



A Member of  MMC Group

TOGETHER TOWARDS A **SUSTAINABLE** **FUTURE**

Sustainability Report 2023



WHAT'S INSIDE THIS REPORT

COVER RATIONALE



At PTP, we are committed to shaping the future of global trade through sustainable practices and innovation. As a vital link in the global logistics chain, connecting 74 countries, our operations are designed to balance economic growth with environmental responsibility. Our diverse offerings, from container handling to real estate and marine services, reflect our dedication to meeting the evolving needs of our partners while embedding sustainability into every aspect of our business. This report marks a crucial step in our journey towards a more responsible, inclusive future. By fostering a culture of innovation and accountability, PTP is leading the way in ensuring that progress and sustainability go hand in hand. Together with our stakeholders, we are moving 'Together Towards a Sustainable Future'.

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Pelabuhan Tanjung Pelepas Sdn Bhd (328719-K)

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Pelepas Free Zone Area,
Pelabuhan Tanjung Pelepas,
Jalan Pelabuhan Tanjung Pelepas,
TST 507, 81560 Gelang Patah,
Johor Darul Takzim, Malaysia.



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ABOUT THIS REPORT

This is Port of Tanjung Pelepas' (PTP) Sustainability Report 2023 which discusses our sustainability strategy, the governance structures we have established, the issues we have identified as significant to our company and stakeholders, and the actions taken to tackle these issues throughout the year. This report contains details regarding the value we have created in the Environmental, Social, and Governance (ESG) spheres and is presented to our stakeholders objectively and transparently. Being Malaysia's largest transshipment hub and technologically advanced container terminal in Malaysia, we are driven to embed best practices across all aspects of our operations to secure sustainability for our business, stakeholders and the environment.



SCOPE AND BOUNDARIES

This report encompasses details concerning all PTP operations, inclusive of those conducted by our wholly owned subsidiary, Manpower Excellence Sendirian Berhad (MESB). To ensure the accuracy and thoroughness of the data, statistics and information presented herein, we have enacted requisite internal controls and verification protocols. Moving forward, we are looking into third party assurance on our data for future report by FY2025. The time frame covered in this report spans from 1 January 2023 to 31 December 2023, unless stated otherwise.

REPORTING STANDARDS

PTP is pleased to share our sustainability report despite it not being a requirement as we are not a public-listed company. The report and the disclosures within adhere to the Securities Commission's Malaysian Code on Corporate Governance 2021 and Bursa Malaysia Berhad's Sustainability Reporting Guide, Third Edition. We have also followed The Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) - as aligned with Task Force on Climate-Related Financial Disclosure (TCFD) recommendations for this sustainability report. Where appropriate, we have also aligned our sustainability efforts to the Sustainable Development Goals (SDGs) of the United Nations.

REPORT PRESENTATION AND PREPARATION

This is our second annual Sustainability Report and it was prepared by the Sustainability Department. The sustainability team conducted interviews with several internal departments and stakeholders and introduced internal documentation as part of the production of this year's report. The relevant department heads have officially authorised the information and disclosures in the Report.

FEEDBACK

As we strive to enhance our disclosure guidelines and the general integration of sustainable practices throughout our company, we welcome comments on this report. We can be reached via email at sustainability@ptp.com.my or through the contact forms on our website, www.ptp.com.my, with enquiries or comments.

FORWARD-LOOKING STATEMENT

This Report includes forward-looking statements regarding PTP's objectives, strategies, plans, and future initiatives related to our business and non-financial performance. These statements are typically indicated by words such as 'expects', 'targets', 'intends', 'anticipates', 'believes', 'estimates', 'may', 'plans', 'projects', 'should', 'would', and 'will'. Due to possible risks and uncertainties beyond PTP's control, such statements should not be interpreted as a guarantee of future operating or financial results. International, domestic and regional economic conditions are among the variables that could cause actual results to materially deviate from those in the forward-looking statements.

LEADERSHIP STATEMENT: CHAIRMAN



“ DEAR STAKEHOLDERS

In recent years, there has been widespread acceptance, both internationally and locally, of the importance of sustainability for long-term economic growth and prosperity. At PTP, we have come to the same realisation that the adoption of sustainable practices in the environmental, social and governance (“ESG”) sectors not only mitigates environmental and social risks but also fosters innovation, enhances competitiveness and unlocks new economic opportunities. We understand that embracing sustainability and prudent ESG practices is a strategic impetus that promotes resilient and inclusive growth.”

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

In line with our commitment to sustainability, we have placed a stronger emphasis on integrating sustainable practices throughout our organisation. This includes executing well-defined plans to advance our ESG agenda. By prioritising sustainability, we strive for our operations to have a positive impact on the planet, society and our stakeholders.

One key aspect of our sustainability efforts is the cultivation of transparency. We actively work towards incorporating transparency into our overall strategy and reporting processes. By doing so, we aim to provide clear and comprehensive information about our sustainability initiatives, progress and outcomes. This transparency serves as a foundation for building trust with our stakeholders, including investors, customers, employees and the wider community.

Through regular and thorough reporting, we showcase the tangible steps we are taking to address sustainability challenges, reduce our environmental footprint, promote social responsibility and uphold high governance standards. By sharing this information, we aim to foster a deeper understanding of our sustainability journey and engender trust in our organisation's commitment to sustainable practices.

Ultimately, our focus on sustainability, coupled with transparent reporting, helps us strengthen the bonds with our stakeholders, fostering a sense of confidence, collaboration and shared purpose. We recognise that sustainability is a collective effort and by working together, we can create a more sustainable future for all.



LEADERSHIP STATEMENT: CHAIRMAN

Doing Our Part for The Environment

Our strategy, originally developed to drive environmental initiatives, has been further refined to align with the Malaysian Government's National Energy Transition Roadmap (NETR), aimed at accelerating the transition to greener energy sources for enhanced climate resilience. Therefore, we have commenced our decarbonisation journey, prioritising transparency in the disclosure of associated data. For example, PTP has collaborated with Green Voyage 2050 and the International Maritime Organisation (IMO) to decarbonise our boats. We have also formed partnerships with the Australian Government's Partnership for Infrastructure (P4I), to explore transitioning to the region's green bunkering hub.

Acknowledging the power of technological advancements and our role in ESG practices, we have successfully optimised our operations, experiencing a notable reduction of 25% in cycle time and 17% decrease in carbon emissions in comparison to our baseline data in 2021. We are now favourably positioned as the 5th most efficient port globally, according to the Container Port Performance Index 2023 by the World Bank.



Our emphasis on contributing to climate action by reducing our carbon footprint not only enhances our operational efficiency but has also shaped us towards becoming more environmentally responsible. We believe that by preserving the well-being of the environment, we are able to meet customers' needs more effectively, delivering value to our stakeholders.



PTP positioned as the 5th most efficient port globally.

Making Our Social Impacts Count

We operate in an industry that is traditionally male dominated. However, PTP is advancing in alignment with the Ekonomi Madani aspiration of increasing female participation in our workplace. We are proud to note that we are on track in this regard, as PTP now has the first female marine harbour pilot and RTG operator in the country. Additionally, 10% of our prime mover drivers are females. Our proactive initiatives in nurturing the female workforce underscore our commitment towards empowering women at the workplace.

Meanwhile, our community efforts continue with the launch of our new strategic CSR Framework, focusing on promoting sustainable programmes. We organised the PTP Family Day and invited non-governmental organisations (NGOs) and SMEs under our Kasih Lestari programme. The event was a platform for participants to present their products and generate revenue.

Strengthening Governance

A strong foundation in governance remains a priority for us as it ensures accountability and transparency which contributes to our effective decision-making. To continuously ensure that our practices are robust, we engage with external stakeholders such as the Malaysia Anti-Corruption Commission (MACC) to raise awareness on Anti-Bribery and Anti-Corruption (ABAC). Our unwavering commitment has earned us the "Best in Administration for Transshipment Terminal", a recognition at MACC's Konvensyen Integriti, Tadbir Urus dan Antirasuah (KITA) 2023. Additionally, we have also maintained a zero data breach record for the year under review, a testimony to our effective practices on data security and compliance.

Staying Sustainable

As the largest transshipment hub in the country, upholding ESG practices is important to ensure long-term viability, resilience and relevance in an increasingly environmentally conscious global economy. By focusing on sustainability, we can safeguard both our communities and the environment, simultaneously maintaining our competitive edge and reputation as a responsible industry leader.

While there are challenges along the way in realising our ESG practices, we are determined to ensure that we improve our business practices to enrich our stakeholders.

Apart from our commitment, we also urge more stakeholders to join us in our efforts to achieve the UNSDGs as we work towards a more sustainable and inclusive future. I am thankful to the incredible workforce of PTP that continue to invest their time and effort into sustainability, crucially shaping a responsible and resilient future for our organisation and the communities we serve.

LEADERSHIP STATEMENT: CHIEF EXECUTIVE OFFICER



“

DEAR STAKEHOLDERS

I am thrilled to unveil the Pelabuhan Tanjung Pelepas Sustainability Report for 2023. Sustainability is at the heart of our operations, influencing every individual we engage and container we handle. In a world with escalating environmental and social challenges—such as climate change, resource depletion and social inequality—our commitment has only grown stronger. As a leading industry player managing a container terminal and free zone spanning 3,500 acres, we recognise the significant impact and influence our operations can have on our surroundings. We are resolute in leveraging this responsibility to drive sustainable progress in supply chain, logistics and port management.”

Mark Hardiman

Chief Executive Officer, Port of Tanjung Pelepas

Ranked among the world's top 15 ports by throughput, PTP stands at the forefront of the industry of Environmental, Social and Governance (ESG) best practices. Our sustainability commitment extends across our entire value chain, empowering stakeholders and shaping a brighter future for generations to come. We are dedicated to pioneering positive change, guided by our aspiration, together towards a sustainable future.

Investment: Charting Path for the Future

In the competitive landscape of supply chain and logistics, we understand the need to expand our capacity. Our plan involves increasing our capacity from 13 million to up to 16 million TEUs within the next three years. To achieve this, we will procure new equipment and machinery, marking a pivotal step in PTP's commitment to delivering top-tier capabilities and services to our valued customers. These cutting-edge acquisitions will significantly enhance terminal efficiency and port-related activities, effectively managing the rising volume of containerised cargo and facilitating swift, seamless global trade while upholding the highest safety standards.

Additionally, PTP, under the MMC Group, will facilitate the development of a green bunkering hub ecosystem along Sungai Pulai for supplying methanol to the shipping industry. This initiative represents a transformative endeavour aligned with Malaysia's aspirations toward achieving net-zero by 2050, green energy development and environmental sustainability.



Increase our capacity from 13 million
to up to 16 million TEUs
within the next 3 years.



LEADERSHIP STATEMENT: CHIEF EXECUTIVE OFFICER



Integration: Embracing ESG Stewardship for Business Advantage

At PTP, we embrace our role as sustainability pioneers. Firstly, we are committed to continually integrating sustainability into every facet of our work, consistently seeking ways to reduce our own and our customers' climate impact. Secondly, we prioritise supporting our partners and communities by providing the necessary investment, infrastructure and knowledge to enable their participation in a sustainable future. Lastly, being transparent with our stakeholders regarding our ESG performance is paramount, guiding every decision we make.

For us, embarking on the ESG journey is about creating lasting value for our stakeholders. We listen attentively to their concerns and respond thoughtfully to address them, guided by our commitment to sustainability and responsible stewardship.

Innovation: Decarbonising our Footprint through New Solutions

PTP remains dedicated to enhancing its environmental systems, practices and policies. We actively adopt industry-leading practices to minimise and manage our environmental impact. Within our Environmental priority, we are steadfast in striving for clean operations to protect the climate. Accelerating our decarbonisation journey is crucial, especially given increasing demands from customers and heightened stakeholder scrutiny.

In 2023, we achieved a significant milestone by reducing our carbon emissions by 17% compared to our 2021 baseline. This success is attributed to multiple optimisation processes and exploration of new technologies.

We initiated a pilot study for our Electrified Prime Mover (E-PM) to evaluate charging station viability, driver behaviour and maintenance and repair requirements. We plan to start to phase out diesel prime movers by 2025. This study is pivotal as we plan to introduce electric prime movers by 2026. Furthermore, we actively explore transitional fuels like B20 biodiesel to further reduce our carbon footprint.

Impact: Building Sustainable Value Chains and Talents

In 2023, we engaged with suppliers and customers to support their sustainability journeys, recognising the importance of creating a symbiotic ecosystem that empowers Small and Medium Enterprises (SMEs) to embrace sustainability. Our collaboration with the United Nations Global Compact Malaysia Brunei (UNGCMYB) reflects our commitment to educating and assisting SMEs on this transformative journey.

Furthermore, we prioritise investing in young talent to equip them with the skills needed for today and tomorrow. Our industry-academia collaborations, apprentice programmes, and enhancements to Technical and Vocational Education and Training (TVET) programmes were recognised with Excellence Awards by the Human Resources Development Corporation in 2023. We also take pride in pioneering gender empowerment programmes and exploring initiatives to support female talent retention.

Integrity: Creating Trust with all our Stakeholders

Listening and engaging with stakeholders is fundamental to our success. As a signatory to the United Nations Global Compact (UNGCG), we endorse its principles and embrace open, transparent dialogue. We wholeheartedly endorse its principles on human rights, labour standards, environmental stewardship and anti-corruption.

Our journey toward sustainability is exciting and ongoing. We invite you to review our progress, share your feedback and join us as we work toward a sustainable future.

Together, we can build a better world for future generations.

“Together Towards a Sustainable Future”

ABOUT PTP



Pelabuhan Tanjung Pelepas Sdn Bhd (PTP) is a joint venture between MMC Corporation Berhad (70%), a utilities and infrastructure group, and APM Terminals (30%), a prominent international ports conglomerate with a global network spanning 74 countries. PTP stands as Malaysia's premier transshipment port.

It boasts cutting-edge facilities, equipment and IT systems that unify all port users. PTP ensures reliable, efficient and advanced services to major shipping lines and box operators, offering extensive connectivity to global markets for shippers in Malaysia and beyond. The seamless integration of Pelepas Free Zone with the port terminal further enhances the benefits for customers and business partners, facilitating smooth cargo movement.



OUR BOARD OF DIRECTORS



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



DATO' MOHD TAUFIK ABDULLAH

PTP Director



DR NOR FUAD ABDUL HAMID

*Deputy Secretary General (Management),
Ministry of Transport*



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 LEADERSHIP TEAM



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



MUHAMMAD ABDULLAH HATTA
Chief Financial Officer



JOE SCHOFIELD
Chief Operations Officer



BRIAN R PEDERSEN
Deputy Chief Financial Officer



KHAIRUL AMALIN ABD RAHMAN
Head of HSSE & Sustainability



PRAKASH THURAIRASASINGAM
Head of Commercial



JAIZAL KAMAR JALALUDIN
Head of Human Capital Management



ARJAN WEERSTAND
Head of Project Integration



TS. DR. IRWANA ABD MALEK
Head of Supply Chain



MAHMOUD DORMAN HUSSEIN SHOUMAN
Head of Engineering and Facilities

OUR DIVERSIFIED BUSINESS



**WORLD's
TOP 15 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

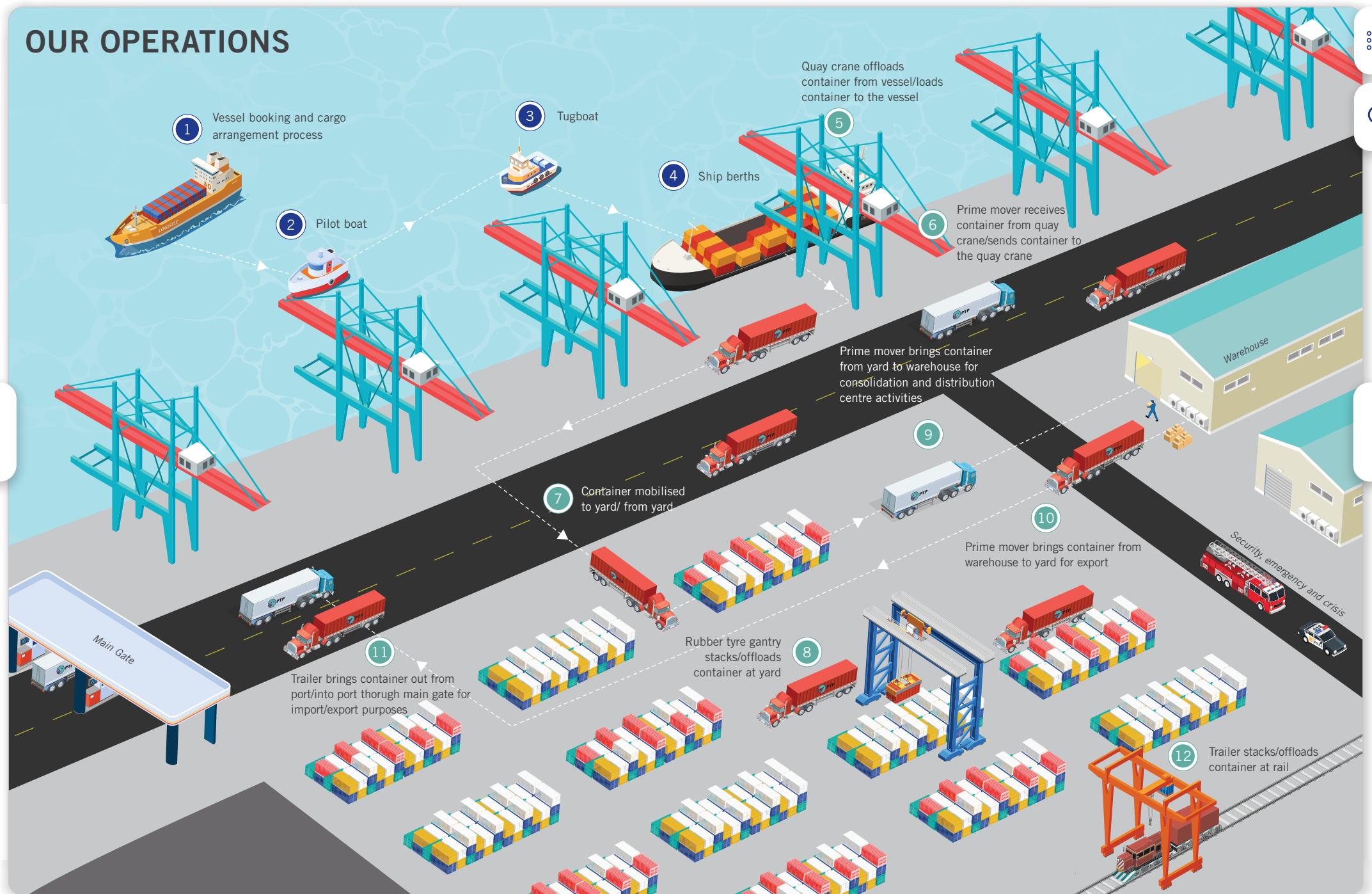
- Tugage services
- Pilotage services
- Ship-to-ship services



