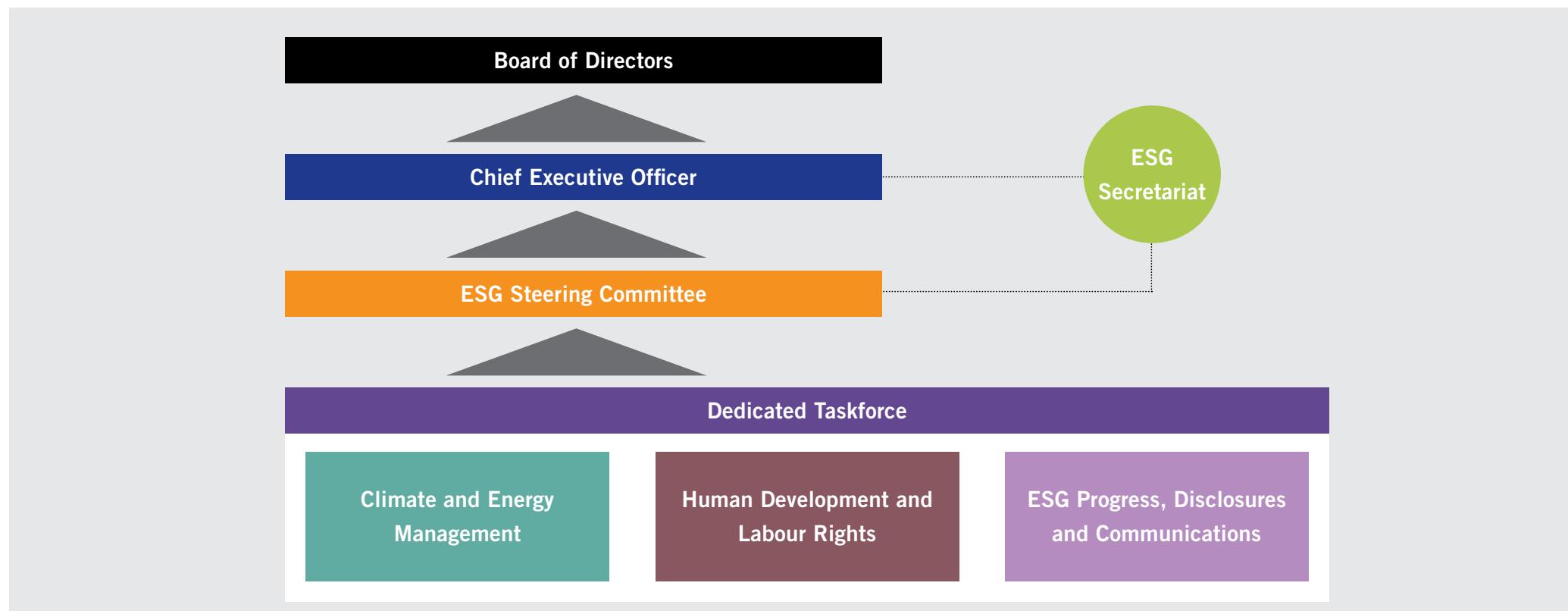


ESTABLISHED GOVERNANCE STRUCTURE

At PTP, we have integrated the principles of sustainability into each business process, including decision-making, management and relevant activities of the organisation and that of our suppliers. This practice reassures stakeholders that we are committed to reducing negative impacts on society and the environment throughout the value chain.

We established the Sustainability Steering Committee (SC), with our Chief Executive Officer as the Committee's Chairman. The SC oversees policies and sets sustainability goals, defines strategies and guidelines that are consistent with the corporate strategy and in line with international principles. Additionally, the SC is also responsible to manage and monitor our sustainability performance. Our performance is periodically reported to the senior management of all business groups and to the Group's Board of Directors.

The SC meets every three months to monitor and shape sustainability directions on issues such as progress towards decarbonisation initiatives, ongoing social performance, driving and supporting business groups to achieve better sustainability performance in economic, social and environmental dimensions. Additionally, PTP appointed a dedicated working committee to serve as a supporting mechanism in driving our Sustainability Strategy. The working committee reports relevant progresses and performances to its central counterpart on a regular basis.



STAKEHOLDERS ENGAGEMENT



GOVERNMENT AUTHORITIES/REGULATORS



DEBT HOLDERS



SHAREHOLDERS



EMPLOYEES

HOW WE IMPACT EACH OTHER

- The Government and Regulators develop, govern and deploy policies that impact our operations and business activities
- We play a significant role in meeting the national agenda by implementing these policies in PTP

- Sukuk holders contribute towards the required debt capital financing for PTP
- We are responsible in ensuring our financial obligations and covenants are met at all times

- Shareholders provide the necessary equity capital for PTP
- We are committed to executing our strategies and delivering long-term sustainable returns to our shareholders through the creation of economic value

- Employees depend on us to provide a sustainable and reliable source of income, and a safe place to work with fair opportunities for career development
- We also recognise that our employees play an instrumental role in delivering value and executing strategies

HOW WE ENGAGE WITH THEM

- Via active engagements with relevant ministries, regulators and authorities
- By cultivating an ethical and risk-aware culture that complies with regulations

- Transparent disclosures through rating agency and trustee
- Regular briefings and engagements through general and informal meetings
- Communicate sustainability strategies

- Regular briefings and engagements through meetings, site visits and conferences
- Transparent and timely corporate reporting and disclosures through multiple platforms
- Communicate sustainability strategies

- Publish internal newsletters, conduct quarterly townhalls and communicate via Intranet portal
- Provide competitive benefits and remuneration packages
- Support team building via sports and recreational activities
- Support talent development and training

FREQUENCY OF ENGAGEMENT

Ongoing

Ongoing

Annual | Quarterly | Ongoing

Annual | Quarterly | Ongoing

OUTCOMES

- Compliance with legislation, rules and regulations
- Opportunities for business investments
- Community investment

- Economic performance
- Company growth and value chain
- Business strategy and direction
- Financial results
- Compliance and governance

- Economic performance
- Company growth and value chain
- Business strategy and direction
- Financial results
- Compliance and governance

- Corporate priorities, vision, core values and ethical conduct
- Business strategy and direction
- Reward and recognition
- Leadership and talent development
- Well-being and benefits
- Human rights, diversity and inclusion
- Workplace health and safety

STAKEHOLDERS ENGAGEMENT

CUSTOMERS	VENDORS/SUPPLIERS	COMMUNITY	NON-GOVERNMENTAL ORGANISATIONS (NGOs)
HOW WE IMPACT EACH OTHER			
<ul style="list-style-type: none"> Customers depend on us to provide uninterrupted, reliable and affordable services We develop our strategies to fulfil customers' expectations, as they give us purpose to drive our business performance 	<ul style="list-style-type: none"> Vendors and Suppliers rely on us to provide business opportunities and financial security In turn, we rely on their business/services to support ours 	<ul style="list-style-type: none"> The public including media and the local community expects us to be a reliable, responsible and sustainable company which contributes to the country's socioeconomic development We disseminate information to our stakeholders through the media and gain valuable information on our business ecosystem from the public 	<ul style="list-style-type: none"> NGOs and External Experts provide us with insights on the relevant sustainability causes they represent We collaborate with them to elevate the standards of the maritime industry and gather important feedback regarding our operations
HOW WE ENGAGE WITH THEM			
<ul style="list-style-type: none"> Conduct customer and community engagement Encourage customer interaction through website and social media platforms 	<ul style="list-style-type: none"> Provide full disclosure of our procurement policies on corporate website Conduct supplier briefings and capability building programmes Continuous engagement in meetings and communicate our efforts in managing their concerns 	<ul style="list-style-type: none"> Establish and implement Corporate Social Responsibility (CSR) initiatives through education enhancement, community engagement and environmental conservation Various placemaking and civic engagement initiatives 	<ul style="list-style-type: none"> Contribute through community investments including donations, fundraising and volunteering programmes
FREQUENCY OF ENGAGEMENT			
Ongoing	Ongoing	Ongoing	Ongoing
OUTCOMES			
<ul style="list-style-type: none"> Product and service quality Customer experience Safety and security 	<ul style="list-style-type: none"> Compliance with industry best practices, legislation, rules and regulations Health and safety Fair treatment of suppliers and business partners Ethical and responsible conduct Opportunities for business collaborations 	<ul style="list-style-type: none"> Economic performance Company growth and value chain Business strategy and direction New projects and future prospects Minimising environmental and social impacts Community investments including donations, fundraising and volunteering programmes Project-based initiatives 	<ul style="list-style-type: none"> Minimising environmental and social impacts Community investments including donations, fundraising and volunteering programmes Project-based initiatives

STAKEHOLDERS ENGAGEMENT

MEMBERSHIPS

PTP engages with various trade and industry associations and advocacy organisations worldwide to stay updated on emerging trends. We also proactively participate in stakeholders' dialogues.

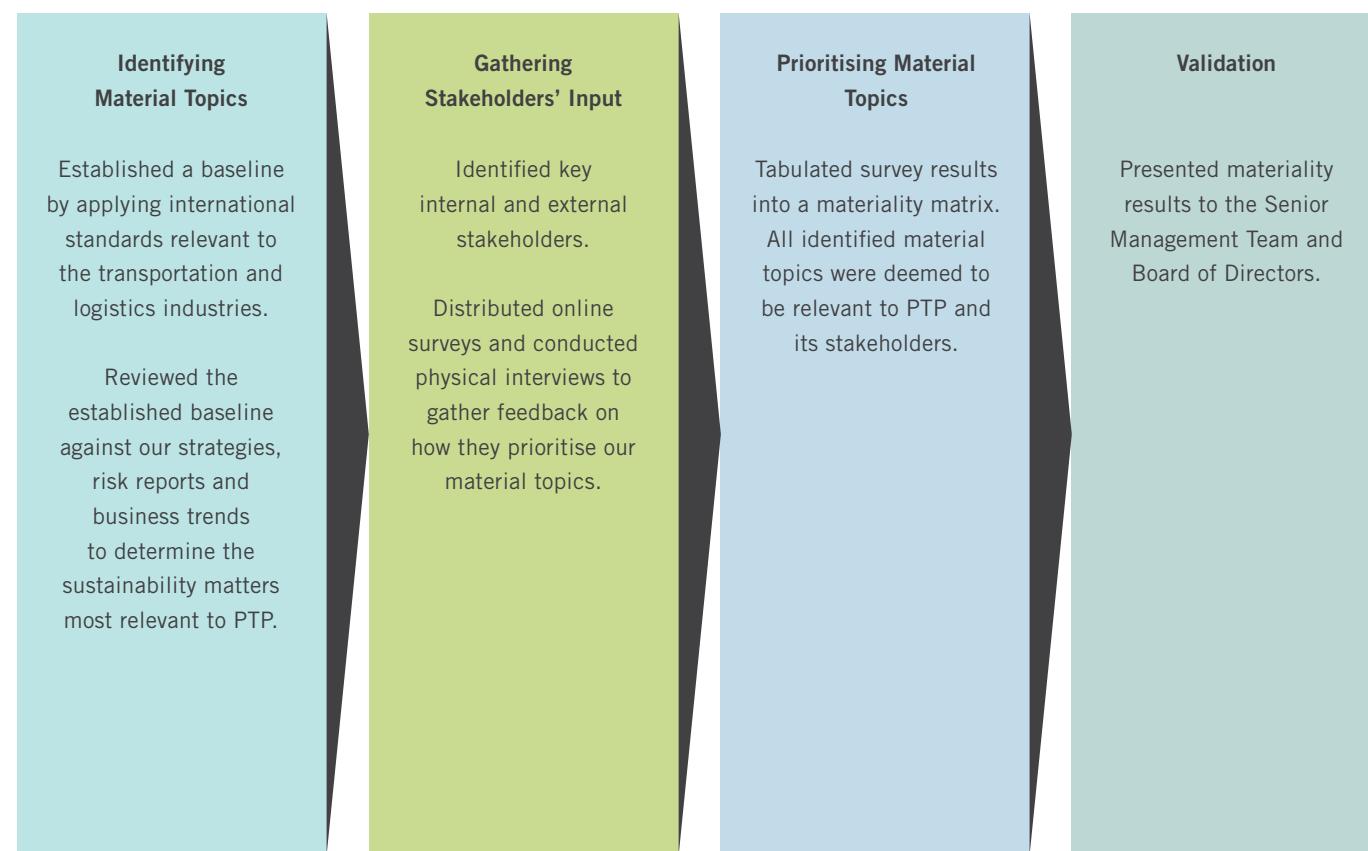
Some of our association memberships include:

- Malaysia Dutch Business Council (MDBC)
- Malaysian-German Chamber of Commerce and Industry (MGCCI)
- Malaysian French Chamber of Commerce & Industry (CCI France Malaysia)
- Malaysia Australia Business Council (MABC)
- Singaporean-German Chamber of Industry and Commerce (SGC)
- Malaysian International Chamber of Commerce & Industry (MICCI)
- British-Malaysian Chamber of Commerce Berhad (BMCC)
- American-Malaysian Chamber of Commerce (AMCHAM)
- The Chartered Institute of Logistics & Transport Malaysia (CILT)
- United Nations Global Compact Malaysian Brunei (UNGCMYB)
- Association of Malaysian Hauliers (AMH)
- Johor Port Shipping Freight Forwarding (JPSFA)
- Johor Freight Forwarders Associations (JOFFA)
- Shipping Line Association of Malaysia

WHAT MATTERS TO US

In 2022, we conducted our first materiality assessment to identify key sustainability topics that are material to both PTP and our stakeholders. The biennial assessment ensures we have a clear understanding of the material topics which impact our business and stakeholders the most. Conducting the assessment also enables us to identify salient issues for reporting disclosures and prioritising them in our enterprise plans and operations.

OUR MATERIALITY ASSESSMENT PROCESS



Identifying Material Topics

Established a baseline by applying international standards relevant to the transportation and logistics industries. Reviewed the established baseline against our strategies, risk reports and business trends to determine the sustainability matters most relevant to PTP.

Gathering Stakeholders' Input

Identified key internal and external stakeholders. Distributed online surveys and conducted physical interviews to gather feedback on how they prioritise our material topics.

Prioritising Material Topics

Tabulated survey results into a materiality matrix. All identified material topics were deemed to be relevant to PTP and its stakeholders.

