

FLOURISHING
IN CHALLENGING
TIMES



SUSTAINABILITY REPORT
2020



The seedling springing from the crack represents how Cenviro has thrived despite the challenging operating environment of 2020. Despite the obstacles we faced, our organisation has flourished, delivering a stellar financial and operational performance. Furthermore, the initiatives we implemented and enhanced this year enable us to transition from an integrated waste management company to a waste resource management solutions provider.

Through ongoing engagements with our stakeholders as well as continuous improvements to our capabilities, processes and services, we endeavour to drive the transformation of the Malaysian waste landscape. We are cognisant of our role within this ecosystem and strive to lead by example, using our innovative, safe and sustainable waste resource management solutions to usher in a more renewable future. We hope that our collective efforts will redefine societal perspectives on waste and ultimately, facilitate the transition to a circular economy.

About This Report

GRI 102-1, 102-3, 102-45, 102-46, 102-49, 102-50, 102-51, 102-51, 102-52, 102-53, 102-54, 102-56

Reporting Framework

This report has been prepared in accordance with the GRI Standards: Core option, and Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statements in Annual Reports.

GRI 103-1

Scope

This Sustainability Report covers the reporting period for the year ended 31 December 2020, unless otherwise specified. It encompasses the activities of Cenviro and its subsidiaries, joint ventures and associate companies, all of which are located in Malaysia. References to 'Cenviro', 'the Cenviro Group', 'the Company', 'the Organisation' and 'we' refer to Cenviro Sdn. Bhd. and/or its affiliates and subsidiaries.

Assurance and Verification

This Sustainability Report has been independently verified by Bureau Veritas Certification (M) Sdn. Bhd. (Bureau Veritas). The assurance statement can be found on pages 135-139.

Feedback

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About Cenviro

Cenviro is a purpose-driven integrated waste management company committed to improving lives through the provision of quality waste resource management services. We strive to develop responsible partnerships to support organisational performance and drive the transformation of the Malaysian waste industry.





KUALITI ALAM

Waste Management Centre (WMC)

Comprises the Incineration Plant, Solidification Treatment Plant, Physical and Chemical Treatment Plant, Vertical Secured Landfill, Scheduled Waste to Energy Plant and Clinical Waste Treatment Centre. Waste is categorised before collection and analysed again on arrival at WMC by our experts to ensure suitable treatment and disposal.

Incineration Plant

Incinerates waste using controlled burning at high temperatures.

Physical and Chemical Treatment Plant

Capable of handling all types of inorganic liquid waste using various chemical treatment processes.

Solidification Treatment Plant

Solidifies treated waste from the Physical and Chemical Treatment Plant and other processes, prior to the material's disposal at the Vertical Secured Landfill.

Recycling and Recovery Facilities

Recycling and recovery services for scheduled waste.

Cenviro Aura Technologies Sdn. Bhd.

Malaysia's first food grade bottle-to-bottle RPET at Cenviro EcoPark.

Clinical Waste Treatment Centre

Treats hazardous medical waste using zero-emissions technology, including microwave treatment and an eco-friendly incinerator.

Scheduled Waste to Energy Plant

Scheduled waste is incinerated using a combustion chamber. The energy generated from this incineration is used to produce electricity using a boiler and steam turbine.

(export to national grid)

Vertical Secured Landfill

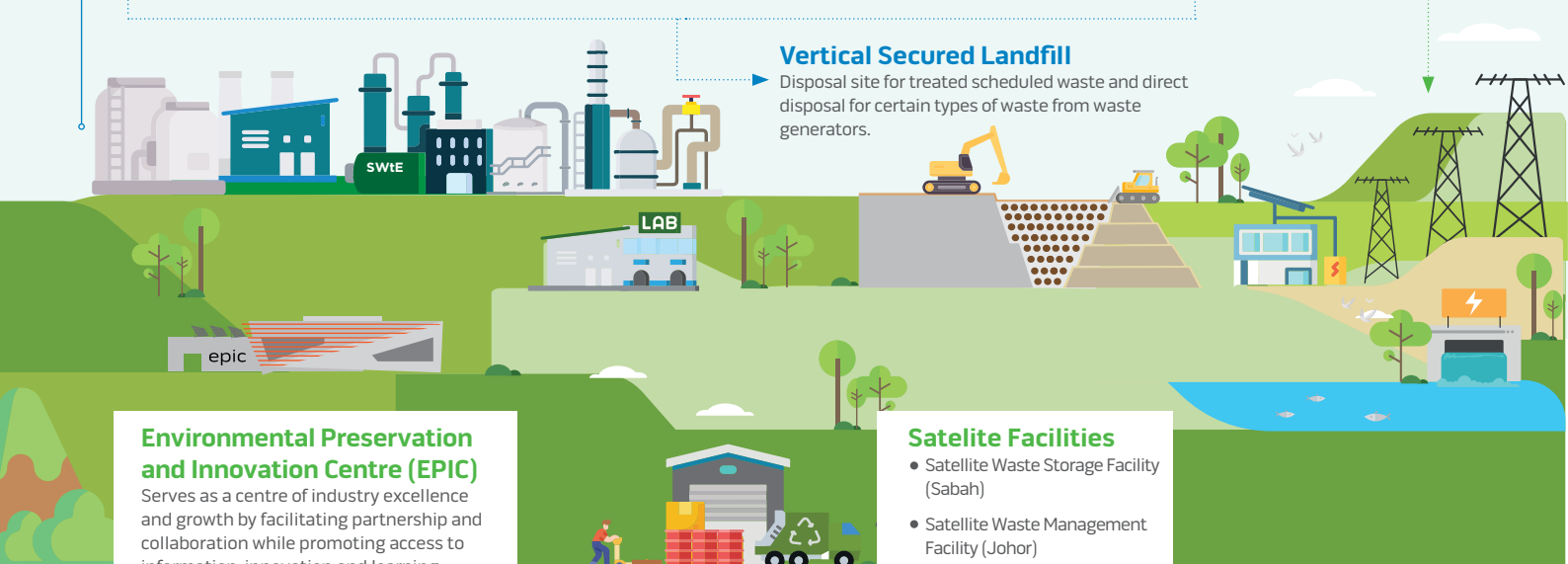
Disposal site for treated scheduled waste and direct disposal for certain types of waste from waste generators.

Environmental Preservation and Innovation Centre (EPIC)

Serves as a centre of industry excellence and growth by facilitating partnership and collaboration while promoting access to information, innovation and learning.

Satellite Facilities

- Satellite Waste Storage Facility (Sabah)
- Satellite Waste Management Facility (Johor)



GRI 103-2

Our Purpose

Thinking Green for the Industry

Changing times call for new ways of thinking and smarter ways of working. By growing into a waste resource management solutions provider, we are committed to building a sustainable future and resilient tomorrow for the nation.

Improving Quality of Life

Cenviro takes great pride in our role in an industry responsible for managing the lifecycle of waste. We aspire to improve the quality of life for those we serve by ensuring that our services are convenient, reliable, compliant with regulations, and unparalleled in quality.

The Modern Resource Company

Our 2021 brand refresh is representative of Cenviro's ongoing efforts to enhance the quality of our services and expand our recycling and recovery capabilities. We seek to capitalise on the full value of waste as a resource. In doing so, we aim to drive the transition towards a more circular economy. Our future growth and success relies on the creation of sustainable value for our business and our stakeholders. For this reason, we believe that Reimagining Resources will be key to us achieving our aspirations of becoming a leading waste resource management solutions provider in the region.

We endeavour to integrate sustainability across Cenviro by running our business responsibly, despite the challenges of operating in a complex, interconnected and constantly evolving industry. We are constantly improving our internal processes to ensure operational excellence while going beyond compliance with regulatory requirements. We aim to create lasting value for stakeholders through our actions, hoping to generate further positive environmental, social, economic and financial impact for future generations.



VISION

The Modern
Resource Company

MISSION

We deliver safe and
innovative waste recovery
and recycling solutions
in the drive towards a full
circular economy

TAGLINE

Reimagining
Resources

Our Story

Cenviro, which stands for “Clean Environment”, has been providing reliable and responsible waste management solutions in Malaysia since 1998, when we opened the country’s first Integrated Waste Management Centre, Kualiti Alam Sdn. Bhd., in Negeri Sembilan. From the outset, we have given due consideration to the wellbeing of the communities and the environment in which we operate. We are proud of our accomplishments and are committed to generating shared economic, environmental and social value for all stakeholders.

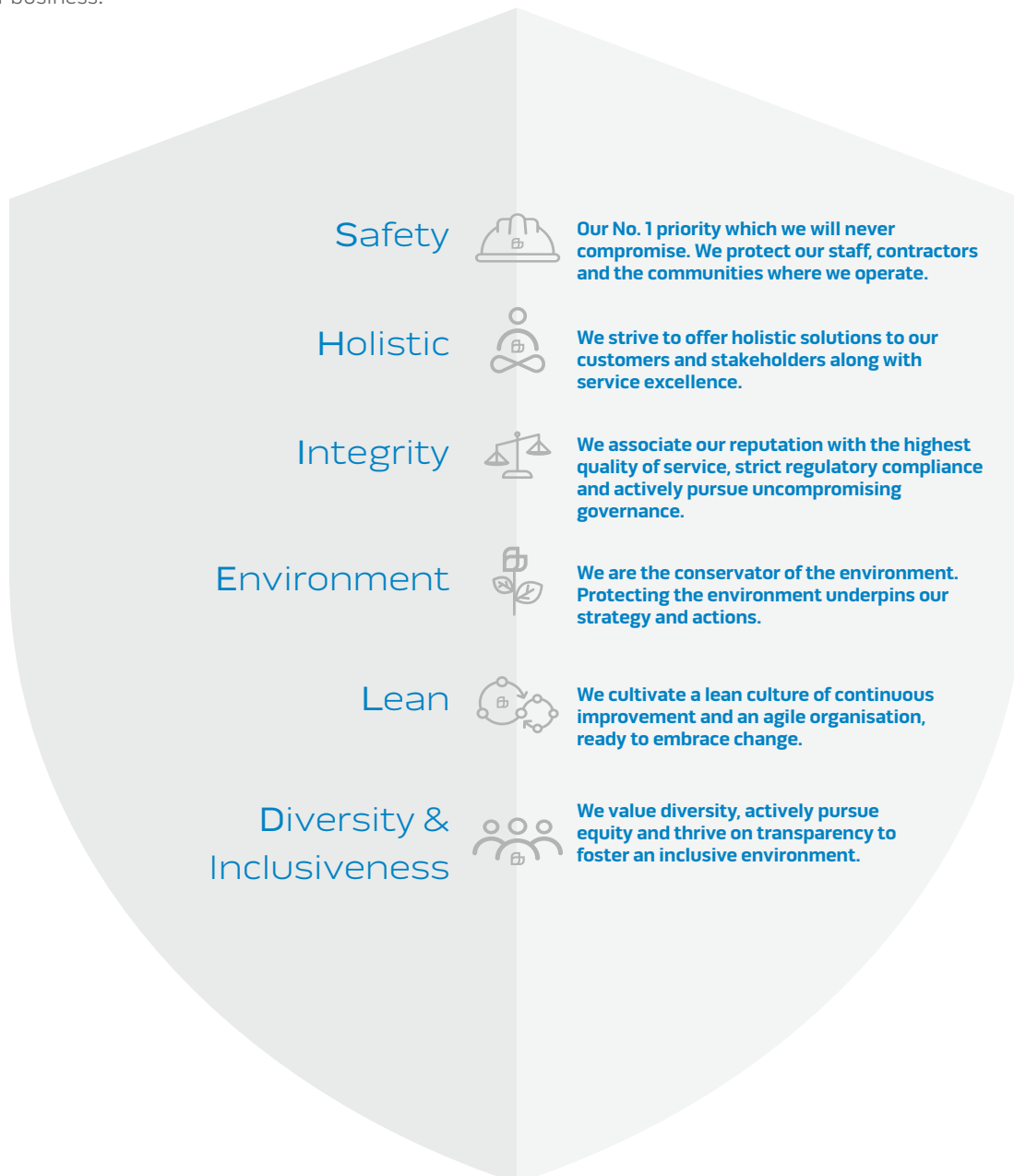
Besides operating the country’s largest scheduled waste management centre, we offer municipal solid waste management and public cleansing services through our joint venture company, E-Idaman Sdn. Bhd., while our associate company, Shan Poornam Metals Sdn. Bhd., offers electronic waste (e-waste) management services.



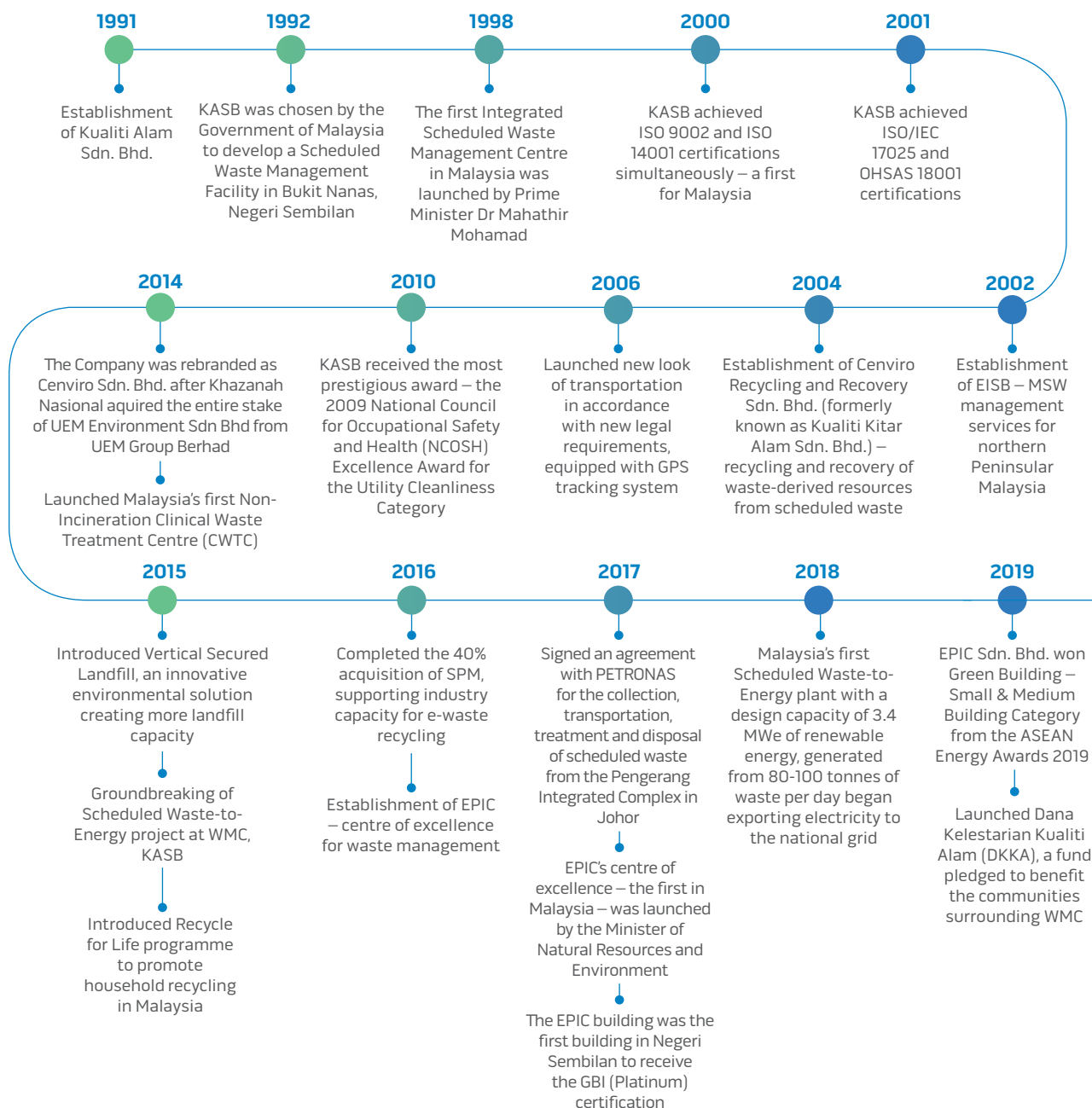
GRI 102-16

Our Core Values

Cenviro's core values shape our actions throughout our value chain and across our operations. This year, we have updated our core values to better reflect the character of our organisation as we progress along our journey of sustainability-driven growth. These new core values — Safety, Holistic, Integrity, Environment, Lean, Diversity and Inclusiveness (SHIELD) — solidify our commitment to sustainability and guide the way we conduct ourselves and our business.