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

Award Name:
UN Global Compact
Network Malaysia & Brunei
(UNGCMYB) Forward Faster
Sustainability Awards 2023

Achievements:

1. Winner of The Forward Faster Sustainability Award for Gender Equality
2. Recognised under the Recognition Categories: "Partnership for the Goals Recognition" and "Pioneer Sustainable Development Action Recognition"



Award Name:
Human Resource
Development Corporation
(HRD Corp) Awards 2023

Achievement:

1. Excellence in Graduate Development (Future Worker)
2. Excellence in Technical Vocational Education Training (TVET)



Award Organiser:
Malaysian Anti Corruption Commission – Integrity, Governance & Anti-Corruption Convention (KITA) 2023

Achievement:
Best in Administration for Transshipment Terminal



Award Name:
4th British Malaysian Chamber of Commerce Business Excellence Awards 2023

Achievements:
Finalist in Outstanding ESG Category



SUSTAINABILITY VOYAGE

We understand the important role we have as a port operator in creating a sustainable future for everyone. We firmly believe in sustainability and we are consistently working towards integrating sustainable practices into every aspect of our company operations, establishing common values for our stakeholders.

OUR SUSTAINABILITY APPROACH

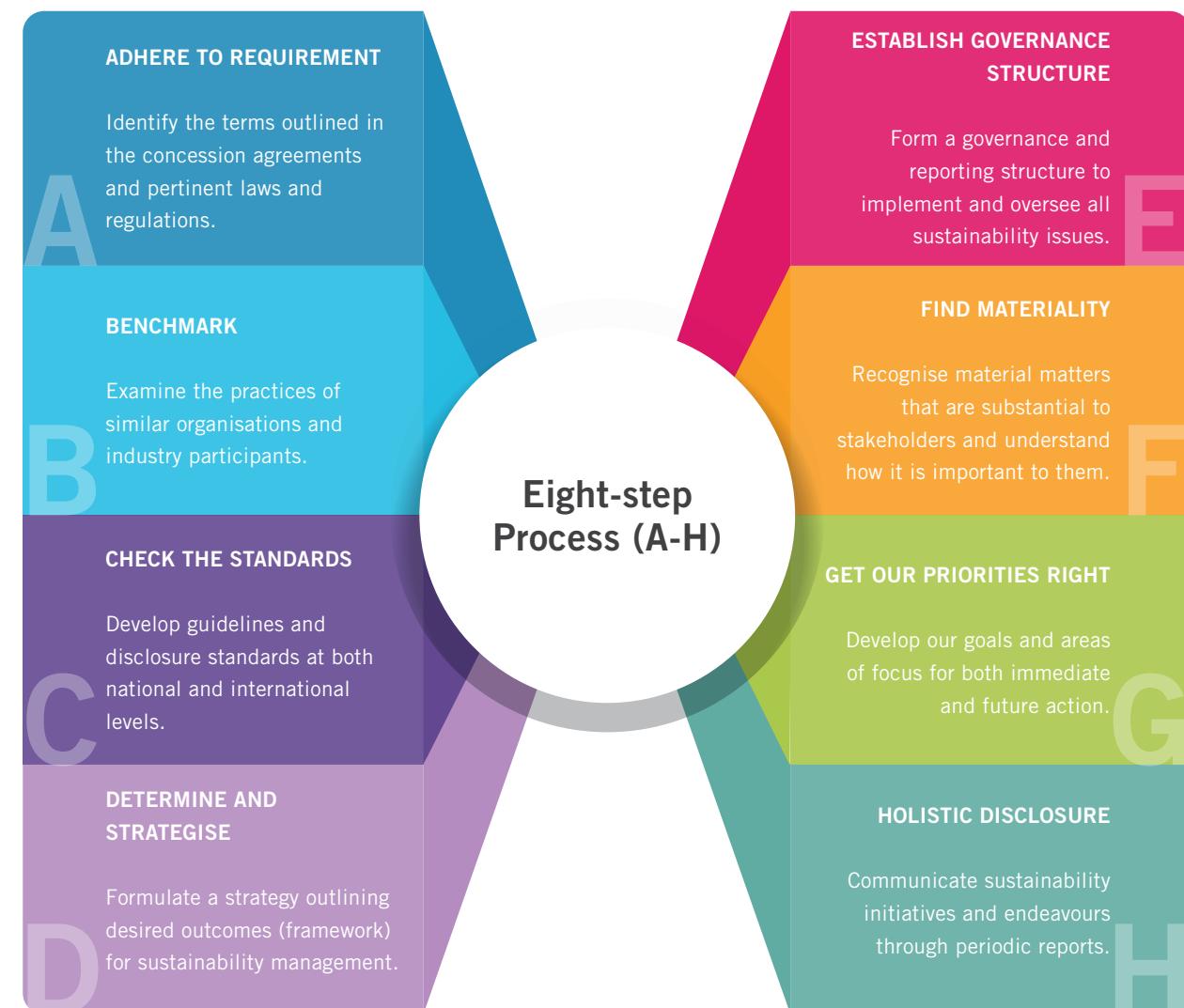
Driven by a sense of purpose for nearly two decades, our sustainability efforts have been shaped by numerous initiatives aimed at reinforcing values and generating positive impacts for both people and the planet.

Upon the completion of our Sustainability Framework, we continued the momentum in FY2023 on a journey to transition into one of the world's leading smart green ports. This framework, along with its targets, has guided us in delivering sustainable value by integrating Environmental, Social, and Governance (ESG) commitments into our core business practices in a comprehensive manner, aligning with relevant UN Sustainable Development Goals (SDGs). Concurrently, we established a robust governance structure to oversee the implementation of our sustainability initiatives.

Our sustainability approach strategically ensures effective management of opportunities and risks, facilitating long-term value creation. Sustainability is an intrinsic component of our business strategy, supported by various initiatives implemented over the years to drive positive societal and environmental impacts.

We also identified our material sustainability matters and their corresponding initiatives, categorised according to the E, S and G pillars, following the formalisation of our sustainability framework.

Guided by our eight-step process (A-H), we prioritise transparency and accountability in all our activities.



OUR SUSTAINABILITY APPROACH

BASELINE STUDIES AND GAP ASSESSMENT

ADHERE TO REQUIREMENT

We began by outlining the terms in the concession agreements and the relevant laws and regulations that govern and may impact our business across the entire spectrum of Environmental, Social and Governance (ESG). This set the baseline for sustainability standards that the organisation must adhere to.

BENCHMARK

We conducted a sustainability benchmarking exercise comparing ourselves to industry peers and other reputable businesses known for their sustainable practices. This enabled us to better understand the perspectives and approaches of our peers and other industry leaders in the field.

CHECKING WITH STANDARDS

To ensure checks and balances, we subsequently examined both local and international standards relevant to sustainability activities and reporting. This allowed us to align our initiatives more effectively with established local and global standards.

We adhere to the following standards:

MALAYSIAN STANDARDS



Bursa Malaysia Sustainability Reporting Guide

The guide offers comprehensive guidance on reporting in accordance with sustainability-related Listing Requirements. It includes examples of disclosures and recommendations for best practices.



Malaysian Code on Corporate Governance (MCCG)

The document outlines recommended corporate governance practices and provides guidance on disclosing sustainability practices. It is particularly recommended for non-publicly listed companies.



INTERNATIONAL STANDARDS



Sustainability Accounting Standards Board (SASB)

The focus is on financially material information, encompassing various industry-specific sustainability areas such as environmental and social topics.



Global Reporting Initiative (GRI)

This resource offers disclosure guidelines and reporting principles aimed at enhancing organisational transparency and facilitating communication of their impacts on sustainable development.



United Nations Sustainable Development Goals (UN SDG)

A global imperative by 2030 to address goals that address pressing environmental, social and economic challenges.



SUPPORTING THE UN SDGS

In our efforts to foster a sustainable future for the nation, one of PTP's central missions is to contribute to the UN Sustainable Development Goals (SDGs). As part of this commitment, the organisation conducted a review in 2022 to prioritise SDGs and establish targets based on their relevance to PTP's operations. This initiative aligns with our action plan toward achieving the 2030 Sustainability Goals, leveraging our capabilities to provide support and recognising the potential impact on PTP and our stakeholders.



Environmental: Clean Operations for Climate Protection



PTP is devoted to significantly increasing the use of clean and renewable energy to enhance energy efficiency within the port and its surrounding environment.



PTP is committed to reducing the effects of climate change and achieving the Net Zero Goal by 2050 through a comprehensive approach to decarbonisation. This includes the electrification of equipment, on-site renewable energy deployment, asset digitalisation and initiatives for waste and water efficiency management.



PTP aims to proactively undertake sustainable actions and measures to protect and preserve marine areas, ecosystems, and biodiversity within the port vicinity and its surroundings.



PTP endeavours to ensure the protection, restoration, and sustainable management of terrestrial ecosystems and biodiversity resources.



Social: Benefits for Business and Society



PTP acknowledges the importance of inclusive and high-quality education by fostering lifelong learning among our employees through ongoing training and development initiatives. We also prioritise the enhancement of educational facilities for children and the community. Furthermore, we create opportunities for the upskilling of youths and adults in various fields.



PTP is committed to promoting gender equity by empowering women through various initiatives, including providing equal opportunities for women's leadership participation and ensuring fair employment practices. We maintain a zero-tolerance policy towards all forms of discrimination and violence against women.



We strive to cultivate a safe, diverse and inclusive workplace to ensure employee satisfaction and motivation. Additionally, we support communities and society through collaborative projects aimed at product development and procurement of community products.



Across our value chain, PTP promotes equity by adopting policies that uphold fundamental principles of human rights and ethical labour practices. We also facilitate responsible migration and contribute to improving the livelihoods of communities by enhancing their socioeconomic status.



Governance: Highly Trusted Organisation



PTP prioritises the construction of high-quality and safe infrastructures by efficiently utilising resources and fostering a culture of innovation through technological adoption. This ensures sustainable development of the economy and the well-being of individuals.



We ensure that our business development is inclusive, resilient and sustainable by providing integrated services within the port and surrounding business areas. This is achieved through comprehensive planning and strategic implementation of relevant policies.



PTP operates on principles of fairness for all parties, advocating transparency, accountability and strict compliance with the law. These principles serve as cornerstones of our operations.



PTP has collaborated with various sectors, both nationally and internationally, to strengthen the country's capacity, particularly that of our stakeholders, in advancing towards sustainability.

OUR SUSTAINABILITY FRAMEWORK

We have established distinct aspirations for each ESG factor and defined outcome-oriented initiatives that we will pursue. Our sustainability framework is depicted below:

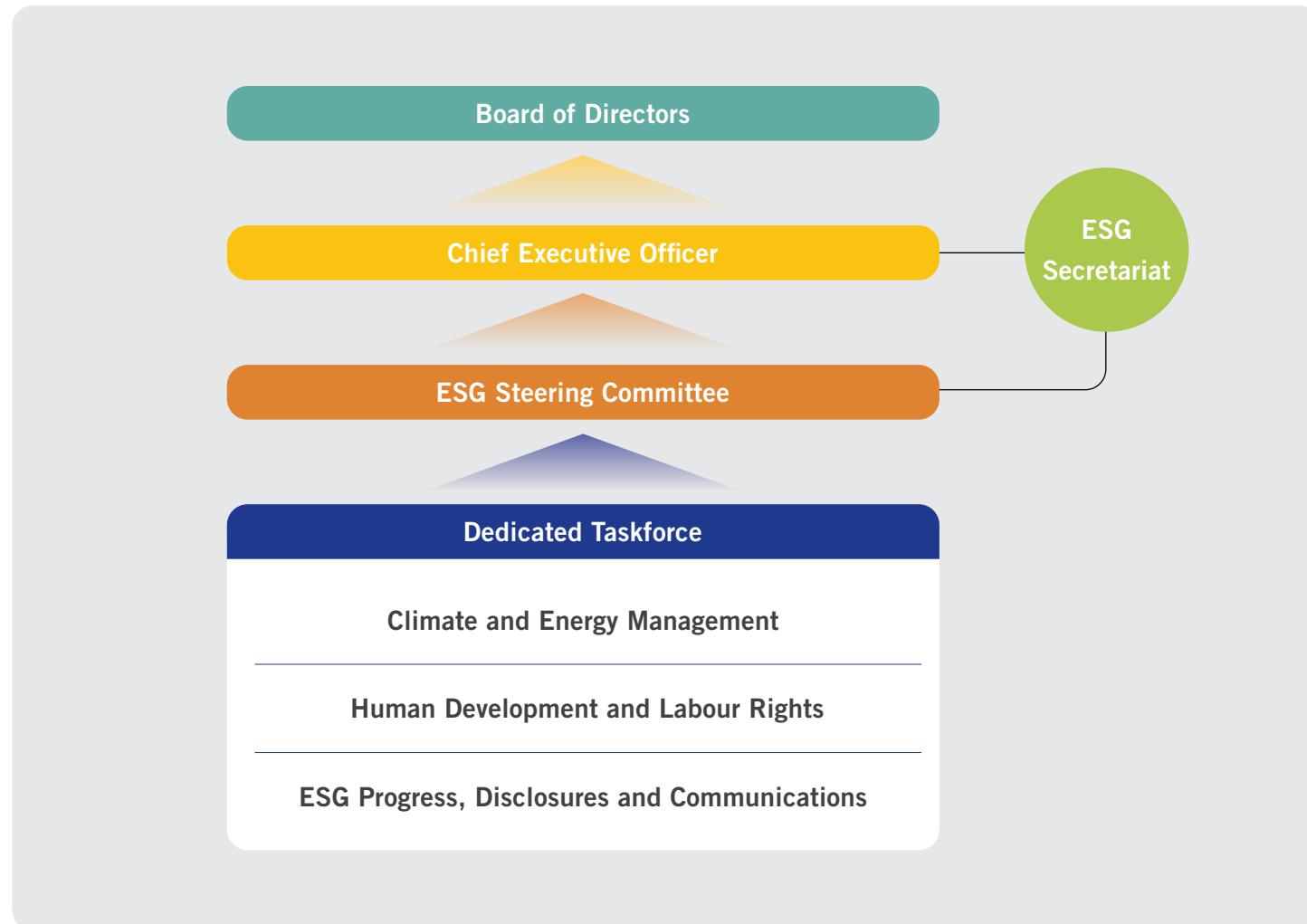


ESTABLISHED GOVERNANCE STRUCTURE

At PTP, we have ingrained sustainability principles into every business process, encompassing decision-making, management and relevant organisational activities, as well as those of our suppliers. This practice underscores our commitment to minimising negative impacts on society and the environment across the entire value chain.

To oversee and drive sustainability efforts, we established the ESG Steering Committee, with our Chief Executive Officer serving as the Committee Chairman. The SC is tasked with overseeing policies, setting sustainability goals, defining strategies and guidelines aligned with our corporate strategy and international principles. Additionally, the SC manages and monitors our sustainability performance, with periodic reporting to senior management across all business groups and the PTP's Board of Directors. To enhance accountability, sustainability-related key performance indicators (KPIs) have also been included in the CEO's annual KPIs.