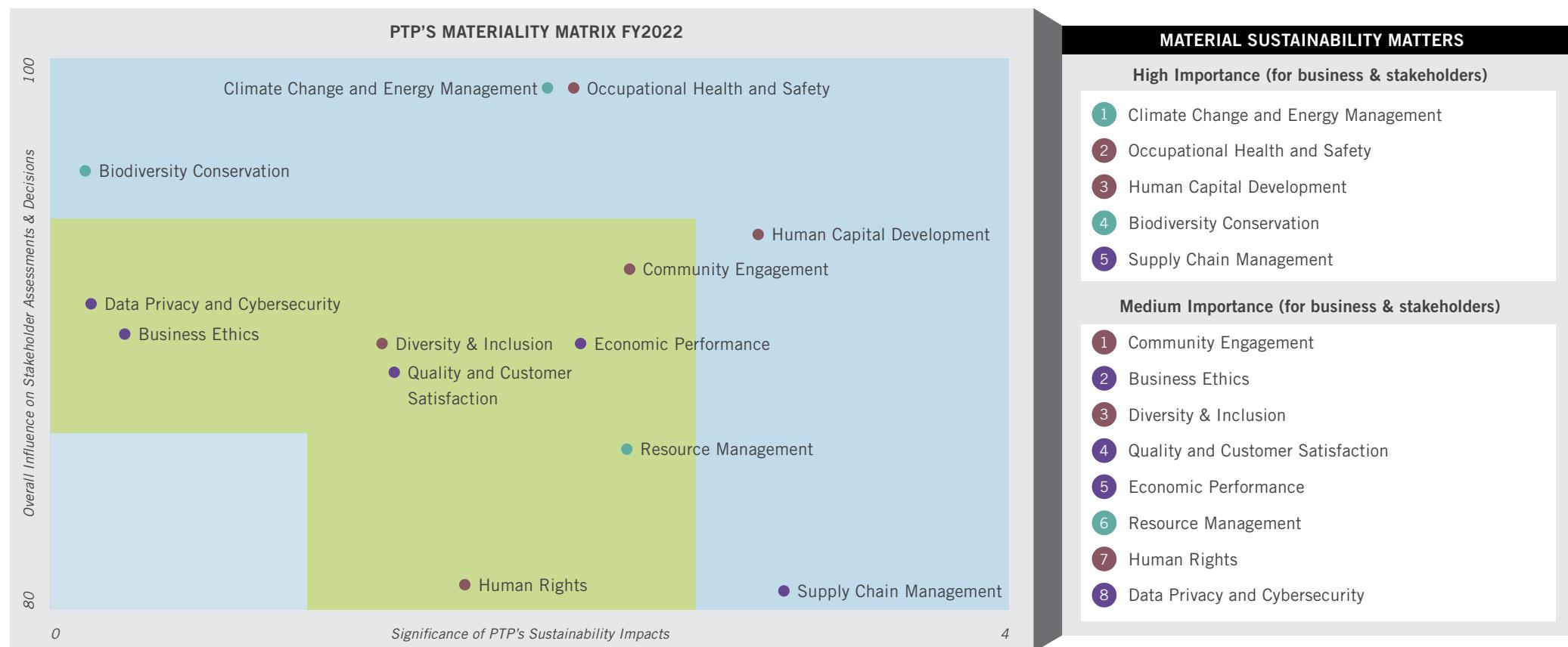
Validation

Presented materiality results to the Senior Management Team and Board of Directors.

GET OUR PRIORITY RIGHT

Our Materiality Matrix maps out the material sustainability matters important to PTP and our stakeholders. It helps us to prioritise our resources to address highly material sustainability matters, while having oversight on others.

Based on the inputs from the Stakeholders Prioritisation and Impact Assessment exercises, the following illustrates PTP's materiality matrix for FY2022. Material Sustainability Matters are also outlined, indicating matters with high importance and medium importance for PTP's business and our stakeholders.



HOLISTIC DISCLOSURE

We will disclose our ESG performance based on our targets on a regular basis including but not limited to annual sustainability reports, quarterly performance updates and proactive communication with our respective stakeholders.

OUR COMMITMENT

	SHORT-TERM (2023-2025)	MEDIUM-TERM (2030)	LONG-TERM (BEYOND 2030)
Decarbonisation	<ul style="list-style-type: none"> 5% reduction in GHG emissions intensity including Scope 1⁽¹⁾ and 2⁽¹⁾ ISO 50000 Energy Management Certification 	<ul style="list-style-type: none"> 45% reduction in GHG emissions intensity including Scope 1⁽¹⁾ and 2⁽¹⁾ 40% energy consumption from renewable sources 	<ul style="list-style-type: none"> Carbon neutrality status by 2040 Net zero emission by 2050
Environmental Protection	<ul style="list-style-type: none"> Establish water recycling centre Maintain 60% total waste efficiency Identify area with potential for rehabilitation within PTP 	<ul style="list-style-type: none"> Water consumption data externally assured Biodiversity assessment covering all PTP's operational sites 	<ul style="list-style-type: none"> 50% of water utilised on site recycled by 2040 80% of total waste diverted from landfill by 2040
Environmental Performance Monitoring & Reporting	<ul style="list-style-type: none"> Publish report on environmental performances 	<ul style="list-style-type: none"> Undertake reporting aligned to TCFD to consolidate climate change efforts Obtain external assurance on data 	

¹ versus 2021 baseline



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

OUR APPROACH

- 1 Minimising the environmental impacts of our operations
- 2 Reducing greenhouse gas (GHG) emissions through energy efficiency and renewable energy towards a low carbon economy
- 3 Prioritising sustainable water use and efficiency
- 4 Managing waste streams through responsible waste management, whilst optimising resource efficiency towards a truly circular economy
- 5 Protecting and conserving both terrestrial and marine biodiversity and their ecosystems



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

CLEAN OPERATIONS FOR CLIMATE PROTECTION

At PTP, we place a strong focus on sustainable development through the commitments spelt out in our Health, Safety and Environment Policy, accessible on our corporate website. Adopting the United Nations Global Compact (UNGCG) principles of environment, PTP is committed to achieving the highest environmental standards by improving our environmental performance and minimising our environmental impacts through our collective efforts in biodiversity conservation, climate change strategy and energy, waste and water management.

We have stringent environmental policies and strategies in place to measure our carbon footprints. This acts as the foundation for us to guide our business units in setting their own environmental impact reduction targets. Our investments in environmental protection have resulted in a growing portfolio of green investments, environmental technologies, GHG emission reduction measures, resource efficiency programmes and biodiversity conservation programmes across our business. We aim to be one of the leading port terminals in environmental protection by learning from experts and sharing of best practices with our stakeholders.

ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

At PTP, our approach to managing environmental impacts is based on stringent operating practices and adherence to international standards and local regulatory requirements.

We are committed to minimising negative impacts on the environment and optimising our operational efficiency throughout our process of designing, planning, constructing and operating our projects and businesses.

Driven by the PTP ESG Framework and Policies – HSE's Environmental policy, our environmental management and compliance commitments are aligned with ISO 14001 Environmental Management Systems (EMS) which include environmental impacts and risk assessment, laws and regulations, due diligence, planning and monitoring.

Additionally, we conduct periodic training and awareness programmes for our employees, to facilitate effective implementation of environmental management. Topics covered include environmental policy and operating procedures, environmental emergency preparedness and response, energy savings, waste recycling and water use.

We ensure all our operations comply with legal and regulatory requirements. As a result, there were no records of significant chemical or oil spills into water bodies during the year under review. There were also no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations on environmental issues such as air emissions, effluents, pollution and others, that were administered by Malaysian authority against PTP in FY2022.

¹ Significant Fines = More than MYR 10,000

PROCESS

Planning

- Identify environmental policies, interactions, significant aspects, and other requirements
- Develop environmental objectives, targets and programmes

Implementation And Operations

- Define EMS structures and responsibility
- Identify and complete required training
- Establish communication procedures for internal and external stakeholders
- Implement documentation of policies, plans and procedures
- Establish operational controls and implement emergency preparedness and response plans

Checking And Corrective Action

- Monitor and evaluate environmental performance and compliance levels
- Establish non-conformance, corrective action and preventative action systems
- Maintain records and perform periodic EMS compliance audits

Management Review

- Management review of environmental performance, policies, priorities, and objectives, and recommend improvements

Environmental Policy

- Commitment to regulatory compliance, pollution, prevention and continuous improvement of environmental performance

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

DECARBONISATION AND CLIMATE CHANGE

Climate change is a global condition that can significantly impact economies, societies and the environment. PTP recognises the importance of taking part in resolving the problem of climate change and commits to conducting business responsibly to mitigate potential impacts.

PTP operates with due regard for climate protection and integrates measures for the sustainable management of natural resources and low-carbon development to minimise climate change impacts. This is in line with the goals of the Paris Agreement, which is to limit the global temperature rise to 1.5 degrees Celsius and to achieve net zero emissions by 2050.

PTP has also set the goal to achieve carbon neutrality by 2040 through efficiently using natural resources, promoting the use of renewable energy, and protecting the environment, biodiversity and ecosystems. We are also committed to managing our supply chain and procurement of products and services in a sustainable manner.

HOW WE APPROACH THIS TOPIC

1 Baseline Study (Carbon Inventory)

2 Decarbonisation Framework and Roadmap

3 Decarbonisation Pathway (In-future)

4 Climate Risk Assessment (In-future)

BASELINE STUDY (CARBON INVENTORY)

We have started to take inventory of our GHG emissions in 2022. This study is one of the green initiative programmes in the Johor Port Authority Green Port Policy which focuses on assessing the carbon footprint produced by PTP's operations from both shipping and non-shipping activities. The study covers two main areas, namely:

a) GHG Baseline Assessment for PTP:



Scope 1

Direct Emissions

Direct emissions from activities within the organisation. Example: On site fuel combustion, refrigerant leakages and company vehicles.



Scope 2

Indirect Emissions From Purchased Energy

Indirect emissions from any electricity, heat or steam purchased and used.



Scope 3

Other Indirect Emissions

Indirect emissions from sources outside the organisation's direct control. Example: Business travel, waste disposal, purchased material, etc.

b) Carbon Sequestration Assessment at Green Space Area (Reserve Area) at Free Zone Phase 3 of PTP

DECARBONISATION FRAMEWORK AND ROADMAP

We have made specific commitments to be a net-zero carbon company by 2050. One such commitment is our target to achieve 45% carbon reductions by 2030, aligned with Malaysia's commitment in the Paris Agreement.

Our decarbonisation strategy consists of an overarching plan applicable across our diverse divisions including ports and terminals, free zones and marine services.

Our ports and terminal division are making steady progress by following the strategy of maximising efficiency, equipment electrification, supply of renewable electricity and low carbon fuels. Based on these four levers of the decarbonisation strategy, capital investments target equipment change-out, investments in renewable energy assets, blue carbon initiatives and carbon offsetting.

We will be enhancing our carbon disclosure further as a result of ongoing efforts to expand our Scope 3 emissions and we have continued to develop a methodology for calculating Scope 3 emissions, across all business units. We will also be working with this data to establish a Scope 3 mitigation strategy.

Additionally, we are reviewing Scope 2 opportunities, particularly in the sourcing of renewable electricity, which may enable further acceleration of decarbonisation. PTP is currently working with a third-party sustainability expert to review and validate our GHG emissions reduction opportunities in the short and medium-term as well as further develop our long-term net-zero transition strategy.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

PTP will utilise a set of levers to decarbonise our core operations:



Energy Optimisation

We will reduce consumption of fuel and electricity across our ports.



Transition to Electrified Assets and Vehicles

We will electrify/hybridise our equipment and, where applicable, design new terminals with full electric equipment.



Installation of Green Infrastructure

We will change the type of electricity we source and utilise renewable energy sourcing solutions where applicable.



Installation of On-Site Renewables

We will expand our onsite Renewable Energy Sources (RES) and storage solutions.

INITIATIVES



Vessels Traffic Management System (VTMS) – Seaside

PTP utilised the Marine Resource Management System (MRMS) and Vessel Traffic Monitoring and Information System (VTMIS) to advance towards becoming a green port. Both systems improve the efficiency of vessel traffic movements and the safety of navigation.

The MRMS can integrate the entire process, from booking a berth to populating shipping registers, ordering pilots, and providing vessel arrivals and departures. In addition to enabling paperless operations, the system also improves the resource deployment efficiency i.e., pilot boat, tugboat, pilot, and pickup driver. These enable PTP to optimize energy and fuel usage, leading to a scale down of our carbon emissions.



e-Rubber Tyre Gantry (e-RTG)

Electrification of all our terminal equipment such as e-RTG, e-Quay Cranes and e-Prime Mover and facilities including lightings at the port. As of FY2022, 88% of our RTGs have been electrified leading to a 30% carbon reduction. We aim to have 100% of electrified RTG by FY2023.



Partnership for Infrastructure (P4I)

P4I, an Australian Government programme, is currently supporting our Government's decarbonisation ambitions. P4I is working with the Malaysian Government and PTP, to identify opportunities to supply international marine shipping with new ultra-low carbon marine fuel as an alternative to crude-oil products, such as methanol and ammonia.



Installation of Solar Panels

We started building a business case for solar panels in FY2022.

Installation will begin in FY2023.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



INITIATIVES



a clear understanding of assets utilisation whilst minimising waste and turnaround time.

For e.g., our live equipment tracking and monitoring system helps to calculate optimal routes for Prime Movers. This aids in avoiding the idling of the assets hence saving fuel and resulting in carbon emission reduction.

In terms of digital processes, PTP successfully migrated its Terminal Operating System (TOS) to Navis N4 in 2019, representing one of the largest terminal system migration projects undertaken by the port. The TOS provides improved performance and scalability to meet PTP's future expected volume growth.

Asset Digitalisation (Landside)

The Opsview Real Time Performance Monitoring System was integrated in PTP to improve efficiency, increase berth productivity, and reduce operating costs. The system gives PTP real time visibility of its operational performance and all assets, as the cloud-based system can be viewed from any device, giving



E-Prime Mover

To further reduce our Scope 1, we have started to look into electrical Prime Mover (E-PM). Our E-PMs are locally sourced in Pasir Gudang in collaboration with Terberg Tractors Malaysia (TTM), demonstrating our commitment to decarbonisation. By supporting and sourcing locally instead of importing goods and services, we empower our industry players to increase their competitiveness, which positively impacts the economic performance of Johor and Malaysia in general.

Upgrade from Conventional Lighting to LED

The lighting system at PTP, which consists of high mast lighting covering the entire terminal area and facilitating operations during night time or when there is no sunlight, previously utilised standard lighting fixtures with a power rating of 1,000W for each illumination source.

In the first phase of the LED conversion project, 338 pieces of lightings were switched out for LED fixtures with a lower rated power of 500W, resulting in an approximate consumption reduction of 50%. PTP is currently executing the LED Conversion Project Phase 2 for with an estimated 1,000 pieces of high mast lighting to be replaced with LED lighting.