Our Milestones





2021

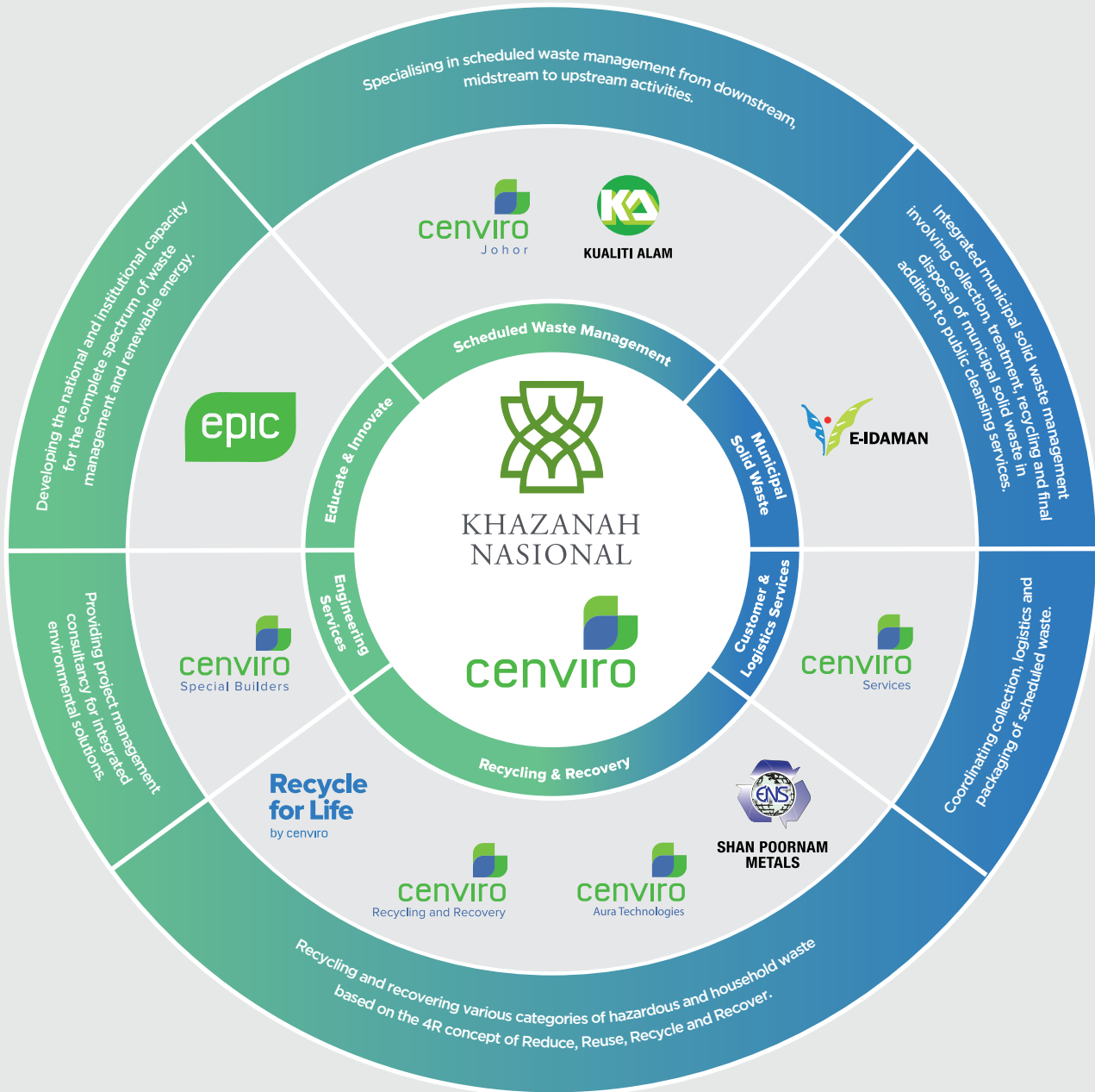
We formed a new joint venture through Cenviro Recycling and Recovery Sdn. Bhd. – Cenviro Aura Technologies Sdn. Bhd. – to develop and operate Malaysia's first food grade bottle-to-bottle RPET at Cenviro EcoPark

Note: Joint venture, Cenviro Aura Technologies Sdn. Bhd., formed outside of reporting year.



GRI 102-2, 102-4, 102-5, 102-6, 102-7, 102-10, 102-45, 103-1

Group Structure



Kualiti Alam Sdn. Bhd. (KASB)

Through KASB, Cenviro owns and operates Malaysia's first and largest integrated Waste Management Centre (WMC), located in Negeri Sembilan. WMC is licensed to handle 76 categories of scheduled waste listed under the Environmental Quality (Scheduled Wastes) Regulations 2005. The 241.6-acre facility has an annual capacity to store, treat and dispose of more than 100,000 tonnes of scheduled waste.

Cenviro Services Sdn. Bhd. (CS)

Collection, logistics and packaging of scheduled waste.

Cenviro Recycling And Recovery Sdn. Bhd. (CRR)

Recycling and recovery services of scheduled waste. Licensed to recover resources from 14 Scheduled Waste Codes.

Cenviro Special Builders Sdn. Bhd. (CSB)

Project management consultancy, engineering, procurement, construction and commissioning services.

Cenviro (Johor) Sdn. Bhd. (CJ)

Satellite facility for collection and treatment of scheduled waste for the southern region.

Environmental Preservation And Innovation Centre Sdn. Bhd. (EPIC)

A centre of excellence devoted to developing national institutional knowledge as well as providing innovative and reliable solutions for waste management and renewable energy.

Recycle For Life Sdn. Bhd. (RFL)

RFL operates a modernised recycling programme that rewards participants with cash value through a smart card.

Cenviro Aura Technologies Sdn. Bhd. (CENURA)

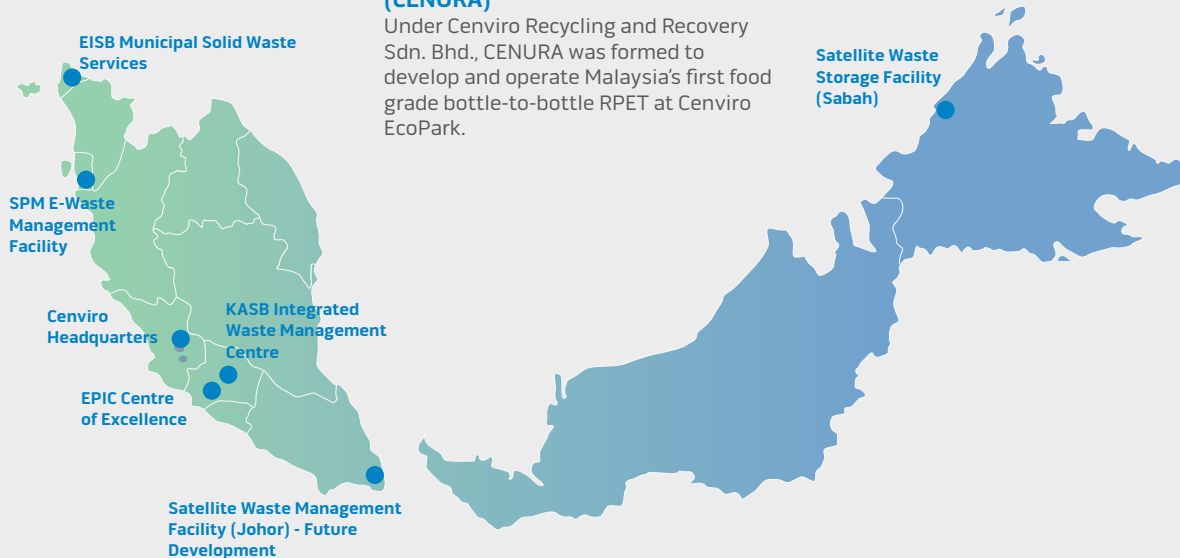
Under Cenviro Recycling and Recovery Sdn. Bhd., CENURA was formed to develop and operate Malaysia's first food grade bottle-to-bottle RPET at Cenviro EcoPark.

E-Idaman Sdn. Bhd. (EISB)

A joint-venture company between Cenviro and Metacorp Bhd. that provides integrated municipal solid waste (MSW) management as well as public cleansing services. EISB's subsidiaries include Environment Idaman Sdn. Bhd. (ENVI), Environment Idaman (Kedah and Perlis) Sdn. Bhd., Green Resource Recovery Sdn. Bhd. (GRRSB) and Environment Idaman (Perak) Sdn. Bhd.

Shan Poornam Metals Sdn. Bhd. (SPM)

A provider of both scheduled waste (solid and liquid) solutions and non-scheduled waste recovery, refining and asset management, including household e-waste recycling and chlorofluorocarbon (CFC) recovery. SPM is also a manufacturer of secondary aluminium alloy ingots, high purity precious metal ingots and copper cathodes.



1. Subsidiaries are companies in which Cenviro holds a majority stake or has direct management control.
2. A joint-venture company refers to a contractual agreement between Cenviro and a third-party company for executing a particular business undertaking.
3. Associates are companies in which Cenviro holds a minority stake.
4. Joint venture, Cenviro Aura Technologies Sdn. Bhd., formed outside of reporting year.

GRI 102-14, 102-15

Chairman's Message



At the heart of our operations lie solutions that prioritise the safety and needs of our stakeholders, while simultaneously promoting collaboration across the waste management industry.



Tan Sri Dr Azmil Khalili
Dato' Khalid
Chairman

Since the outset of our business, Cenviro has remained unwavering in our commitment to provide dependable and sustainable waste management services to our customers. We have always emphasised conducting our business with integrity and prioritised maintaining the trust of our customers. Through the services we provide, we strive to not only transform the Malaysian waste industry, but raise living standards for communities across the country, enabling them to thrive and flourish.



Significant shifts are taking place across the waste management industry. Rapid urbanisation, changing consumer preferences and increased resource scarcity are collectively pushing the industry to adopt more sustainable practices. Cenviro is embracing these challenges as opportunities to innovate, develop and grow our business. Driven by our unshakeable commitment to sustainability, Cenviro is embarking on a journey of sustainable transformation, transitioning into a leading waste resource management company. We continue to optimise our processes, expand our capabilities and strengthen our governance to ensure that we are well-positioned to tackle the emerging challenges and opportunities in the waste management industry.

As an essential service provider, we are embedded within a deeply interconnected economic ecosystem, comprising numerous stakeholders. For this reason, we recognise that our journey of sustainable transformation cannot be undertaken in isolation; we

must strive to cultivate meaningful relationships and collaborations with our industry peers, regulators and communities. By consistently and actively engaging with our stakeholders, we continue to nurture and build strong bonds, cementing our efforts to bring the industry together. In doing so, we are promoting positive change and redefining societal perspectives on waste.

At the heart of our operations lie solutions that prioritise the safety and needs of our stakeholders, while simultaneously promoting collaboration across the waste management industry. By Reimagining Resources, Cenviro works tirelessly to deliver innovative and outstanding services with integrity while continuously managing the impact of our operations on the environment and society. By delivering safe and innovative waste resource recovery and recycling solutions in the drive towards a circular economy, Cenviro is committed to working towards a more sustainable future and a more liveable world for all.

Driven by our unshakeable commitment to sustainability, Cenviro is embarking on a journey of sustainable transformation, transitioning into a leading waste resource management company.



Managing Director's Message

Through our innovative waste resource recovery and recycling solutions, we strive to transform perspectives on waste resource management and capitalise on the true value of a resource that society will continue to generate: waste



The concept of sustainability is vast, encompassing all manner of Environmental, Social and Governance (ESG) considerations. It is no understatement to say that 2020 was a year that brought "S" issues to the forefront, with the COVID-19 pandemic leaving a tangible impact on lives and livelihoods across Malaysia. Amidst this challenging context, Cenviro has remained a steadfast, reliable and dependable partner for our communities, delivering essential services to our customers.

Dr Johari Jalil
Managing Director





Without underplaying the impact that COVID-19 has had on our operations, Cenviro is also cognisant of the broader industry trends and shifts that will have a lasting impact on how we operate our business. The evolution of the waste management industry is under way. Globally, there is a marked shift towards viewing waste as a resource. This can be seen in trends such as changing consumption patterns towards more responsible lifestyles, increased innovation focus on efficient waste-to-energy conversion and resource recovery methods, the restructuring of global value chains and the reenvisioning of product life cycles. These trends are strong tailwinds lifting and thrusting Cenviro towards achieving our vision of a circular economy. Through our innovative waste resource recovery and recycling solutions, we strive to transform perspectives on waste resource management and capitalise on the true value of a resource that society will continue to generate: waste.

Part of our approach to capturing the full value of waste is the adoption of a mindset of continuous improvement, which we significantly emphasised over the past year. Across the organisation, we are constantly working to improve the efficiency of our processes and the quality of our services. We believe that embedding continuous improvement into our organisational DNA, while simultaneously expanding our capabilities in resource recovery and recycling,

will propel Cenviro to the forefront of the industry and ensure that we are well-positioned for further growth.