The SC convenes every three months to monitor sustainability progress and shape directions on key issues such as decarbonisation initiatives, ongoing social performance and supporting business groups in achieving enhanced sustainability performance across economic, social and environmental dimensions. Furthermore, PTP has appointed a dedicated working committee to serve as a support mechanism in driving our Sustainability Strategy. This committee regularly reports relevant progress and performance to its central counterpart.



STAKEHOLDERS ENGAGEMENT



GOVERNMENT AUTHORITIES/REGULATORS



DEBT HOLDERS



SHAREHOLDERS



EMPLOYEES



HOW WE IMPACT EACH OTHER

<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Sukuk holders contribute to the necessary debt capital financing for PTP We are accountable for ensuring that we meet our financial obligations and covenants at all times 	<ul style="list-style-type: none"> Shareholders supply the essential equity capital for PTP We are dedicated to implementing our strategies and providing long-term sustainable returns to our shareholders by generating economic value 	<ul style="list-style-type: none"> Employees rely on us to offer a sustainable and dependable source of income, as well as a safe work environment with equitable opportunities for career growth We also acknowledge that our employees play a pivotal role in delivering value and implementing strategies
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HOW WE ENGAGE WITH THEM

<ul style="list-style-type: none"> Via active engagements with relevant ministries, regulators and authorities By cultivating an ethical and risk-aware culture that complies with regulations 	<ul style="list-style-type: none"> Transparent disclosures are made through the rating agency and trustee Regular briefings and engagements occur through both formal and informal meetings Share sustainability strategies effectively 	<ul style="list-style-type: none"> Facilitate regular briefings and engagements through meetings, site visits and conferences Ensure transparent and timely corporate reporting and disclosures across multiple platforms Communicate sustainability strategies effectively 	<ul style="list-style-type: none"> Share information through internal newsletters, conduct quarterly town halls and utilise the Intranet portal for communication Offer competitive benefits and remuneration packages Foster team building through sports and recreational activities Support talent development and provide training opportunities
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FREQUENCY OF ENGAGEMENT

Ongoing

Ongoing

Annual | Quarterly | Ongoing

Annual | Quarterly | Ongoing

OUTCOMES

<ul style="list-style-type: none"> Compliance with legislation, rules and regulations Opportunities for business investments Community investment 	<ul style="list-style-type: none"> Economic performance Company growth and value chain Business strategy and direction Financial results Compliance and governance 	<ul style="list-style-type: none"> Economic performance Company growth and value chain Business strategy and direction Financial results Compliance and governance 	<ul style="list-style-type: none"> 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
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STAKEHOLDERS ENGAGEMENT

CUSTOMERS	VENDORS/SUPPLIERS	COMMUNITY	NON-GOVERNMENTAL ORGANISATIONS (NGOs)
HOW WE IMPACT EACH OTHER			
<ul style="list-style-type: none"> Customers rely on us for uninterrupted, reliable and affordable services Our strategies are designed to meet customers' expectations, as they drive our business performance and give us purpose 	<ul style="list-style-type: none"> Vendors and suppliers depend on us to offer business opportunities and financial security Conversely, we rely on their business and services to support ours 	<ul style="list-style-type: none"> The public, including the media and the local community, anticipates that we operate as a reliable, responsible and sustainable company that contributes to the socioeconomic development of the country We communicate information to our stakeholders through the media and gather valuable insights about our business ecosystem from the public 	<ul style="list-style-type: none"> NGOs and external experts offer us insights into the pertinent sustainability causes they advocate for We work together with them to improve the standards of the maritime industry and receive valuable feedback regarding our operations
HOW WE ENGAGE WITH THEM			
<ul style="list-style-type: none"> Engage with customers and the community Foster customer interaction through the website and social media platforms 	<ul style="list-style-type: none"> Fully disclose our procurement policies on the corporate website Organise supplier briefings and capacity-building programmes Engage continuously in meetings and communicate our efforts in addressing their concerns 	<ul style="list-style-type: none"> Establish and execute Corporate Social Responsibility (CSR) initiatives focusing on education enhancement, community engagement and environmental conservation Implement various placemaking and civic engagement initiatives 	<ul style="list-style-type: none"> Engage in community investments through donations, fundraising and volunteering programmes
FREQUENCY OF ENGAGEMENT			
Ongoing	Ongoing	Ongoing	Ongoing
OUTCOMES			
<ul style="list-style-type: none"> Quality of products and services Customer satisfaction Safety and security measures 	<ul style="list-style-type: none"> Adherence to industry best practices, legislation, rules and regulations Health and safety protocols Equitable treatment of suppliers and business partners Ethical and responsible behaviour Opportunities for business partnerships 	<ul style="list-style-type: none"> Economic performance Company growth and value chain Business strategy and direction New projects and future prospects Mitigating environmental and social impacts Community investments, including donations, fundraising and volunteering programmes Project-specific initiatives 	<ul style="list-style-type: none"> Mitigating environmental and social impacts Community investments, including donations, fundraising and volunteering programmes Project-specific initiatives

STAKEHOLDERS ENGAGEMENT

MEMBERSHIPS

PTP actively collaborates with a variety of trade and industry associations as well as advocacy organisations worldwide to remain abreast of emerging trends. Additionally, we engage in proactive participation in stakeholder 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 FY2023, we utilised the key sustainability topics that are pertinent to both PTP and our stakeholders based on the inaugural materiality assessment conducted in FY2022. This biennial assessment ensures that we have a comprehensive understanding of the material topics that significantly affect our business and stakeholders. By conducting this assessment, we are able to identify salient issues for reporting disclosures and prioritise them in our enterprise plans and operations. Our next materiality assessment will be conducted in FY2024.

OUR MATERIALITY ASSESSMENT PROCESS



Identifying Material Topics

We established a baseline by applying international standards relevant to the transportation and logistics industries. Subsequently, we reviewed this established baseline against our strategies, risk reports and business trends to identify the sustainability matters most pertinent to PTP.



Gathering Stakeholders' Input

We identified key internal and external stakeholders and utilised a combination of online surveys and physical interviews to gather feedback on how they prioritise our material topics.



Prioritising Material Topics

We organised the survey results into a materiality matrix, where all identified material topics were found to be relevant to PTP and its stakeholders.



Validation

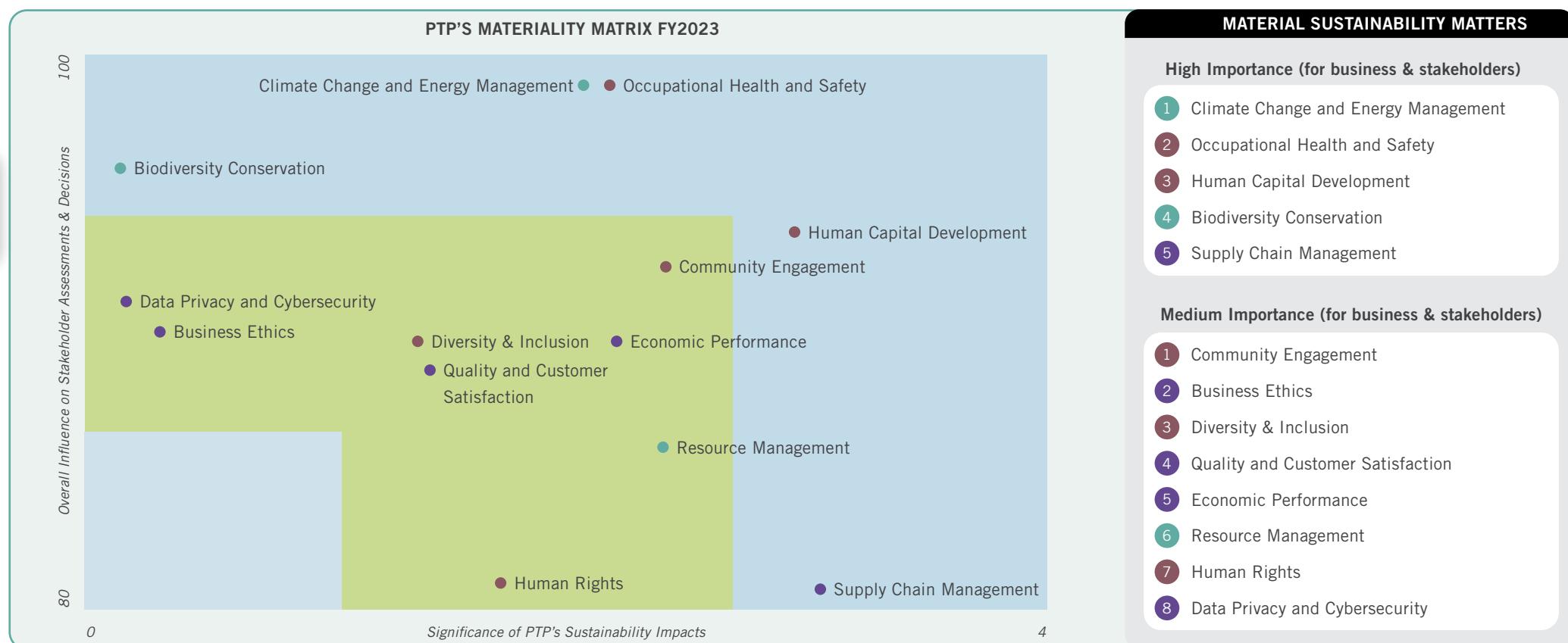
The materiality results were presented to the Senior Management Team and Board of Directors.

GET OUR PRIORITY RIGHT

Our Materiality Matrix delineates the significant sustainability concerns pertinent to PTP and our stakeholders. It aids us in allocating resources to address highly critical sustainability matters while maintaining oversight on others.

Drawing from inputs gathered through Stakeholders Prioritisation and Impact Assessment exercises, the following presents PTP's materiality matrix gathered in FY2022. It highlights Material Sustainability Matters, distinguishing between those of high and medium importance for PTP's business and our stakeholders.

Our next materiality assessment will be conducted in FY2024.



HOLISTIC DISCLOSURE

We are committed to regularly disclosing our ESG (Environmental, Social, and Governance) performance based on our targets. This includes, but is not limited to, annual sustainability reports, and proactive communication with our respective stakeholders.



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



OUR COMMITMENT

SHORT-TERM (2023-2025)

Decarbonisation

- 5% reduction in GHG emissions including Scope 1⁽¹⁾ and 2⁽¹⁾
- ISO 50000 Energy Management Certification

Environmental Protection

- Maintain 60% total waste efficiency
- Identify area with potential for rehabilitation within PTP

Environmental Performance Monitoring & Reporting

- Publish report on environmental performances

MEDIUM-TERM (2030)

- 45% reduction in GHG emissions including Scope 1⁽¹⁾ and 2⁽¹⁾
- 40% energy consumption from renewable sources

- Establish water recycling centre*
- Water consumption data externally assured
- Biodiversity assessment covering all PTP's operational sites

- Undertake reporting aligned to TCFD to consolidate climate change efforts
- Obtain external assurance on data

LONG-TERM (BEYOND 2030)

- Carbon neutrality status by 2040
- Net zero emission by 2050

- 50% of water utilised on site recycled by 2040
- 80% of total waste diverted from landfill by 2040

¹ versus 2021 baseline

* Previously under short-term

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

As global temperatures rise, the impacts of climate change are increasingly evident, especially in Malaysia. The Intergovernmental Panel on Climate Change (IPCC) reports the world's average surface temperature has risen by about 1.1 degrees Celsius since the late 19th century, with recent years being some of the hottest on record¹.

In Malaysia, this has led to more frequent and intense heatwaves, altered weather patterns and rising sea levels². Recognising the urgency, PTP is focusing on reducing carbon emissions and integrating sustainable practices into its operations.

The port logistics industry, a vital part of Malaysia's economy, must decarbonise to align with national and global sustainability goals. Malaysia's National Energy Transition Roadmap emphasises transitioning to cleaner energy sources and reducing carbon footprints across all sectors, including logistics³. This shift is crucial for mitigating risks highlighted in the World Economic Forum's 2023 Global Risks Report, which identifies climate action failure and extreme weather events as top global risks⁴. Malaysia aims to cut its greenhouse gas emissions intensity by 45% by 2030 relative to 2005 levels.



At PTP, we prioritise sustainable development as outlined in our Health, Safety and Environment Policy, available on our corporate website. By adopting the United Nations Global Compact (UNG) principles, PTP is committed to achieving the highest environmental standards. We strive to improve our environmental performance and minimise our impact through efforts in biodiversity conservation, climate change strategy and the management of energy, waste and water. We have implemented stringent environmental policies and strategies to measure our carbon footprint. Our investments in environmental protection have led to a growing portfolio of green initiatives, environmental technologies, GHG emission reduction measures, resource efficiency programmes and biodiversity conservation efforts across our operations.

Our goal is to be a leading port terminal in environmental protection by learning from experts and sharing best practices with our stakeholders.

¹ IPCC. (2021). *Climate Change 2021: The Physical Science Basis*

² World Bank Group 2022: *Climate Risk Country Profile*

³ Ministry of Energy and Natural Resources Malaysia. (2023). *National Energy Transition Roadmap*

⁴ World Economic Forum. (2023). *Global Risks Report 2023*



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

At PTP, we manage environmental impacts through stringent practices and adherence to international and local standards. We are committed to minimising environmental harm and optimising efficiency in our projects. Our efforts align with ISO 14001 Environmental Management Systems (EMS), including thorough impact assessments, legal compliance, careful planning and continuous monitoring.

Guided by the PTP ESG Framework and Policies, including the HSE's Environmental Policy, we conduct regular training and awareness programmes for employees on topics like emergency preparedness, energy savings, waste recycling and water use.

We also conduct periodic training and awareness programmes for our employees to ensure effective implementation of environmental management practices. These programmes cover topics such as environmental policy and procedures, emergency preparedness and response, energy savings, waste recycling and water use.

We ensure that all our operations comply with legal and regulatory requirements. As a result, there were no chemical or oil spills into water bodies during the year under review and no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations* were administered against PTP by Malaysian authorities in FY2023.

* 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

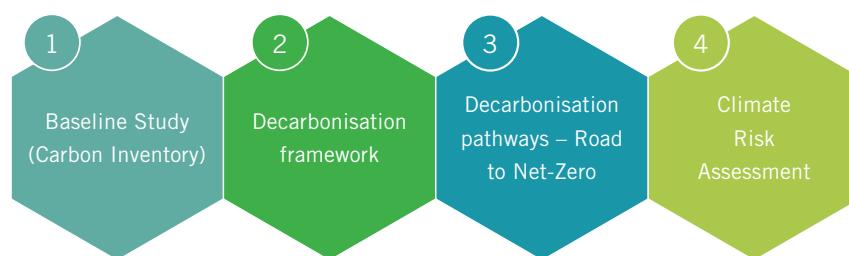
Climate change poses significant challenges, especially in port logistics. PTP is committed to sustainable practices to mitigate these effects, aligning with international and local initiatives and Malaysia's National Energy Transition Roadmap.

Conference of Parties (COP) 28 in Dubai, maritime leaders pushed for ending fossil-fuel-only vessel construction and set GHG intensity standards to encourage green technology investments. This supports a regulatory framework for green fuel transition and effective GHG pricing mechanisms. PTP is exploring the potential to become a green bunkering hub for the region, aiming to support the growing demand for alternative fuels from shipping lines, such as green methanol, ammonia, or hydrogen.

PTP aims to reduce carbon emissions by 45% (Scope 1 and 2) by 2030, achieve carbon neutrality by 2040, and reach net-zero emissions by 2050 through efficient resource use, electrification of equipment and the promotion of renewable energy.

Moreover, PTP is dedicated to sustainably managing our supply chain and procurement processes, ensuring that all operations are aligned with and effectively contribute to our overarching climate objectives. This comprehensive approach addresses immediate environmental challenges and establishes a model for responsible business practices within the maritime sector.

HOW WE APPROACH THIS TOPIC



BASELINE STUDY (CARBON INVENTORY)

We have started to take inventory of our GHG Emissions in 2021 a study initiated by the Johor Port Authority under its Green Port Policy. The study assessed 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.

At PTP, we have begun expanding the scope of our Scope 3 emissions to include our tenants, suppliers, vendors, customers and port users. We are adopting a methodical approach by initiating a baseline survey with our stakeholders, coupled with engagements and workshops. These efforts are designed to guide them in conducting their carbon inventory and to assist them in their disclosure practices. We aim to integrate and begin tracking a more comprehensive Scope 3 by FY2025.

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

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

DECARBONISATION FRAMEWORK AND ROADMAP

PTP is committed to becoming a net-zero carbon company by 2050, with a goal of reducing carbon emissions (Scope 1 and 2) by 45% by 2030. This aligns with Malaysia's obligations under the Paris Agreement.

