

Customer Story

How a Malaysian Port Operator Effectively Measured Its Impact on Local Communities



Understanding Corporate Impact



Westports Malaysia wanted to understand the extent of its corporate impact on the local economy, as well as its contributions to the surrounding community. The company was aware that its operations affected the lives of nearby residents, but they wanted to quantify that impact with factual evidence. After identifying the scope of the project, Westports soon realized it was better to leverage external resources and expertise to conduct an impact assessment. The company engaged Morningstar Sustainalytics, which provided them with an objective, independent analysis that identified their successes and determined areas for improvement on its corporate ESG issues.



Industry

Transportation Infrastructure



Region

Asia Pacific



Sustainability Product

Corporate Impact Report

"Sustainalytics made the process of determining our corporate impact easy by asking us for precisely what they needed to complete their evaluations and analysis."

Chang Kong Meng
Head of Investor Relations, Westports



The Opportunity



Westports believed it had a positive effect on the lives of the local residents, but wanted to understand and measure its impact, while identifying where it could improve its ESG programs and policies.

The Solution



The Sustainalytics Corporate Impact Report provided an in-depth analysis of Westports' contribution to the local economy through investments in infrastructure, education, and employment.

The Results



Obtaining an objective, third party Corporate Impact Report enabled Westports Malaysia to understand and communicate its good standing as a supportive corporate partner in the community to investors, stakeholders, and local authorities.

About Westports Malaysia

Westports Malaysia is an ocean shipping container terminal operator located on the island of Pulau Indah in Port Klang, 25 miles southwest of the capital city of Kuala Lumpur. Westports serves as the main gateway for container and conventional cargo for the central Malaysian peninsula and handles more than 10 million Twenty-Foot Equivalent Units (TEUs) of container boxes per year. The company attributes its success to its strategic location, occupying a deep channel and wharf that can accommodate large vessels, and its dedicated and vibrant workforce. Westports is the area's largest employer with 5,725 employees, a third of whom live on the island.



The Opportunity

Measuring Community Contributions and Diversity

Westports Malaysia prided itself on its business achievements, dynamic workforce, and community outreach programs and wanted to share these accomplishments with its stakeholders – including investors, local authorities, and employees. Apart from being the island of Pulau Indah’s largest employer, the port operator ran several corporate social responsibility (CSR) programs in the community, such as education, home maintenance, and small business initiatives. The company also made its port police, ambulance, and fire department available for emergency services.

Having recently enacted its Equal Opportunity Employment Policy, the organization wanted to analyze its track record on hiring and recruiting women in a traditionally male-dominated workforce. However, conducting unbiased, in-house research, data interpretation, and internal analysis could prove challenging. The company decided that an independent external party, equipped with better resources and expertise, would be a more favorable option to conduct the in-depth evaluation, while offering clarity and credibility to the research.



"We had a positive experience in our engagement with Sustainalytics. The projects team grasped our operations, CSR and sustainability initiatives, and contribution to the community very quickly, while also recognizing our areas for improvement."

Chang Kong Meng
Head of Investor Relations, Westports



The Solution

Identifying the Full Impact of CSR Programs and Business Activities

Westports engaged Sustainalytics to produce a Corporate Impact Report on its total impact on the local economy, including gross domestic product contribution and employment, with a secondary focus on CSR programs. This comprehensive report collected information on Westports' operations in 2021, as well as data related to its infrastructure investments from 2015 to 2017. The report also considered regional and industry level benchmarks to better assess Westports' performance in comparison with similar businesses in the region.

To assess the company's total economic impact, Sustainalytics' research team used three categories of analysis: direct, indirect, and induced impacts. Direct impacts included goods and services sold by the organization; indirect impacts included its spending with suppliers to produce final products; and induced impacts were the wages paid to employees that eventually contribute to the economy. Analysis of these three factors provided a comprehensive picture of Westports' economic impact throughout Malaysia.

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The Results

Providing Details of Achievements and Opportunities

Sustainalytics Corporate Impact Report found that Westports plays a significant role in its surrounding community, through its business activities and CSR programs, with the company contributing MYR 3.8 million (US\$833,720) toward social and sustainability-focused initiatives throughout 2021. In terms of total economic impact in 2021, the report indicated that the company's total contribution to Malaysia's GDP was MYR 1.6 billion (US\$351 million), payments to the port authority amounted to MYR 70.3 million (US\$15.4 million), with its employees contributing more than MYR 7 million (US\$1.5 million) to the Malaysian government in tax revenue. Westports also invested MYR 760.4 million (US\$166.8 million) between 2015 and 2017 to construct two new port terminals. Additionally, the company plans to invest more than MYR 12 billion (US\$2.6 billion) over the next 25 years to build more container terminals, with a goal to double its total container handling capacity to 28 million TEUs per year.¹

Focusing on Westports' employment record, the report showed that the company provided a total of 552,845 training and education hours for its employees in 2021, more than doubling both the total training hours of all staff and the average training hours per employee from 2020. On top of that, 38% of the average training hours per employee in 2021 were dedicated to training management positions. The company also initiated its Smart Study program, which worked with local grade five students to develop their preparation, motivation, and memorization skills. The online program, which took place over two days, engaged 250 students.

The report also identified areas where Westports was trending upward. In 2021, the company launched its Equal Opportunity Employment Policy, with the intention of attracting more female employees. The company saw the proportion of female employees grow by 9%, with women occupying 2.4% of the total workforce, 2.3% of total recruitment, and 8% of management leadership positions. Though the number of female employees was modest in this usually male-populated field of work, the data provided in the report helped them realize that more work needs to be done to hire, develop, retain, and advance women in their careers at Westport.

¹ Currency conversions as of November 17, 2022.

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