As a pathfinder in the industry, we strive to develop new and innovative solutions to address current and future waste management challenges, while safeguarding the environment. We are an industry leader in innovative and sustainable waste management solutions and through the work that we do, we are actively transforming the waste management and resource recovery and recycling industry in Malaysia. Cenviro remains committed to building strong relationships with our stakeholders across the industry and ensuring that we continue to conduct our business in a responsible and sustainable manner.

Operational Highlights

While the COVID-19 pandemic was not without its challenges for our organisation, 2020 remained a strong year for Cenviro. We registered a 15% year-on-year increase in revenue, generating over RM252 million in 2020. Our scheduled waste operations now serve over 9,500 industrial and commercial customers, while our MSW operations serve over 377,000 residential premises. We treated over 212,000 tonnes of scheduled waste and collected over 518,000 tonnes of MSW throughout the year. We also played a critical role in the safe disposal of the country's COVID-19 waste.

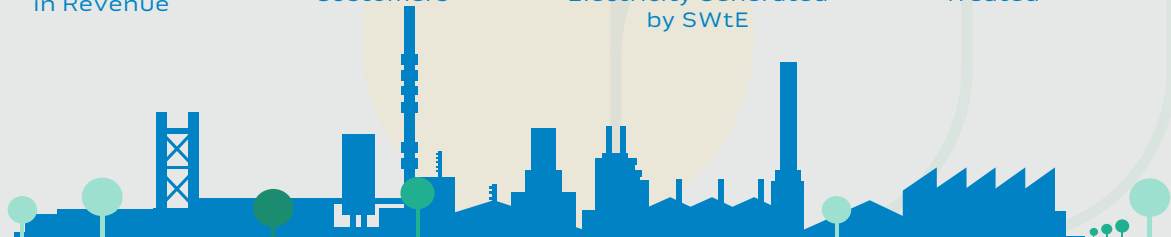
2020 OPERATIONAL HIGHLIGHTS

**>RM252
MILLION**
in Revenue

>9,500
Industrial and
Commercial
Customers

294%
Year-on-Year
Increase in
Electricity Generated
by SWtE

>212,000
Tonnes of
Scheduled Waste
Treated



Workplace & Community Highlights

Safety is a top priority at Cenviro. We work to cultivate a robust safety-first culture across the organisation, emphasising the importance of occupational safety and health to all of our employees and contractors. Our Hazard Identification Programme (HIP) has become an important reporting tool, with over 8,426 potential hazards identified by employees and 678 identified by contractors this year, far exceeding our 2020 target of receiving 5,000 recommendations for improvement. HIP has become firmly embedded in our health and safety culture, not least through the circulation of monthly highlights and the regular review of HIP recommendations during our Operations' team meetings.

We have strengthened our health and safety governance this year through our new Cenviro Group HSSE Steering Committee, as well as dedicated committees for KASB, CRR, Supply Chain, Sales, Marketing & EPIC and our corporate office. Additionally, the HSSE Intervention Policy, launched in May 2020, empowers individuals employed or engaged by Cenviro to take ownership of their safety by intervening in potentially hazardous situations. These initiatives, in addition to engagement with contractors and rigorous health and safety training, have enabled Cenviro to achieve 226 days without LTI incidents in 2020 and maintain our 0% fatality rate.



Leading the transition to a more sustainable Malaysian waste resource management industry would not be possible without highly capable talent. We introduced the High Potential (HiPo) Programme and Talent Mobilisation Programme this year to nurture and support the professional development of our employees. Our talent development efforts are underpinned by our continuous improvement approach, which encourages agile practices and a growth mindset throughout our workforce. We believe that a robust culture of continuous improvement is critical to enhancing employee productivity and driving organisational growth.

Building relationships with our stakeholders lies at the core of our business and we continue to strengthen our relationship with the communities affected by our operations. In 2020, we contributed RM531,700 for COVID-19 related relief efforts and RM59,309 in community investment initiatives. Unthwarted by the pandemic, we found ways to safely engage with communities, working with schools around WMC to establish sick bays equipped with basic medical and safety facilities. Other community engagements throughout the year included contributions towards festive celebrations, knowledge-sharing efforts as well as engagement through our RFL programme.

Environmental Highlights

As a testament to our commitment to managing our environmental footprint and addressing the "E" in ESG, this year, Cenviro took important steps towards mitigating the climate change impact of our operations. Through a rigorous and extensive technical study, we quantified the GHG emissions from our operations at WMC and established 2020 as the baseline year for future emissions reporting. We are embarking on a journey of GHG emissions management and are in the process of developing a 5-Year GHG Reduction Roadmap to guide our emissions reduction strategy. We plan to share details of this Roadmap with our stakeholders by the end of 2021.



Fundamentally, our sustainability efforts and the future of waste resource management are underscored by a reimagination of resources



More broadly, Cenviro continues to manage the environmental impact of our operations, in line with our goal of zero environmental pollution from our activities. We generated 1,537,509 kWh of energy from solar panels, equivalent to over 3,893 tonnes of CO₂ emissions avoided. We have also reduced our water consumption by 6% over the year.

Robust Governance and Ethical Business

As for the "G" component of ESG, Cenviro has taken important strides to enhance our corporate governance in 2020. Following the establishment of our Corporate Governance and Assurance Body in 2019, in 2020, we introduced the role of a Chief Integrity and Governance Officer (CIGO), responsible for overseeing governance matters across the organisation and ensuring that our business operates in an ethical manner. To further enhance the integrity of our business and operations, we instituted an Anti-Bribery and Corruption (ABC) Policy and established the Gifts and Hospitality Guidelines. These initiatives seek to ensure that Cenviro's sustainability journey will be guided by clear leadership and robust governance. As we forge ahead, Cenviro will continue to ensure that we conduct our business with integrity, in aligned with regulatory requirements and the interests of our stakeholders.

Moving Forward

COVID-19 has highlighted the need for resilient data management systems and digital infrastructure. In line with this and our continuous improvement strategy, Cenviro continues to explore opportunities to integrate digitalised systems and processes across our organisation. We seek to not only increase productivity and efficiency, but ultimately deliver a higher quality of service to our customers. Our ongoing and planned digitalisation efforts span the entire value chain of waste

collection, treatment and recovery, as well as customer management. Not only will digitalisation support our future growth; it will also mitigate the environmental impact of our activities and bring us even closer to our ambition of zero environmental pollution from our activities.

Fundamentally, our sustainability efforts and the future of waste resource management are underscored by a reimagination of resources. There is great value in the waste that society produces and treating waste as a valuable resource offers opportunities for innovation, collaboration, economic gain and environmental management. Cenviro is well-positioned to take advantage of these opportunities and lead the industry towards more sustainable practices. We will continue to enhance the industry's capacity for resource recovery and recycling by fostering partnerships for technological innovation while expanding our expertise and capabilities.

To succeed in our ambitions, Cenviro remains committed to balancing outstanding service delivery to our customers with environmental sustainability. As we progress along our journey of sustainable transformation, we will continue to forge meaningful and lasting relationships to drive the evolution of the waste industry in Malaysia.

Our COVID-19 Response

Our main priorities during the COVID-19 pandemic period and associated lockdowns have been to protect the health of our employees, safeguard the communities that we interact with and ensure the continuity of our operations. Given the essential nature of our business, we rolled out measures to ensure the safety and health of our employees, partners and customers while playing our instrumental role in supporting communities and customers affected by the pandemic. Our COVID-19 management efforts are highlighted below and elaborated further throughout this report.

Ensuring Operational Continuity

Our response to the onset of COVID-19 in Malaysia was to activate our Business Continuity Plan (BCP) and Emergency Response Plan (ERP) frameworks in March 2020 to ensure the safety of our employees and continuity of our essential services, despite the challenges of the pandemic.

Essential employees were divided into teams and placed on rotation with minimal contact among them to reduce transmission risks

A company-wide crisis management team, the Control Tower Committee, was formed as part of the BCP. The Committee is headed by our Managing Director and supported by key Heads of Department. The Committee monitors and manages the COVID-19 situation, focusing on business continuity and risk management related to the pandemic. Other matters under the purview of the Committee include implementing the SOPs as mandated by the government, work-from-home arrangements and managing office closure. The Committee has weekly meetings to review the pandemic situation and its impacts to the organisation, taking appropriate action as needed.

To curb the spread of COVID-19, flexible working arrangements were extended to all non-essential staff, while our corporate headquarters and regional sales offices were closed. Essential employees were divided into teams and placed on rotation with minimal contact among them to reduce transmission risks. Our WMC plant continued to operate throughout the pandemic because of its essential role in the handling and disposal of COVID-19 waste.





Managing Stakeholder Relationships

As a key component of our COVID-19 response, we ensured clear and consistent communications with all our stakeholders, internal and external. We supported our employees and customers during this difficult time, and worked with regulators to protect communities.



Employees



Government & Regulators



First Responders



Communities

We have continuously engaged with our employees during the pandemic, sharing COVID-19 related news and information via Yammer Introduced the COVID-19 Health Policy to reinforce staff compliance to workplace SOPs Reimbursed internet and data expenses for employees working from home Distribution of face masks and sanitiser to employees, as well as regular sanitisation of common surfaces, to keep our working environment safe	Contribution worth RM500,000 to the Ministry of Health to support the fight against COVID-19	Distribution of food packs to COVID-19 frontliners at Hospital Tuanku Ja'afar, Seremban, Negeri Sembilan Face mask and surgical gloves donation for the frontliners at Hospital Enche' Besar Hajjah Khalsom, Johor Donation of sanitisation equipment to the Fire and Rescue Department (BOMBA) Negeri Sembilan for public sanitation programme	Collection of contaminated carpets from Masjid Jamek Sri Petaling for treatment and disposal at WMC Media engagement with RTM, BERNAMA and Sin Chew Daily to highlight Kualiti Alam's role in managing clinical waste disposal
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Adapting to the New Normal

We are adapting to the operational regulations and best practices that have been established by the authorities in the wake of the COVID-19 pandemic. We are committed to supporting our employees, customers and stakeholders through these uncertain times while also aiding in whatever way we can to support the efforts of essential workers, frontliners and medical personnel keeping the country safe.

For more information on how Cenviro has supported its stakeholders throughout the COVID-19 pandemic, please refer to the sections below:

- Responsible Waste Solutions, pg 59-64
- Workforce Health & Safety Amidst COVID-19, pg 70
- COVID-19 Response: Responding to Communities' Needs, pg 102-103



GRI 102-12

Our Contributions to the SDGs

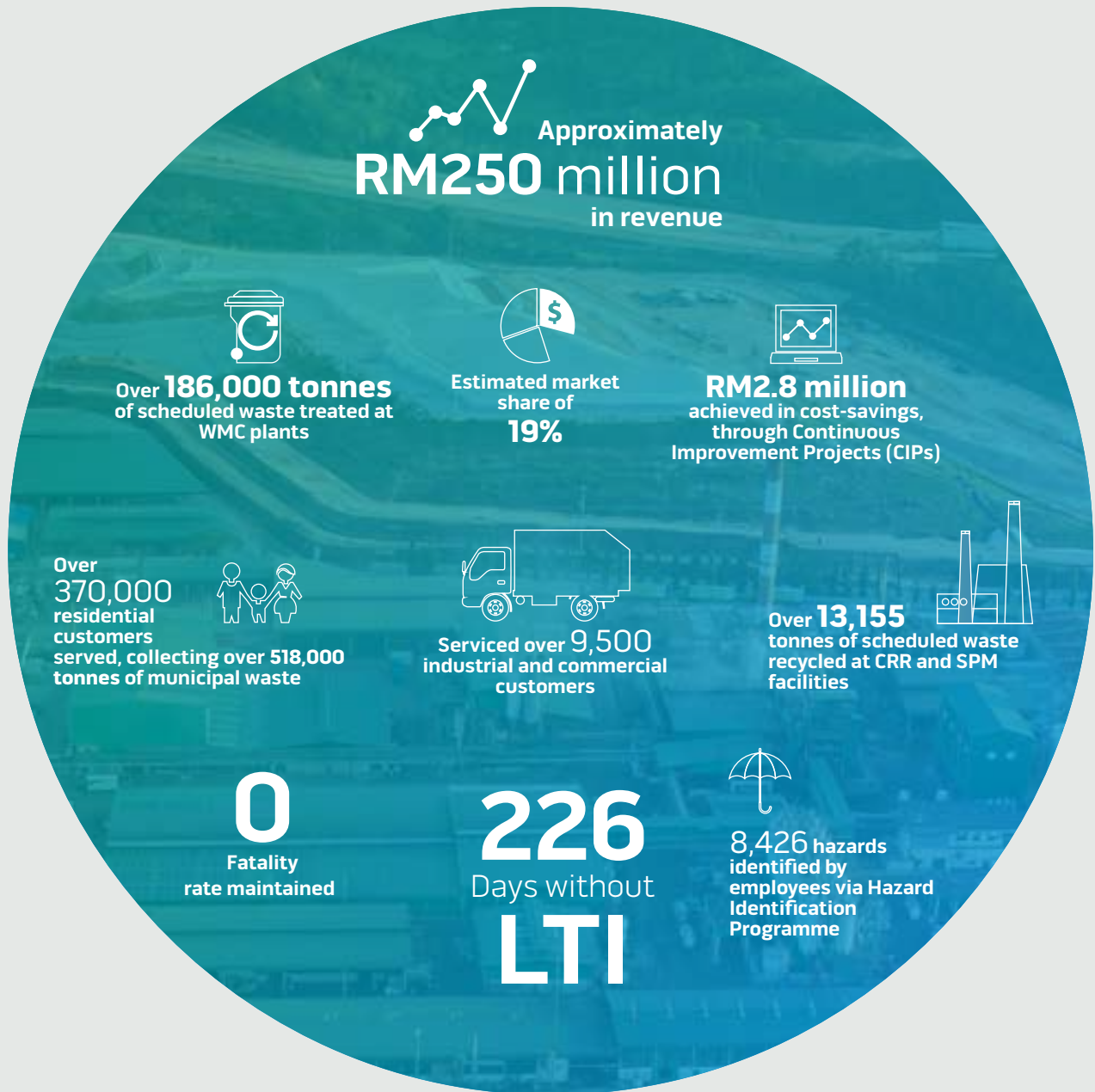
SDG Target

Our Contributions in FY2020

3.3  By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.	Since 2017, Cenviro has provided Hepatitis B immunisation for 34 employees and contractors .
5.5  Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	60% of the Board of Directors were female as of 31 March 2021.
8.5  By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	In 2020, Cenviro and EISB created full time employment positions for 23 women and 126 men .
9.1  Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.	Using Cenviro's comprehensive waste resource management infrastructure, we contributed to a better quality of life for our customers by processing a total of 186,540 tonnes of scheduled waste and collecting 518,712 tonnes of MSW.
11.6  By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	In 2020, Cenviro treated a total of 186,540 tonnes of scheduled waste, 43,489 tonnes of which were responsibly incinerated by our plants equipped with a computerised Continuous Emissions Monitoring System (CEMS) that complies with the Clean Air Regulation 2014 in order to preserve local air quality. Additionally, via our joint venture EISB, we collected and disposed of a total of 518,712 tonnes of MSW.
12.5  By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Via CRR and SPM, Cenviro has successfully recycled a total of 13,155 tonnes of scheduled waste — including e-waste. Additionally, 2,456,924 tonnes of materials were recycled via EISB's commercial and public recycling services.
13.1  Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	By converting 25,217 tonnes of scheduled waste into 12,209 MW of electricity, Cenviro was able to generate renewable energy and reduce usage of fossil fuels. In 2020, we established a comprehensive baseline of our GHG emissions and moving forward, we intend to take steps to reduce our GHG emissions.
14.1  By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	Via our 51 environmental monitoring locations around the WMC, we closely monitor surface and groundwater quality to prevent marine pollution.
15.5  Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity.	Our Vertical Secured Landfill increases landfill lifespan by 30 years and saves up to 45 acres of land , preventing further damage to our environment and ecosystem by negating the need for additional sites due to landfill overcapacity.