Total Energy Reduction from 2021 (kWh)

Initiatives/Project	Total Energy Reduction from 2021 (kWh)
LED Conversion Project Phase 1 for Facilities	632,595.43

Green Boats Initiative through Green Voyage 2050

True to our aspirations in aligning with the nation's best interest, PTP is proud to be the only Malaysian representative selected to participate in the International Maritime Organisation (IMO) - Norway Green Voyage 2050 (GV2050) and the IMO – Partnerships in Environmental Management for the Seas of East Asia (PEMSEA) Blue Solutions Project.

This project is a collaboration between PTP, Maritime Institute of Malaysia (MIMA), Marine Department of Malaysia (MARDEP) and Johor Port Authority (JPA). It is supported by the Ministry of Transport Malaysia and 11 other partner countries including South Africa, China and Ecuador.

Malaysia is recognised as the Pioneer Partner Countries (PPCs) with our shortlisted pilot project of Green Boats covering our tugboats and pilot boats.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

GHG EMISSIONS

Our climate change and business strategy remain focused on reducing emissions, enhancing energy efficiency and adopting renewable energy technologies towards a low carbon future. As an organisation, we continue to enhance our environmental stewardship by meeting regulatory and investor expectations through improving transparency and disclosing relevant indicators and measures across our businesses progressively.

The various initiatives we undertook to manage our energy also effected positive impacts on our GHG emissions, and form part of our efforts to achieve net zero emissions by 2050.

We report and monitor our Scope 1, Scope 2, Scope 3 carbon emissions emissions as follows:

	FY2020		FY2021		FY2022	
Total Twenty-Foot Equivalent Unit (TEU)	9,846,107 TEU		11,200,245 TEU		10,512,806 TEU	
Scope 1	Total (Litre)	Total Emission (tCO ₂ e)	Total (Litre)	Total Emission (tCO ₂ e)	Total (Litre)	Total Emission (tCO ₂ e)
Diesel (Litre)						
Prime mover	16,538,681	44,357	18,220,706	48,868	17,648,309	47,333
RTG	1,418,461	3,804	1,411,188	3,785	1,220,780	3,274
Forklifts (include stackers & EH)	761,790	2,043	833,470	2,235	1,035,377	2,777
Pick-ups	799,679	2,145	974,178	2,613	354,296	950
Marine pick-ups	16,340	44	49,952	134	14,108	38
Petrol (Litre)	16,890	39	50,474	118	42,938	100
Generator set (Litre)	-	-	125,581	391	102,437	319
STP Discharge (Process)	-	27.7	-	27.7	-	28
TOTAL SCOPE 1	19,551,841	52,460	21,665,549	58,171	20,375,308	54,819
Scope 2 - Electricity (kWh)	Total (kWh)	Total Emission (tCO₂e)	Total (kWh)	Total Emission (tCO₂e)	Total (kWh)	Total Emission (tCO₂e)
Quay Cranes	40,632,157	23,160	45,220,639	25,776	44,890,421	25,588
E-RTG	24,505,038	13,968	29,485,182	16,807	29,900,034	17,043
Reefer	45,330,441	25,838	63,167,725	36,006	53,046,206	30,236
High Mast Lights	4,116,275	2,346	4,174,153	2,379	3,616,478	2,061
Infrastructure	15,605,240	8,895	18,600,181	10,602	10,903,147	6,215
Utilities - Chiller	2,060,232	1,174	2,284,040	1,302	1,449,565	826
Freezone PTP warehouse	1,578,719	900	1,438,551	820	2,327,413	1,327
TOTAL SCOPE 2	130,189,151	76,282	164,370,471	93,691	146,133,264	83,296

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

		FY2020		FY2021		FY2022	
Total Twenty-Foot Equivalent Unit (TEU)		9,846,107 TEU		11,200,245 TEU		10,512,806 TEU	
Scope 3 Others	Total (Litre)	Total Emmission (tCO ₂ e)	Total (Litre)	Total Emmission (tCO ₂ e)	Total (Litre)	Total Emmission (tCO ₂ e)	
Contract Service - Pilot Boat (L)	730,102	1,958	630,580	1,691	741,719	1,989	
Contract Service - Tug Boat (L)	4,286,894	11,497	3,993,480	10,711	4,319,362	11,585	
Contract Service - Bus/Shuttle (L)	399,088	1,070	565,036	1,515	488,210	1,309	
Water Consumption (m ³)	150,632	22	205,589	31	226,064	34	
Waste (MT)							
Scheduled Wastes (Incineration)	689	0	210	0	137	0	
General Waste	1,572	1	2,034	1	2,172	1	
Recyclable Items (Paper, Cardboard etc.)	1	(0)	9	(0)	3	(0)	
Scrap Metal	1,237	(5)	1,718	(7)	1,238	(5)	
Scrap Tyre	501	(1)	820	(1)	945	(1)	
TOTAL SCOPE 3		14,544		13,941		14,912	

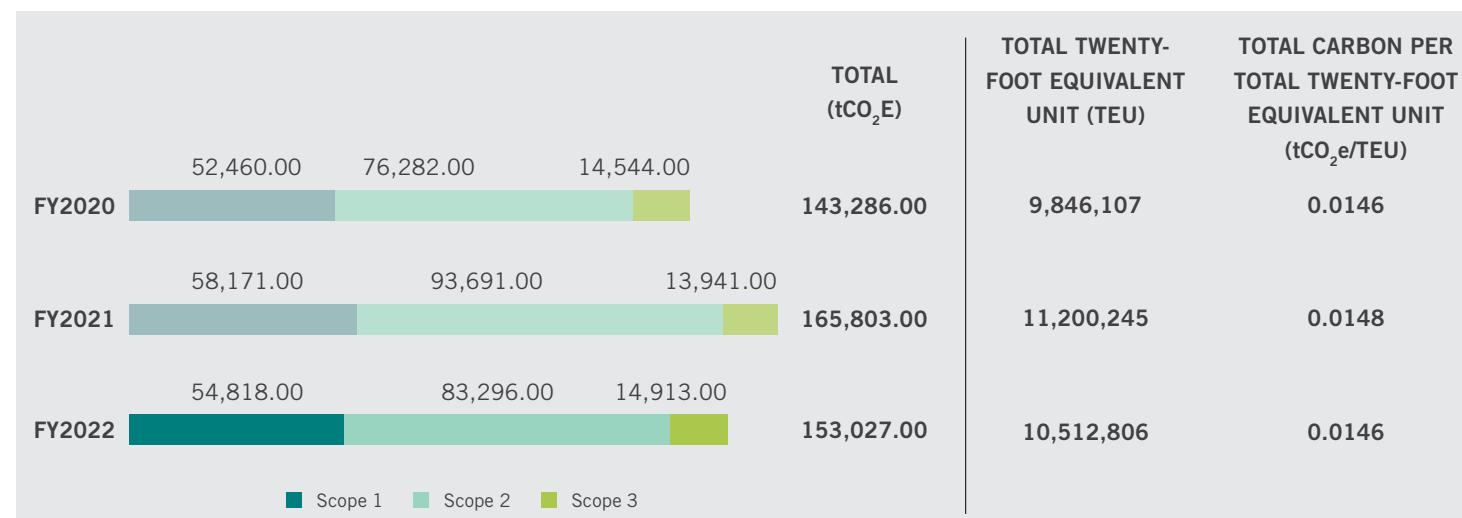
CARBON EMISSIONS

We have currently identified the main sources of carbon emissions from our business operations. They are:

 **Scope 1**
Genset, container handling equipment and vehicles

 **Scope 2**
Electricity purchased from the National Grid which remains the highest among all three scopes

 **Scope 3**
Leased vehicles and waste transported to landfills



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

CASE STUDY

EVOLUTION OF RTGS

We were able to convert a significant portion of our RTGs, which are major yard equipment, from diesel driven to either electric or a hybrid. We will continue this trend in the coming years, and we are planning to be fully electrified by end 2023.

Type	Conventional RTG	Hybrid RTG	Electrified RTG (full size engine)	Electrified RTG (downsized engine)	Pure Electric RTG (new)
Fleet size (unit)	114 (retired 40)	36	29	102	50
Year since	2000 – 2008	2008 – 2009	2011 – 2013	2014	2016 – 2022
Main energy source	Full size diesel engine	Full size diesel engine	TNB power, RTG current collector arm & conductor rail at yard	TNB power, RTG current collector arm & conductor rail at yard	TNB power, RTG current collector arm & conductor rail at yard
Secondary energy source	NIL	Supplemented with: a. Supercharged capacitor b. Flywheel c. Variable speed controller	Full sized diesel engine	Downsized diesel engine	Li-ion battery
Energy saving devices					Energy regeneration capability feedback to TNB grid
Avg. Diesel Consumption	18 litre per hour	12 litre per hour	12 litre per hour (change block only)	6 litre per hour (change block only)	Electricity

E-RTG ERA

OUR FUTURE

CLIMATE RISK ASSESSMENT
To conduct comprehensive Climate Risk Management (CRM), which is a systemic framework that seeks to anticipate, avoid and prevent all types of climate risks as well as to absorb remaining impacts from extreme weather events and slow-onset changes.

INTERNAL CARBON PRICING
To develop a mechanism to put a value on GHG emissions in a way that drives positive change in our business.

SOLAR FARM
To have a strategic partnership to roll out our solar farm initiative, sourcing clean energy to PTP.

ISO 50001

To embark with ISO 50001 (Energy Management) that provides a framework of requirements for organisations to:

- Develop a policy for more efficient use of energy
- Fix targets and objectives to meet the policy
- Use data for better understanding
- Make decisions about energy use
- Measure results

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



ENVIRONMENTAL PROTECTION

Overexploitation of natural resources is a major threat to the availability and fair distribution of resources, which in turn affects the livelihoods and well-being of people. Natural resources make up a dense web of symbiotic relationships, indicating the allocation of resources hugely influences biodiversity and the way we interact with the environment.

Our commitment to the conservation and protection of natural resources is embedded in our Environmental Policy. We accomplish this through water, waste and biodiversity protection.

WATER MANAGEMENT

Water is an essential element for development, however access to safe water supply and sanitation coupled with growing populations has brought forward challenges. In addition, more water-intensive patterns of growth, increasing rainfall variability, and pollution continues to put pressure on the safe management of water resources.

Poor water security is one of the greatest risks to economic progress, poverty eradication and sustainable development. In fact, the World Economic Forum stated the gap between global water supply and demand is projected to reach 40% by 2030 if collective efforts are not conducted.

High water stress has many undesirable consequences, such as hindering the sustainability of natural resources and hampering economic and social development; all of which tend to disproportionately affect the most vulnerable. According to the World Resources Institute (WRI), the updated hydrological model of WRI's Aqueduct tool has classified countries into categories according to their baseline water stress levels. For Malaysia, the water stress level is Low but we acknowledge the risks of water stress and will continue to improve our water management plans across our operations in PTP.

WATER RESOURCE MANAGEMENT

To minimise the potential impacts of water stress in our operations, we focus on practising sustainable water management, improving and optimising water efficiency, strengthening water conservation efforts, and improving our respective water footprint. This demonstrates our commitment to enhancing water resilience of our operations.

WATER WITHDRAWAL

Takes into consideration water stress levels in each of our operational areas and work on improving our water footprint and safeguarding water resources throughout the supply chain via sustainable water management.

WATER DISCHARGE

Appoints an accredited third-party consultant approved by local authorities to conduct regular assessment and monitoring of the quality of discharged water, effluent and/or sewage to minimise our negative impacts on the environment and ecosystems.

WATER CONSUMPTION

Regularly review water management plans, monitor and analyse progress to improve our water consumption. This is through the introduction of water conservation initiatives, process improvement, integration of technologies and innovations to treat, reuse and recycle water from our operations.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

PTP's sources of water withdrawal consist of municipal water supply, recycled water, surface water, groundwater, and seawater. Water is utilised for various purposes such as drinking, cleaning, landscaping, and general use by our offices, canteens, and other businesses, as well as by our tenants.

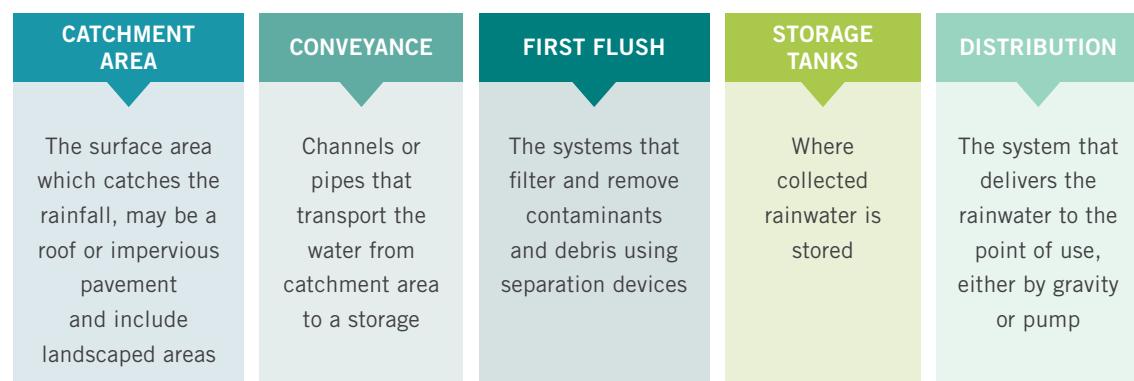
All trade effluents from our operations are treated and discharged to water courses or sewer systems in accordance with the environmental discharge limits and effluent standards in Malaysia. Over the years, we have consistently achieved 100% compliance with water discharge quality under local standards and there were no significant chemical or oil spills into water bodies during the reporting period.



	FY2020	FY2021	FY2022
Total water consumption volume (m ³)	150,631	205,589	226,064
Municipal potable water withdrawal (%)	100	100	100
Total volume of water / effluents discharged (m ³ /h)	avg. 125	avg. 125	avg. 125
Destination of water / effluents discharged	river	river	river
Quality of water / effluents discharged	Std B	Std B	Std B

RAINYWATER HARVESTING

The value of rainwater as the primary source of clean water is often overlooked. The aim of rainwater harvesting is to concentrate runoff and collect it in a basin for use. We are using roof catchments method with five basic components:



Currently, PTP has installed four water harvesting systems covering the terminal area, mainly for domestic use. To date, the water harvesting system has reduced water consumption by 602m³, equivalent to 0.45% per month. Meters are being installed to existing rainwater harvest system to monitor reading at wharf offices, Central Planning and Performance Office (CPPO), New Engineering and 8A Resting Areas including toilets and washing areas. Current water harvesting system implemented at the sites include; (i) Collection of rainwater, (ii) Filtering, (iii) Pumping, (iv) Tank filling, (v) Cleaning and maintenance.