Our decarbonisation strategy encompasses a detailed plan across various divisions such as ports and terminals, free zones and marine services. Significant strides are being made in the ports and terminal division through enhanced efficiency, electrification of equipment and increase use of renewable electricity and low-carbon fuels. These initiatives are backed by capital investments focused on upgrading equipment, renewable energy projects, blue carbon initiatives and carbon offsetting.

We are also enhancing our carbon reporting by refining the methodology for calculating Scope 3 emissions across all business units and developing strategies for mitigation.

Additionally, we are investigating Scope 2 opportunities, especially in renewable electricity procurement, to possibly expedite our decarbonisation efforts.

PTP is collaborating with a third-party sustainability expert to review and improve our GHG emission reduction plans for the short and medium term and to enhance our long-term net-zero transition strategy.

As PTP plans for expansion starting in FY2024, we are incorporating carbon footprint considerations for our business cases. This approach ensures that before any investment in equipment changes is made, we thoroughly optimise the operation and usage of the equipment for substantial carbon reductions. This strategy will enable every member of our team at all levels to consider carbon footprints in designing and planning future operations.

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



ENERGY OPTIMISATION



INSTALLATION OF GREEN INFRASTRUCTURE



TRANSITION TO ELECTRIFIED ASSETS AND VEHICLES



INSTALLATION OF ON-SITE RENEWABLES



Energy Optimisation

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

INITIATIVES

Vessels Traffic Management System (VTMS) – Seaside:

PTP is advancing its green port initiatives using the Marine Resource Management System (MRMS) and Vessel Traffic Monitoring and Information System (VTMIS). These systems enhance the efficiency of vessel traffic movements and navigation safety. MRMS integrates the entire maritime process, from berth booking to shipping registrations, pilot ordering and tracking vessel arrivals and departures. The adoption of these systems not only facilitates paperless operations but also optimises the deployment of resources such as pilot boats, tugboats, pilots and pickup drivers. This streamlined approach helps PTP reduce energy and fuel consumption, effectively lowering our carbon emissions.



Asset Digitalisation (Landside):

PTP has integrated the Opsview Real Time Performance Monitoring System to boost efficiency, enhance berth productivity and cut operating costs. This cloud-based system provides real-time visibility of operational performance and asset utilisation from any device, minimising waste and reducing turnaround times. Features such as live equipment tracking optimise routes for Prime Movers, reducing idling, saving fuel and decreasing carbon emissions. Additionally, PTP upgraded its Terminal Operating System to Navis N4 in 2019, marking a significant step in digital processes and system migration aimed at handling expected volume growth more effectively.



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



Transition to Electrified Assets and Vehicles

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

INITIATIVES

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 FY2023, all our RTG have been electrified.



E-Prime Mover Initiative

To further reduce our Scope 1 emissions, we are exploring the use of electric Prime Movers (E-PM). We have acquired five E-PMs from various suppliers for a pilot study focused on assessing efficiency, charging infrastructure, driver behaviour and energy usage. Should this proof of concept be successful, our phase-out strategy will include replacing 54 units of our fleet with electric vehicles by 2025. This initiative is projected to achieve a 65% reduction in our Scope 1 emissions by 2030.



Green Boats Initiative through Green Voyage 2050

PTP is the sole Malaysian representative in the IMO-Norway Green Voyage 2050 (GV2050) and the IMO-PEMSEA Blue Solutions Project. As a Pioneer Partner Country, Malaysia focuses on Green Boats, particularly tugboats and pilot boats.

In 2023, we began working with the IMO to conduct comprehensive studies aimed at optimising our tug and pilot boats. Using data-driven methods, these studies aim to enhance future operations and set a global benchmark for pilot and tugboat deployment.



Installation of EV charger Facilities

In FY2023, PTP began installing EV charging stations at our facilities to meet the growing demand from employees who drive electric vehicles. To date, we have installed four 22kWh chargers and four additional units of 7 kWh capacity.



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



Installation of Green Infrastructure

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

INITIATIVES

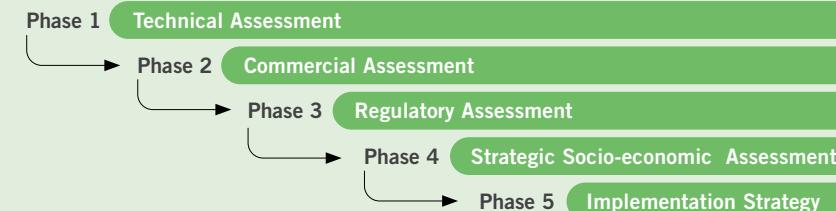
Strategic Partnership with Malakoff Corp Bhd

PTP and Malakoff Corp Bhd have formalised a strategic partnership through a memorandum of understanding (MOU) aimed at exploring and advancing green power initiatives. This collaboration will concentrate on various environmental programmes, including solar power projects supported by the government's Corporate Green Power Programme. This partnership reflects a shared aspiration with MMC Ports to lead the development of 500MW of solar projects within the Albukhary Group of Companies.



Partnership for Infrastructure (P4I): Charting a Path Towards Green Fuels and Decarbonisation

P4I, launched by the Australian Government, supports Malaysia's decarbonisation goals by partnering with the Malaysian Government and PTP. The initiative aims to assess whether PTP is well-positioned to become a green bunkering hub in the region. The study, which encompasses five phases, indicates that PTP has a strong advantage in establishing itself as a green bunkering hub for the region.

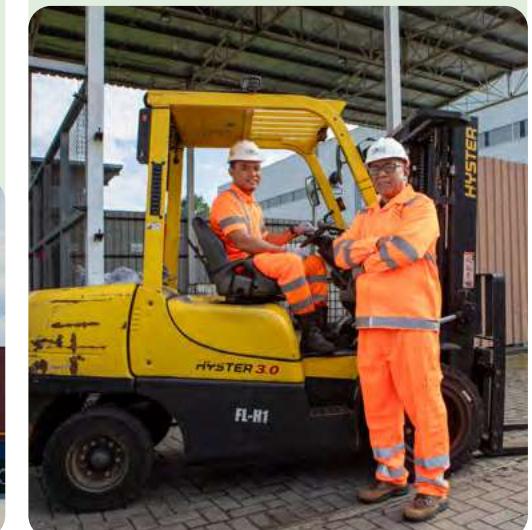


The outcomes of the study were presented to the Minister of Transport, Mr. Anthony Loke, during a roundtable discussion. Similar findings have also been shared at various events, including Malaysia Maritime Week 2023, Asia Pacific Climate Week and COP 28. This initiative highlights PTP's commitment to sustainable maritime practices and aims to set a benchmark for green initiatives in port operations and the transition to alternative fuels.



Waste to Energy (WTE)

As part of our commitment to the circular economy, PTP is exploring opportunities to convert waste into energy. In FY2023, we initiated a waste characterisation study. Building on this, we plan to begin studying vessel waste in FY2024. On average, PTP generates about 4,000 metric tons of waste annually.



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



Installation of On-Site Renewables

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

INITIATIVES

Installation of Solar Panels

In FY2023, we completed a study that identified suitable areas for solar panel installation. Starting in FY2024. We plan to install up to 6.9MW of rooftop solar across approximately 60,465m².



CASE STUDIES

ALTERNATIVE FUELS FOR VESSELS

Which alternative fuels are most practical?



The maritime industry is actively exploring alternative fuels to mitigate its environmental impact and comply with stringent emissions regulations. Methanol is emerging as a practical fuel alternative, thanks to its established supply and infrastructure value chain. With a projected 4.7 million tonnes of green methanol planned or committed globally, methanol is poised to play a significant role in the industry's transition to cleaner energy. Methanol derived from renewable energy and sustainable biomass

Liquefied Natural Gas (LNG) has been a popular choice for reducing emissions of sulfur oxides (SOx), nitrogen oxides (NOx) and particulate matter. However, LNG is facing increased scrutiny due to concerns about its higher lifecycle emissions. This pushback is reflected in the slowing growth of LNG-powered vessels¹. On the other hand, ammonia and hydrogen are being considered for their potential to produce zero carbon emissions during combustion. Despite their promise, both fuels face significant uncertainties, particularly regarding safety and the need for new infrastructure. Ammonia, is easier to store than hydrogen but poses toxicity risks while hydrogen requires high-pressure tanks or cryogenic temperatures for storage. These challenges mean that use of ammonia and hydrogen is still in the developmental stage, making methanol a more immediately practical alternative fuel for the maritime industry.

¹ Partnership for Infrastructure, 2023: Technical Assessment Report

Methanol – emerging fuel alternative

- The number of methanol-capable vessels is steadily increasing (especially from PTP's major customer, Maersk)
- Established supply and infrastructure value chains
- 4.7 million tonnes of green methanol planned/committed globally;
- Low carbon if derived from renewable energy and sustainable biomass

Methanol provides a more viable long-term strategy for decarbonisation.

LNG

- Growing pushback against LNG as a bunker fuel due to its high lifecycle greenhouse gas emissions.
- Continued demand for new LNG vessels
- Established supply/infrastructure value chains
- Bio/e-LNG can be mixed in to further reduce emissions

Ammonia

- 3-5 years away from ammonia ready vessels
- Viability in the shipping industry remains uncertain, including on safety

Hydrogen

- Handing and storage challenges- requires high pressures and low temperatures
- Hydrogen is key input to ammonia and methanol production



Credit to maritimemagazine.com and Maersk

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

GHG EMISSIONS

Our strategy for climate change and business continues to concentrate on reducing emissions, improving energy efficiency and embracing renewable energy technologies to advance towards a low-carbon future. As an organisation, we are committed to enhancing our environmental stewardship by not only meeting regulatory and investor expectations but also by increasing transparency and disclosing relevant indicators and measures progressively across our operations.

The energy management initiatives we have implemented positively impact our GHG emissions and are integral to our goal of achieving net-zero emissions by 2050.

Our Scope 1, Scope 2 and Scope 3 carbon emissions as follows:

	FY2021		FY2022		FY2023	
Total Twenty-Foot Equivalent Unit (TEU)	11,200,245 TEU		10,512,806 TEU		10,480,537.25 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	18,220,706	48,868	17,648,309	47,333	17,022,928	45,655
RTG	1,411,188	3,785	1,220,780	3,274	901,716	2,418
Forklifts (include stackers & EH)	833,470	2,235	1,035,377	2,777	1,057,809	2,837
Pick-ups	974,178	2,613	354,296	950	353,250	947
Marine pick-ups	49,952	134	14,108	38	15,136	41
Petrol (Litre)	50,474	118	42,938	100	36,408	85
Generator set (Litre)	125,581	391	102,437	319	20,729	65
STP Discharge (Process)	-	27.7	-	28	-	27.7
TOTAL SCOPE 1	21,665,549	58,171	20,375,308	54,819	19,407,976	52,076
Scope 2 - Electricity (kWh)						
	Total (kWh)	Total Emission (tCO ₂ e)	Total (kWh)	Total Emission (tCO ₂ e)	Total (kWh)	Total Emission (tCO ₂ e)
Quay Cranes	45,220,639	25,776	44,890,421	25,588	44,895,288	24,692
E-RTG	29,485,182	16,807	29,900,034	17,043	25,890,624	14,758
Reefer	63,167,725	36,006	53,046,206	30,236	40,852,061	23,286
High Mast Lights	4,174,153	2,379	3,616,478	2,061	3,171,412	1,808
Infrastructure	18,600,181	10,602	10,903,147	6,215	11,027,175	6,285
Utilities - Chiller	2,284,040	1,302	1,449,565	826	1,533,479	874
Freezone PTP warehouse	1,438,551	820	2,327,413	1,327	2,248,468	1,282
TOTAL SCOPE 2	164,370,471	93,691	146,133,264	83,296	129,618,507	72,985

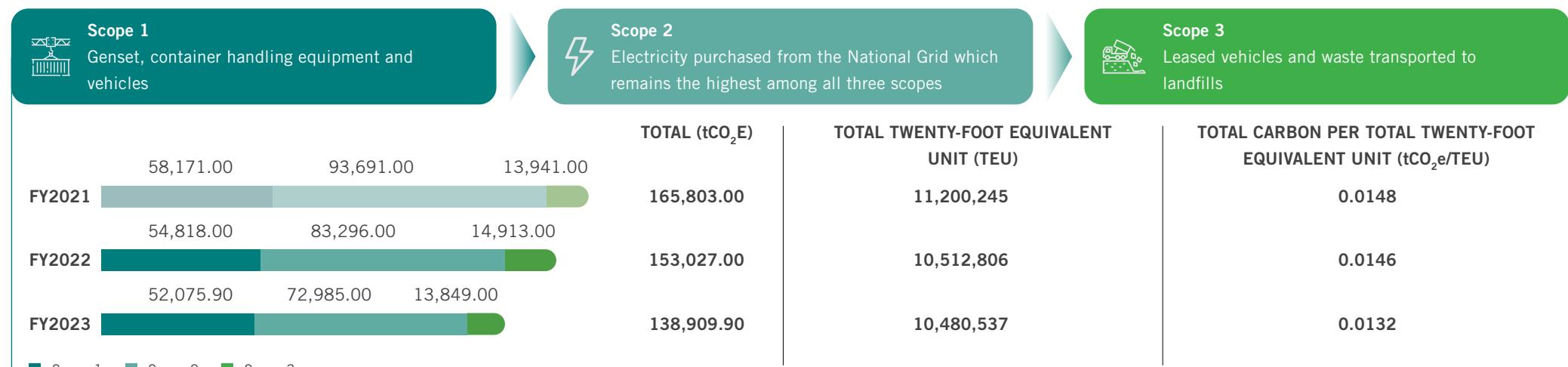
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		FY2021		FY2022		FY2023	
Total Twenty-Foot Equivalent Unit (TEU)		11,200,245 TEU		10,512,806 TEU		10,480,537 TEU	
Scope 3 Others		Total (Litre)	Total Emission (tCO ₂ e)	Total (Litre)	Total Emission (tCO ₂ e)	Total (Litre)	Total Emission (tCO ₂ e)
Contract Service - Pilot Boat (L)		630,580	1,691	741,719	1,989	717,444	1,924
Contract Service - Tug Boat (L)		3,993,480	10,711	4,319,362	11,585	3,914,780	10,499
Contract Service - Bus/Shuttle (L)		565,036	1,515	488,210	1,309	522,311	1,401
Water Consumption (m ³)		205,589	31	226,064	34	187,090	28
Waste (MT)							
Scheduled Wastes (Incineration)		210	0	137	0	113	0
General Waste		2,034	1	2,172	1	1,821	1
Recyclable Items (Paper, Cardboard etc.)		9	(0)	3	(0)	6	(0)
Scrap Metal		1,718	(7)	1,238	(5)	810	(3)
Scrap Tyre		820	(1)	945	(1)	1,063	(1)
TOTAL SCOPE 3		13,941		14,912		13,849	

CARBON EMISSIONS

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



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

CASE STUDIES

SMART OFFICE

In today's era of sustainability and environmental awareness, businesses are increasingly adopting innovative solutions to minimise their carbon footprint and improve operational efficiency. One effective approach is the implementation of smart office technologies, which streamline processes and support compliance with green building standards.

At PTP, we have embraced this transformation by integrating a range of IoT devices and sensors into our office infrastructure. We initiated this with our new Smart IT office as a pilot project, where we are actively monitoring its efficiency. Based on the results, we plan to replicate similar features in future office spaces.

These smart office innovations are key to our sustainability journey, reinforcing our commitment to creating a greener, more efficient workplace. Below is a list of the smart office features we have implemented:



SMART BUILDING FEATURES OVERVIEW

- Smart Lighting:** Our lighting system uses proximity and PIR sensors to intelligently control lights based on room occupancy, significantly reducing energy waste and lowering carbon emissions.
- Smart Metering:** Smart meters monitor our power usage in real-time, providing insights into energy consumption patterns. This helps us pinpoint inefficiencies and optimise energy use.
- Light Capacity Control:** Light sensors adjust indoor lighting based on natural sunlight, reducing dependence on artificial lighting and enhancing employee comfort.
- Live Dashboard:** A centralised dashboard displays real-time data from various sensors, such as energy usage and indoor air quality, supporting efficient operations and space utilisation.
- Smart Tint:** Smart tinting technology on our windows adjusts transparency automatically, reducing glare and heat from the sun, which lowers the need for air conditioning.
- Air Quality Monitoring:** Sensors continuously monitor indoor air quality, tracking CO₂, humidity and particulate matter levels to ensure a healthy workplace environment.
- Waste Management:** Smart bins enhance waste segregation and recycling, reducing landfill waste and supporting our sustainability goals.
- Smart Agriculture:** Soil sensors manage irrigation and nutrient levels, conserving water and promoting sustainable gardening practices. Our system also includes a composting unit that converts food waste into compost, enhancing soil health. A rainwater harvesting system and solar lighting further optimises resource use and demonstrates our commitment to environmental stewardship.
- Meteorology Monitoring:** Live sensors track weather conditions, allowing us to adjust building operations to better respond to environmental changes.