GRI 102-7

Our 2020 Highlights



For an in-depth breakdown of our year-on-year performance, please visit pg 120.



Value Creation at Cenviro

SDGs
for this
chapter:



**WE FLOURISH BY
CREATING VALUE FOR OUR
STAKEHOLDERS**

By Reimagining Resources, Cenviro strives to transform the Malaysian waste management landscape, promote sustainable business practices, safeguard the environment and improve the quality of life for communities across the nation.

How We Create Value

Cenviro is driving progress in the industry and the nation through our waste resource management solutions. We continuously work to ensure that we deliver our services in a responsible manner, safeguarding the environment and the health of our communities.

We are
Reimagining Resources
to drive towards a full
circular economy



We create value through our safe, innovative and sustainable waste recovery and recycling solutions

Value for the Industry

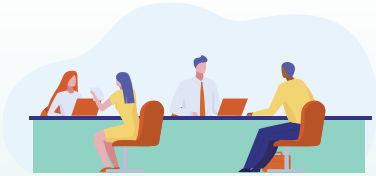


We foster industry partnership and collaboration in an effort to develop innovative waste management solutions to usher in a sustainable future





Value for Our Customers



We provide reliable services of the highest quality, ensuring the safe and responsible management of our customers' waste

Value for Our Business



We instil a mindset of continuous improvement to enhance operational efficiency, thus enabling the sustainable growth of our business

Value for Society



We safeguard the health and wellbeing of our communities by ensuring our business operates in a responsible manner, while also engaging with communities to change their perspective on waste

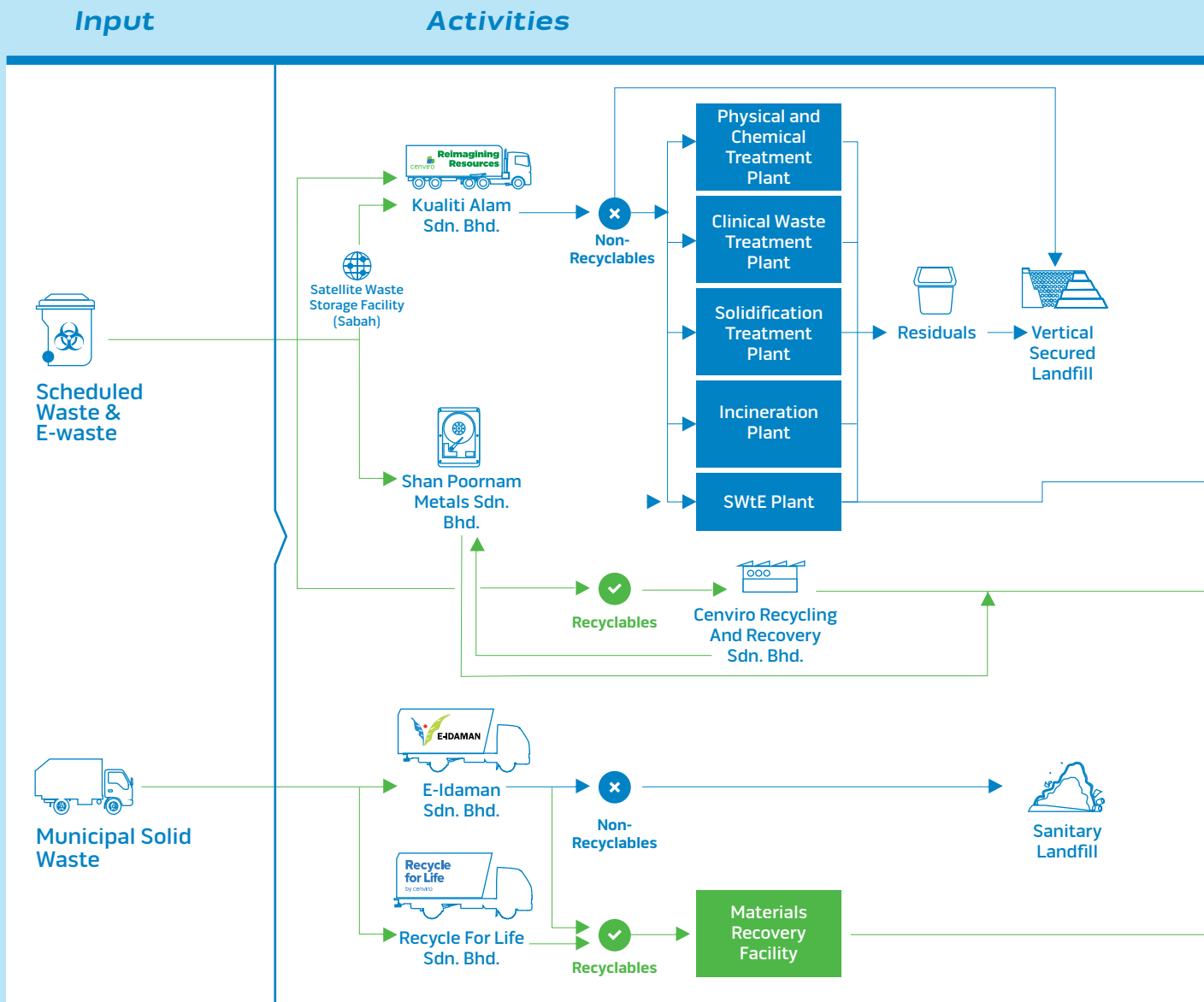
Value for Our Employees



We prioritise workforce health and safety while simultaneously providing meaningful work and giving our employees opportunities for development

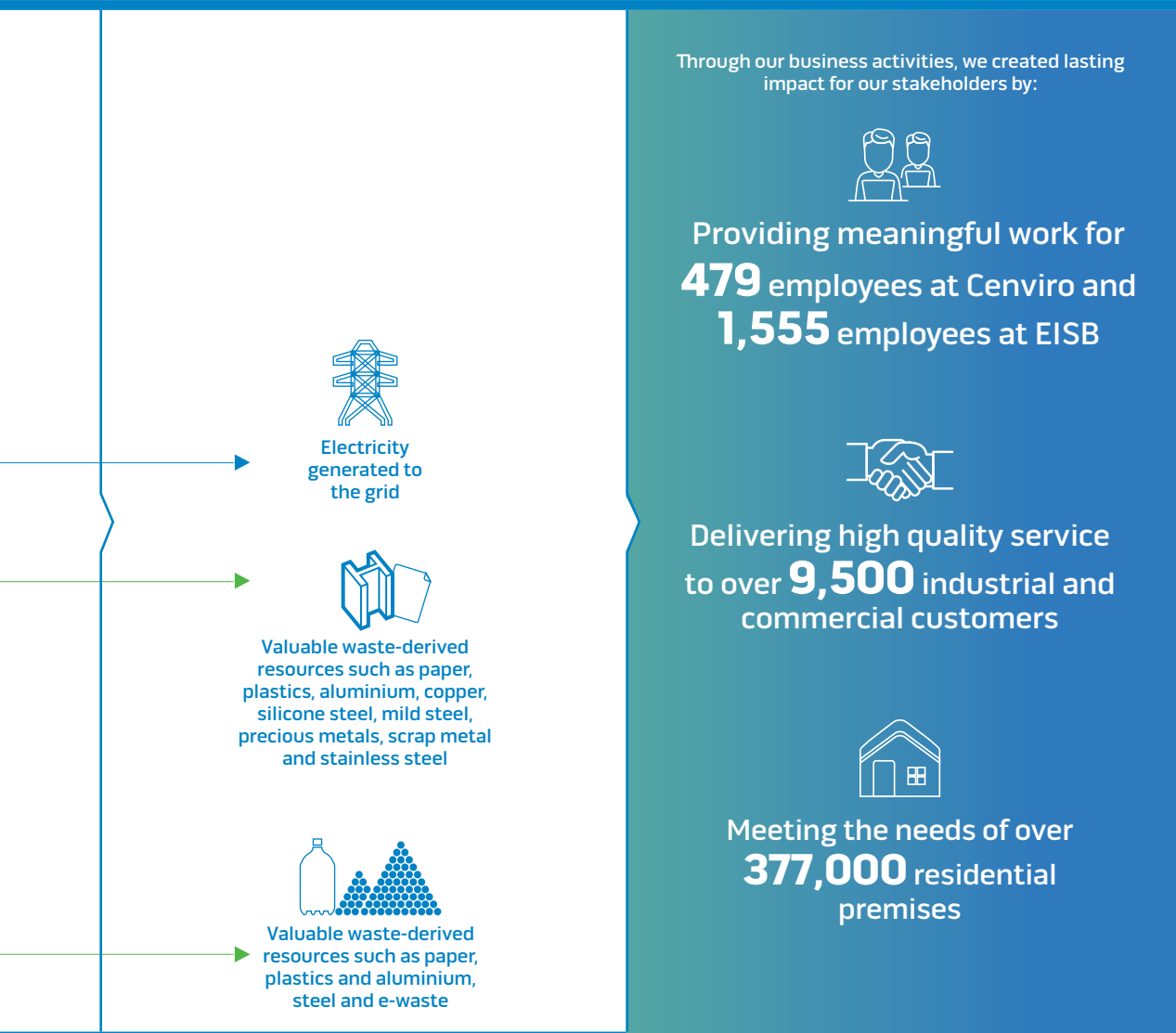


Our Solutions



Output

Impacts



ESG Performance

Indicator

FY2020 Performance

SDG

Economic and Financial

Revenue (RM, 000s)

252,958

Return on Equity

7.28%

Profitability

Net Profit Attributable to a Shareholder (RM, 000s)

34,827



Operational

Waste Treated (tonnes)

Incineration Plant

18,272

Scheduled-Waste-to-Energy Plant

25,217

Physical and Chemical Treatment Plant

2,809

Solidification Treatment Plant

10,753

Clinical Waste Treatment Centre

6,407

Recycling and Recovery Facilities

11,110

**Waste Disposed (tonnes)**

Total waste disposed at Vertical Secured Landfill

138,262



Environmental

Total absolute GHG emissions (tCO₂e)

95,925

Carbon Footprint (tonnes CO₂e/tonnes waste)

WMC treated waste

0.448

Thermal treatment of incinerable waste

1.459

Secured landfill of inert wastes

0.081

Solidification of inorganic wastes

0.278

Physical chemical treatment of liquid wastes

0.223

All CRR Output

0.095

Renewable Energy Generation (kWh)

1,537,509





Indicator	FY2020 Performance	SDG
Environmental (cont.)		
Total Energy Consumption (GJ) <i>Total fuel consumption from non-renewable sources and electricity consumption</i>	90,836.81	
Water Consumption (m³)	203,426	
Waste Management (kg)		
Internal waste recycled	22	
Total internal scheduled waste treated internally and landfilled	505	
Total internal general waste collected by appointed domestic contractors and sent to approved facilities	22,620	
 Human Resources		
Health & Safety		
Number of consecutive days without LTI	226 days	
Number of LTI incidents involving employees	2	
Number of LTI incidents involving contractors	1	
Fatality Rate	0	
Average Training Hours per Employee		
Cenviro	18	
EISB	16	
 Governance		
Women in Leadership Positions		
Board of Directors	60%	
Senior Management	20%	
 Community Engagement		
Community Investment	> RM66,300*	—

* FY2020 and first quarter of FY2021 included

Risks & Opportunities

COVID-19

Global Landscape

Over the longer term, there will be a need for more robust waste management infrastructure as landfills are increasingly used, in part due to more recyclable materials being sent to municipal waste channels.

As for the short-term impact¹, there has been an increase of up to 40% of medical waste generated because of the pandemic. Waste generated from residential areas also increased not only because people were kept at home due to lockdowns, but also because of the almost total shutdown in manufacturing and commercial activities.

Local Landscape

Malaysia's waste management systems found themselves under immense pressure during the pandemic due to the estimated² 20% increase in volume of medical waste generated and the need to treat and dispose of the waste appropriately and responsibly.

Risks

Employee health and safety, reduced productivity due to lockdowns, supply chain disruptions.

Opportunities

Improved financial performance due to larger volume of waste being processed, opportunities for process optimisation to respond to rising demand.

Our Strategy

We adopted a safety-first approach in responding to the unique challenges from the COVID-19 pandemic. For our employees, we ensured that those handling COVID-19 waste were properly trained and equipped with appropriate PPE. In waste processing, we do not compromise on the safety of our employees even as we respond to the increased demand for waste processing, especially for clinical waste entering WMC. For business continuity, we have also taken steps to ensure that we have a supply of critical items in the event of border closures and travel bans.

Our Response

Responsible Waste Solutions, pg 59-64
Workforce Health & Safety Amidst COVID-19, pg 70

1. International Finance Corporation (2020). COVID-19's Impact on the Waste Sector. Retrieved from: <https://www.ifc.org/wps/wcm/connect/dfbceda0-847d-4c16-9772-15c6afdc8d85/202006-COVID-19-impact-on-waste-sector.pdf?MOD=AJPERES&CVID=na-eKpl>

2. Department of Statistics Malaysia (2020). Compendium Of Environment Statistics, Malaysia 2020. Retrieved from: <https://www.dosm.gov.my/v1/index.php?r=column/pdfPrev&id=TjM1ZlFxb3VOakdmMnozVms5dUIKZz09>

Health and Safety

Global Landscape

The COVID-19 pandemic has intensified concerns over occupational health and safety in an industry known to have high incidences of work-related illnesses and injuries¹, even before the pandemic. COVID-19² has reinforced the commitment of the industry worldwide to occupational health and safety, especially in regard to the management and disposal of clinical waste.

Local Landscape

There is increasing demand for waste management services, with the volume of scheduled waste³ produced in the country growing by over 37% from 2015 to 2020. This waste needs to be disposed of in a timely manner by skilled workers as it poses many health and safety risks.

Risks

Loss of valuable employees, reduced productivity, increased medical expenses.

Opportunities

Industry leaders and experts in health and safety, more meaningful employee engagement in ensuring workplace safety.