FUTURE

DATA PERFORMANCE

To regularly monitor water performance especially from rainwater harvesting system to further optimise our water consumption.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

WASTE MANAGEMENT

The increasing volume and complexity of waste associated with the modern economy are posing a serious risk to ecosystems and human health. In 2016, the World Bank stated the world generates about 2.01 billion tonnes of municipal solid waste annually, and it is estimated waste generation will increase by 70% to 3.4 billion tonnes by 2050 due to rapid population growth, accelerating urbanisation, industrialisation and inefficient waste management systems. The situation is alarming and immediate action is required.

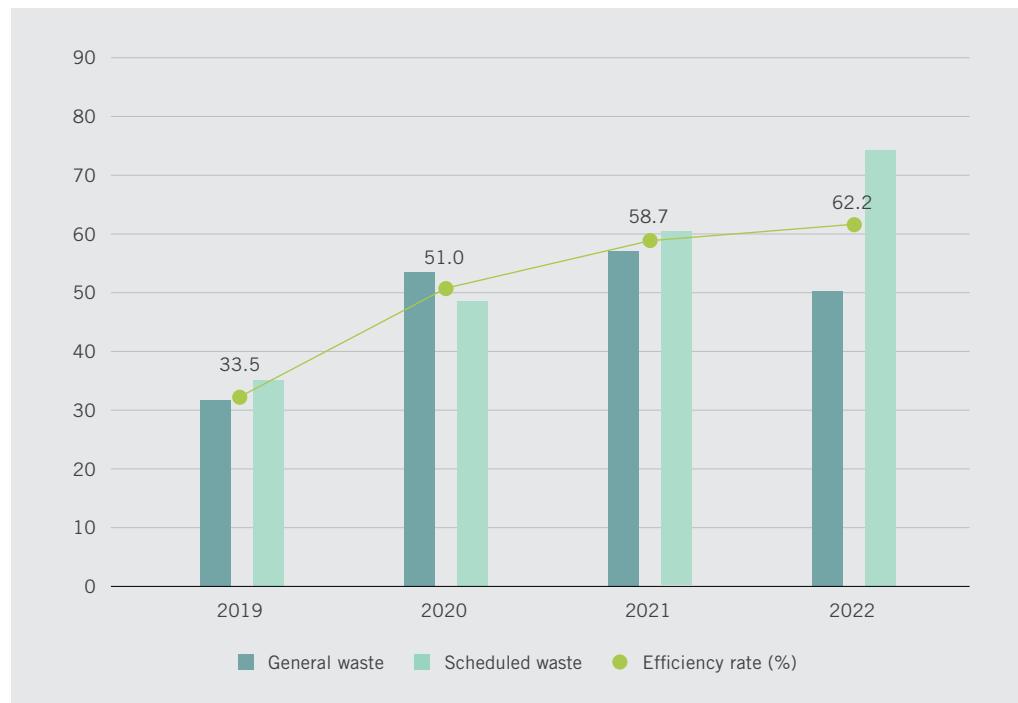


At PTP, we focus strongly on the importance of resource efficiency at all our business units. We ensure all resources used are carefully planned, efficiently utilised and processed to optimise use of the limited natural resources available. By working closely with our stakeholders on waste management, we are able to minimise unnecessary consumption and waste, as well as explore innovative opportunities, partnerships and solutions to achieve zero waste targets and transit to a truly circular economy. PTP places strong emphasis on engaging licensed third-party contractors to handle hazardous waste generation, storage and responsible disposal while adhering to best practices, local regulatory requirements and our HSE policy.

WASTE EFFICIENCY

We define waste efficiency as the minimisation of the amount of waste generated through reducing, re-using and recycling activities. This is applicable to waste that is generated from PTP's operational activities, both general and scheduled wastes.

In 2019, PTP recorded only 33.5% in waste efficiency. In three years, we managed to increase efficiency to 62% with an average 10% increase Year-on-Year (YoY) with scheduled waste having more efficiency in comparison to general waste due to its ability to be recycled back through approved recycling premises.



Efficiency rate	Avg. 2020-2022	Improvement
General waste	54%	~3-4MT/annual of used papers or documents recycled
Scheduled waste	61%	↑ 20% YoY

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

SINGLE USE PLASTICS CAMPAIGN

From the second quarter of 2022, PTP implemented the Single Use Plastics Campaign spanning across our convenience shops, canteens, cafes and office areas.



Effective 15 June 2022, the plastic bag bans started and was communicated through PTP's in-house commercials and shops. Incentives to discourage the single use of plastic included cafes giving discounts to people bringing their own containers as well as installation of dishwashers at all pantries in the office areas.

The initiative was thoroughly implemented especially for employees, tenants and port users, and continues in 2023.

COMPOSTING CAMPAIGN

Continuing our effort in waste management efficiency, PTP implemented a composting campaign company wide. Our buildings' pantries are equipped with small-scale composting electric composers with the capacity of 1 to 4 kgs, taking 24 hours for food wastes to compost. The nutrient rich compost is then used as soil materials in the gardens for landscaping purposes.

USED FABRIC RECYCLED PROGRAMME

In collaboration with Life Line Clothing Sdn Bhd, PTP launched the Used Fabric Collection Campaign to encourage recycling efforts among the community at our operational areas, extending to employees, tenants, local villagers and overall port users. The used fabrics collected include clean and dry clothes, sandals or shoes, bags, blankets or accessories such as scarves, socks or belts. In 2022, we collected an estimated 500 kgs of used fabrics for recycling purposes.

	FY2020	FY2021	FY2022
Total waste generated (in tonnes)	4,000 MT	3,998 MT	4,881 MT
Waste diverted from disposal i.e. recycled waste (in tonnes)	2,029 MT	2,369 MT	2,577 MT
Waste directed to disposal (in tonnes)	1,971 MT	1,629 MT	2,304 MT
Hazardous waste or scheduled waste (in tonnes)	690 MT	510 MT	517 MT
Percentage of hazardous wastes generated (%)	17%	13%	11%
Non-hazardous waste or Non-scheduled waste (in tonnes)	3,311 MT	3,488 MT	4,364 MT
Incineration	689 MT	210 MT	106 MT
Landfill	1,572 MT	2,034 MT	2,172 MT
Other Methods of Disposal	2,029 MT	2,369 MT	2,603 MT
Percentage used for energy recovery (%)	0	0	0
Percentage of recycled waste (recycling rate)	51%	59%	62%
Re-used waste (in tonnes)	0	20 MT	10 MT
Recycled waste (in tonnes)	2,029 MT	2,349 MT	3,026 MT
Non-recycled waste generation (in tonnes)	1,971 MT	1,629 MT	1,845 MT

FUTURE

COMMUNITY RECYCLING CENTRE

To develop a community recycling centre within PTP to encourage our employees, tenants, and surrounding community to practice the 3Rs (Reduce, Reuse and Recycle).

WASTE TO ENERGY INITIATIVES

To explore waste to energy initiatives, converting non-recyclable waste into usable forms of energy including heat, fuels and electricity.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

BIODIVERSITY CONSERVATION

Biodiversity is crucial to human health and well-being as well as economic prosperity, yet it is being destroyed at an unprecedented and accelerating rate. According to the United Nations' report in 2019, there are one million species of plants and animals threatened with extinction. As responsible stewards of this Earth, it is our responsibility to coexist harmoniously with the natural environment and facilitate restoration and preservation of all living and inanimate things.

At PTP, we strive to protect biodiversity and avoid or minimise adverse impacts from our operations through enhancing our processes. This allows us to coexist with nature, halt or reverse biodiversity loss on land, preserve and conserve terrestrial and marine ecosystems, as well as raise public awareness and form partnerships with experts, communities and stakeholders.

The approach for our impact assessments includes the location and development in the vicinity and its surrounding environment. We also adopt the mitigation hierarchy to help our projects to prepare for impacts and aim to achieve no net loss of biodiversity. The hierarchy follows avoidance, minimisation, restoration and offsets in order to reduce development impacts and control any negative effects on the environment.

Due to our project expansion in Tanjung Adang, we protected our biodiversity by conducting two initiatives:

COUNTERMEASURE TO PROTECT SEAGRASS

- Installation of single layer silt curtain (SC1) along the seaward boundary of Tanjung Adang.
- Installation of optional single layer silt curtain (SC2) near the Tanjung Adang seagrass area as an emergency measure, in the event the SC1 silt curtain fails to contain the plume generated from the Project Area.
- Regular monitoring and maintenance of the silt curtain to ensure their good working conditions and long-term effectiveness.
- Monitoring of water quality particularly on Total Suspended Solids (TSS) levels will be carried out during the construction phase.

MANGROVE TREE PLANTING

We are working with Perbadanan Taman Negara Johor (PTNJ) to replant 160,000 mangrove trees in Tanjung Piai within the next five years.



OUR FUTURE

BIODIVERSITY ASSESSMENT AND MONITORING SYSTEM

To assess biodiversity risks from project areas and set mitigation plans to reduce risks for operations in the future.

HEROES' REMARKS



Najiha Darman
Senior Manager,
Environmental and
Dangerous Goods
Management

We collaboratively execute robust and comprehensive decarbonisation strategies to achieve our ambitious target of reducing 45% of our emission by 2030.



**Ir. Jamaluddin
Abu Bakar**
Head of Facilities
Management

Energy efficiency is one of the central agenda in PTP's transformation journey, focusing on optimising our end-to-end operations for the long-term benefits of not just the port but also its surrounding ecosystem.

OUR COMMITMENT

	SHORT-TERM (2023-2025)	MEDIUM-TERM (2030)	LONG-TERM (BEYOND 2030)
CSR Framework & Impact Assessment	<ul style="list-style-type: none"> Impact measurement on all CSR programmes 	<ul style="list-style-type: none"> Calculate value of all CSR activities 	
Training Capacity Building and Awareness	<ul style="list-style-type: none"> Women in 30% of management roles Provide job opportunities for people with disabilities Establish a comprehensive programme for foreign workers' well-being 	<ul style="list-style-type: none"> Women in 40% of management roles Women in 30% of male dominated roles/positions (frontliners) 	<ul style="list-style-type: none"> Gender Equality
Social Performance Monitoring & Reporting	<ul style="list-style-type: none"> Human rights commitment statement 10% YoY significant incidents reduction 10% YoY safety risks reduction 	<ul style="list-style-type: none"> 85% Employee Satisfaction Index in site-wide Safety Climate Survey 	<ul style="list-style-type: none"> Ensure all employees are trained and controls are in place to mitigate any occurrences of child labour, modern slavery and forced labour



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

OUR APPROACH

- 1 Fostering a strong and positive culture of health, safety and well-being
- 2 Creating a harmonious workplace by embracing diversity and providing equal opportunities
- 3 Nurturing human capital and bridging gaps through talent development and active engagements
- 4 Co-existing harmoniously with communities in areas where we operate



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY



HUMAN CAPITAL DEVELOPMENT

Our people are the essence of our business. To ensure our operations run smoothly, we make continuous efforts to attract, retain and motivate employees to ensure they remain competent and satisfied in their various job roles.

Our efforts to attract, retain and nurture our employees are guided by the PTP Employee Handbook, which ensures our workforce are provided competitive remuneration packages to compensate them for their hard work and achievements, whilst advocating work-life balance as well as developing our human capital. We also strive to increase our talent pool by offering early career development programmes to equip future potential employees with extensive industry knowledge as well as hands-on experience.

We conduct annual performance appraisals to provide our people with feedback on their performances and accomplishments in the previous year. We communicate with our employees to understand their development needs and career plans. Key performance indicators (KPIs) for both business and employee development are established to ensure performance goals are aligned with our business objectives.

EMPLOYEE BENEFITS AND WELFARE

We believe our employees should be adequately compensated and rewarded for their contributions to the company's growth. Providing competitive remuneration packages and comprehensive benefits to employees allows the company to demonstrate how much we value our people and their welfare, whilst inspiring them

to perform better and to go above and beyond their jobs. Some of our business units provide the same benefits to temporary or contract employees as we believe their basic welfare should also be given equal consideration. The following are provided to all employees:

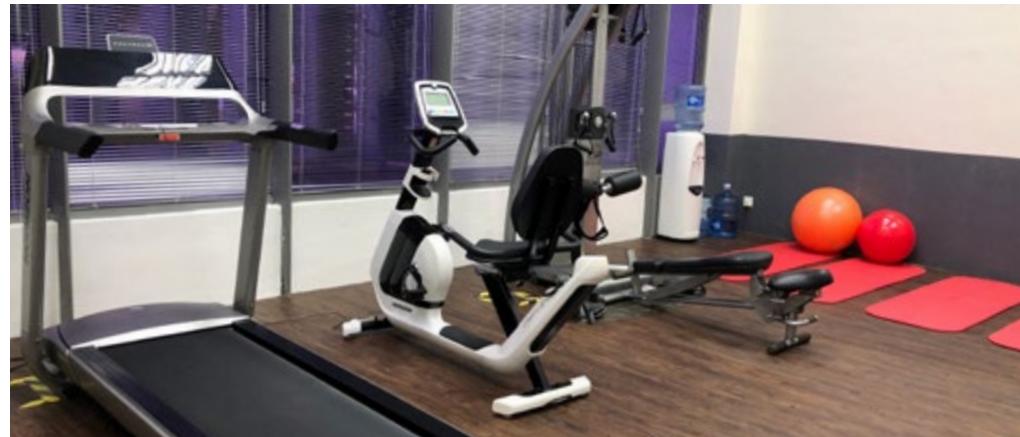
-  Paid Leave Entitlement (Annual Leave, Medical Leave, Hospitalisation Leave, Parental Leave)
-  Learning and Development Opportunities
-  Provision of Uniforms and Equipment
-  Medical Coverage and Group Insurance Plans
-  Sports and Fitness Activities

COVID-19 PRECAUTIONS AND SUPPORT

While we may have entered the endemic phase, we remain committed to upholding precautionary safety measures to curb the spread of COVID-19 and other viruses at the workplace. Our offices are regularly sanitised, and sanitiser stations are placed within buildings and sites at entrances and exits. We continue to adopt the practice of wearing face masks indoors and in enclosed areas. As most of our employees have returned to the office, we encouraged them to conduct COVID-19 self-testing and contact tracing effectively, to protect our employees from potential outbreaks. At present, 99% of our employees have been vaccinated.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

FIT-PORT: PREVENTION & DISABILITY MANAGEMENT CENTRE - RETURN TO WORK PROGRAMME



Known as Fit-Port Tanjung Pelepas, the SOCSO Rehabilitation Centre at PTP has been in operation since its establishment on 2 March 2020. The first centre outside of SOCSO's own facility in Malaysia, the centre provides comprehensive physical rehabilitation programmes for employees, which include intensive physiotherapy treatments.