OUR FUTURE

BIODIESEL PILOT STUDY

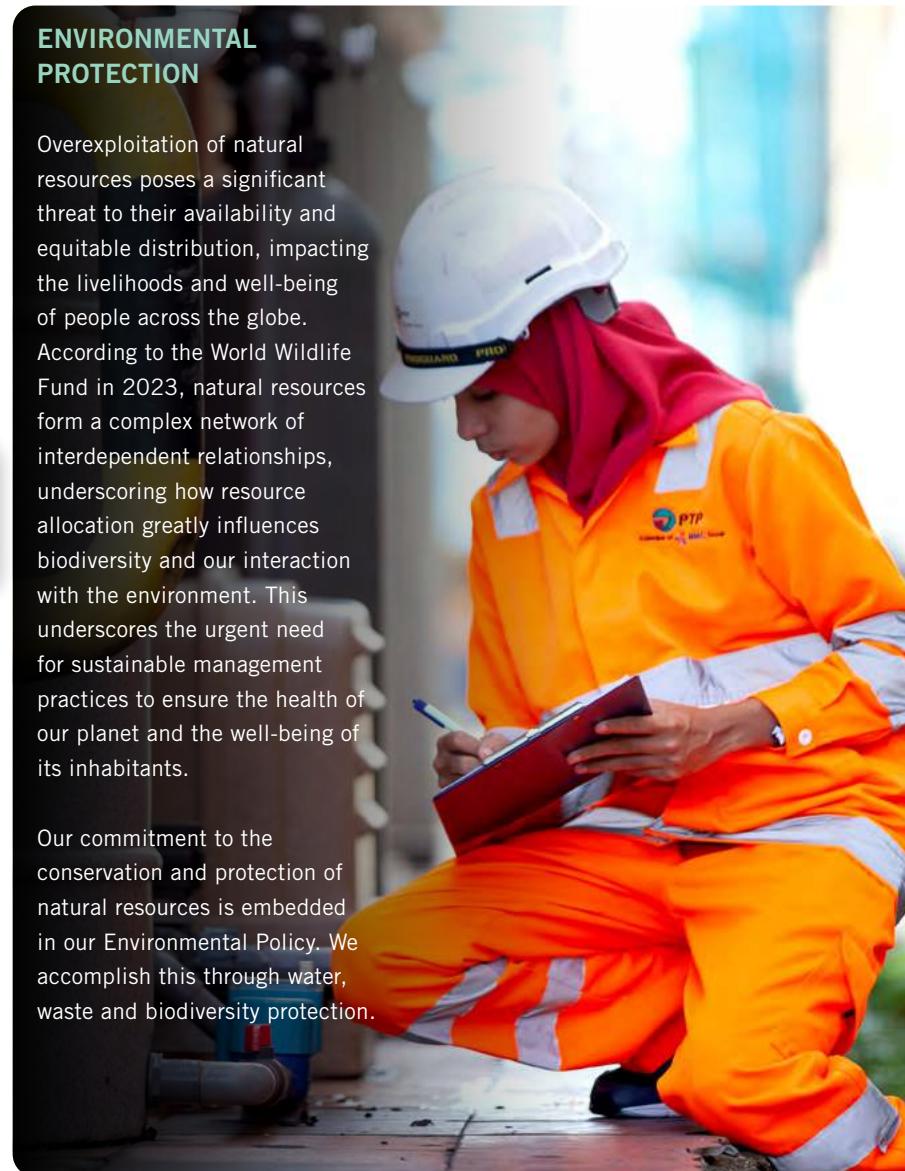
To further our decarbonisation efforts, we are set to explore the use of biodiesel blends B20, B30 and B100. This initiative aims to evaluate how these options can help PTP significantly reduce our Scope 1 emissions, particularly for our prime movers, complementing our ongoing electrification efforts for these vehicles.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

ENVIRONMENTAL PROTECTION

Overexploitation of natural resources poses a significant threat to their availability and equitable distribution, impacting the livelihoods and well-being of people across the globe. According to the World Wildlife Fund in 2023, natural resources form a complex network of interdependent relationships, underscoring how resource allocation greatly influences biodiversity and our interaction with the environment. This underscores the urgent need for sustainable management practices to ensure the health of our planet and the well-being of its inhabitants.

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 crucial for development, yet access to safe water supply and sanitation, coupled with growing populations, presents significant challenges. Increasingly water-intensive growth patterns, variable rainfall and pollution further strain the safe management of water resources. Poor water security is among the greatest threats to economic progress, poverty eradication and sustainable development. According to the World Economic Forum, the gap between global water supply and demand is projected to reach 40% by 2030.

High water stress has numerous adverse consequences, including the sustainability of natural resources and the impediment of economic and social development, disproportionately affecting the most vulnerable populations. The World Resources Institute (WRI) uses the Aqueduct tool to classify countries by baseline water stress levels. For Malaysia, the water stress level is classified as low, but we recognise the risks and are committed to enhancing our water management plans across PTP operations.

WATER RESOURCE MANAGEMENT

To mitigate the potential impacts of water stress on our operations, we are dedicated to practicing sustainable water management. Our efforts include improving and optimising water efficiency, bolstering water conservation initiatives and reducing our overall water footprint. These measures reflect our commitment to enhancing the water resilience of our operations.

WATER WITHDRAWAL

We consider water stress levels in each of our operational areas and are committed to improving our water footprint and safeguarding water resources throughout the supply chain through sustainable water management practices.

WATER DISCHARGE

We appoint an accredited third-party consultant, approved by local authorities, to regularly assess and monitor the quality of discharged water, effluent and sewage. This helps us minimise our negative impacts on the environment and ecosystems.

WATER CONSUMPTION

We regularly review our water management plans, monitoring and analysing progress to improve our water consumption. This includes introducing water conservation initiatives, process improvements and integrating technologies and innovations to treat, reuse and recycle water from our operations.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



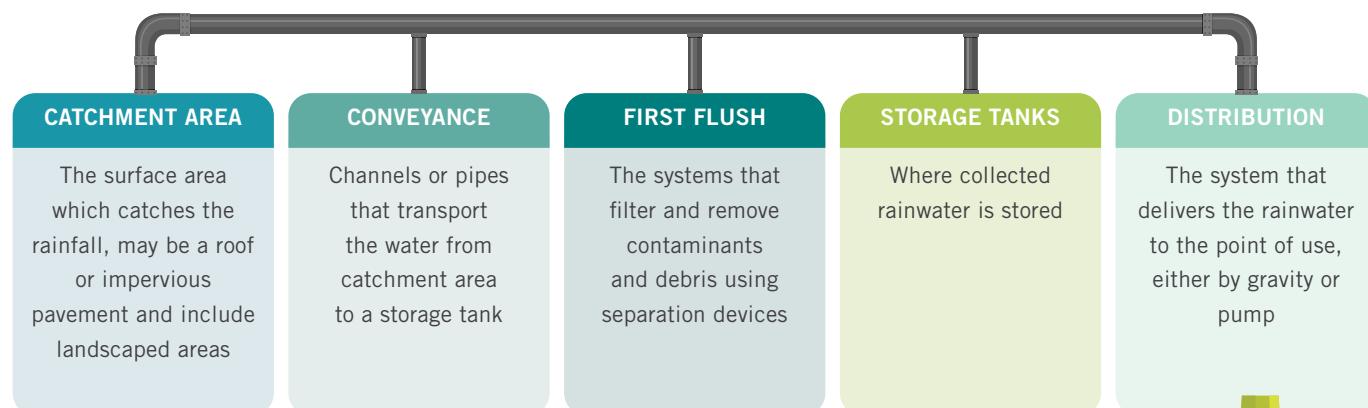
PTP sources its water from municipal supplies, recycled water, surface water, groundwater and seawater. This water is used for various purposes, including drinking, cleaning, landscaping and general use by our offices, canteens and other businesses, as well as by our tenants.

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

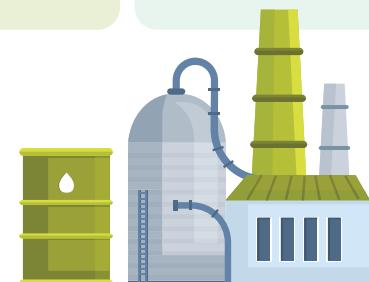
	FY2021	FY2022	FY2023
Total water consumption volume (Megalitres)	193.870	224.539	187.086
Municipal potable water withdrawal	SAJ	SAJ	SAJ
Total volume of effluent discharged (m ³)	1,121,280.00	1,173,840.00	1,296,480.00
Surface water total discharge (segmented by destination)	1,121,280.00	1,173,840.00	1,296,480.00
Quality of water / effluents discharged	Standard B	Standard B	Standard B

RAINWATER HARVESTING

The value of rainwater as a primary source of clean water is often overlooked. The aim of rainwater harvesting is to capture runoff and collect it in a basin for use. We employ the roof catchment method, which includes five basic components:

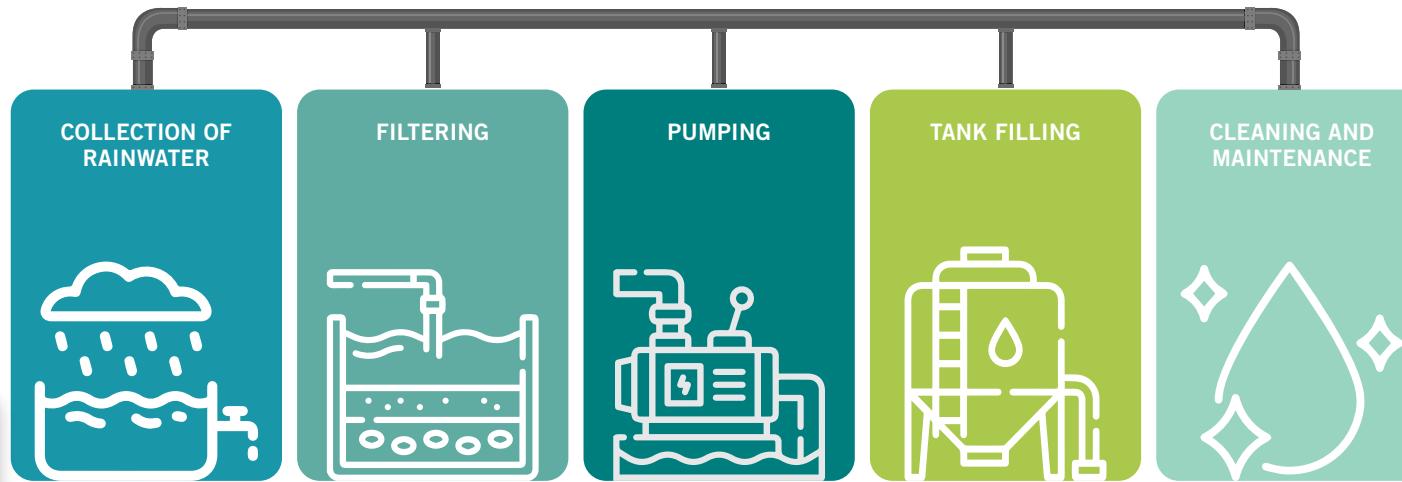


PTP has installed four water harvesting systems across the terminal area, primarily for domestic use. To date, these systems have reduced water consumption by 3,155 m³. Meters are being installed to monitor the rainwater harvesting systems at various locations, including the wharf offices, Central Planning and Performance Office (CPPO), Engineering and 8A Resting Areas, covering toilets and washing areas.



ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

The current water harvesting systems implemented at these sites include:



FUTURE

DATA PERFORMANCE

We seek additional opportunities to integrate rainwater harvesting systems on-site and plan to incorporate a comprehensive water management system into all our new building facilities. Additionally, we regularly monitor water performance, especially from rainwater harvesting systems, to further optimise our water consumption.

WASTE MANAGEMENT

The growing volume and complexity of waste associated with the modern economy poses a serious risk to ecosystems and human health. According to a 2023 report by the World Bank, the world now generates approximately 2.24 billion tonnes of municipal solid waste annually. Waste generation is projected to increase by 70% to 3.8 billion tonnes by 2050, driven by rapid population growth, accelerating urbanisation, industrialisation and inefficient waste management systems. This alarming situation necessitates immediate action.

At PTP, we prioritise resource efficiency across all our business units. We ensure that all resource needs are carefully planned, efficiently utilised and processed to maximise the use of limited natural resources. By collaborating closely with our stakeholders on waste management, we minimise unnecessary consumption and waste, while also exploring innovative opportunities, partnerships and solutions to achieve zero waste targets and transition to a truly circular economy. PTP places strong emphasis on engaging licensed third-party contractors to handle hazardous waste generation, storage and disposal responsibly, adhering to best practices, local regulatory requirements and our HSE policy.



We ensure that all resource needs are carefully planned, efficiently utilised and processed to maximise the use of limited natural resources.

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

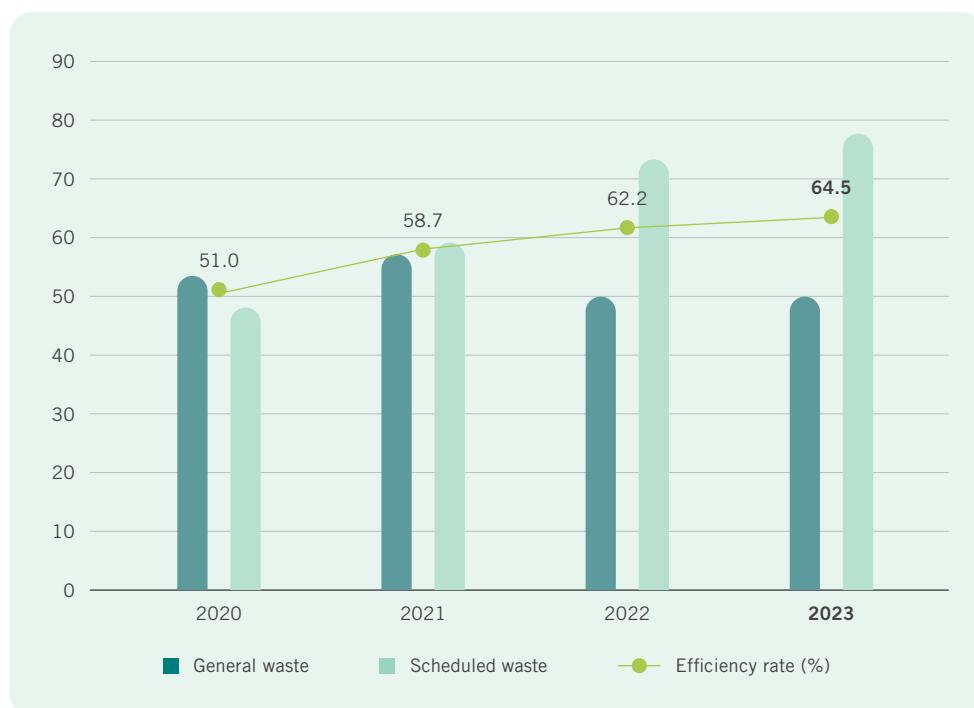
WASTE EFFICIENCY

We define waste efficiency as minimising the amount of waste generated through reduction, reuse and recycling activities. This applies to both general and scheduled wastes generated from PTP's operational activities.

1. Waste Efficiency

Year	2019	2020	2021	2022	2023
General waste	32	53.6	57.1	50.5	50.3
Scheduled waste	35	48.4	60.3	73.9	78.6
Efficiency rate (%)	33.5	51.0	58.7	62.2	64.5
Improvement		17.5	7.7	3.5	2.2

2. Efficiency Rate



3. Total Waste

	FY2021	FY2022	FY2023
Total waste generated (in tonnes)	3,998 MT	4,881 MT	4,320 MT
Waste diverted from disposal i.e. recycled waste (in tonnes)	2,369 MT	2,577 MT	2,325 MT
Waste directed to disposal (in tonnes)	1,629 MT	2,304 MT	1,995 MT
Hazardous waste or scheduled waste (in tonnes)	510 MT	517 MT	537 MT
Percentage of hazardous wastes generated (%)	12.78%	10.59%	12.42%
Non-hazardous waste or Non-scheduled waste (in tonnes)	3,488 MT	4,364 MT	3,783 MT
Incineration	210 MT	106 MT	114.64 MT
Landfill	2,034 MT	2,172 MT	1,881 MT
Other Methods of Disposal	2,369 MT	2,603 MT	2,325 MT
Percentage used for energy recovery (%)	0	0	0
Percentage of recycled waste (recycling rate)	59%	62%	54%
Re-used waste (in tonnes)	20 MT	10 MT	0 MT

* Data in 2021 & 2022 is based on estimation for General Waste

** Actual weight for General Waste started collection by October 2023

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION

PTP COMMUNITY RECYCLING CENTRE

PTP, in partnership with SWM Malaysia through their KITARECYCLE programme, has established a community recycling centre aimed at fostering 3R (Reduce, Reuse, Recycle) behaviours among our employees, tenants and the surrounding community. The hub operates weekly on Mondays from 12.30 pm to 1:30 pm and quarterly in collaboration with SWM for collection purposes. Profits generated from recyclable items will be used for community outreach programmes to educate the younger generation about environmental care.