Our Strategy

Our safety-first culture is governed by policies and procedures managed by the HSSE Department. We seek to empower our employees and embed this culture across the organisation while pursuing our target of "zero accidents".

Our Response

Putting Safety First, pg 70-78

1. Environmental Services Association (2018). Spotlight on health and safety: Contrasting performance in the waste and recycling industry. Retrieved from: http://www.esauk.org/application/files/1415/3589/6449/20180216_ESA_Spotlight_on_health_and_safety.pdf

2. United Nations Environment Programme (2020). Waste management an essential public service in the fight to beat COVID-19. Retrieved from: <https://www.unep.org/news-and-stories/press-release/waste-management-essential-public-service-fight-beat-covid-19>

3. Department of Statistics Malaysia (2020). Compendium Of Environment Statistics, Malaysia 2020. Retrieved from: <https://www.dosm.gov.my/v1/index.php?r=column/pdfPrev&id=TjM1ZlFxb3VOakdmMnozVms5dUIKZz09>



Urbanisation

Global Landscape

The East Asia and Pacific region¹ continues to experience rapid urban growth¹ although globally, urban growth rates are slowing down. Half of the region's population became urban by 2018, with the majority living in secondary cities where waste infrastructure is less developed. Despite the slower pace of global urbanisation, global municipal solid waste is estimated to grow to 3.4 billion tonnes² by 2050 as the global population reaches 9.7 billion³, with the possibility of peaking at 11 billion around 2100.

Local Landscape

Malaysians living in highly urbanised areas⁴ generate about 56% more MSW per day than the national average. From 2015 to 2020, the average waste⁵ production in Malaysia increased by about 28.8%, from 38,563 tonnes of waste/day to 49,670 tonnes of waste/day.

Risks

Changing consumption patterns; rapid increase in waste generation; insufficient waste, recycling, treatment and disposal infrastructure.

Opportunities

Meeting infrastructure and service needs; innovation in waste-recovery solutions from increased demand for raw materials.

Our Strategy

Cenviro's suite of scheduled waste and MSW management infrastructure supports our aim of providing convenient access to high quality and responsible waste recycling, treatment and disposal services to waste generators and the general public.

Our Response

Scheduled Waste Solutions

- Recycling and Recovery, pg 54-55
- Vertical Secured Landfill, pg 62
- Satellite Waste Management, pg 63

Municipal Solid Waste Solutions

- Commercial & Public Recycling Solutions via EISB, pg 65
- Public Cleansing Services via EISB, pg 66

1. The World Bank (2021). Demographic Trends and Urbanization. Retrieved from: <https://www.worldbank.org/en/topic/urbandevelopment/publication/demographic-trends-and-urbanization>

2. Kaza, Silpa; Yao, Lisa C.; Bhada-Tata, Perinaz; Van Woerden, Frank. (2018). What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050. Urban Development; Washington, DC: World Bank. Retrieved from <https://openknowledge.worldbank.org/handle/10986/30317>

3. United Nations, Department of Economic and Social Affairs (2019). Growing at a slower pace, world population is expected to reach 9.7 billion in 2050 and could peak at nearly 11 billion around 2100. Retrieved from: <https://www.un.org/development/desa/en/news/population/world-population-prospects-2019.html>

4. Ministry of Urban Wellbeing, Housing and Local Government (2017). Solid Waste Management in Malaysia: Towards a Holistic Approach.

5. Ghani, L.A. (2021). Exploring the Municipal Solid Waste Management via MFA-SAA Approach in Terengganu, Malaysia. Environmental and Sustainability Indicators, 12, p.100-144.



Shifting Consumer Behaviours

Global Landscape

The global waste management industry is being challenged to innovate beyond the linear models of waste management to face the trend worldwide of increasing numbers of people adopting sustainable consumption¹ through the circular economy where products are made from recycled materials.

Local Landscape

Despite the country's recycling rate² reaching 28.1% in 2019 – a 3.5% increase from 24.6% in 2018 – more public awareness and education on the importance of waste management is needed in Malaysia. Improved recycling practices and more responsible consumption are also necessary.

Risks

Changes in waste characteristics, barriers to understanding, consumer apathy, misinformation.

Opportunities

Cleaner waste streams, more efficient recycling, social buy-in, consumer pressure.

Our Strategy

Cenviro has transformed into a waste resource management company as we recognise the potential of waste as a valuable resource. We are working to enhance our recycling and recovery capabilities to facilitate the transition to a circular economy. Simultaneously, through RFL, we strive to educate communities on proper recycling practices.

Our Response

Scheduled Waste Solutions

- Recycling and Recovery, pg 54-55
- Recycle for Life, pg 56

Municipal Waste Solutions

- Commercial & Public Recycling Solutions via EISB, pg 65
- Community-based recycling, pg 66

1. Consumers International (2021). Five trends driving progress towards Sustainable Consumption. Retrieved from: <https://www.consumersinternational.org/news-resources/blog/posts/five-trends-driving-progress-towards-sustainable-consumption/>

2. Department of Statistics Malaysia (2020). Compendium Of Environment Statistics, Malaysia 2020. Retrieved from: <https://www.dosm.gov.my/v1/index.php?column=pdfPrev&id=TjMIZfxb3VQakdmMnozVms5dUJKZz09>

Risks & Opportunities



Climate Change

Global Landscape

According to the Sixth Assessment Report released by the Intergovernmental Panel on Climate Change¹, there is a need to step up with immediate, rapid and large-scale reductions in greenhouse gas (GHG) emissions to limit global warming. Failure to do so could result in the global warming level crossing the 1.5°C threshold in the next few decades.

Local Landscape

The Malaysian waste management industry is rethinking traditional approaches to waste management as the generation of scheduled and municipal waste grows while landfill capacity dwindles and disposal costs rise. There is an urgent need² to address the waste management issue, reduce the impact on the environment and ensure the wellbeing of the population. Additionally, regulators are encouraging the adoption of green technology and green energy through financing and tax incentives.

Risks

Effects on existing waste management processes, unpredictable weather patterns, damage to infrastructure.

Opportunities

Incentives for green energy and green technologies such as waste-to-energy facilities, additional revenue streams from specialised waste solutions.

Our Strategy

We have a two-pronged approach to address climate change. Externally, we offer specialised waste resource management services and expertise to assist our customers in the safe and responsible processing and recycling of waste. Internally, we encourage a mindset of continuous process improvement while constantly looking to optimise our operations, hence minimising the negative environmental impacts from our business.

We are serious about reducing GHG emissions and have worked to quantify these emissions in 2020, to ensure that we have a comprehensive emissions baseline. We plan to establish an emissions reduction target, which would represent our commitment to mitigating the effects of climate change.

Our Response

Integrated Waste Solutions

- Scheduled Waste to Energy, pg 55
- Satellite Waste Management, pg 63
- Vertical Secured Landfill, pg 62

Addressing Climate Change, pg 90-93

1. Intergovernmental Panel on Climate Change (2021). Sixth Assessment Report. Retrieved from: <https://www.ipcc.ch/assessment-report/ar6/>

2. Malaysian Investment Development Authority (2020). Sustainable Waste Management in Malaysia: Opportunities and Challenges. Retrieved from: <https://www.mida.gov.my/sustainable-waste-management-in-malaysia-opportunities-and-challenges/>



Circular Economy

Global Landscape

It is estimated that the global cost-savings that could be achieved by transitioning to a circular economy would be worth over US\$1 trillion p.a. by 2025¹. At present, only 8.6% of the global economy is circular². Innovations in materials recycling and recovery, support from corporations, as well as increased consumer awareness of the circular economy are crucial for this economic model to succeed.

Risks

Volatility of raw materials, risk of stranded assets, emergence of disruptive technologies, changing legislations and regulatory requirements.

Opportunities

Potential for further value to be extracted from waste by treating it as a resource, emergence and development of new technologies, building partnerships with manufacturers.

Local Landscape

Significant barriers still remain in Malaysia, preventing the widespread adoption of more circular practices by business. These include a lack of economic incentives, lack of governmental support, as well as regulations that often favour traditional linear solutions and business models³.

Our Strategy

Cenviro has transformed into a waste resource management company. We continue to develop our materials recovery and recycling capabilities through the upgrading and expansion of our facilities. These efforts support our aim of facilitating the transition to a circular economy and break away from the traditional linear approach to waste management.

Our Response

Integrated Waste Solutions

- Cenviro Recycling and Recovery, pg 54-55
- Shan Poornam, pg 65

1. World Economic Forum (2014). Towards the Circular Economy: Accelerating the scale-up across global supply chains. Retrieved from: https://www3.weforum.org/docs/WEF_ENV_TowardsCircularEconomy_Report_2014.pdf

2. PwC (2021). The geometry of sustainability: progressing from linear to circular economies. Retrieved from: <https://www.pwc.com/my/en/perspective/esg/210820-geometry-of-sustainability.html>

3. KPMG (2021). Realizing the circular economy for Malaysia. Retrieved from: <https://home.kpmg/my/en/home/insights/2021/05/realizing-the-circular-economy-for-malaysia0.html>



Digitalisation

Global Landscape

The global waste management industry is being transformed through digitalisation, with digital systems and solutions being implemented across the entire spectrum of waste management activities. This includes the use of digitalisation to optimise waste collections and incentivise green behaviour among consumers, as well as the use of robotics and automation to enhance waste treatment and disposal processes¹.

Risks

Business disruptions due to fast moving competitors, obsolescence of certain services, job losses and new skills demand, regulatory changes, data security.

Opportunities

Utilisation of automation to streamline operations, opportunities to provide new services, enhanced data analytics.

Local Landscape

There remains strong potential for the Malaysian waste industry to adopt digital systems to improve service delivery, quality and efficiency². The utilisation of such systems may be necessary to respond to future increases in waste generated, as well as shifting consumer demands³.

Our Strategy

Cenviro has been working to streamline processes and increase operational efficiency through our digitalisation efforts. Through embracing a mindset of Continuous Improvement, we have implemented initiatives that have digitised manual workflows. Concurrently, we are exploring further opportunities to digitalise processes across our waste resource management services.

Our Response

Continuous Improvement

- Digital Collection and Transportation Instruction, pg 40
- E-billing, pg 40

Integrated Waste Solutions

- Waste Analysis, pg 53
- Cenviro Recycling and Recovery, pg 54-55

1. European Environment Agency (2021). Digital technologies will deliver more efficient waste management in Europe. Retrieved from: <https://www.eea.europa.eu/themes/waste/waste-management/digital-technologies-will-deliver-more>

2. Malaysian Investment Development Authority (2020). Sustainable Waste Management in Malaysia: Opportunities and Challenges. Retrieved from: <https://www.mida.gov.my/sustainable-waste-management-in-malaysia-opportunities-and-challenges/>

3. Kang, K.D., et al. (2020). Electronic waste collection systems using Internet of Things (IoT): Household electronic waste management in Malaysia. Retrieved from: <https://www.sciencedirect.com/science/article/abs/pii/S0959652619346712>

Continuous Improvement at Cenviro

To be well-positioned for the achievement of our strategic ambitions, we have been implementing Continuous Improvement (CI) initiatives across our operations and processes via several Continuous Improvement Projects (CIPs) throughout the year. CI initiatives have enabled us to achieve direct improvements on financial performance and, indirectly, we have been able to achieve cost-savings, process efficiencies, optimised outputs and the quality of our services.

The CIPs implemented this year contributed savings of RM2.8 million, exceeding our target of achieving RM2.5 million in savings by December 2020. With this result, we are more determined to achieve further process efficiencies and cost-savings. To this end, we have lined up a number of CI projects for FY2021 that will build on the successes of this year.

2020 Continuous Improvement Projects



Notable CIPs implemented in 2020 include:

Improving operating cash flow management through internal process optimisation, digitalisation and streamlined payments collection

Enhancing employee productivity to encourage better work-life balance

Developing an alternative treatment method for slow-moving waste, thus reducing waste backlog

Fleet optimisation to bring in more pallets of waste from waste generators, leading to improved fleet utilisation

Achieved cost-savings of over RM1.6 million

Enhancing Cash Flow Management

 Enhancing Operating Cash Flow Management	Internal Improvements - Established dedicated payments collection team - Enhanced internal process efficiency within WMC Digitalisation - Introduction of e-billing - Introduction of Digital Collection and Transportation Instruction Payment Terms - Renegotiation of vendor payment terms	Benefits to Cenviro - Cost-savings of over RM300,000 - Increased process efficiencies Benefits to our Customers - Increased convenience - Improved customer experience when using portal - Centralised data management for financial reference
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We identified opportunities to reduce the turnaround time of billing customers, improve payment collections and better manage our operating cash flow. We implemented a number of digitalisation efforts and promoted cross-departmental collaboration to streamline processes and increase workflow efficiency. Key CI initiatives implemented for this project are outlined below:

Internal Improvements

 Optimising Payment Collection	At the start of 2020, we formed a dedicated team within the Credit Department to manage payment collections across the Group and actively engage with customers for more efficient collections. As a result, the majority of outstanding customer payments as of December 2020 is less than 60 days old, while our Days Sales Outstanding (DSO) has been reduced from over 100 days to an average of 55 days. Moving forward, we intend to maintain our DSO at this level.
 Enhanced Internal Process Efficiency	We have improved our internal processes to reduce the turnaround time between receiving waste consignments and sending billing invoices to customers. These improvements include delivering waste streams that do not require testing directly to the appropriate waste treatment or disposal facility within WMC, thus avoiding delays at our storage site. Through an analysis of historical data, we have also identified waste consignments that consistently meet the Landfill Acceptance Criteria and have been able to streamline the testing for these waste streams, consequently reducing our turnaround time. Additionally, we now stagger the delivery of waste samples to the Lab and have purchased new equipment to reduce the time taken to complete the analysis.

To read more about our waste analysis processes, please refer to pg 53.

Digitalisation



Billing Automation

We introduced an e-billing system in 2020 to reduce paper usage and send billing invoices to our customers in a more convenient form. The automated system sends the invoice to customers along with supporting documents such as the Collection and Transportation Instruction (CTI), weighbridge ticket and consignment note. This digitalised system has reduced our turnaround time for sending invoices to an average of 18 days in 2020. 30% of our customers are using e-billing as of January 2021 and we aim to migrate all of our customers to the e-billing system in FY2021 to achieve further streamlining and process improvements.



Digital Collection and Transportation Instruction (DCTI)

In 2020, we introduced a DCTI system to automate the customer collection instruction workflow, which was previously manual and paper-based. We enhanced the convenience of our existing customer portal, enabling customers to easily submit a digital collection request. The request is immediately sent to our supply chain fleet management team, which will dispatch a transporter to fulfil the request. Under this new system, collection requests are fulfilled in less than seven days on average, while 53% of collection requests are fulfilled within three days. As of December 2020, 100% of our customers were using the DCTI system.

To read more about our DCTI system, please visit pg 64.