Aligned with our strategy to protect the health and safety of our people, the centre aims to maximize the potential and physical functions of our employees. This enables them to continue their daily lives and return to work, hence leading to longevity of job security. The centre's role is vital in boosting the productivity of the company and contribute to advancing the quality of the workforce in Malaysia.

These are the treatment modules offered:



In the Physiotherapy module, a physical approach is used to promote, maintain and restore functions and movements to maximise physical movements and increase the quality of life.

This treatment module is conducted through:

- Pain Management Programme (electrotherapy, ultrasound)
- Manual Therapy
- Therapeutic Training
- Functional movement (re-training posture control, balance, gait and coordination)



Musculoskeletal rehabilitation provides therapeutic assessments and interventions for muscles, tendons, ligaments or bones due to injury or disease.

The types of injuries or diseases that require musculoskeletal rehabilitation are:

- Acute and chronic pain conditions (e.g.: back pain and neck pain)
- Traumatic injuries such as fractures, dislocations, tendon, ligament and/or nerve injuries
- Sprains and strains
- Arthritis
- Repetitive strain injuries (e.g.: tendonitis, carpal tunnel syndrome)
- Joint replacement
- Osteoporosis
- Sports-related injuries

In FY2022,



Rehabilitated staff who have returned to work

86%

Total Percentage

49

Total Number



Staff who are undergoing treatment at Fit-Port

9%

Total Percentage

5

Total Number

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

EMPLOYEE ENGAGEMENT

Employee engagement helps to improve work performance and increase employee happiness, which is one of the most integral factors in ensuring a company runs seamlessly. It is important for our employees to have a sense of belonging and feel supported in their workplace, as it strengthens loyalty and increase their commitment to the company. At PTP, we aim to enhance the mental and emotional connections to our people across our operations. We strive to cultivate an environment where people are empowered to optimise their job performance. We engage with our people through various avenues, including coffee break sessions and the PTP Connect intranet, to ensure an effective flow of information, which helps to connect them with the core values of PTP. We appreciate the voices of our people and are constantly working towards fostering a globally engaged team, as we believe collaboration between employees offers viewpoints that drive our business. We consider all employee feedback mechanisms across PTP to be crucial in establishing effective communication channels.

PTP Connect



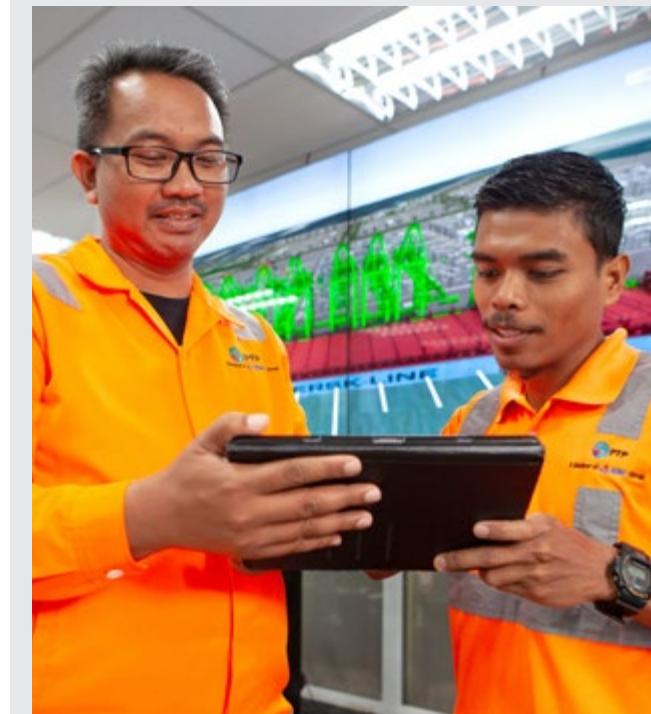
Ensures our workforce are provided mobile productivity tools and applications while keeping corporate data secure. This platform has functionalities such as employees' Ideas/Feedback, Terminal Transportation Request, Incident Reporting and Gemba.

Coffee Break Sessions with Senior Management Team



An initiative for personnel to touch base, share ideas, obtain direct feedback from employees on important issues and to facilitate discussions on various areas of interest.

Incentive Apps - Mobility Apps



Providing real-time updates on individual productivity and offering incentives is a great way to ensure employees stay motivated to do their jobs to the best of their abilities to meet their targets.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

EMPLOYEE ENGAGEMENT ACTIVITIES

PTP Sport Challenge



The PTP Sports Challenge 2022 attracted participation from PTP and MESB staff. The objective was to create a friendly working relationship environment that integrates all levels of employees, builds interaction skills, increases health awareness and encourages bonding through sports, health, fitness and fun. The sports activities included:

- Table Tennis
- Futsal
- Archery
- Darts
- Nine-a-side football
- Bowling

Health Talks and Webinar



Health talks are designed for PTP employees to raise awareness and educate them on issues that may affect their health, and the services offered at in-scope facilities. Health talks are held virtually every month.

The following sessions were conducted by a professional doctor from the Specialist Hospital in Johor:

- How To Maintain Your Healthy Lifestyle (Working at Home)
- How do I Choose the Right Exercise for my Body?
- Colorectal Cancer: Because it Matters
- Hand, Foot & Mouth Disease (HFMD)
- Spinal and Neck Pain
- Hypertension is a Silent Killer!!
- Influenza H1N1

Regiment of the Royal Army Engineers (RAJD)



PTP hosted the 6th Squadron, 40th Regiment of the Royal Army Engineers Regiment's (RAJD) Annual Training Camp, Series 6/2022 from 21 September to 5 October 2022. This training involved 6 officers and 69 members of the other ranks from PTP, Johor Port Berhad (JPB) and Lembaga Pelabuhan Johor (LPJ).

The training camp was divided into two phases, namely Technical Training and Regimental Training. The Technical Training requires members to carry out port operation duty as usual. Meanwhile, Regimental Training includes physical training, marching drills, Basic Fitness Test (UKA), 5KM and 8KM Route March (UJL), Basic Training Obstacles and Theory Classes.

In 2022, 6th Squadron (PTP/JPB/LPJ) received the 2022 Best Squadron Award in Kota Kinabalu, Sabah.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

EMPLOYEE VOLUNTEERISM

As part of our commitment to enhance the relationship between PTP and our community, we have incorporated volunteering hours into our Key Performance Indicators (KPI). In 2022, PTP implemented a diverse range of community services encompassing community aid, job opportunities and community empowerment programmes. These initiatives reflect our relentless efforts to enhance community relations through active corporate citizenship.



OUTCOMES

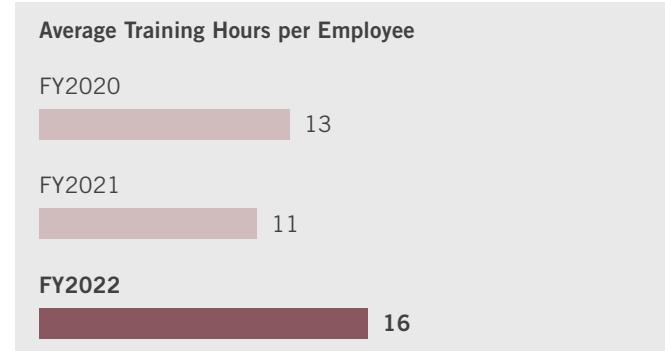
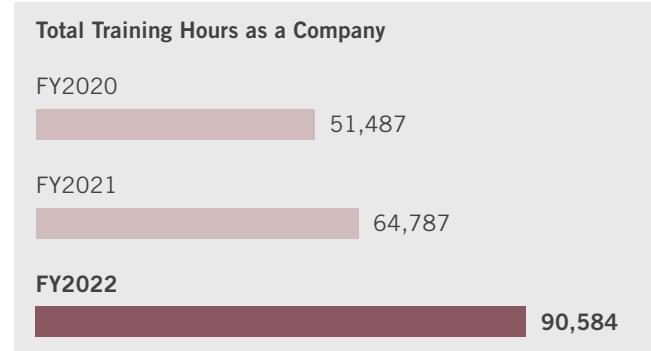
Volunteer Hours	
	Total hours: 2,540 hours ¹
	Average hours per staff: 4.80 hours

¹ Only includes managerial staff

LEARNING AND DEVELOPMENT

To equip our employees with the right skills for the job whilst developing individuals of outstanding calibre, we empower employees through learning and development programmes to encourage them to reach their full potential. We provide training programmes, workshops and seminars that touch on a diverse range of topics, including occupational health and safety, environmental management and awareness, project management and technical capabilities, along with soft skills development such as communication, leadership and other areas. As the COVID-19 pandemic restrictions have eased in 2022 and physical events were allowed, our training sessions and seminars were conducted both virtually and physically, in accordance with SOPs.

AVERAGE TRAINING HOURS PER EMPLOYEE



EMPOWERING OUR WORKFORCE

We strive to sustain a reliable, committed workforce by embedding a high-performance culture across our organisation. In line with the rollout of new cultural values of PIERS (Passion, Integrity, Empowerment, Respect and Innovation), we collaborated with some of the best training providers in Malaysia, and conducted leadership and functional assessments and established structured leadership programmes aligned with PIERS. These are some of the programmes which we organised from August to December 2022:



These award-winning training providers are practitioners with track records for delivering programmes across five continents, including top MNCs and Fortune 500 Companies using Accelerative Learning, Multiple Intelligence, and NLP (Neuro-Linguistic Programming) methods in their capability development solutions. Together, we created structured Leadership Programmes covering the entire gamut of PTP Leadership and Functional competencies to inculcate high-performance behaviours and values to build a future-ready workforce.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

In addition, we leverage technology adaptation to enhance learning at PTP to extend our employees' learning journey beyond the classroom experience. We also organised impromptu Leadership Engagement "Turun Padang" sessions that involved senior leaders from the Operations Division to create a supportive work environment and foster consistent communication culture throughout the programmes. In 2022, we organised these programmes to enhance the knowledge of our employees and improve their competencies and skills:

LEARNING AND DEVELOPMENT PROGRAMMES

Railway Track Training in collaboration with Akademi KTM MyRa



We partnered with Akademi KTM MyRa to deliver the Railway Track Training Programme for Engineering & Facility Division (EFD) engineers and technicians. The objective was to refresh and upskill all track maintenance engineers and technicians tasked with regular inspections, maintenance and safety of railway tracks in PTP.

Asset Reliability Programme 2022,
Engineering & Facility Division (EFD)



We partnered with a well-established Asset Reliability Practitioner, who conducted a series of coaching sessions to 6 Reliability Engineers on fundamental asset maintenance and reliability principles at the Engineering & Facility Division (EFD), aimed at upskilling our engineers to become technology and data-driven leaders, hence ensuring optimal reliability.

Advanced Technical Trainer Programme (ATT) 2022,
Engineering & Facility Division (EFD)



PTP embarked on the ATT programme in 2020, to build an internal network of advanced technical trainers in EFD to upskill existing technicians and quickly onboard new hires. 17 high-performing technicians were selected from the Maintenance & Repair Department and successfully completed the programme which will deliver training to current technicians and new hires across PTP.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

Team Building Programmes 2022



In line with the rollout of PTP's new cultural values, Learning & Development (L&D) strives to cultivate a workplace culture built on PIERS by supporting business divisions and organising teambuilding sessions at various external venues. The sessions aim to nurture committed and engaged staff to be more resilient, driving innovation and improving business performance – towards a sustainable organisation.

Motivational Talk by Syamsul Debat



L&D collaborated with the Employee Engagement Department and Surau At-Taqwa to organise a series of motivational talks delivered by a well-known speaker, Ustaz Syamsul Debat. Aimed to inspire our employees, the talks were delivered in two sessions in August and September entitled #AllisWell - Performing as High-Integrity Employees with Positive Minds.

Upskilling For Beginners and Experienced PTP Internal Trainer's Workshop



We rolled out a workshop for beginners and experienced internal trainers from various departments to be upskilled with creative training techniques and approaches that are supported by evidence-based research. The programme included ways to decrease training time while improving results, as well as to add variety to their training in areas such as identifying tactics to integrate fun into their courses.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY



LEAN ACADEMY

Lean Academy is one of the key pillars in our Way of Working (WoW) framework and is the centre of development for us to structure on how we run and improve our business, based on global standardization and best practices. We develop our people to become their best selves and true value creators through the lean mindset and tools for everyday problem solving. The success of the Lean Academy has resulted in a collaborative and high-performing environment at PTP and inspires our people to work smarter in achieving results. This emphasises our commitment to accelerate our value transformation by incorporating sustainable business practices and maintaining an unwavering customer focus.



In FY2022, Lean Academy managed to produce Lean practitioners by equipping them with Lean Methodologies:

Lean Level	No. of Graduates
Level 1 Lean Onboarding	829
Level 2 Lean Practitioner Preparation	137
Level 3 Lean Practitioner	258
Level 4 Advanced Lean Practitioner	15
Total	1,239

YOUNG TALENT DEVELOPMENT PROGRAMME (YTP)

Young Talent Programme is an apprentice programme for entry-level talent that aims to build a future-ready pipeline for the port industry's niche technical and functional areas, specifically for PTP.

Through this programme, apprentices were developed and equipped with a balance of functional and technical competencies to groom them to take on technical specialist roles or management positions. In FY2022, we facilitated 4 young talent programmes.

Port Operations Planning Apprentice (POPA)

Scope: Port planning ie. yard, vessel, berth planning management and Terminal Operating System (TOS)

1

Young Engineer Apprentice Programme (YEAP)

Scope: Technical system i.e. maintenance, repair and troubleshooting of mechanical, electrical, electronics, hydraulics and engine

2

Material Planning Apprentice Programme

Scope: Analysis and development of the equipment's Bill of Material (BOM) structure, identification and verification of the BOM, spare parts and system update

3

IT Graduate Programme

Scope: Industrial Revolution (IR) 4.0 Technology ie. data lake analytic, Internet of Things (IoT), Augmented Reality (AR)/Virtual Reality (VR) Technology

4

We have designed a structured and holistic developmental programme covering both functional and leadership skills with a three-pronged support system.



Holistic Learning Experience

Apprentices are given experiential blended learning through on-the-job rotations, formal training, engagement sessions with business leaders, and a special collaborative project facilitated by qualified training consultants.



Learning Visit & Field Trip

Apprentices have the opportunity to gain first-hand experience and learn about PTP's core business. This includes a learning visit to the yard and a short boarding experience on port terminal equipment and vessel.