As part of the PTP Community Recycling Hub, we have collaborated with Life Line Clothing Malaysia Sdn Bhd to recycle used fabric. Our partner has stationed collection bins at the hub and collections are made once the bins are full.

In FY2023, PTP collected 1,915 kg of used fabric for recycling and 1,046 kg of domestic recyclable items. The PTP Community Recycling Hub will continue to organise recycling programmes throughout the year, reinforcing our commitment to sustainability.

Recycling Data:

Date	2023
Recycle Item	kg
Mixed paper	542
Cardboard	83
Plastic	245
Scrap metal	43
Aluminium	8
Glass bottle	102
E&E	9
TV	2
Battery	12
	1,046

BIODIVERSITY CONSERVATION

Biodiversity is essential for human health, well-being and economic prosperity, yet it is being destroyed at an unprecedented rate. According to the United Nations' 2020 Fifth Global Biodiversity Outlook report, nearly one million species of plants and animals are threatened with extinction. As responsible stewards of the Earth, it is our duty to coexist harmoniously with the natural environment and facilitate the restoration and preservation of all living and non-living things.

At PTP, we are committed to protecting biodiversity and minimising adverse impacts from our operations by enhancing our processes. This commitment allows us to coexist with nature, halt or reverse biodiversity loss and preserve both terrestrial and marine ecosystems. We also aim to raise public awareness and form partnerships with experts, communities and stakeholders.

Our approach to impact assessments includes evaluating the location and development of projects in relation to their surrounding environments. We adopt the mitigation hierarchy to prepare for impacts and strive to achieve no net loss of biodiversity. This hierarchy follows a sequence of avoidance, minimisation, restoration and offsets to reduce development impacts and control negative environmental effects.

Due to our project expansion in Tanjung Adang, we have undertaken two key biodiversity protection 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.

Results of analysis:

Parameter	unit	Result			EIA Approval Condition [Item F, No 30 (4)]	Method used
		TSS1	TSS2	TSS3		
Total Suspended Solids (tested on 08/06/2023)	mg/l	20	19	10	25	APHA 2540 D, 2017

ENVIRONMENT: CLEAN OPERATIONS FOR CLIMATE PROTECTION



MANGROVE TREE PLANTING CAMPAIGN

As part of our dedication to environmental sustainability, PTP has launched a comprehensive mangrove tree planting campaign in collaboration with Perbadanan Taman Negara Johor (PTNJ). This initiative aims to replant 160,000 mangrove trees in Tanjung Piai within the next five years. In 2023, we have successfully planted 14,789 seed saplings.

Employee Engagement and Community Involvement

We actively encourage our employees to participate in this campaign as part of their engagement activities. This not only fosters a sense of responsibility and connection to the environment but also allows them to contribute to a greener future.

The campaign has been extended to include Lembaga Pelabuhan Johor, our strategic partners and adopted schools. By involving these stakeholders, we aim to instill the spirit of mangrove replanting within the community and amplify the impact of our efforts. This collective approach underscores our commitment to sustainability and community involvement.

GOALS AND IMPACT

Enhance the Coastal Ecosystem:

The replanting of mangroves plays a crucial role in protecting and enhancing coastal ecosystems

Environmental Conservation:

This initiative promotes the conservation of natural habitats and combats climate change.

Fostering Responsibility:

It provides our employees and community partners an opportunity to actively contribute to environmental sustainability.

By leading this campaign, we reaffirm our dedication to preserving natural habitats, promoting environmental conservation and fostering a sustainable future for all.



OUR FUTURE

BIODIVERSITY ASSESSMENT AND MONITORING SYSTEM

To address biodiversity risks associated with our project areas, we are implementing a Biodiversity Assessment and Monitoring System. This system will help us identify and assess potential risks, enabling us to set effective mitigation plans to reduce these risks, particularly for future operations and expansion projects.



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY



OUR COMMITMENT

SHORT-TERM (2023-2025)

CSR Framework & Impact Assessment

- Impact measurement on all CSR programmes

MEDIUM-TERM (2030)

- Calculate value of all CSR activities

LONG-TERM (BEYOND 2030)

Training Capacity Building and Awareness

- Women in 30% of management roles
- Provide job opportunities for people with disabilities
- Establish a comprehensive programme for foreign workers' well-being

- Gender equal opportunity

Social Performance Monitoring & Reporting

- Human rights commitment statement
- 10% YoY significant incidents reduction
- 10% YoY safety risks reduction

- 85% Employee Satisfaction Index in site-wide Safety Climate Survey

- Ensure all employees are trained and controls are in place to mitigate any occurrences of child labour, modern slavery across our supply chain

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 smooth operations, we continuously attract, retain and motivate employees, ensuring they remain competent and satisfied in their roles.

Guided by the PTP Employee Handbook, our efforts focus on providing competitive remuneration packages that compensate for hard work and achievements while promoting work-life balance and human capital development. We strive to expand our talent pool through early career development programmes, equipping potential future employees with extensive industry knowledge and hands-on experience.

At PTP, we emphasise competencies in every job to ensure performance indicators are successfully delivered and meet the company's strategic goals. This focus on competencies is driven by our Competency Model development journey, which began in 2017. By 2020, we successfully completed the competency development blueprint and its implementation.

We conduct annual performance appraisals to offer feedback on performance and accomplishments from the previous year. Through regular communication, we understand our employees' development needs and career plans. Key performance indicators (KPIs) for both business and employee development are established to align performance goals 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 allows us to demonstrate how much we value our people and their welfare while inspiring them to excel in their roles.

We extend many of these benefits to temporary or contract employees, as we believe their basic welfare should also be given equal consideration. The following benefits are provided to all employees:



Competitive Remuneration Packages

Ensuring fair and motivating compensation for hard work and achievements.



Comprehensive Benefits

Including health insurance and wellness programmes to support overall well-being.



Work-Life Balance Initiatives

Programmes and policies that promote a healthy balance between work and personal life.



Professional Development Opportunities

Access to training and development programmes to foster career growth and skill enhancement.



Performance-Based Incentives

Rewards and recognition based on individual and team performance to motivate continuous improvement.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

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

The Fit-Port Tanjung Pelepas, also known as the SOCSO Rehabilitation Centre at PTP, has been operational since March 2 2020. As the first centre outside of SOCSO's own facility in Malaysia, it provides comprehensive physical rehabilitation programmes for employees, including intensive physiotherapy treatments.

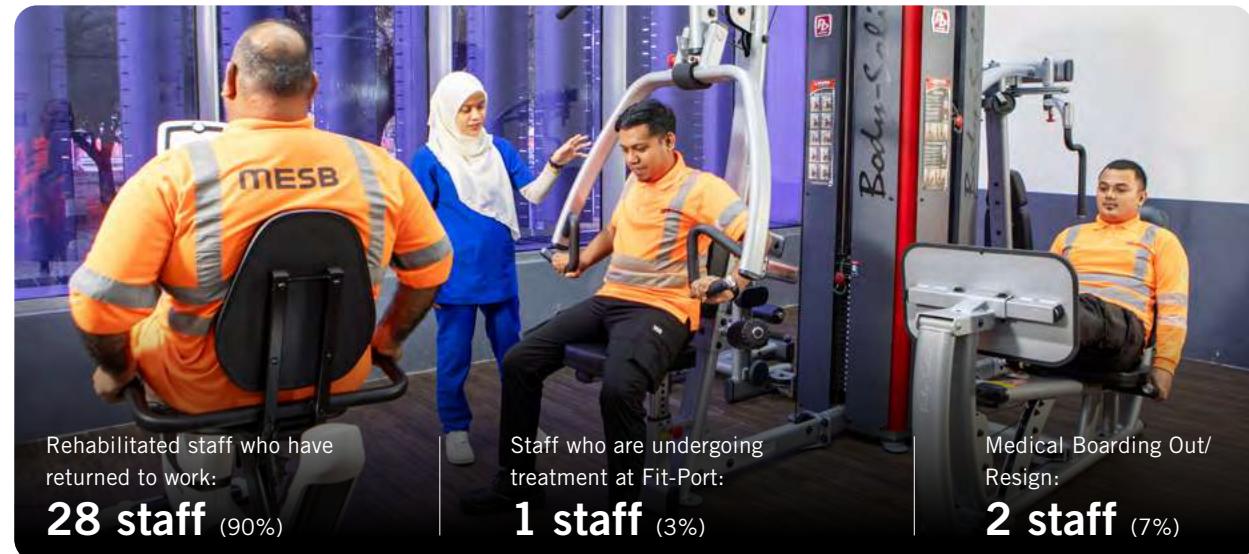
Aligned with PTP's strategy to protect the health and safety of its people, the centre aims to maximise the potential and physical functions of employees. This enables them to continue their daily lives and return to work, thereby enhancing job security. The centre plays a vital role in boosting the company's productivity and contributing to the advancement of the workforce quality in Malaysia.

Operating on weekdays from 9:00 am to 5:30 pm, the rehabilitation centre is a collaboration between PTP and PERKESO, as part of the Memorandum of Understanding (MoU) signed in early May 2019.

The centre provides rehabilitation services and promotes a healthy lifestyle for PTP staff and other PERKESO members within Malaysia's southern region. It is equipped with state-of-the-art rehabilitation equipment and offers comprehensive physical rehabilitation programmes, structured physiotherapy and rehabilitation modules to maximise physical movements.

In addition to the facilities, 31 PTP staff were trained by PERKESO as coordinators, with six selected as part of the Return-To-Work (RTW) Coordinator Master Trainers of the programme. The RTW Programme is a comprehensive disability case management programme that helps staff resume employment and reintegrate into society. As of FY2023, 90% of PTP's rehabilitated staff have returned to work, while 3% are progressively undergoing treatment at the centre while the remaining 7% have been medically boarded out and/or resigned.

PTP is committed to fulfilling its obligations as a caring employer by actively promoting occupational safety policies, conducting safety and health campaigns to reduce accident rates and implementing wellness programmes to prevent mishaps among workers and contractors.



Physiotherapy

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

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

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY



EMPLOYEE ENGAGEMENT

Employee engagement is pivotal for improving work performance and enhancing employee happiness, ensuring our company runs smoothly. It is essential for our employees to have a sense of belonging and feel supported in their workplace, as this strengthens loyalty and increases their commitment to the company. At PTP, we aim to enhance the mental and emotional connections of our employees across all operations, striving to cultivate an environment where they are empowered to optimise their job performance.

We engage with our employees through various channels, including coffee break sessions and the PTP Connect intranet, to ensure an effective flow of information and help connect them with PTP's core values. We value the voices of our employees and are committed to fostering an engaged team, believing that collaboration among employees offers diverse viewpoints that drive our business forward. We consider all employee feedback mechanisms across PTP to be crucial in establishing effective communication channels and ensuring continuous improvement.

Games and Leisure

At PTP, we recognise the importance of games and leisure activities in promoting a healthy work-life balance and fostering team spirit. Our participation in the MMC Games has been outstanding, with our team securing the most gold medals, demonstrating our competitive spirit and teamwork. Additionally, our PTP Football Club (PTPFC) provides employees with an opportunity to engage in sports, promoting physical fitness and camaraderie.



Rewards and Appreciation

Recognising and appreciating our employees' dedication and contributions is fundamental to our culture. The Long Service Awards celebrate the loyalty and hard work of employees who have dedicated many years to PTP, reinforcing our commitment to valuing and rewarding long-term contributions.



Religious and Spiritual Activities

We respect and support the diverse religious and spiritual needs of our employees. By organising various religious and spiritual activities, we aim to create an inclusive environment where employees can practice their beliefs and find spiritual support within the workplace.



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

Health and Wellness

PTP is committed to the health and wellness of our employees. We provide comprehensive health and wellness programmes designed to promote physical and mental well-being. These programmes include regular health screenings, fitness activities and wellness workshops, ensuring our employees have the resources they need to maintain a healthy lifestyle.

- 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 silence killer!!
- Influenza H1N1
- Are You Troubled by Skin Problems
- Obesity, Heart Disease & Diabetes
- Food and Nutrition
- Breast Cancer Awareness Month: Knowing It Exists Is Not Enough
- Prostate Cancer

Supporting Government Agencies

We actively support and collaborate with government agencies to contribute to national development and community welfare. By partnering with various government initiatives, we aim to align our corporate goals with national objectives, fostering a positive impact on society and the environment.

Regiment of the Royal Army Engineers (RAJD)

National Day Parade & Procession at the Johor State Level - Champion of the Best Costume Category & 3rd Place Overall in the Parade

PTP FAMILY DAY

PTP Family Day is a vibrant three-day carnival dedicated to appreciating and celebrating our staff and their families. This event is a highlight on our calendar, bringing together employees from all departments to enjoy a variety of activities and entertainment. From fun games and live performances to delicious food stalls and exciting rides, the carnival is designed to create an atmosphere of joy and camaraderie. It is an opportunity for our staff to relax, unwind and bond with their colleagues and loved ones outside the work environment. PTP Family Day reflects our commitment to fostering a strong sense of community and gratitude, recognising the hard work and dedication of our employees in a festive and inclusive setting.



EMPLOYEE VOLUNTEERISM

In line with our commitment to strengthening the relationship between PTP and our community, we have encouraged to include volunteer hours into individual's Key Performance Indicators (KPIs). In 2023, PTP undertook a diverse range of community service initiatives, including community aid, job opportunities and community empowerment programmes. These initiatives underscore our dedication to enhancing community relations through active corporate citizenship.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

LEARNING AND DEVELOPMENT

The importance of attracting and retaining good talent through a structured learning programme cannot be overstated, particularly in the port industry, which requires a specific set of niche skills. As the industry navigates the challenges of Industrial Revolution 4.0, digitalisation and the electrification of machinery and equipment, having a well-trained and capable workforce becomes crucial. Structured learning programmes not only help in developing the necessary port-specific skills but also ensure that employees are equipped to adapt to rapid technological advancements. These programmes foster a culture of continuous improvement and innovation, enabling the port to maintain operational excellence and remain competitive in a fast-evolving landscape. Hence, PTP has invested significantly in our talent development initiatives, ensuring that we attract top talent, enhance employee retention and build a resilient workforce ready to meet the demands of the future. This commitment has resulted in a total of 304,169 training hours as a company, with an average of 51 training hours per employee.



TOTAL TRAINING HOURS BY EMPLOYEE CATEGORY

General Training Data

FY2023	
Total Training Hours As a Company	304,169
Average Training Hours Per Employee	51
Total Training Hours (Senior Management)	386
Total Training Hours (Management)	1,927
Total Training Hours (Executives)	10,836
Total Training Hours (Non-Executives)	291,020

Average Training Hours by Employee Category

FY2023	
Average Training Hours Per Employee (Senior Management)	11
Average Training Hours Per Employee (Management)	15
Average Training Hours Per Employee (Executives)	19
Average Training Hours Per Employee (Non-Executives)	57

CASE STUDY

LEAN ACADEMY

The Lean Academy is a cornerstone of our Way of Working (WoW) framework, serving as the central hub for developing strategies to run and improve our business based on global standards and best practices. We focus on empowering our people to become their best selves and true value creators through the lean mindset and problem-solving tools. The success of the Lean Academy has fostered a collaborative and high-performing environment at PTP, inspiring our employees to work smarter and achieve outstanding results. This highlights our commitment to accelerating value transformation by incorporating sustainable business practices and maintaining an unwavering focus on customer satisfaction.

LEAN Graduates (% of Total Employees)

Level 1	43.61%
Level 2	32.52%
Level 3	18.11%
Level 4	1.31%
Certified LEAN Practitioner	1,574
Certified Advanced LEAN Practitioner	116

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

CASE STUDY

TRAINING INITIATIVES BY THE MARINE DEPARTMENT

1. Pilot Training Programme

PTP Marine Services Department (MSD) Pilots adhere to statutory regulations, ensuring discipline and professionalism. To obtain their licenses that are issued by Lembaga Pelabuhan Johor (LPJ), pilots must appear before a Pilotage Committee, which includes members from LPJ, Malaysia Shipowner Association (MASA), Ministry of Transport (MOT), Marine Department of Malaysia (MMD) and a certified training institute representative. Before taking the Pilotage Committee Exam, a pilot must complete the required vessel movements for the license upgrade and conduct at least five supervised test drives under a Senior Pilot's guidance. Selected Senior Pilots also serve as trainers for new and existing pilots who have not yet obtained their full licenses. These trainers offer flexible schedules for virtual or face-to-face classes and tutoring sessions to prepare pilots for the Pilotage Committee Exam.

2. Mooring Training Programme

Trainers also extend their efforts to offer mooring training to the mooring teams at Tanjung Bin Malakoff and Pelabuhan Tanjung Pelepas. The mooring team is responsible for securing vessel mooring lines to the bollard during operations. Training sessions emphasise the dangers involved and the correct handling of mooring lines to ensure safety throughout the berthing and unberthing processes.