Payment Terms



Improved Payment Terms with Vendors

To improve our payment terms, our Admin and Procurement departments have worked to renegotiate contracts with key vendors and suppliers. These efforts, combined with our revamped billing and payment collection processes, have contributed to our improved cash flow management.

We have reduced the overall process lead time by 46% in 2020, to an average of 60.5 days, down from an average of 113 days at the start of the year. This project has resulted in over RM300,000 in savings. We plan to build on the success of this project through further internal process enhancements, ultimately aiming to reduce our turnaround time for the entire process.

Optimising Employee Productivity

Cenviro recognises the challenges of maintaining a healthy work-life balance for employees working from home. This year, we saw opportunities to enhance productivity by encouraging the adoption of a CI mindset among employees.

Benefits to Cenviro		Benefits to Employees
Cost-savings of approximately RM200,000		Improved work-life balance
Improved employee productivity & morale that enables Cenviro to achieve its CI ambitions towards becoming a leaner organisation		

We revamped our overtime claims and payments system to incentivise our employees to complete tasks within office hours. Leveraging on our multiple training and development opportunities, we equipped employees with the necessary tools to improve their productivity. We also introduced the High Potential (HiPo) Programme for our high performing employees to further develop their skills and boost productivity. Additionally, EPIC delivered the *Urus Stres & Terus Sukses* webinar to encourage employees to make the most of working hours while maintaining a healthy work-life balance.

Our 2020 Employee Survey indicates that we have been successful in our efforts, as 68.7% of employees are happy with their work-life balance while only 7.4% strongly believe that there is room for improvement. Simultaneously, we found that 46.2% of employees feel that they are receiving appropriate compensation and good benefits, up from 29% in 2019, suggesting that the changes to our remuneration structure did not have a significant negative impact on employee morale. As an added benefit to the company, we have reduced overtime costs incurred in 2020 by approximately 45%.

Building a CI Culture

We are working on inculcating a CI mindset in our employees, as we believe that a robust CI culture will drive organisational growth and enhance employee productivity. With this in mind, we introduced a few initiatives in 2020 to build a CI culture across Cenviro.

Certified Lean Practitioner (CLP)	CI newsletters	CI iBank
11 of our employees were enrolled in a 1-week CLP programme administered by the British Standards Institution (BSI), enhancing their understanding of CI and ability to implement it in their daily work	CI awareness is spread throughout our workforce via newsletters and other informative materials	We introduced an iBank through which employees can submit their cost-saving ideas to the CI Committee, who review these ideas to see if any should be implemented

As mindset change and the subsequent transformation of working culture takes time and effort, we plan to continue and enhance our CI awareness and education initiatives in the coming years.





Addressing What Matters

Stakeholder Engagement

Stakeholder Group	Engagement Channels	Engagement Frequency	Key Focus Areas	Our Responses
 Shareholders	Board Meetings, Site Visits, Town Hall Sessions	Annually, Quarterly, Regularly, Ad hoc	• Ongoing updates of Cenviro's business plans and strategies • Financial performance • Project updates • Business operations	• Financial Performance, pg 122 • Continuous Improvement, pg 38-41 • Sustainable Waste Solutions, pg 52-67 • Good Governance and Ethical Business Practices, pg 110-119
 Government, Local Authorities and Regulators	Regular Meetings, Progress Updates, Compliance Reports, Seminars and Forums, Collaboration Programmes, Visits and Inspections, Networking sessions	Annually, Bi-quarterly, Monthly, Regularly, Ad hoc	• Compliance with rules and regulations • Assistance in managing and resolving waste and environmental issues • Supporting the Government's efforts to appreciate, conserve and protect the environment • Leadership in environmental strategies	• Financial Performance, pg 122 • Continuous Improvement, pg 38-41 • Sustainable Waste Solutions, pg 52-67 • Good Governance and Ethical Business Practices, pg 110-119
 Customers	Customer Satisfaction Survey, Customer Hotline, Website, Open Days, Roadshows, Exhibitions, Customer Visits, Customer Audits	Annually, Clinical Waste Service Hotline, Clinical Waste Customer Registration, EISB's Active Hotline (available 7 days a week from 8am - 8pm)	• Pricing • Quality of service • Credibility and trust in the Cenviro brand • Awareness of waste management best practices	• Sustainable Waste Solutions, pg 52-67 • Continuous Improvement, pg 38-41 • Customer Satisfaction, pg 67
 Media	Interviews, Media Briefings and Training, Press Releases	Ad hoc	• Cenviro's business direction • Corporate Social Responsibility • Project development	• About this Report, pg 3 • www.cenviro.com

Stakeholder Group	Engagement Channels	Engagement Frequency	Key Focus Areas	Our Responses
 Local Communities and the Public	Community Programmes, Public Dialogues, Education Programmes, Environmental Engagement Campaigns, Branding Awareness Programmes, DKKA Roadshow, Social Media Platforms	Annually, Quarterly, Monthly, Regularly, Ad hoc	- Environmental hazards - Project updates and expansion plans - Health and safety issues - Complaints and feedback - Recycling programme (RFL) and MSW collection	<i>Sustainable Waste Solutions</i>, pg 52-67 <i>Managing Our Environmental Impact</i>, pg 88-99 <i>Customer Satisfaction</i>, pg 67 <i>Enhancing Community Livelihoods</i>, pg 102-107
 Suppliers and Contractors	Meetings with Health, Safety, Security and Environment and Procurement Departments; Contract Management Programme; Vendor Development Programme; and Surveys	Annually, Quarterly, Ad hoc	- Fair procurement practices - Informative tendering process - On-site safety and health practices - Vehicle training for logistics contractors - Updates on Cenviro's business standing	<i>Sustainable Procurement</i>, pg 118-119 <i>HSSE at Cenviro</i>, pg 70-78
 Employees	Surveys, Safety Briefings, Training, Town Hall Sessions, Focus Groups, Campaigns, Kelab Sukan Kualiti Alam Programmes	Annually, Quarterly, Regularly, New Recruitment	- Conduct operations and services in a responsible manner - Commitment to integrity and accountability	<i>Industry Thought Leadership</i>, pg 57-58 <i>HSSE at Cenviro</i>, pg 70-78 <i>Enhancing Community Livelihoods</i>, pg 102-107 <i>Sustainable Procurement</i>, pg 118-119 <i>Good Governance and Ethical Business Practices</i>, pg 110-119
 Industry and Business Partners	Committee and Members Meetings, Collaboration Programmes, Seminars, Forums and Workshops	Annually, Regularly, Ad hoc	- Conduct operations and services in a responsible manner - Commitment to integrity and accountability	<i>Industry Thought Leadership</i>, pg 57-58 <i>HSSE at Cenviro</i>, pg 70-78 <i>Enhancing Community Livelihoods</i>, pg 102-107 <i>Sustainable Procurement</i>, pg 118-119 <i>Good Governance and Ethical Business Practices</i>, pg 110-119

Our Stakeholder Engagement Approach



We Listen

Throughout the year, we reached out to, listened to and addressed the concerns of the individuals and organisations impacted by our activities.



We Engage

We engaged with our stakeholders, working together to create long-lasting and meaningful partnerships that are mutually beneficial.



We Report

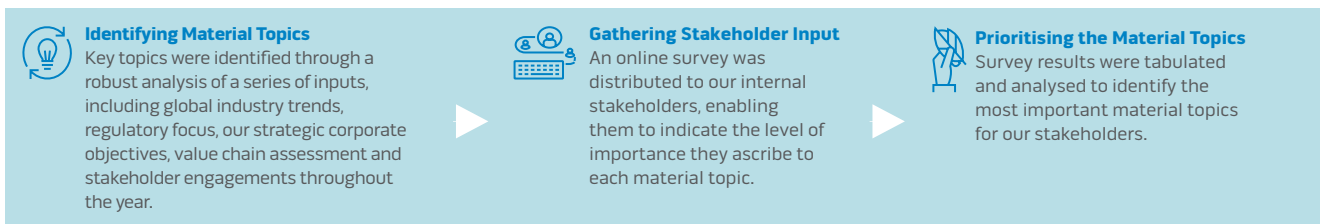
We prepared sustainability reports based on material issues identified by stakeholders in relation to broader sustainability contexts.

Stakeholder Engagement Highlights

Networking session with Director General and team at Department of Environment (DOE) Headquarters in Putrajaya	Cenviro values the relationship we have with the DOE and to further strengthen this relationship, we engage with the DOE on a bi-quarterly basis
Community engagement and DKKA roadshow	Through our community engagement efforts, we reached out to 5 schools in Negeri Sembilan to establish sick bays equipped with basic medical and safety facilities
Teh tarik session with the community around Kualiti Alam WMC	Despite the pandemic, we made efforts to continue to safely engage with the community surrounding WMC, recognising the importance of maintaining a strong relationship with them. The teh tarik session is a social engagement between Cenviro and community leaders
Audience with the Chief Minister of Johor	We were granted an audience with the Johor Chief Minister in which we were able to update the Chief Minister on our contributions to the state and the status of the development of our satellite facility in Pengerang

Materiality

Our 2020 Materiality Process



In the development of this Sustainability Report, we have undertaken a materiality assessment with internal stakeholders. The national movement restrictions and the severity of the pandemic has made it a challenge to engage with external stakeholders without endangering our employees and communities. We hope to conduct a more comprehensive materiality assessment when conditions are safer.

Our materiality assessment enables us to identify the sustainability issues that matter most to our stakeholders. The results from the materiality assessment allows us to refine our overall reporting and sustainability strategy and enables us to identify action areas and initiatives to be prioritised. We used a web-based survey to collect internal stakeholder input for this assessment and received responses from 278 stakeholders.

Materiality Matrix



- X Sustainable Waste Solutions
- X Empowering Our People
- X Managing Our Environmental Impact
- X Enhancing Community Livelihoods
- X Good Governance and Ethical Business Practices

Our Material Matters



Sustainable Waste Solutions

Digital technologies and innovation

- Develop innovative strategies, technologies, services and solutions to transform the Malaysian waste industry and enhance our business performance
- Utilising digital solutions and smart technologies to streamline our processes, optimise our business operations and improve our services

Transition to circular economy

- Using our knowledge and expertise to advocate for and support the transition to a circular economy, where waste is treated as a resource

Renewable energy from waste

- Utilising waste materials as a resource for energy generation and continuously striving to improve the efficiency of our processes

Engaging with industry and relevant authorities

- Cultivating meaningful partnerships with regulators and industry players to foster collaboration and transform the waste industry in Malaysia

Future-focused integrated solutions

- Developing holistic, sustainable and forward-looking solutions to address Malaysia's current and future waste management challenges

Achieving customer satisfaction

- Remaining customer-focused by nurturing positive customer relationships and maintaining customers' trust in Cenviro
- Continuously striving to deliver the highest quality of service without compromising on safety



Empowering Our People

Promoting diversity, inclusivity and equal opportunity

- Creating an inclusive workplace by promoting diversity and providing equal opportunities to all

Developing a next generation workforce

- Equipping our workforce with the skills and knowledge required to address current and future waste management challenges
- Providing training and development opportunities to enhance employees' capabilities, enabling them to become industry leaders in waste management

Fostering an engaged workforce

- Continuously striving to enhance employee engagement to drive workplace productivity and business performance

Prioritising workplace health and safety

- Prioritising the health and safety of our workforce by maintaining high health and safety standards, embedding safety within our culture and minimising risks where possible



Managing Our Environmental Impact

Domestic waste management

- Responsibly managing and reducing Cenviro's internally-generated waste

Noise monitoring

- Monitoring noise emissions from our operations

Beyond compliance

- Not only meeting, but exceeding the requirements stipulated by relevant environmental laws and regulations

Biodiversity monitoring

- Avoiding or reducing potential harm to sensitive species, habitats and ecosystems through our environmental monitoring systems

Sustainable energy consumption

- Monitoring and managing energy use to reduce consumption, and implementing renewable energy solutions

Operational efficiency

- Minimising the negative impact of our operations and maximising business performance through technology, automation and industry best practices

Managing emissions and addressing climate change

- Implementing environmental best practices to actively monitor, manage and minimise air pollution and greenhouse gas emissions across our operations

Water management

- Sustainably managing water resources by optimising our systems and reusing water wherever possible, thus limiting our potential impact to surrounding water bodies and communities



Enhancing Community Livelihoods

Community engagement and development

- Engaging with communities and contributing actively to social development through community programmes and activities

Health, safety and wellbeing of communities

- Safeguarding the health, safety and wellness of communities by ensuring our business operates in a responsible manner



Good Governance and Ethical Business

Good governance

- Putting in place robust governance structures and policies to enable responsible leadership and effective sustainability oversight and management

Ethical business

- Maintaining high standards of ethics and integrity throughout our business
- Fostering an ethical culture among our workforce and implementing group-wide policies and practices that are effective and compliant with regulations
- Respecting and protecting human rights throughout our business and supply chain

Sustainable procurement practices

- Establishing a sustainable supply chain by maintaining positive relationships with our suppliers and paying attention to the impacts of the goods and services we procure

Data security and privacy

- Protecting all personal data relating to Cenviro and its stakeholders by implementing resilient and robust cybersecurity and data protection systems



Sustainable Waste Solutions

SDGs
for this
chapter:



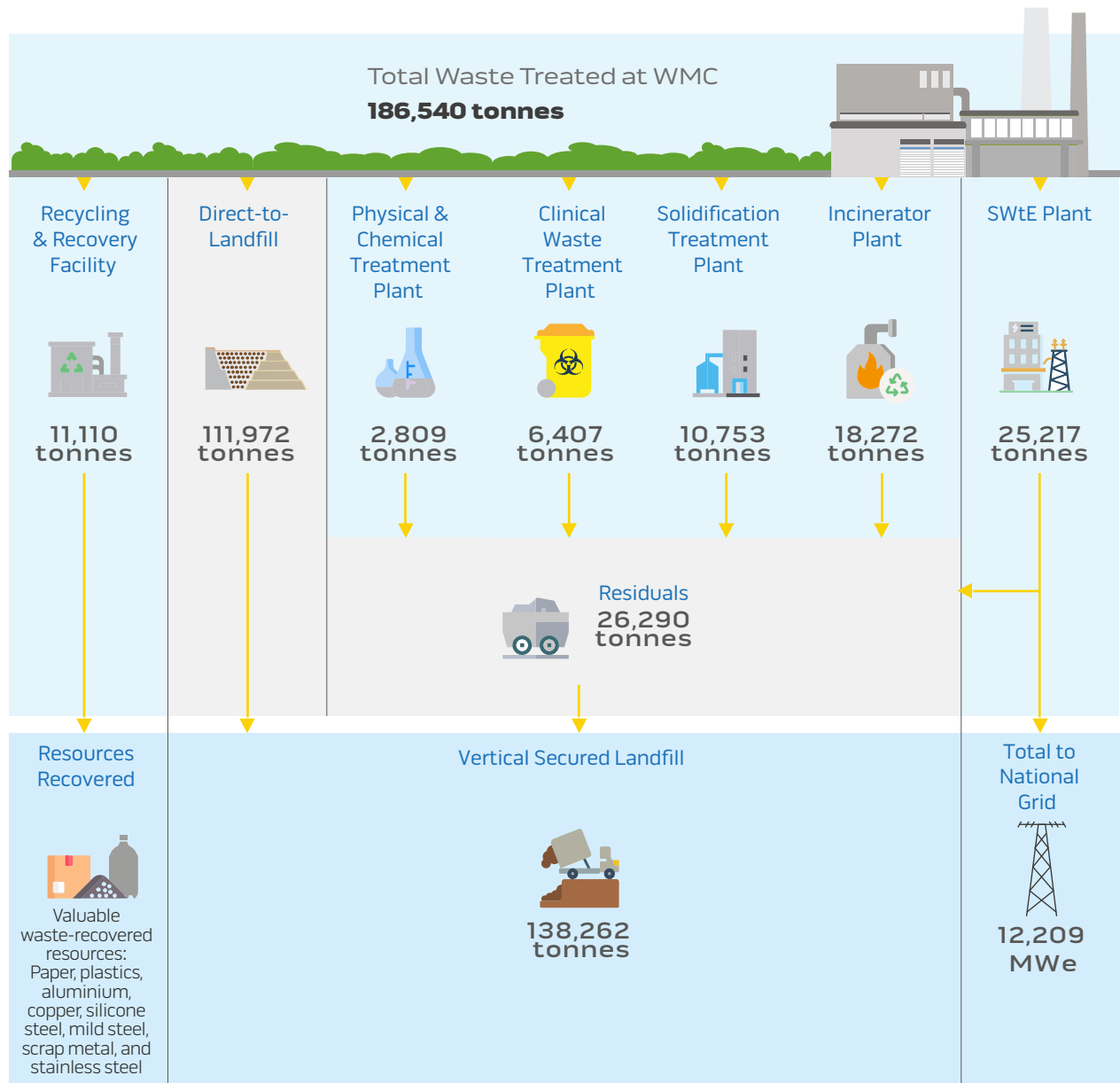
WE FLOURISH BY CREATING VALUE FOR OUR CUSTOMERS

We provide reliable services of the highest quality, ensuring the safe and responsible management of our customers' waste.



Integrated Scheduled Waste Services

Our Integrated WMC, which is certified to the standards of MS ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, MS 1722:2011 and ISO/IEC 17025:2017, has several facilities that not only meet international standards but are also able to process many different types of waste. We offer these scheduled waste management services – including the safe packaging, transportation, storage, treatment, recycling, and disposal of scheduled wastes – to corporate, industrial and clinical customers.



For a year-on-year comparison of waste processed at our WMC facilities, please visit pg 123.



Waste Analysis: Laboratory Operations

? What We Do

- Our experienced chemists and technicians conduct tests at our laboratory, including general waste evaluation and specialist waste-testing services
- Our testing services include analysis requests such as Waste Acceptance Criteria (WAC) analysis, effluent analysis for industrial clients to ensure their compliance with the Industrial Effluent Regulation, as well as analysis requests from other commercial laboratories

! Regulatory Compliance

- ISO/IEC 17025 (2017) accreditation for Waste Analysis Library
- International Laboratory Accreditation Cooperation (ILAC) recognition for Waste Analysis Library

We test and evaluate most of the scheduled waste brought to WMC at our on-site laboratory as it is important to know the classification and characteristics of the waste to properly and safely dispose of them. Waste such as batteries, contaminated containers and e-waste are not required to go through further evaluation and are treated and disposed of according to the nature of the waste. While the waste-testing and evaluation services are primarily an internal process crucial to ensure that waste is properly handled and disposed of, we have extended our expertise in these services to external clients as an additional revenue stream. In 2020, we ran 224,809 tests on 18,614 samples, representing a 3.44% increase in the number of tests run compared to 2019.

At Cenviro, we maintain high standards of practice. To ensure that our operations are in line with the latest industry standards, we migrated our accredited Waste Analysis Library to ISO/IEC version 2017 from ISO/IEC 17025 version 2005 in December 2020 and rewrote our Quality Manual to include new clauses and elements stipulated by the standards. The Department of Standards Malaysia (DSM) also carried out an external audit in 2020.

We have streamlined the testing process for waste streams that consistently meet the Landfill Acceptance Criteria. From this, we have been able to reduce the sample processing time from an average of five days to an average of three days. Additionally, we have been better able to manage our manpower amidst the challenges of COVID-19.

We have expedited the waste analysis process by reducing the time taken for certain testing processes such as sulphur testing and digestion testing, which in turn, produced positive effects for the overall waste treatment and disposal process. The quality and efficiency of our testing processes has been improved further with the acquisition of new equipment, such as a bomb calorimeter and a flash point tester. We plan to acquire equipment to automate certain manual tests that can improve process efficiency.

Throughout the pandemic, we have ensured the safety of our lab technicians by requiring them to each stay in their designated room while adhering to strict social distancing measures. These measures have enabled us to meet demands in a safe and responsible manner.

We ran 224,809 tests on 18,614 samples, representing a 3.44% increase in the number of tests run compared to 2019



Driving Circularity

We have embraced the circular economy concept and are working towards a circular value chain. On the path of sustainable growth and transformation, we see opportunities for our business through the harnessing of waste as a resource in a world of climate change, increasingly scarce natural resources and continued environmental degradation from overconsumption. Cenviro hopes to drive change in the Malaysian economy by making the circular economy a reality through collaboration with business partners and customers in which waste is seen as an important resource from which we can extract value.

Cenviro Recycling and Recovery (CRR)

? What We Do

Cenviro offers trusted and reliable end-to-end scheduled waste recycling and recovery services through our CRR facility for commercial and industrial partners. These services include:

- Recycling used oil and solvent into reconstituted oil – an alternative to diesel
- Dismantling and resale of scrap metal
- Cleansing and resale of plastic drums
- Partial recovery of e-waste for shipment to SPM for full recovery

! Regulatory Compliance

- Licensed to recover 14 Scheduled Waste Codes
- Certified with ISO 9001, ISO 14001 and ISO 45001

2020 Financial & Operational Highlights

Revenue* (RM)

2020

41,887,253

2019

28,592,473

11,110 tonnes of material recycled at CRR

20.5%
increase from 2019

* Total external revenue generated by CRR, inclusive of recycling and recovery services, transport and packaging

In keeping with our view of seeing waste as a resource, we strive to recover valuable materials from scheduled waste that can be used in other manufacturing processes. This activity, which involves manual sorting and processing, must be done in a safe and responsible manner because of the many hazards to human health and the environment. In 2020, we increased the quantity of waste processed at CRR by 20.5% compared to 2019, while revenue generated increased by 46.5%.

To encourage the transition towards a circular economy, we are focusing our efforts on developing and enhancing resource recovery and recycling solutions. Our position within the industry makes us uniquely able to be a pathfinder, developing innovative solutions and processes needed to maximise materials recycling and recovery.

We have undertaken and are planning to initiate a number of projects over the short, medium and long term to enhance and expand our capabilities to support the continued growth of CRR. These projects aim to improve our current processes, develop our capabilities, add new waste codes and ultimately enable us to provide a comprehensive range of recycling and recovery services to customers.



As part of the transition to the circular economy, we refurbished a dormant oil plant in 2020 to process reconstituted oil (RO) that can be used as a substitute for diesel in WMC. We are also in the process of refurbishing a dormant plant line for solvent distillation. We are designing our plant expansion through the development of new plants that can be used to re-refine base oil from waste oil as well as recycle used PET bottles into new PET bottles. To streamline our processes, we are beginning to explore digitalisation and automation of manual workflows.

We continue to engage with our customers to meet their needs through the delivery of high quality service while working with them to find solutions to mitigate climate change and at the same time, support our transition to a circular economy while bringing value to our business.

Scheduled Waste to Energy

?

What We Do

- During the SWtE process, a combustion chamber is used to incinerate scheduled waste. The thermal energy generated during the incineration is captured and used to power a boiler and steam turbine, which in turn generates electricity
- Electricity generated by the turbine is exported to the national energy grid

!

Regulatory Compliance

- Emissions from the SWtE process comply with Malaysia's Environmental Quality (Clean Air) Regulations 2014
- Our SWtE plant meets both Malaysian and EU regulatory standards

+

How We Add Value

- As the first of its kind in Malaysia, the SWtE plant creates sustainable value by promoting the transition away from fossil fuel-based energy, thus mitigating the effects of climate change.

2020 Financial & Operational Highlights

Revenue (RM)

2020

46,253,490

2019

21,074,175

25,217 tonnes of waste incinerated



12,209 MW generated



We began operating a Scheduled-Waste-to-Energy (SWtE) plant in 2018 as part of Cenviro's efforts to facilitate the transition to the circular economy, which also underscores our emphasis on seeing waste as a resource. In accordance with these efforts, our SWtE plant is the main waste disposal plant within WMC, since it offers a way to break the linear model of waste management by using waste to generate electricity. The SWtE plant generated 12,209 MW of electricity in 2020, a 294% increase from 2019, while revenue generated by the plant increased by over 119.5%.

We have been optimising the SWtE plant by upgrading critical equipment and machinery throughout 2020 as we strive to maximise the plant's waste throughput as well as energy generating capacity. The plant optimisation is seeing results, with a marked 114% increase in the waste incinerated from 2019 to 2020, going from 11,795 tonnes to 25,217 tonnes. These optimisation efforts will continue in the coming year with the aim of further improvements in 2021.

Recycle For Life

? What We Do

- We reward our recycling programme participants with cash value through the RFL smart card
- The RFL smart card programme is open to the public as well as Cenviro and EISB employees, who are encouraged to bring recyclable items to collection sites where they are weighed. The market value of the items is credited to their RFL smart card, which can be used at selected partner outlets
- Waste collected from EISB participants under the RFL smart card programme is sent to the MRF facility for processing
- RFL is licensed to operate in the northern and central Peninsular Malaysia states and is also licensed to collect waste in Kuala Lumpur and Negeri Sembilan

+ How We Add Value

- Reaching out to communities through education campaigns on recycling, thus raising public awareness and contributing towards the national goal of improving Malaysia's recycling rate
- Building partnerships with participating corporations, enabling them to embrace more sustainable waste management practices and mitigate their environmental impacts
- RFL mobile app allows programme participants to track the cash value balance of their smart cards, enhancing the convenience of the programme for participants and consequently encouraging communities to recycle more
- The equivalent of 3% of the cash value generated by the RFL programme is donated to the MyKasih Foundation to provide low-income families with food aid and education

2020 Financial & Operational Highlights

Revenue* (RM)

2020

RM214,204

2019

RM394,107

*Total revenue generated from RFL programme; Cenviro and EISB collections combined. For segmental breakdown, please refer to the table below.

895,723kg of waste collected from schools and communities



3,905 cards issued



49 participating schools



61 partner corporations



2,061 total downloads of RFL mobile app in 2020

Breakdown of Waste Recycled via RFL Programme

	EISB		Cenviro	
	Volume (KG)	Total (RM)	Volume (KG)	Total (RM)
Paper	547,180	87,361	27,497	2,767
Plastic	223,470	85,525	3,704	880
Steel	37,858	13,935	645	193
Aluminium	53,786	22,423	990	522
e-Waste	0	0	593	598
Total	862,294	209,244	33,429	4,960

Cenviro believes that community engagement is crucial to support the transition to a circular economy. Due to the imposition of national lockdowns, our ability to engage with communities was hindered; this was the primary reason behind the 45.6% reduction in revenue generated from RFL. Nevertheless, we persevered in our efforts to expand the programme to other states. In partnership with DOE Negeri Sembilan, we were involved in the Hari Alam Sekitar Negara, to collect recyclables from communities in Tampin, Gemencheh and Gemas. In addition, since the MCO hampered our plans to further roll out the RFL programme to schools and communities around WMC, we instead placed emphasis on expanding our network of corporate clients and partnerships. We successfully gained the participation of new corporations such as Pengurusan Air Selangor Sdn. Bhd. and WCT Holdings Bhd.

For more information on how Cenviro works with communities through the RFL programme, please visit pg 105.

Industry Thought Leadership

Through our experience in developing innovative waste management solutions, we understand that the most disruptive solutions are yet to be discovered or developed despite the significant advancements made in waste-management technology in recent years. We want to continue accelerating the pace of change, promote innovation and develop impactful sustainable waste resource solutions in Malaysia and ASEAN. To do so, we are committed to supporting technological developments and investing in infrastructure while fostering industry partnerships.

EPIC

? What We Do

- Acting as a centre of industry excellence and growth by promoting access to information, collaboration, innovation and learning
- Promoting industry partnerships and engagements
- Providing training programmes to develop industry knowledge
- Serve as an R&D platform, providing innovative and reliable solutions for the complete spectrum of waste management and renewable energy value chain

+ How We Add Value

- By offering modules designed and conducted by in-house experts that include real-life scenarios and practical tips
- By driving collaboration for the advancement of solid waste services in Malaysia
- Developing tailored training content for industry partners

2020 Financial & Operational Highlights

Revenue* (RM)

2020 **356,389**

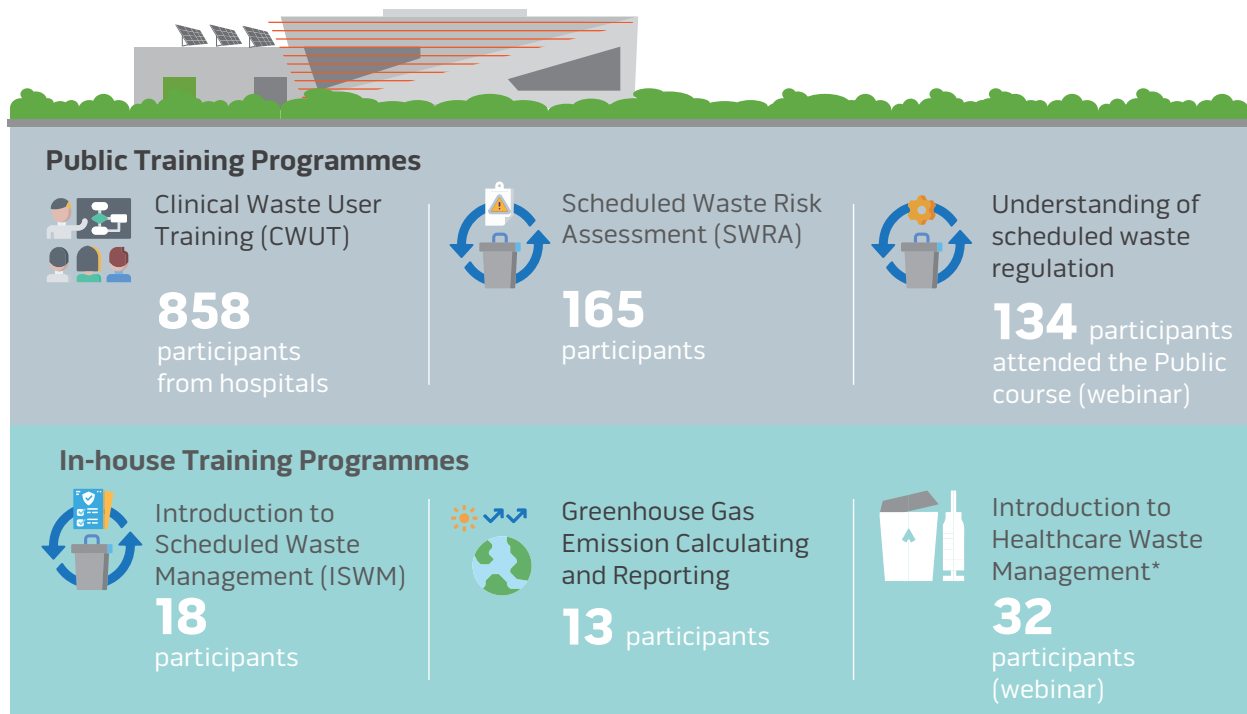
2019 **328,311**

*Total external revenue generated by EPIC, i.e. not inclusive of inter-company transactions