Support System

Our apprentices are supported by a designated Buddy and L&D as a Programme Focal to assist them in adopting PTP's culture as well as fostering a sense of belonging.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

HUMAN RIGHTS

As a global trade player, PTP is shaped by employees with diverse nationalities and backgrounds. Recognizing the importance of inclusivity and equality in retaining a capable workforce, we strive to provide a level playing field in terms of equal opportunities to support all employees regardless of age, race, gender, religion, cultural beliefs, disabilities, sexual orientation and nationalities, as well as cultivating a workplace free from discrimination, marginalisation and harassment.

Following the principles of human rights and labour practices outlined in the United Nations Global Compact (UNGCR) framework, we remain committed to embracing diversity, providing equal opportunities and respecting human rights to help employees grow and thrive. Our commitment towards human rights and diversity is supported by our Code of Conduct and Business Ethics, which sets out acceptable practices and ethics that guide our employees in understanding their responsibilities in all business dealings. Both are communicated to all employees and are available for viewing on our corporate website.

We strive to ensure our operations do not engage in any child labour, compulsory or forced labour, or practice discrimination in any of our business dealings. In FY2022, we enhanced awareness on our Human Rights Policy which was then communicated to all our stakeholders across various channels in FY2023.

FAIR EMPLOYMENT

As at 31 December 2022, PTP has a total of 5,862 employees. To provide job opportunities, support the local economy and

enhance our on-ground capabilities, we implement strategies for local employment. This enables us to foster a workforce with local knowledge while embracing the diversity and cultural differences of our employees. In FY2022, locals accounted for 91.9% of our workforce across our operations. PTP hires employees based on their merits, taking into consideration professional qualifications, work experience and achievements. We do not discriminate when it comes to gender, race and age in building our workforce. Where possible, we also provide fair employment opportunities for people with disabilities (PWD).

In FY2022, we employed 6 PWDs who are equally capable in contributing fully to the company and workforce. We ensured their needs are met by providing facilities and services such as disabled-friendly restrooms, accessible car parks, wheelchair ramps in buildings as well as employment services to improve their access and opportunities in the workplace.



5,862
total employees in 2022



Locals accounted for
91.9% of workforce across all
operations in 2022

Additionally, we respect the rights of our employees to engage in unions. We actively support freedom of association and collective bargaining of all of our employees, recognising their fundamental rights in the workplace.

GRIEVANCE MECHANISM

We have an open-door policy which allows our people to raise their concerns relating to their work, harassment, human rights or discrimination through grievance mechanisms and whistleblowing channels to superiors, Heads of Departments (HODs), higher management or the Human Capital Management Division. Any issues raised will be thoroughly investigated, referred to the respective business units for review and investigation, followed by appropriate actions taken for all confirmed grievances and complaints. During the year under review, there were no incidents of non-compliance related to child labour, forced labour or discrimination.



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY



DIVERSITY, INCLUSION & GENDER EQUALITY

PTP embraces a workplace where the values of diversity and inclusion support varying perspectives and backgrounds to produce an equitable and inclusive environment, and to empower all employees to reach their full potential. The global maritime/port sector is a traditionally male-oriented industry. According to data from the International Transport Workers' Federation, women's participation in the global maritime workforce is estimated to be as low as 2%. Additionally, there continues to be patterns of job segregation and gender stereotyping still present in the industry. PTP is committed towards diversity and inclusion in its workforce for women, minorities, people with disabilities and those who are underrepresented. The Port's diversity and inclusion strategy encompasses policies, programmes and change management initiatives, which include:

Recruitment Policy

When we recruit, it is always based on merit and capability. We are committed to the overarching principle of selecting the most qualified individual for each job. We actively coach our staff to eliminate any conscious or unconscious bias from our practices and processes. With the launch of the Female Employee Referral Programme, PTP is planning to increase the proportion of female staff (especially in operational and technical fields) to 30% by 2030.

Talent Management Policy

We made a long-term commitment in building and strengthening the capacity of graduate talents towards greater sustainability via various talent enrichment initiatives. From these programmes, PTP produced a pool of 24 well-trained young female talents and highly-skilled employees in PTP and Malaysia.

Career Progression

PTP is actively working to promote port careers for women as well as female employees in senior positions. Efforts include internal mobility programmes and training to increase their interest in pursuing a career in our sector by retaining female talent. PTP was the first port in Malaysia to launch the flagship Female Terminal Equipment Operator Fast Track Upskilling Programme, aimed at building a pipeline of skilled female (RTG) Crane Operators.

The programme offers an intensive 1.5-month technical training specifically for high-potential female Prime Mover Operators to be upskilled as RTG Crane Operators. Through this programme, PTP produced Malaysia's first technical talent pool of 2 female RTG Operators and 6 female Quay Crane Operators/Clerks. We support the development and career aspirations of all our employees and strive to cultivate a working environment that is supportive and inclusive. We continue to focus on attracting and developing women especially in the port industry and leadership roles, by eliminating any specific barriers to participation and progression.

Women Caucus

In PTP, our people policies and practices support our Diversity and Inclusion agenda and accord our employees with respect and non-discrimination. The PTP's Women Caucus Group is a platform that enables its female members to develop personally and professionally. The Group builds on the existing PTP policies and development opportunities to initiate programmes that contribute to the inclusive and diverse environment.



6.5% of our workforce are female

29% of our senior management are female

Across PTP, 93.5% of our workforce are male while our female employees account for 6.5%, and 29% of senior management in FY2022. We fully comply with all local legal requirements with respect to minimum wages and we compensate men and women fairly based on merit, ability and experience for comparable roles. There is a need for equal opportunities for women in the workforce, and our company works hard to address this issue.

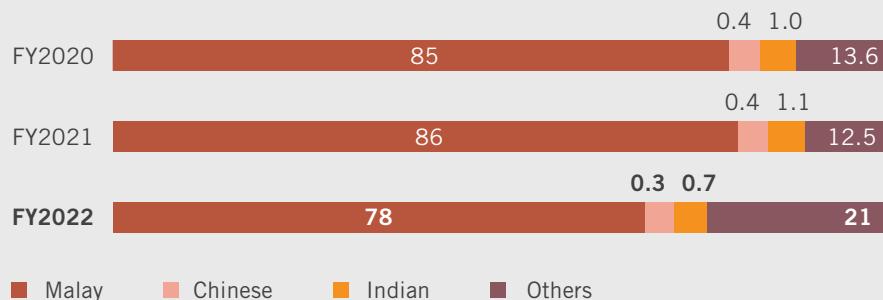
SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

General & Workforce Data



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

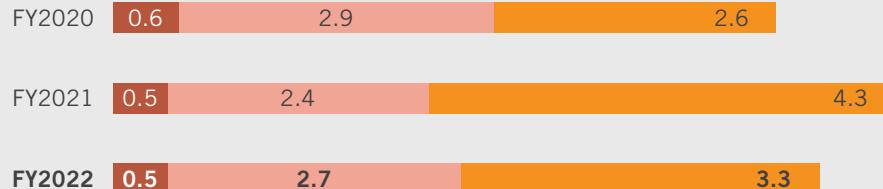
Ethnicity (%)



Gender (%)



Female



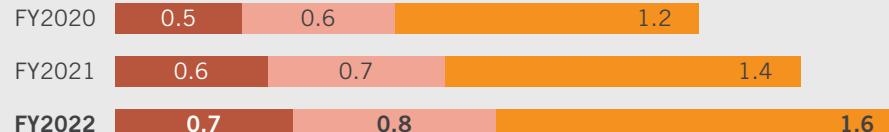
Age (%)



31-50



51-65



65 and above



Legend: Management (Dark Red), Executive (Light Red), Operation (Orange)

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

OCCUPATIONAL HEALTH AND SAFETY



OPPORTUNITIES AND CHALLENGES

The nature of our business at the port terminal entails physically demanding operations heavily reliant on manual labour, which exposes our people to occupational risks and hazards. Hence, we continuously strive to achieve the highest occupational safety and health (OSH) standards to protect our people and co-workers whilst continuing to support and cater to the needs of customers and communities.

OSH is a top priority for us as we aspire to achieve zero fatalities. Our approach and strategies are underpinned by our HSE policy on commitments to occupational health and safety. As such, we have various measures in place to ensure our employees, suppliers and contractors are protected and well-equipped with the knowledge to identify and manage hazards as well as increasing awareness on feedback mechanisms.

MANAGEMENT APPROACH

To achieve our aim of zero fatalities, we regularly monitor, review and optimise our OSH practices to minimise hazardous incidents in our business operations. We have implemented Standard Operating Procedures (SOPs) and regularly conduct training sessions to enhance employee awareness on health and safety practices. These measures are in place to ensure compliance with regulatory health and safety requirements, which will further ensure OSH risks arising from our operations are properly managed and prevented. To this end, we have established the following to ensure OSH is embedded in all levels of our operations.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY



Leadership

- a) Occupational Health and Safety Committee to monitor OSH performance and report to top management
- b) Establishment of Safety Maturity Programme and guidelines to ensure effectiveness



Risk Assessment and Management

- a) Develop and ensure compliance to OSH management systems and applicable regulatory requirements and guidelines
- b) Safety and security action plans and SOPs
- c) Hazard Identification, Risk Assessment and Risk Control



Reporting

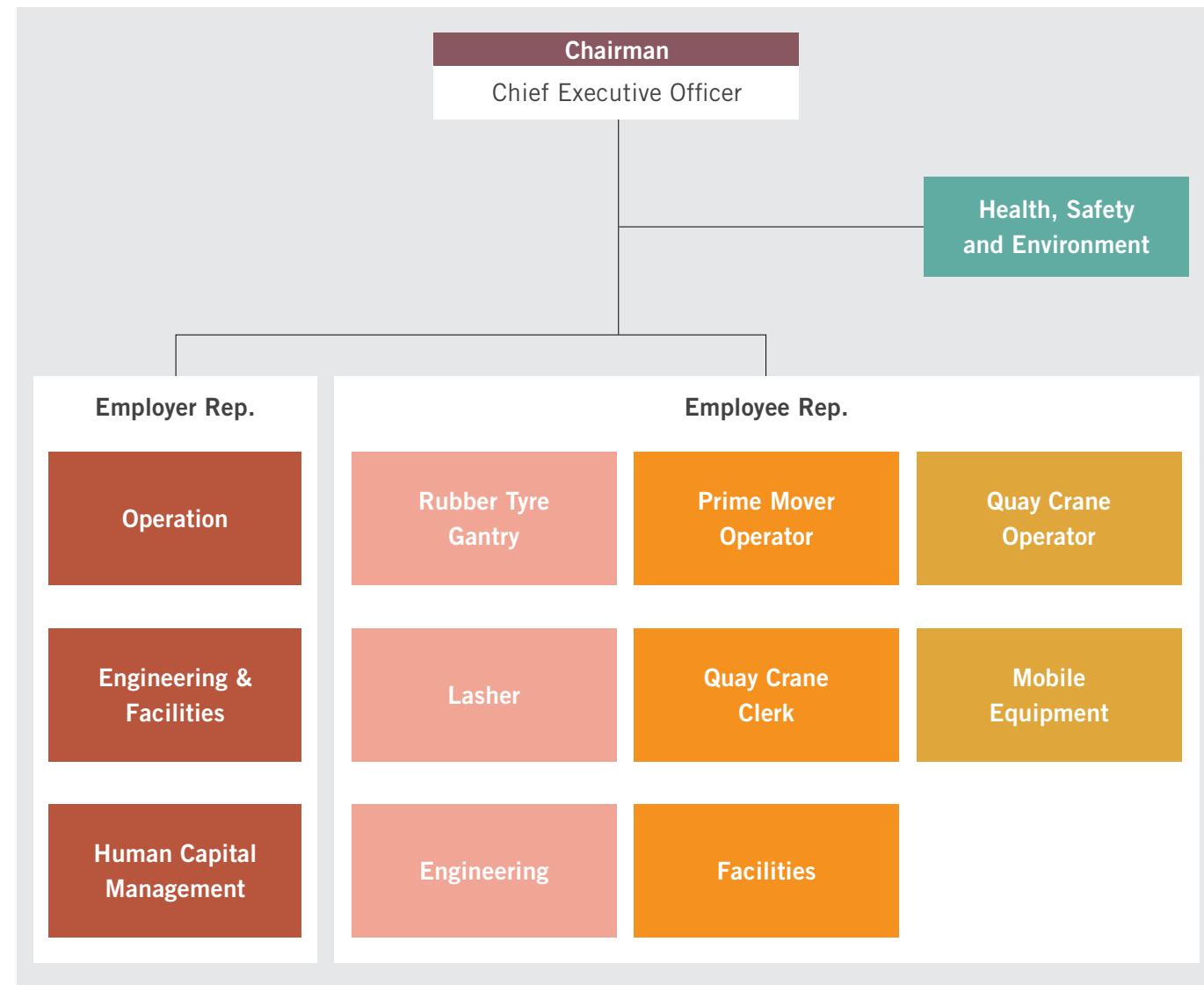
- a) Implementation of proper incident reporting, investigation and monitoring systems
- b) Periodic safety audits and inspections



Training and cultivating safety culture

- a) Provide regular workplace safety training and Emergency Response Plan
- b) Assign Safety Business Partner at critical divisions
- c) Share knowledge and best practices through effective communications and engagements

In PTP, safety is paramount, and we have a proper governance structure to oversee OSH performance. The Safety and Health Committee will meet once a month to discuss and decide on relevant topics related to safety and health.



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

DATA PERFORMANCE

	2020	2021	2022	Remarks
Fatality				
a) Number	0	0	0	
b) Rate	0	0	0	
LTI				
a) Number	33	39	13	We reduced our LTI incident by 26 cases (66.67%) in 2022 compared to 2021
b) Rate	2.05	2.53	0.81	We improved our lost-time injury frequency by 1.72 in 2022 compared to 2021
Safety Inspections	7,159	14,935	21,939	We increased our safety inspections by 7,004 in 2022 compared to 2021
Safety Maturity Score	2.62	3.02	3.83	We improved our safety maturity score by 0.81
HSE Training Hours	3,366	3,683	5,959	We increased our HSE training hours by 2,276

Note:

1. Fatalities are based on the headcount number of work-related accidents leading to death of employee.
2. Lost-time injury frequency is the number of lost-time injuries per million exposure hours. Lost-time injuries (LTI) is the sum of accidents, which result in a person being unfit for work on any day or shift after the day of occurrence. Excluded from LTIs are suicide or attempted suicide, 'natural causes', incidents during commute to and from regular place of work and incidents which occur off ship, but where the consequences appear onboard at some later time. Exposure hours are total number of work hours during which an employee is exposed to work-related hazards and risks. Leave and non-work-related sickness are excluded from exposure hours.