HUMAN RIGHTS

As a global trade player, PTP is shaped by employees with diverse nationalities and backgrounds. Recognising 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 and nationalities. We also aim to cultivate a workplace free from discrimination, marginalisation and harassment.

Following the principles of human rights and labour practices outlined in the United Nations Global Compact (UNG) framework, we remain committed to embracing diversity, providing equal opportunities and respecting human rights to help employees grow and thrive. Our commitment to 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. We have also initiated consultations with our internal and external stakeholders to develop a comprehensive human rights policy. This policy is designed to safeguard not only our employees but also individuals throughout our supply chain. Our goal is to ensure that our business operations uphold the highest standards of human rights and ethical practices at every level.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

FAIR EMPLOYMENT

As of 31 December 2023, PTP has a total of 5,800 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 FY2023, locals accounted for 80.6% 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 FY2023, we employed 6 PWDs who are equally capable of 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.



FOREIGN WORKERS

Due to the labour-intensive nature of our business, PTP requires a constant and stable supply of skilled workers who can perform their tasks effectively. To meet this demand, PTP is exploring opportunities to hire foreign workers. However, this approach presents several challenges:

Challenges

- Potential non-adherence to laws by contractors and recruitment agents for foreign workers.
- Language barriers that impede effective training and development



Our Actions

1. Strict Compliance to Recruitment Governance:

- Adherence to local laws.
- End-to-end direct hiring with no middle parties.
- Present number of foreign workers: 1,221.
- Pledged to the Ten Principles of the United Nations Global Compact.



2. Competitive Compensation Packages:

- Comply with and exceed the minimum wage requirement of the Employment Act 1955.
- Fixed and performance-based incentives, with insurance coverage.
- Average take-home salary per month is more than RM 1,500 plus incentives.

3. Holistic Welfare and Benefits Scheme:

- Accommodation:
 - Comply with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990.
- Transportation:
 - Direct daily buses from hostels to PTP with fixed schedules.
- Training:
 - All-inclusive on-the-job training in English and native languages.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

DIVERSITY, INCLUSION & GENDER EQUALITY

PTP embraces a workplace where the values of diversity and inclusion foster varying perspectives and backgrounds, producing an equitable and inclusive environment that empowers all employees to reach their full potential. In the traditionally male-dominated global maritime and port sector, women's participation is estimated to be as low as 2%, according to data from the International Transport Workers' Federation. Job segregation and gender stereotyping remain prevalent in the industry. PTP is dedicated to breaking down stereotypes and fostering diversity and inclusion within its workforce, encompassing women, minorities, people with disabilities and underrepresented groups.

Our diversity and inclusion strategy includes comprehensive policies, programmes and change management initiatives:



RECRUITMENT POLICY

When recruiting, PTP prioritises merit and capability, committed to selecting the most qualified individuals for each job. We actively coach our staff to eliminate conscious and unconscious biases from our practices and processes. With the launch of the Female Employee Referral Programme, PTP aims to increase the proportion of female staff, especially in operational and technical fields, to 30% by 2030.

TALENT MANAGEMENT POLICY

PTP is committed to building and strengthening the capacity of graduate talents for greater sustainability through various talent enrichment initiatives. These programmes have produced a pool of 28 well-trained young female talents and highly skilled employees in PTP and Malaysia.

WOMEN CAUCUS

Our people policies and practices support our Diversity and Inclusion agenda, ensuring respect and non-discrimination. The PTP Women Caucus Group provides a platform for female members to develop personally and professionally, initiating programmes that contribute to an inclusive and diverse environment.

CAREER PROGRESSION

PTP promotes port careers for women and supports female employees in senior positions through internal mobility programmes and training. Our flagship Female Terminal Equipment Operator Fast Track Upskilling Programme builds a pipeline of skilled female RTG (Rubber-Tyred Gantry) Crane Operators. This intensive 1.5-month technical training programme upskills high-potential female Prime Mover Operators to RTG Crane Operators. As a result, PTP has produced Malaysia's first technical talent pool of two female RTG Operators and six female Quay Crane Operators/Clerks. We strive to attract and develop women in the port industry and leadership roles by eliminating barriers to participation and progression.

SEXUAL HARASSMENT POLICY

PTP maintains a zero-tolerance policy towards sexual harassment. We are committed to providing a safe and respectful workplace, where any form of harassment is promptly addressed and rectified. Our policy ensures that all employees are aware of their rights and responsibilities, fostering a culture of respect and dignity.

Our efforts have not gone unnoticed. In 2023, PTP was recognised by the Forward Faster United Nations Global Compact Malaysia & Brunei in the Gender Equality Category for our commitment to fostering gender equality and empowering women in the workplace. PTP continues to focus on creating a supportive and inclusive working environment, actively promoting diversity and gender equality and empowering all employees to achieve their career aspirations.



Female workforce: 6.5%



29% of management are female

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

GENERAL & WORKFORCE DATA

Total Workforce

FY2021



FY2022

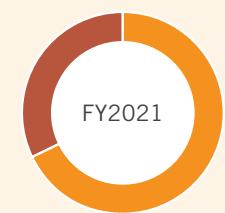


FY2023

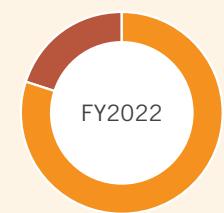


Employees by Employment Category

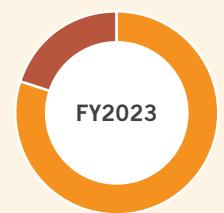
32%



28%



20%

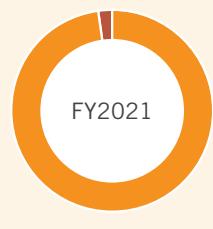


● Permanent employees

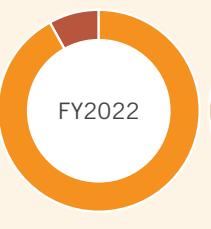
● Contractors or temporary staff

Employee Nationality

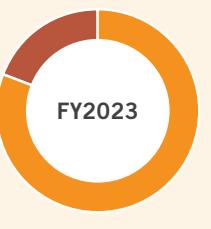
2%



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19%

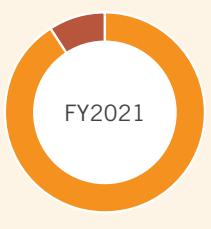


● Malaysian Employees

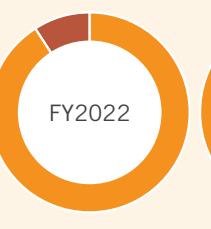
● Foreign Employees

New Hires

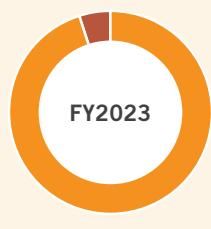
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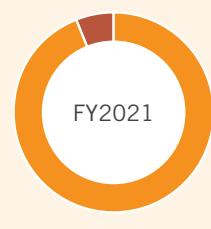


● Male

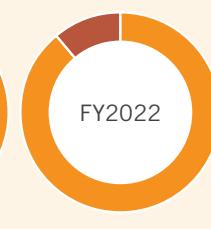
● Female

Employee Turnover by Gender

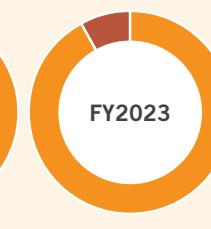
6%



11%



8%



● Male

● Female

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY



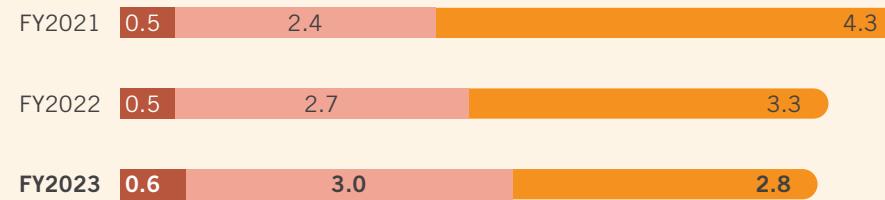
Ethnicity (%)



Gender (%)

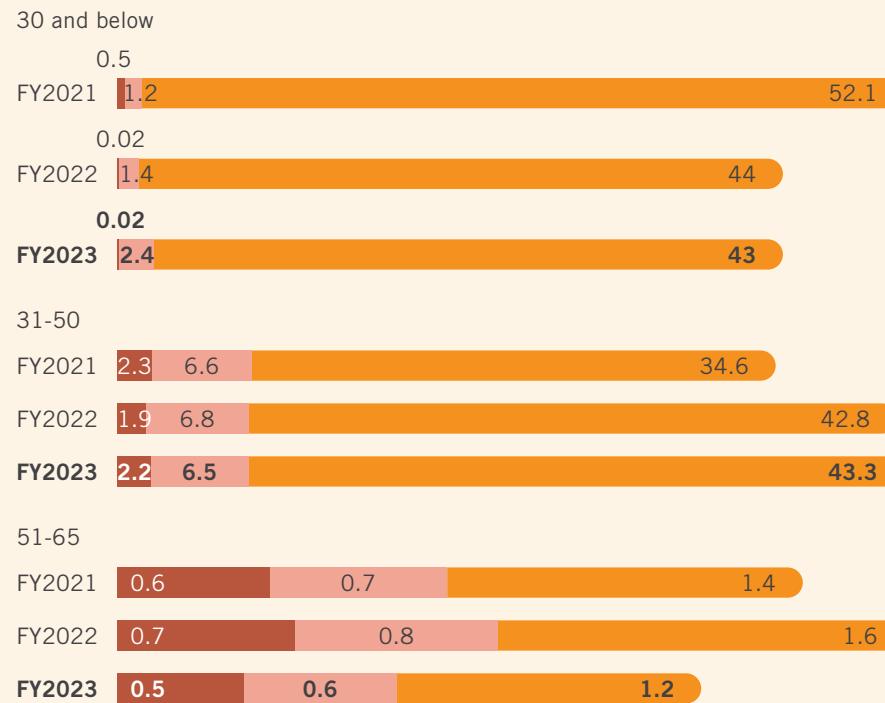


Female



■ Management ■ Executive ■ Operation

Age (%)



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

OCCUPATIONAL HEALTH AND SAFETY

OPPORTUNITIES AND CHALLENGES

The nature of our operations at the port terminal involves physically demanding tasks that heavily rely on manual labour, which inevitably exposes our personnel to occupational risks and hazards. Therefore, we are committed to achieving the highest standards in Occupational Safety and Health (OSH) to safeguard our employees and co-workers while continuing to meet the needs of our customers and communities.

OSH remains a top priority as we aim for zero fatalities. Our approach is guided by our Health, Safety and Environment (HSE) policy, which outlines our commitments to occupational health and safety. To this end, we have implemented various measures to ensure our employees, suppliers and contractors are protected and well-informed. These measures include equipping our workforce with the necessary knowledge to identify and manage hazards and increasing awareness of 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 routinely conduct training sessions to enhance employee awareness of health and safety practices. These measures ensure compliance with regulatory health and safety requirements and effectively manage and prevent OSH risks arising from our operations. To this end, we have established the following initiatives to embed OSH at all levels of our operations:

Continuous Monitoring and Optimisation

Regular assessments and updates to OSH practices to align with the latest safety standards and industry best practices.



Standard Operating Procedures (SOPs)

Comprehensive SOPs that provide clear guidelines for safe and efficient operations.



Training and Education

Regular training sessions to equip employees with the necessary skills and knowledge to identify and manage potential hazards.



Regulatory Compliance

Ensuring all OSH practices meet or exceed local and international regulatory requirements.



Risk Management

Proactive identification, assessment and mitigation of OSH risks to prevent incidents and ensure a safe working environment.



By embedding these practices and initiatives into our daily operations, we reinforce our commitment to maintaining a safe and healthy workplace for all our employees, suppliers and contractors.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

LEADERSHIP AND COMMITMENT

PTP's top management is deeply committed to health and safety, leading the Integrated Management System (IMS) and ensuring its effectiveness. Our policies align with strategic goals, integrate seamlessly into business processes and are supported by adequate resources. We prioritise communicating the importance of health and safety, protecting workers, involving them in decision-making, promoting continuous improvement and supporting various management roles. The CEO's active role as the chair of the Safety and Health Committee underscores our leadership's dedication to health and safety.

ORGANISATIONAL ROLES, RESPONSIBILITIES AND JURISDICTIONS

PTP's top management ensures that clear responsibilities are assigned, that there is active involvement in the IMS and that policies are effectively communicated. Compliance with regulatory requirements, adequate resource allocation and proper role assignments are all critical components of our approach. The IMS establishment involves regular audits and risk assessments and objectives are set based on policies and risk assessments, ensuring they are measurable and reviewed regularly for continuous improvement.



CONSULTATION AND EMPLOYEE PARTICIPATION

We recognise that active participation from both management and employees is crucial in maintaining a safe work environment. The Safety Health Committee, represented by PTP's management, employees and union representatives, holds regular meetings to discuss and address health and safety issues. Management and employees actively participate in HSE processes, including Hazard Identification, Risk Assessment and Risk Control (HIRARC) reviews and workplace inspections. Employees also contribute to Safety Kaizens, which are initiatives aimed at improving the safety of activities and processes.

WORKER PARTICIPATION

Policy Development

- Quality and HSE Policy:**
PTP's top management establishes and ensures the understanding of the quality and HSE policy throughout the organisation, committing to compliance and continual improvement.
- Implementation Strategies:**
Strategies include effective communication, employee involvement, adherence to documented procedures and regular reviews for effectiveness.
- Consultation:**
The policy is developed in consultation with the Safety and Health Committee and is bilingual (Malay and English).
- CEO's Role:**
The CEO chairs the Safety and Health Committee, ensuring top-level oversight and commitment.



By embedding these practices and fostering a culture of safety and continuous improvement, PTP ensures a safe and healthy working environment for all employees, suppliers and contractors. We continuously strive to meet and exceed the highest OSH standards, safeguarding our workforce while effectively serving our customers and communities.

At PTP, safety is paramount furthered by a tragic, inconclusive incident last year, we are enhancing our safety development capacity, Leader-Led HSE activities and Equipment and Process Safety. We are committed to continuous improvement to ensure a safer, healthier workplace for all employees moving forward.

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

In FY2023, PTP saw a notable reduction in Lost Time Incidents (LTI). The number of LTIs decreased to 8, with the LTI rate also improving significantly to 0.51. This decline demonstrates our commitment to enhancing workplace safety and implementing effective measures to protect our employees.

Our dedication to safety is further reflected in the increase in safety inspections conducted. The number of inspections reached 22,031 in FY2023, highlighting our proactive approach to identifying and mitigating potential hazards before they can cause harm, ensuring a safer working environment.

Moreover, PTP's Safety Maturity Score showed significant progress, reaching 4.04 in FY2023. This score is indicative of our evolving safety culture and the continuous improvement of our safety practices. Achieving a higher safety maturity score demonstrates our commitment to adopting best practices and creating a culture where safety is a core value.

In line with these improvements, the number of HSE (Health, Safety and Environment) training hours in FY2023 was 5,140. This focus on training ensures that our employees are well-equipped with the knowledge and skills necessary to maintain a safe workplace, fostering a culture of safety and awareness throughout the organisation.

	2021	2022	2023	Remarks
Fatality				
a) Number	0	0	1	
b) Rate	0	0	0.16	
LTI				
a) Number	39	13	8	We reduced our LTI incident by 5 cases (38.46%) in 2023 compared to 2022
b) Rate	2.53	0.81	0.51	We improved our lost-time injury frequency by 0.3 in 2023 compared to 2022
Safety Inspections	14,935	21,939	22,031	We increased our safety inspections by 92 in 2023 compared to 2022
Safety Maturity Score	3.02	3.83	4.04	We improved our safety maturity score by 0.21
HSE Training Hours	3,683	5,959	5,140	We achieved our HSE training hours of 5,140



SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

SUCCESSFUL COMPLETION OF THE 5-YEAR SAFETY TRANSFORMATION PLAN



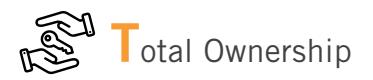
Behavioural Compliance



Expert Partnership



Safety Culture



Total Ownership



Sustain

- Proactive Learning teams
- Coaching & counselling at all levels

- HSE team fully competent
- Make Safety Personal
- Measure Safety Culture

- Strategic Risk Profiling



Establish Drum-Beat

- Holistic Performance Review
- Holistic Risk profile

- HSE team external recognition
- Leading Industry practices

- Awards & Recognition



Safety in WoW

- Safety Ambassador
- Courageous leadership
- Strategic process confirmation

- Smart Safety Assurance
- Integrated HSE
- Design Out Safety Risks

- Safety Culture Improvement Plan
- Setting Benchmarks/BPS



Guiding Leadership

- HSE Leadership Coaching
- Building Organisational Safety Capacity

- Contractor Safety Forum
- Design Out Safety Risks

- Safety Culture Improvement Plan
- Rewards & Recognition



Baseline & Enabling

- Strengthening HSE team
- Voice of the Customers

- Safety Culture Survey
- Risk Based Assurance

- Fatal 5 Focus & Traction

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

SOCIAL IMPACT

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, creating sustainable impacts and benefiting the local communities. Our efforts include providing essential schooling aid, supporting livelihoods and promoting economic development. Our community initiatives are focused on three core pillars: environment, education and local communities.

We are committed to driving sustainable development and securing the social license to operate in communities. Our approach includes corporate philanthropy, employee volunteerism, collaborative partnerships, knowledge sharing and community building and development programmes, all guided by our Corporate Social Responsibility (CSR) framework.

As a result of our project expansions, changes in land use may occur, potentially impacting nearby communities. Therefore, we conduct community social mapping to introduce projects through engagement with local residents to understand and address their interests, needs and concerns. From the initiation phase of our projects, we actively involve local communities, ensuring their participation and input throughout the development process. We also establish monitoring and evaluation mechanisms to track short- and long-term progress.

In FY2023, we began establishing a CSR framework focusing on sustainable and strategic CSR programmes rather than one-off philanthropic efforts. This framework emphasises impact reporting to measure our outputs, outcomes and eventual impacts.



CSR FRAMEWORK

Goal: Building Sustainable Green and Equitable Community through the Empowerment of Economic Accessibility and Growth for the State of Johor

Low awareness/ typical mindset about environment culture amongst the local community



Environment Protection

ECO LESTARI
Environment Awareness

Building sustainable green community through environment friendly practices & volunteerism

Poverty, inequality and lack of education & basic rights of underprivileged groups



Talent Development

HARAPAN LESTARI
Upskilling Programme

Poverty eradication through sustainable development & employability

Imbalanced socio economic development in underprivileged groups



Community Engagement

KASIH LESTARI
Community Well-Being

Accelerate local ventures growth through equitable & sustainable platform

PROGRAMME OVERVIEW

To carry out awareness programmes that will support the building of a green community through collaboration with relevant stakeholders

To provide upskilling programs and job employment to assist in improving socio economic levels

To provide business platforms for selected focus groups to generating income

SOCIAL: BENEFITS FOR BUSINESS AND SOCIETY

In FY2023, PTP implemented 19 activities across our three CSR pillars: environment, education and local communities. These initiatives positively impacted a total of 2,435 beneficiaries, demonstrating our commitment to fostering sustainable and meaningful change. Our dedicated volunteers played a crucial role in these efforts, contributing 833 hours of their time through the participation of 187 volunteers. These volunteer hours reflect the collective dedication and support of our employees, further amplifying the reach and effectiveness of our community engagement and development initiatives.



As part of our community effort, PTP prioritises the safety and security of the surrounding residents of Gelang Patah. Through our Port Police Department and Emergency Crisis Department, we ensure not only the well-being of our employees but also act as first responders in emergency situations. In FY2023, our commitment to safety is reflected in the following data: our total man-hours for wharf and land operations amounted to 8,760 hours, while sea operations totalled 1,460 hours.

Our Emergency Fire Operations responded to a total of 20 cases, with 14 internal cases and six external cases. Additionally, our Ambulance Services attended to 137 internal cases and 84 external cases, dedicating 168 hours to external emergencies. These efforts underscore our dedication to safeguarding both our workforce and the wider community, ensuring prompt and effective response during critical situations.





GOVERNANCE: HIGHLY TRUSTED ORGANISATION



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 four hours of breach occurrence
- PTP commits to investments and implementation of the latest cybersecurity initiatives to address heightened cybersecurity risk in line with greater technological advancement (Previously Set as Mid-Term Targets)

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)

- 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 remains vigilant in monitoring the business landscape, adhering to legislative and regulatory requirements to proactively manage potential future risks. Our robust governance structure, frameworks and policies ensure effective risk management systems for identifying and managing risks. We are committed to fostering a culture of ethics and integrity, ensuring compliance with all applicable laws and regulations.

Throughout the year, PTP implemented various initiatives to enhance integrity and instill a culture of risk management. Our corporate policies and guidelines are accessible on our website at www.ptp.com.my.

WHISTLEBLOWING PROCEDURES

In line with our Code of Conduct and Business Ethics and our commitment to the United Nations Global Compact Ten Principles, we provide multiple channels for employees to raise genuine concerns, including reporting unlawful, unethical or questionable behaviour. These channels include letters, emails, in-person reports, or whistleblowing forms, allowing employees to report concerns confidentially without fear of retaliation.

Whistleblowing reports can be submitted via our website at <https://www.ptp.com.my/contacts/whistleblower>, emailed to ptpwbreport@mmc.com.my.

All whistleblowing reports are kept confidential and are disclosed only to those who need to know for investigation purposes. To ensure fair and thorough investigations, whistleblowers are encouraged to provide sufficient details about the conduct or incident reported.

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

GOVERNANCE AND COMPLIANCE INITIATIVES

PTP has established the PTP Anti-Bribery and Anti-Corruption (ABAC) Policy and Framework, along with the Competition Law Compliance Policy, as part of its initiatives to enhance governance practices. These policies are supported by consistent and ongoing training to emphasise both legal and practical aspects, ensuring that internal and external stakeholders are well-informed.

ABAC AND COMPETITION LAW COMPLIANCE TRAINING

A comprehensive implementation plan has been developed to communicate and disseminate the ABAC and Competition Law Compliance Policies and principles to all employees. This is done through online training modules and other communication methods. During the reporting year, 100% of our employees completed the ABAC training, effectively mitigating the risk of policy breaches. 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. Additionally, ABAC training for all Heads of Divisions and Departments saw 100% completion.

PTP RAID PROTOCOL TRAINING

An important aspect of our governance framework is the ongoing training on the PTP Raid Protocol, aimed at improving employees' preparedness during raids. This protocol includes measures to be implemented, guidelines for interactions with regulators during raids and restrictions, which are often a result of policy breaches. The support of on-call retained solicitors and comprehensive Raid Protocol training ensures a robust approach and increased understanding of the practical, legal and regulatory aspects.



GOVERNANCE: HIGHLY TRUSTED ORGANISATION



CONTINUOUS GOVERNANCE IMPROVEMENT

By providing ongoing training and establishing clear policies and protocols, PTP strengthens its governance practices and ensures a high level of compliance. This approach not only prepares employees for potential challenges but also fosters a culture of integrity and accountability throughout the organisation.

As part of our business continuity efforts, we conducted a national-level drill called "Ex-Tanjung" on November 23 2023, in collaboration with the National Disaster Management Agency (NADMA), 40 other government agencies, private agencies and representatives from the surrounding communities. The drill saw the participation of 680 individuals.



Drill Objectives:

Evaluate coordination and cooperation between government and private agencies in dealing with disasters. Assess logistical needs and identify gaps. Manage stakeholder risk, including that of the communities involved.

CYBERSECURITY AND DATA PROTECTION

The security and resilience of our digital systems and data protection are paramount to our business operations. The maritime industry, including shipping, ports and offshore activities are highly vulnerable to cyber-attacks, which can impact global trade, cause significant financial losses, result in environmental damage and even lead to loss of life. With several incidents related to port cybersecurity occurring in other parts of the world recently, PTP has taken important measures to prevent similar incidents from occurring.

For instance, PTP has conducted comprehensive cybersecurity training programmes for all employees to strengthen the company's first line of defense against significant security threats such as ransomware, phishing scams and spyware. To further enhance security, we have provided clear channels for employees to report any cyber issues to our IT Division. Additionally, we have implemented identity management tools like multi-factor authentication (MFA) to prevent unauthorised access to online accounts.

In FY2023, there were no reported cases of cybersecurity breaches. PTP remains committed to providing the highest standards of data security and privacy, safeguarding the personal data of our customers, employees and other stakeholders. All personal data is managed in accordance with the Personal Data Protection Act 2010. There were no recorded cases of substantiated complaints concerning breaches of customer privacy, data leaks, thefts, or losses during the year under review.

GOVERNANCE: HIGHLY TRUSTED ORGANISATION

PTP continuously provides training and education to all port workers including top executives, managers and supervisors, to ensure a culture of cyberthreat awareness at all organisational levels. Enhancing our cybersecurity equipment also prevents unauthorised access to port business data, keeping critical information safe. Furthermore, we strictly implement the International Ship and Port Facility Security Code (ISPS) procedures and other preventive measures to reduce the risk of cyberthreats.



SUPPLY CHAIN

SUPPLY CHAIN MANAGEMENT

Due to the nature of our business, PTP engages with a vast network of suppliers, business partners and service providers. We fully recognise the importance of managing responsible and sustainable supply chains across all aspects of our operations. This involves integrating sustainability elements into our supply chain management processes, which include supplier selection and registration, risk assessment, operational control and economic, social and environmental evaluations.

We also emphasise that all our suppliers and business partners conduct their businesses ethically and responsibly to create long-term value and minimise potential environmental and societal impacts. In FY2024, we will focus on fostering strategic collaborations with our suppliers, incentivising them to initiate their ESG programmes. This initiative will include providing awareness, training and disclosure support to help them align with our sustainability goals.

A large majority of suppliers appointed by PTP are locals. In FY2023, 89% of our suppliers were local suppliers.



89%

of our suppliers were local suppliers

ISO CERTIFICATION

PTP is committed to building credibility and integrity to serve our stakeholders effectively. To ensure adherence to the highest standards at all levels, we adopt and obtain ISO certifications. In FY2023, we achieved and maintained several ISO certifications, including:

- ISO 14001:2015 for Environmental Management System
- ISO 9001:2015 for Quality Management System
- ISO 45001:2018 for Occupational Health and Safety Management System
- ISO 27001:2013 for Information Security Management System

Additionally, our Anti-Bribery and Anti-Corruption (ABAC) Policy and Framework adopts the ISO 37001:2016 Anti-Bribery Management System, which specifies measures to assist organisations in preventing, detecting and addressing bribery and corruption. PTP also adheres to the ISO 31000:2009 risk management processes as detailed in our Enterprise Risk Management Policy and Framework, outlining the effective and efficient management of risks across the organisation.



GOVERNANCE: HIGHLY TRUSTED ORGANISATION

PROMOTING RESPONSIBLE AND ETHICAL SUPPLY CHAIN

To ensure greater transparency and fairness in our procurement processes, we have implemented stringent procedures and guidelines to prevent bribery and corruption, applicable to both our employees and suppliers. These measures are crucial for creating value for our stakeholders and establishing a sustainable pool of local suppliers. By promoting responsible and ethical supply chains, we aim to foster trust and integrity in all our business operations.

Our commitment to ethical practices not only enhances our reputation but also contributes to the long-term success of our partners. We believe that by upholding these standards, we can drive positive change within the industry, encouraging our suppliers to adopt similar practices and thereby creating a ripple effect that benefits the broader community. Through continuous monitoring and improvement of our supply chain practices, we are dedicated to maintaining a high level of accountability and transparency.



Qualification/Pre-Qualification

- 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.



Selection

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



Performance Evaluation

- 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).



Communications and Training

- 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 continuously conducting a supplier labour audit programme to ensure our vendors and suppliers comply with the Employment Act 1955. We are dedicated to making sure that all our suppliers adhere to labour laws, safeguarding fair and ethical labour practices throughout our supply chain. To support this commitment, we provide assistance and guidance to Small and Medium Enterprises (SMEs) within our network, helping them understand and comply with these laws and regulations.

In addition to compliance monitoring, we offer recommendations and identify areas for improvement for suppliers who are not meeting the required standards. This proactive approach ensures that all partners in our supply chain maintain high labour standards, promoting a fair and just working environment. By fostering compliance and offering support, we aim to uphold the integrity of our operations and contribute to the overall well-being of the workforce.

GOVERNANCE: HIGHLY TRUSTED ORGANISATION



PTP Vendor Day 2023

On 26 October 2023, Pelabuhan Tanjung Pelepas Sdn Bhd (PTP), a member of MMC Group, successfully organised its PTP Vendor Day 2023. Held for the third time since 2019, this event focused on ESG and sustainability. The objective was to enhance supply chain collaboration, networking, knowledge sharing and innovation, reinforcing PTP's commitment to integrated and sustainable supply chain services and partnerships.

This year, 55 local and international companies and service providers participated in the Vendors' Exhibition. Various insightful activities and engagement sessions were led by industry leaders to showcase the latest technologies, products and services, fostering networking and collaboration. The event also featured sustainability forums and knowledge-sharing sessions.

An appreciation dinner was organised for approximately 400 new and existing business partners and vendors to recognise their support in empowering PTP's sustainable supply chain agenda.



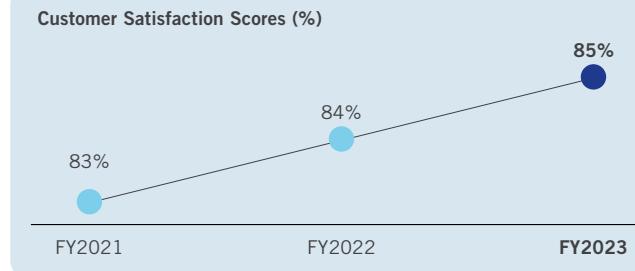
CUSTOMER/OPERATIONAL EXCELLENCE

PTP takes pride in providing top-quality service to all our clients across various business sectors. We continuously evaluate the quality and performance of our services through internal audits and surveys to measure customer satisfaction. This process helps us identify gaps and implement necessary improvements. Customer satisfaction is one of our key performance indexes (KPIs), enhancing our ability to promptly resolve any service and performance issues.

In FY2023, we maintained customer satisfaction scores of over 80%. The scores have increased over three years, reflecting our commitment to promptly responding to complaints. Findings from our customer satisfaction scores showed that the level of customer satisfaction increased from FY2020 to FY2022 due to our continuous development and efforts to drive efficiency and productivity. These efforts included upgrading and purchasing new equipment (Quay Crane, Rubber Tyre Gantry, Prime Mover) and optimising systems and asset digitisation.

Additionally, customers have provided feedback on areas for improvement, such as enhancing terminal and gate operations, marine operations and HSE (Dangerous Goods System) to ensure these aspects are more customer-focused. In response, we developed action plans for these improvements through internal meetings with Gemba and Kaizens, in collaboration with relevant departments and by organising external engagement sessions with our customers.

Due to our operational excellence, efficiency and commitment to providing value to our customers, PTP successfully achieved the highest call size with 12,216 container moves on the vessel Eugen Maersk, marking an all-time record performance of 321 PMPH (Port Moves Per Hour).

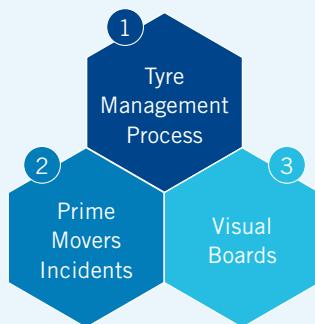


Kindly scan the
QR code to watch
our event.

GOVERNANCE: HIGHLY TRUSTED ORGANISATION

KAIZEN: CONTINUOUSLY IMPROVING TO MEET OUR CUSTOMERS' NEEDS

In 2023, PTP successfully implemented 527 kaizens, emphasising the concept of continuous improvement. Of these, 130 kaizens were associated with the Lean Academy, while 397 were voluntary initiatives. Key improvements included:

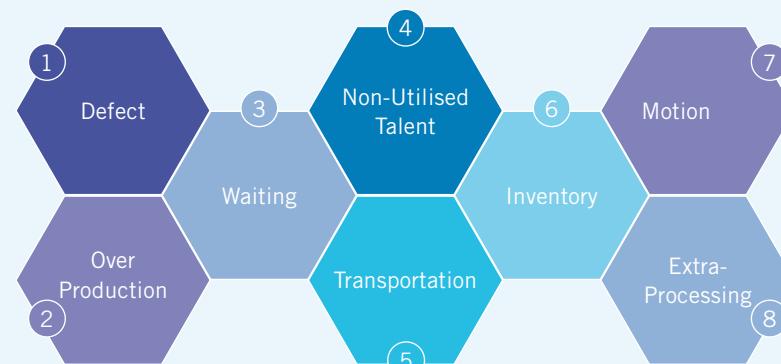


1. Addressed premature tyre wear and hazards.
2. Reduced tyre replacement downtime.
3. Supported decarbonisation.
4. Simplified processes to enhance tyre management performance.

2. Reduced incidents involving prime movers.

3. Introduced visual boards for job overviews and assignments.
- Optimised labour productivity.

To ensure operational efficiency at PTP, we encourage our employees to eliminate waste at their workplace by identifying and addressing the following eight types of wastes (DOWNTIME) :



Additionally, PTP had a robust pool of lean practitioners, with 1,574 certified lean practitioners capable of applying lean methodologies in problem-solving and 116 advanced lean practitioners who could inspire, facilitate and guide kaizen initiatives.

A notable project from PTP, which focused on eliminating these types of waste, was recognised by one of our shareholders, APM Terminals as the best project for waste elimination in a terminal. A summary of their project can be viewed by scanning the QR code.



Kindly scan the QR code
to watch our PTP Waste
Elimination Content Wow
Experience.



A Member of  MMC Group

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