SAFETY MATURITY PROGRAMME

The 5-Year Safety Transformation Plan is a programme designed to foster transformational change in our organisation's safety culture. Its primary objective is to shift our organisation from a reactive approach to a proactive safety mindset, placing safety as our top priority. It adopts APM Terminals WoW Operating Standards maturity environment, tools and scoring method which ensures the effective implementation of the Safety Transformation Plan. To ensure a sustainable and measurable implementation of the safety maturity elements, the safety transformation plan is measured using the Safety Maturity Scorecard (SMS). Divisions are scored on a monthly basis against a yearly target which also contributes to the organisation's KPI. In FY2022, PTP achieved a Safety Maturity Score of 3.83 compared to 3.80 in the previous year. In FY2023, our target is to achieve 4.00.



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

THE 5-YEAR SAFETY TRANSFORMATION PLAN



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

HEROES REMARKS



Mohd Najib Bal
Rubber Tyre Gantry Operator

We constantly learn and adapt by putting the right safeguards and practices to keep our people safe, especially when we operate our machineries.



Sylvester Dominic
HSSE Supervisor

PTP always prioritises and cares for the safety of our people without compromises, all day, every day. Our commitment to empower our people has steered us to promote health and safety culture and awareness consistently across PTP.



Siti Nuraishah Syed Azman
Prime Mover Operator

As a woman, PTP provides me with a safe and inspiring workplace that I truly appreciate, and I advocate for a positive work environment through leading by example.

SOCIAL IMPACT



MANAGEMENT APPROACH

PTP recognises the importance of empowering local communities, especially in the areas where we operate. Through our community engagement and development initiatives, we are dedicated to fostering positive and enduring change in Malaysia, to create sustainable impact and to benefit the local communities. These efforts include providing essential schooling aids, supporting livelihoods and economic development. Our community initiatives are focused on three core pillars: environment, education and local communities.

We are committed to driving sustainable development and obtaining the social license to operate in communities. We aim to positively impact communities through corporate philanthropy, employee volunteerism, collaborative partnerships, knowledge sharing, community building and development programmes, which are guided by our framework for Corporate Social Responsibility.

As a result of our project expansions, there are instances where changes in land use occur, which can potentially impact the communities residing in the vicinity of our operations. Thus, community social mapping is conducted to introduce projects through engagement with communities to understand and address their interests, needs and concerns. From the initiation phase of our projects, we actively engage and involve local communities in all our programmes. We ensure their participation and input throughout the development process and establish monitoring and evaluation mechanisms to keep track of short and long-term progress.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

EDUCATION

Back to School & COVID-19 Disinfection Programme



PTP considers education as a top priority for improving the socio-economic condition of our communities. We have adopted 17 schools in the Mukim Tanjung Kupang area and regularly engage them in various educational programmes. Our ongoing programme is the Back to School Programme, which has been running for over 15 years, and aims to alleviate parents' burdens and assist in preparing students for the new academic year. Additionally, in response to the COVID-19 pandemic, PTP implemented initiatives to provide clean and sanitised school environments for both new and returning students from 2021.

Outcome

Beneficiaries	<ul style="list-style-type: none"> 170 underprivileged students from 13 primary schools and 4 secondary schools (17 schools in total)
Contributions to Beneficiaries	<ul style="list-style-type: none"> Brand new school essentials e.g. school bags and stationary items
Contributions to Schools	<ul style="list-style-type: none"> Disinfection items e.g. hand sanitisers, disinfectant liquid, spray tanks, face masks and thermometers

Community Outreach at Pusat Pemulihan Dalam Komuniti (PDK) Tanjung Puteri



Pusat Pemulihan Dalam Komuniti (PDK) is a programme developed by Jabatan Kebajikan Masyarakat (JKM) or the Department of Social Welfare, focusing on local community development for rehabilitation, training, education, equal opportunity and the social integration of people with disabilities. This two-day programme enables PTP to support the development of the centre through communal activities covering the improvement of the physical infrastructure, engage with residents with learning difficulties and provide financial contributions to the community.

Outcome

Beneficiaries	<ul style="list-style-type: none"> 47 trainees (from the age of 7 to 47) from B40 families around Larkin and Kg. Kurnia
Manpower contributions	<ul style="list-style-type: none"> 64 from PTP
Infrastructure Contributions	<ul style="list-style-type: none"> Refurbishment of the sewing room and main hall, yard cleaning and mural painting
Additional Contributions	<ul style="list-style-type: none"> Donations of food and raw materials such as flour, sugar and cooking oil

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

ENVIRONMENT

Roro Bins Placement at Kg. Ladang



PTP's environmental initiatives cover a wide range of waste management measures. PTP assisted the community in Kg. Ladang, near Gelang Patah in waste management by initiating the placement of waste bins in the village areas. Prior to this initiative, the community practiced burning waste or throwing waste along the riverbank. Since 2020, the implementation of the scheduled collection of waste has improved the community's waste management.

Outcome

Group of Community	<ul style="list-style-type: none"> Kg. Ladang community
Total Contributions	<ul style="list-style-type: none"> 52 waste collection trips
Type of Engagement	<ul style="list-style-type: none"> Waste management awareness and activities

LOCAL COMMUNITIES

Safety, Security, Emergency and Crisis



Over the years, PTP has maintained a harmonious coexistence with the surrounding communities. Our safety, security and emergency departments are always at the forefront of any cases involving the community in Gelang Patah, in collaboration with authorities in Iskandar Puteri. Measures to keep the community safe include traffic control and wildlife management around the neighborhood. We are honoured to fulfil our duty to protect citizens and contribute to the sustainability of the ecosystem in PTP.

Outcome

Police Patrolling Hours	<ul style="list-style-type: none"> Total manhours (wharf and land): 70,040 hours Total manhours (sea): 4,380 hours
Fire Engine Operations	<ul style="list-style-type: none"> Total cases (outside PTP): 49 cases
Ambulance Services	<ul style="list-style-type: none"> Total cases and hours (tenants): 98 cases (193 hours)

Local Products Showcase



We take pride in our community's ability to produce traditional products. We showcase local products such as delicacies and souvenirs made by our community at local or international engagements with external stakeholders. In line with PTP's ESG strategy, lending a helping hand to the community is about improving lives, meeting their needs, opening doors and building meaningful long-term relationships.

Outcome

Group of Community	<ul style="list-style-type: none"> Group of single mothers from Johor
Type of Engagement	<ul style="list-style-type: none"> Production of cookies and traditional cuisines for corporate events and corporate hampers during festive seasons

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

LOCAL COMMUNITIES

Community Outreach: Paediatric Ward Visit



On 14 November 2022, PTP, LPJ and Ronald McDonald House Charities successfully organised a special CSR programme at the Paediatric Clinic and Ward in Sultanah Aminah Hospital, Johor. Various activities were organised, including the refurbishment of the children's play area at the Paediatric Clinic by 40 PTP and LPJ volunteers, a walkabout and handover of goodie bags and Happy Meals to children at the ward. The initiative is part of our effort to spread cheer among the warded children, and to show our appreciation to the doctors and nurses for their steadfast commitment in caring for the children.

Outcome

Number of Beneficiaries	<ul style="list-style-type: none"> 80 children
Contributions	<ul style="list-style-type: none"> Refurbishments of paediatric clinic including wall painting, room decoration, furniture and flooring installation, handover of new toys, books and educational materials

Tijarah Ramadan



On 22 April 2022, in collaboration with LPJ, we distributed food and financial aid to underprivileged families within the Gelang Patah and Johor Bahru through our annual PTP-LPJ Tijarah Ramadan Programme. The three-day CSR-based programme was organised to support and assist those in need, especially families affected by the COVID-19 lockdowns during the month of Ramadhan. The aid was distributed to Kampung Ladang, Kampung Pok, Kampung Desa Paya Mengkuang, Kampung Tanjung Adang, Kampung Pekajang, Kampung Tiram Duku, Kampung Pulai and Larkin Flat Johor.

Outcome

Number of Beneficiaries	<ul style="list-style-type: none"> 200 underprivileged families comprising single parents and low-income families
Contributions	<ul style="list-style-type: none"> Cash vouchers, Raya cookies and essential goods such as rice, sugar, flour and spices

HERO REMARKS



Port Police

Mohd Hafizul Kamarudin
Corporal, Port Police

The safety and security of our people is of utmost priority, and we take pride in serving the community with the highest honour and integrity.

WHAT'S NEXT FOR US

Strengthen our Human Rights Policy and Commitment



We will strengthen our human rights commitment by formalising it with a human rights policy and governance structure for oversight

Strengthen Diversity, Equity and Inclusion



We will develop our roadmap to strengthen our Diversity, Equity and Inclusion initiatives at PTP

Impact Measurement



We will start to measure the social impact of every CSR activity

OUR COMMITMENT

SHORT-TERM (2023-2025)

Responsible Supply Chain Practices

- Collaboration with vendors for ESG initiatives

Anti-Bribery, Anti-Corruption, Fair Competition

- Customer satisfaction survey for improvement
- Full adherence to company policies and procedures for all employees
- Continuous awareness/training on company policies and procedures provided to all employees from onboarding onwards
- Proactively maintaining and updating policies and procedures to remain within the industry's compliance framework

Innovation and Technology

- Address data breaches within 4 hours of breach occurrence

ESG Comm & Disclosure

- Publish inaugural PTP Sustainability Report

MEDIUM-TERM (2030)

- Green procurement: Target of 5 procurement initiatives for product or services with green certification (MyHijau)

- PTP commits to investments and implementation of the latest cybersecurity initiatives to address heightened cybersecurity risk in line with greater technological advancement

- Undertake ESG reporting audit and assurance to assess reporting performance



OUR APPROACH

- 1 Delivering sustainable growth through effective risk management and compliance
- 2 Building responsible supply chains and procurement processes
- 3 Investing in sustainable solutions and innovations
- 4 Providing a seamless experience to meet customers' needs sustainably



GOVERNANCE: HIGHLY TRUSTED ORGANISATION



RISK MANAGEMENT, ETHICS AND COMPLIANCE

PTP continues to monitor the business landscape, adhering to legislative and regulatory requirements to actively manage potential future risks. Our robust governance structure, frameworks and policies help us to maintain sound risk management systems in the identification and management of risks. We also seek to instil a culture of ethics and integrity, ensuring we remain compliant with all applicable laws and regulatory requirements.

As part of PTP's efforts to enhance integrity and instil a culture of risk management, various initiatives were implemented during the year under review. Our corporate policies and guidelines are available for viewing on our corporate website at www.ptp.com.my

To ensure compliance with these policies, employees receive training either during the onboarding process or through regular training sessions. There were no recorded incidents or non-compliance to any environmental and socio-economic laws or regulations in the areas where we operate, in the year under review.

Under our Governance framework, we developed company-wide Business Continuity Plans with the objective of enhancing stakeholder value by minimising downtime and ensuring business continuity and sustainability. PTP has also put in place robust risk management systems and processes in addition to the Enterprise Risk Management Policy and Framework, to support a holistic risk management ecosystem.

HERO REMARKS



Shameetha Vasavan
Senior Manager
Integrity, Governance and Compliance

PTP strongly values compliance towards high ethical standards as we step up our good governance practices, seeking to ensure efficient business resumption and sustainability, coupled with a high integrity culture.

WHISTLEBLOWING PROCEDURES

Following the implementation of our Code of Conduct and Business Ethics (the Code) and commitment to the United Nations Global Compact Ten Principles, the Code also provides channels (i.e., letters, emails, in person or whistleblowing forms) for employees to raise genuine concerns, including the reporting of unlawful, unethical or questionable behaviours. These channels enable employees to report any legitimate concerns confidentially, without the fear of retaliation.

- Whistleblowing reports can be reported via our website <https://www.ptp.com.my/contacts/whistle-blower>, emailed to wbrptp@gmail.com or by phone on our hotline at 6019-7797528.

All whistleblowing reports are confidential and will only be made known to persons on a need-to-know basis for investigation purposes. To ensure all reports are investigated in a fair and reasonable manner, the whistleblower is encouraged to disclose sufficient details of the conduct or incident reported.

GOVERNANCE: HIGHLY TRUSTED ORGANISATION

ANTI-BRIBERY AND CORRUPTION (ABAC) AND COMPETITION LAW COMPLIANCE POLICY



PTP established the PTP Anti-Bribery and Anti-Corruption (ABAC) Policy and Framework and Competition Law Compliance Policy as part of its initiatives to strengthen practices in governance. In addition to the constitutional documents related to these focus areas, we provide consistent and ongoing training to emphasise both the legal and practical aspects. This ensures internal and external stakeholders are well-informed regarding these areas.

Another key distinguishing factor in cultivating good governance is the ongoing training on the PTP Raid Protocol with the objective of improving employees' preparedness during raids. The PTP Raid Protocol is closely tied to governance policies, as it encompasses measures to be implemented, and guidelines and restrictions in interactions regulators during raids, which are often a result of a breach in policies. In the event of a raid, the support of on-call retained solicitors and Raid Protocol training, ensure a more robust approach, as well as increased understanding and awareness on the practical, legal and regulatory aspects of constitutional documents.

Additionally, a comprehensive implementation plan was established to communicate and disseminate the ABAC and Competition Law Compliance Policies and principles to all our employees through online training modules and other communication methods. During the reporting year, 100% of our employees have completed the ABAC training to effectively mitigate risks of breaches in policies.

To ensure our Board of Directors are well-versed in our Anti-Bribery and Corruption policies and practices, ABAC training is organised once every two years. The next ABAC training session for our Board of Directors will be in FY2023. That said, ABAC training was conducted for all Heads of Divisions and Heads of Departments where 100% completed these training sessions.

CYBERSECURITY AND DATA PROTECTION



The security and resilience of our digital systems and protection of data are paramount to our business. As remote working became the norm since the beginning of the COVID-19 pandemic, one of the major issues we need to address are the ever-evolving cybersecurity risks. To this end, PTP conducted cybersecurity training programmes for all employees to further secure the company's first line of defence in preventing significant security risk such as ransomware, phishing scams and spyware, among others.

On top of providing clear channels to allow our employees to report any cyber issues to our IT Division, we have adopted an additional layer of security for employees' online accounts by using identity management tools such as multi-factor authentication (MFA) to prevent hackers from accessing online accounts.

In FY2022, there were no cases of cybersecurity breaches reported. PTP remains dedicated to providing the highest standard of data security and privacy to safeguard the personal data of our customers, employees and other stakeholders. All personal data is managed in accordance to the Personal Data Protection Act 2010. There were no recorded cases of substantiated complaints received concerning breaches of customer privacy, identified leaks, thefts, or losses of customer data, in the year under review.

PTP's continuous provision of training and education to all port workers, including top executives, managers and supervisors, is necessary to ensure a cyberthreat-awareness culture at all organisational levels. Enhancing our cybersecurity equipment also prevents unauthorised access to port business data and keeps important information safe, while the International Ship and Port Facility Security Code (ISPS) based procedures and other preventive measures are also strictly implemented to reduce the risk of cyberthreats.

GOVERNANCE: HIGHLY TRUSTED ORGANISATION



SUPPLY CHAIN

Due to the nature of our business, PTP has an extensive number of suppliers, business partners and service providers. We fully recognise the importance of effectively managing responsible and sustainable supply chains throughout all aspects of our business. This involves integrating sustainability elements into our supply chain management processes, which encompass activities ranging from supplier selection and registration to risk assessment, operational control and economic, social and environmental risk assessments. As such, we place great emphasis on ensuring all our suppliers and business partners conduct their businesses in an ethical and responsible manner to generate long-term value creation, as well as to minimise potential risks and impacts to the environment and society.

ISO CERTIFICATION

PTP strives to build our credibility and integrity to serve our stakeholders effectively. To ensure PTP adheres to the highest standards at all levels, we adopt and obtain ISO certifications. By 2022, we achieved and maintained various ISO certifications including ISO 14001:2015 Environmental Management System, ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management System and ISO 27001:2013 Information Security Management System. In addition, our Anti-Bribery and Anti-Corruption (ABAC) Policy and Framework adopts the ISO 37001:2016 of Anti-Bribery Management System which specifies a series of measures to assist organisations in preventing, detecting and resolving instances involving bribery and corruption. PTP also adopted the ISO 31000:2009 risk management processes as detailed in the Enterprise Risk Management Policy and Framework. The document sets out the process for managing risks across the organisation and outlines how risks are managed effectively and efficiently.

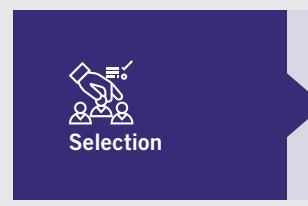
GOVERNANCE: HIGHLY TRUSTED ORGANISATION

PROMOTING RESPONSIBLE AND ETHICAL SUPPLY CHAINS

To ensure greater transparency and fairness in our procurement processes, we have in place procedures and guidelines to prevent bribery and corruption applicable to our employees and suppliers. This is crucial to create value for our stakeholders and to establish a sustainable pool of local suppliers.



- The pre-qualification/qualification exercise aims to ensure suppliers have the required capability to supply goods and services in a sustainable and reliable manner.
- Screening based on ESG criteria – reputation, track record, delivery, quality, environment, health and safety, certifications, etc.



- Selected vendors are expected to sign and abide by the Supplier Code of Conduct, and Responsible Procurement Guidelines and policies.



- All suppliers are regularly assessed and monitored to identify opportunities for improvement through partnerships under effective supply chain risk controls.
- Any non-compliance results in a warning notice which may lead to penalties and/or termination of contract(s).



- We work closely with suppliers and business partners to maintain high standards of conduct through face-to-face briefings, virtual meetings, regular email broadcasts, etc.
- We conduct various capacity building training programmes on topics such as anti-bribery and corruption, human rights, health and safety, environmental management and product briefings.

Supplier Labour Audit

PTP is conducting a supplier labour audit programme to ensure our vendors and suppliers comply with the Employment Act 1955. We are committed to ensuring all our suppliers adhere to labour laws and we provide assistance and guidance for Small and Medium Enterprises (SMEs) within our supply chain to comply with these laws and regulations.

Vendor Day

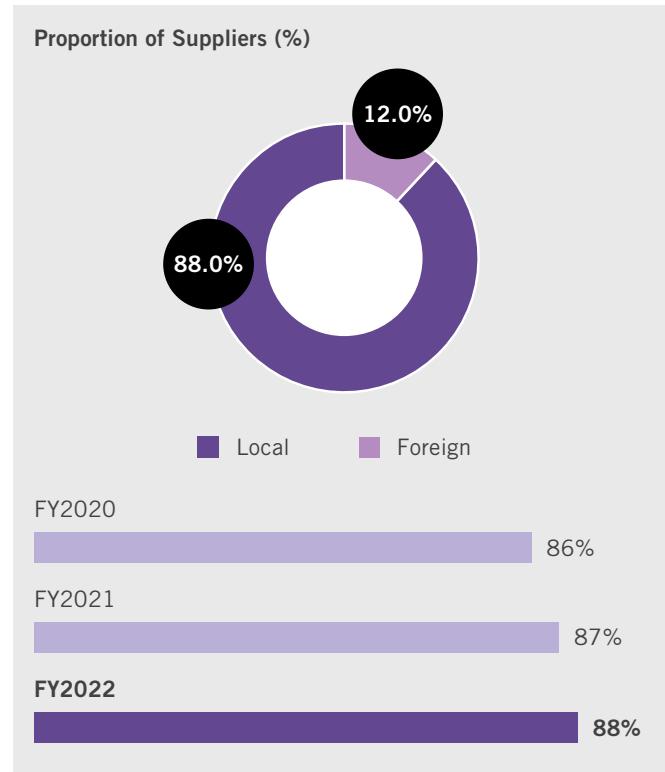


Our Vendor Day serves as a platform to boost supply chain collaboration through networking sessions, knowledge sharing and innovation. This includes strengthening of ESG awareness, covering ESG expectations from vendors and sharing ESG best practices in a mutually beneficial way among current and future vendors, MMC groups, PTP tenants and customers.

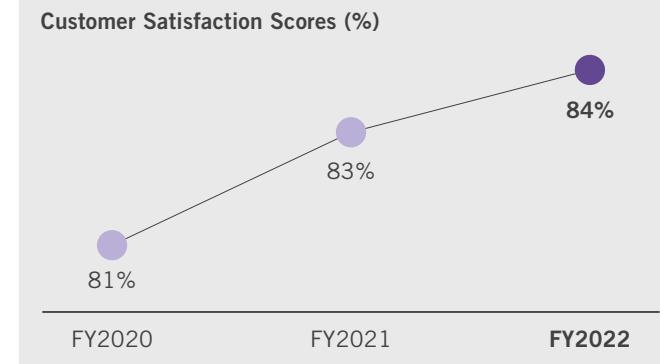
We successfully organised PTP Vendor Day 2022 which featured 34 exhibitors from various industries e.g., Engineering and Construction, Information Technology, Consultation, Logistics, Marine, Spare Parts and Healthcare products; providing a platform for vendors to demonstrate and share their latest technologies. This event reinforces PTP's commitment to set the benchmark for integrated Supply Chain services and collaborations.

GOVERNANCE: HIGHLY TRUSTED ORGANISATION

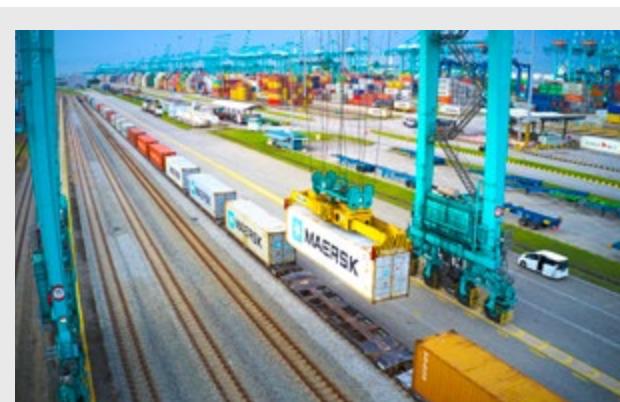
A large majority of suppliers appointed by PTP are locals. In FY2022, 88% of our suppliers were local suppliers.



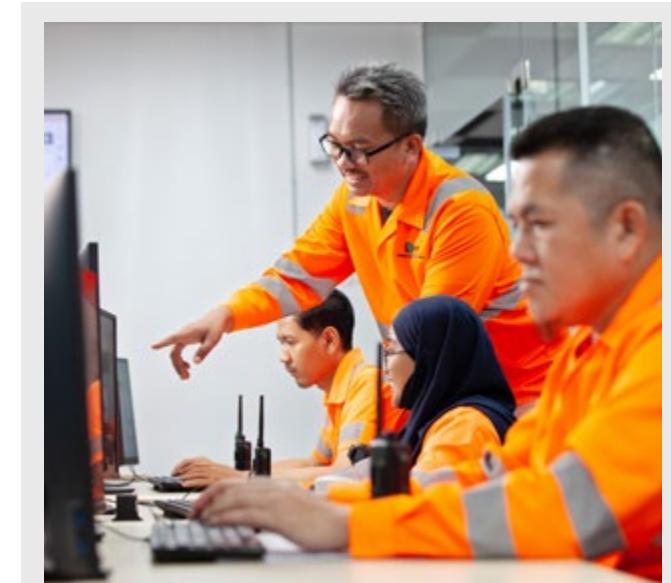
In FY2022, we maintained customer satisfaction scores of over 80%. The scores have also increased over three years, which reflects our commitment in promptly responding to complaints.



Findings from our customer satisfaction scores showed the level of customer satisfaction increased from FY2020 to FY2022, as a result of our continuous development and efforts to drive efficiency and productivity such as:



Upgrading and purchasing of new equipment
(Quay Crane, Rubber Tyre Gantry, Prime Mover)



System optimisation and Asset Digitisation (AD) – e.g. N4 and Hub Berthing Tool (HBT), which provides customers with visibility of their real-time vessel operations, updates and container tracking.

Additionally, customers have provided feedback pertaining to areas that can be improved such as enhancing ongoing initiatives for terminal and gate operations, marine operations and HSE (Dangerous Goods System), to ensure these aspects are more customer-focused. As such, we developed action plans for these improvements, via internal meetings with Gemba and Kaizens together with relevant departments as well as organising external engagement sessions with our customers.

GOVERNANCE: HIGHLY TRUSTED ORGANISATION

KAIZEN: CONTINUOUSLY IMPROVING TO MEET OUR CUSTOMERS' NEEDS



Kaizen is a concept of continuous improvement in an organisation through incremental small changes made over time. It emphasises optimising existing procedures including implementing new technologies or simplified processes. In 2022, PTP implemented a total of 439 kaizens with 267 kaizens associated with the Lean Academy, while 172 kaizens were on a voluntary basis. For instance, we improved our RTG's idling time by simplifying the process, which bolstered the RTG's performance. Kaizens were also implemented to reduce the shift handover time for maintenance and service via structured checklists as well as providing a visual board for job overviews and assignments, leading to optimisation of labour productivity. In short, Kaizen exercises, engagements and training have brought tangible impacts to our processes, assets and people performances.

ACHIEVEMENTS

	Activities	Results
Kaizen/Continuous Improvement	<ul style="list-style-type: none"> Improved wrench time by refining handover process for asset maintenance Introduced prime mover dynamic allocation RTG (Rubber Tyre Gantry) optimiser interface Prime Mover Operator (PMO) shift change process simplification Warehouse relayout for procurement 	<ul style="list-style-type: none"> Day shift averaged 23.7 minutes and night shift averaged 24.4 minutes from planned impact of 45 minutes Feeder GMPH increased by 18.6% Productivity increased with highest recorded MPH (Moves Per Hour) of 7.39 Increased moves to an average of 155 moves during six hours of shift change Reduced user waiting time for item issuance to 10 minutes on average
PMPH (Productive Moves Per Hour)	<ul style="list-style-type: none"> Logged in on Majestic Maersk on Week 22, 2022 	<ul style="list-style-type: none"> Highest PMPH of the year at 229.29 PMPH in 7,062 total moves
GMPH (Gross Moves Per Hour)	<ul style="list-style-type: none"> Logged in on Kota Loceng at Week 22, 2022 	<ul style="list-style-type: none"> Highest GMPH of the year at 42.17 GMPH in 1,091 total moves

GOVERNANCE: HIGHLY TRUSTED ORGANISATION

FREE ZONE: CREATING AN ECOSYSTEM



With a strong focus on fostering prosperity for the nation, PTP plays a critical role in facilitating Malaysia's and Johor's economic well-being through our unique trade propositions which significantly contributes to the growth and development of the country. Located in the southernmost part of Malaysia, Pelepas Free Zone serves as a comprehensive, efficient and strategically located one-stop centre where all essential activities are conducted within the perimeter which is integrated with the terminal. The Free Zone creates a thriving and sustainable ecosystem that benefits our customers. In 1999, PTP was entrusted by the Malaysian government to be a Free Zone Authority and as such, we are responsible for administering, managing and operating our own Free Zone, providing our customers with seamless operations.

PTP takes pride in offering our customers diverse initiatives, which sets us apart from the rest. Our customers enjoy a hassle-free business environment with minimal red tape supported by 24/7 port operations and security. Import-export approvals and clearances are authorised by PTP's own Free Zone Authority through an in-house system without additional documentations and requirements from Customs, as well as a paperless transaction initiative demonstrating our commitment towards digitalisation. In addition, only non-heavy industries with non-hazardous affluents are allowed to operate in the Free Zone area, to minimise safety, health and environmental risks to others in the Free Zone.

The trucking services to move import-export containers to and from Free Zone warehouses are competitively priced without Customs' brokerage fees and with the direct integration of our PTP Free Zone with the terminal, allowing fast turn-around time for the respective trucks. Furthermore, dedicated Customs Green Lane access along with truck levy exemptions are privileges granted to our customers leading to fast, efficient and cost-effective cross border cargo movements to Singapore via Second Link. These forward-thinking initiatives reflect our strong dedication to delivering a world-class customer-centric approach.

Over 40 local and international companies with nearly RM3 billion of foreign and domestic investments are currently streamed into the Free Zone areas, gaining access to excellent regional consolidation and distribution hubs integrated with PTP's container-driven port business. Going forward, the Free Zone aspires to become a preferred seaborne trade hub, generating positive impacts for people, planet and prosperity. We also plan to conduct regular Kaizen events in FY2023 to meet the growing needs of our customers and we aim increase our efforts to ensure our suppliers and vendors fully adhere to our ESG guidelines.

CLIENT TESTIMONIALS



Mr. Tey How Keong
*Chief Executive Officer,
JB Cocoa Sdn Bhd*

As one of the leading international and world-class premium cocoa ingredients manufacturers, we have been a pioneer tenant in PTP for over two decades, enjoying full access to the facilities, container services and free zone services within the Pelepas Free Zone. Positioned as a strategic location for the cocoa industry, JB Cocoa is proud to be one of the tenants working closely with PTP.



Datuk Jaafar Mohamad
*Advisor, CJ Century Logistics
Holdings Berhad*

CJ Century has been a customer of PTP for over 18 years, and I am pleased with the positive experiences and support from them. The port has propelled us to reach new markets through its strategic location, efficient operations, and wide range of value-added services. I am confident that PTP is on the right track to providing sustainable port management practices, and we look forward to continue growing in tandem with PTP.



A Member of MMC Group

<https://www.ptp.com.my/>