1,718 participants in EPIC's training programmes

19 training programmes delivered in 2020

Our centre of excellence, the Environmental Preservation and Innovation Centre (EPIC), is located within Cenviro Eco-Park. EPIC is at the heart of our research and development efforts for the Malaysian waste industry. It is also responsible for offering training and certification programmes and in 2020, EPIC delivered 19 training programmes that reached 1,718 participants, generating an 8.55% increase in revenue compared to 2019. The topics covered encompass the full spectrum of waste management and environmental sustainability. To adapt to the COVID-19 pandemic, several of our training programmes were delivered via webinars. The training programmes offered this year include:



*Programme also attended by some participants from the public

We are working to establish and solidify our role as an R&D platform within the industry, bringing together industry players, and universities and research institutions for the benefit of all parties. Our intention is for industry players to have easier access to the R&D capabilities of universities, while the ideas generated in universities can be tested and commercialised by their industry partners. Besides being an enabler of partnerships, EPIC also assists Cenviro with research relating to waste management issues, provides consultancy services to external customers and works with research and education institutions in the development of courses and certification programmes relating to waste management. The programmes that we designed this year include:



Partnership with Pusat Pendidikan Berterusan Universiti Malaya (UMCCed)

Professional Certificate in Scheduled Waste Management

Professional Certificate in Solid Waste Management

Professional Certificate in Environmental Sustainability Management

Partnership with Construction Research Institute of Malaysia (CREAM)

Construction Site Waste Management

Sustainability Construction Site Waste Management



Responsible Waste Solutions

Cenviro is committed to providing sustainable solutions to our diverse customer base through our integrated WMC. In our journey to becoming an industry leader in waste solutions, we endeavour to research and develop new technologies that improve efficiency while ensuring that our climate and environmental footprint is effectively managed. We are an ethical organisation that strives to support our customers, communities and the environment by ensuring that our services are provided in a responsible manner. In 2020, our services also played a critical role in the safe handling and disposal of COVID-19 waste.

Responsible Incineration

? What We Do

- We operate the only large-scale scheduled waste incinerator in Malaysia, with an operating capacity of 100 tonnes per day
- We practise responsible incineration, ensuring that all harmful substances emitted are captured and treated appropriately
- By incineration via controlled burning at high temperatures, we reduce the volume and hazardous properties of scheduled waste
- Our incineration process disposes of many types of waste, including scheduled waste, clinical waste and sewage sludge

! Regulatory Compliance

- The fully computerised Continuous Emissions Monitoring System (CEMS) constantly monitors the incineration process
- CEMS ensures that plant emissions preserve local air quality and meet environmental emission standards

While aiming to utilise the SWtE plant as much as possible, we also utilise the INC1 traditional incinerator to keep up with customer demand, especially to safely incinerate and dispose of COVID-19 waste. In 2020, INC1 incinerated 18,272 tonnes of waste.

In 2020, the INC1 incinerator underwent a major scheduled shutdown for maintenance and refurbishment. This included the replacement and upgrading of key components and critical equipment to extend the plant's operational lifespan and better manage its environmental impacts. As a result of the shutdown, there was a 31.5% year-on-year reduction in the quantity of waste incinerated.



Physical and Chemical Treatment & Solidification Treatment Plants

? What We Do

- Treat all types of hazardous inorganic liquid waste through various chemical processes to ensure safe disposal
- Toxic components from waste processed by the Physical and Chemical Treatment Plant as well as other processes are stabilised and solidified prior to their disposal at the VSL, to avoid leaching

! Regulatory Compliance

- Both plants are certified to meet MS ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, MS 1722:2011 and ISO/IEC 17025:2017

2020 Highlights

2,809 tonnes treated at the Solidification Treatment Plant

10,753 tonnes treated at the Physical and Chemical Treatment Plant

The Physical and Chemical Treatment (PCT) and Solidification Treatment (SOLI) Plants are important facilities at WMC. The treatment processes that we carry out in these facilities ensure that waste is disposed of in a safe and responsible manner, thus minimising the risks to the environment and to public health. This year, we observed a 19.3% and 42% reduction in the quantity of waste processed at the PCT and SOLI Plants respectively. This was due to a redirection of waste streams in WMC; in our efforts to extract the full value from waste as a resource, a larger proportion of waste is being sent to the SWtE plant, as well as our recycling and recovery facilities. Nevertheless, the PCT and SOLI plants remain critical to our operations.

We treat all types of hazardous inorganic liquid waste through various chemical processes



Clinical Waste Treatment Centre

? What We Do

- Certain types of clinical waste are collected and processed using a microwave treatment system that converts them into inert, landfill-ready residue with zero emissions
- Supply materials for proper handling of waste to customers
- Provide customer training in safe waste handling procedures

! Regulatory Compliance

- Certified to meet the standards of MS ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2015, MS 1722:2011 and ISO/IEC 17025:2017

+ How We Add Value

- CWTC is a hub for activities encouraging safe and responsible handling of clinical waste
- Conduct annual Clinical Waste User Training Programme for new and existing customers to ensure healthcare-related waste arriving at CWTC is managed safely
- Organise roadshows supported by the DOE and State Health Departments to improve understanding of responsible waste handling, assisting customers to register as waste generators and promoting our services
- The CWICLI app provides more accurate data for billing and financial references by enabling customers to access and view invoices, account statements, debit notes, credit notes, e-consignment notes and certificates of destruction

2020 Highlights

6,407 tonnes of waste treated

858 participants in Clinical Waste User Training (CWUT) sessions, reaching 32 hospitals

88.19% approval rating from clinical waste customers

Besides ensuring the safe disposal of clinical waste, CWTC is also a hub for sharing knowledge and conducting engagement activities on the proper disposal of such waste.

While there was an increase in clinical waste due to the COVID-19 pandemic, waste treated at CWTC fell by approximately 25% from 2019 to 2020 as the majority of COVID-19 waste was disposed through the SWtE plant or the INCI incinerator because incineration is a safer and more efficient method of disposal for such waste. The CWTC facility served as an overflow facility for treating COVID-19 waste in excess of the SWtE plant and INCI incinerator's capacities. The facility also continued to treat non-COVID-19 clinical waste.

We enhanced our Clinical Waste Integrated Collection and Logistics Infosystem (CWICLI) app in 2020. Besides being able to view invoices, account statements, debit notes and credit notes, clinical waste customers are now able to view the e-consignment note as well as the certificate of destruction for each waste consignment. These introductions have improved the convenience and functionality of the platform.

To read more about how we put safety first, please visit pg 70-78.

Vertical Secured Landfill

? What We Do

- Proper landfill site management to ensure waste does not pollute the environment
- Geogrid walls utilised to expand existing landfill capacity

! Regulatory Compliance

- Leachate treated at Leachate Treatment Plant (LTP) to achieve Standard B effluents as per DOE requirements
- Tracking key compliance metrics such as quantity of leachate and gas emissions, to ensure we are responsibly managing our environmental impact

+ How We Add Value

- >30 years landfill life expansion
- 45 acres of land saved
- Knowledge-sharing to benefit the waste industry in Malaysia
- Capacity-building to convert more landfills into secured landfills



2020 Highlights

111,972 tonnes of waste directly disposed of at Phase 1 site

While we are promoting the transition to a circular economy by increasing the quantity of resources recovered from waste, we acknowledge that landfilling remains an important waste disposal method in the immediate future. To minimise the impact of landfilling on the environment, we endeavour to manage our Vertical Secured Landfill (VSL) responsibly, to ensure efficiency and extend its lifespan. Phase 1 commenced operations in 2015 and we estimate that, with a remaining capacity of 43%, VSL will likely reach full capacity in about 3.43 years. In light of VSL Phase 1's dwindling capacity, we have begun the planning and design of VSL Phase 2, to ensure that our waste disposal capabilities are future-ready.

In 2020, while our circularity efforts resulted in a 20.5% increase in the tonnes of waste recycled and recovered by CRR, we landfilled 138,262 tonnes of waste and residuals at our VSL, representing a 9.2% increase from 2019. This is due to a 31% year-on-year increase in direct-to-landfill waste. Nevertheless, by further optimising our SWtE plant, we have successfully diverted more non-recyclable waste streams to be output as clean energy to the grid, resulting in a 26% year-on-year decrease in residuals sent to VSL.

To prevent leachate from our landfill site from polluting the environment, we have capped fully utilised cells with a HDPE liner that encapsulates the cells and ensures that leachate does not seep through. We capped three fully utilised cells with this liner in 2020.

Satellite Waste Management

? What We Do

- KASB Sabah is an offsite storage facility, providing temporary storage for waste before it is shipped to Peninsular Malaysia for processing, treatment and disposal
- Conduct field tests and laboratory analyses to monitor indicators such as ambient air quality, noise level and surface water conditions and submitting our quarterly findings to the DOE in our Environmental Monitoring Report (EMR)
- Ensure the safety of our operations by verifying consignment notes for each collection and carrying out inventory inspections
- We receive periodic visits from the DOE and we also carry out an annual Environmental Compliance Audit Report (ECAR), in compliance with DOE requirements

! Regulatory Compliance

- We adhere to DOE regulations on waste collection, waste compatibility and packing of waste before transporting to the port
- We also comply with regulations on the type of container required to transport waste and the handling processes as stipulated by the Port Authority

Sabah Facility

2020 Highlights

380.32 tonnes of waste transited through KASB Sabah

Cenviro provides secure offsite storage for waste through its satellite waste management facilities before it is transported for processing, treatment and disposal. With a storage capacity of 359 tonnes, our facility in Sabah was set up in 2018 as a convenience for customers who do not have immediate access to our operations. With the market growing increasingly confident of our services, we secured long-term contracts with new customers in East Malaysia in 2020.

To improve the quality and efficiency of the workflow process, we linked the weighbridge at our Sabah facility to our centralised SAP system to immediately capture the consignment weight from Sabah rather than at our WMC site, as we had done previously. This enhancement in the process has reduced disputes with customers from Sabah. We are currently exploring the use of other digital systems, such as a digital Customer Relationship Management (CRM) system, to further streamline workflows.

Johor Facility

We are developing a Scheduled Waste Management Centre in Johor following the signing of an agreement between Cenviro and PETRONAS in 2017. While construction efforts have been disrupted due to the MCO, we expect this facility to be fully operational by June 2023. This facility will provide scheduled waste management services to PETRONAS Refinery and Petrochemical Integrated Development (RAPID), as well as the southern region of Peninsular Malaysia, while simultaneously generating green energy to be exported to the national grid. Additionally, this facility will be one of the few in the country to comply with the Clean Air Regulation 2014 and will have several safety features such as continuous monitoring through a Distributed Control System that ensures the facility will automatically shut down in the event of an emergency.

Waste Collection Services

? What We Do

- Monitoring all orders to ensure optimal delivery lead time and planning the logistics for collection
- Maintaining a fleet of vehicles including cranes and small trucks that are ready for deployment to meet varying customer needs
- Monitoring and constantly improving time to offload waste at WMC to ensure efficiency of operations as well as sufficient rest time for drivers

+ How We Add Value

- DCTI was introduced in 2020, a paperless system that enhances the convenience of making a collection request for our customers
- Drivers are licensed and registered under the DOE, and receive training on how to safely handle scheduled waste; vehicles are equipped with spill kits to manage scheduled waste leakage
- Drivers receive Cenviro Safety Passport training that emphasises the importance of safety and also highlights the necessary SOPs they have to follow
- To enhance safety and ensure that our drivers receive sufficient rest, this year, we introduced the Journey Management Procedure and Fatigue Management Guidelines for our drivers
- Our fleet is fitted with GPS technology that notifies our team if a driver deviates from the planned route; this serves to prevent illegal dumping of waste

2020 Highlights

146,454 tonnes of waste collected by Cenviro's fleet



Our customers' waste is supervised at every stage of the journey, as our fleet of collection vehicles is outfitted with GPS technology that allows us to monitor the activities of our vehicles, including dispatch time, route, distance travelled and total driving time.

To streamline the waste collection process, we introduced the Digital Collection and Transportation Instruction (DCTI) system, which has replaced the previous paper-based system. This process has made waste collection more convenient for our customers and transporters while reducing our paper consumption and improving the turnaround time. We also installed dashcams in our collection vehicles in 2020 as an added safety measure.

We have had to strategically manage our fleet operations to meet the increased demand arising from the COVID-19 pandemic, while safeguarding the health of our drivers and the communities they encounter. In response to the growth in demand, we have expanded the number of trucks in our fleet by 37%, while the number of drivers grew by 36%.

Furthermore, we recognise the risks to the public due to the highly contagious nature of COVID-19. Given that our drivers can become potential spreaders across their routes, we require our drivers to strictly adhere to SOPs and take frequent tests to ensure they are fit and healthy for service.





Shan Poornam

In keeping with our ambition of promoting the transition of a circular economy, Cenviro provides e-waste recycling and recovery services via SPM, a subsidiary of Shan Poornam Sdn. Bhd. Through SPM's services, Cenviro strives to address the environmental and social risks that can arise from the improper disposal of e-waste.

2020 Highlights

2,048 tonnes of waste processed

2,045 tonnes of waste recycled

99.8% recovery efficiency

? What We Do

- E-waste recycling and disposal services provided through SPM (a subsidiary of Shan Poornam Sdn. Bhd.)
- Recycle a range of household and industrial e-waste as well as scheduled waste through green technologies
- Recover precious metals to serve as raw material for other industries
- Provide solutions for scheduled waste (both liquid and solid) and non-scheduled waste recovery, refining and asset management including household e-waste recycling and chlorofluorocarbon (CFC) recovery
- Manufacture secondary aluminium alloy ingots, high purity precious metal ingots and copper cathodes from scheduled waste to promote eco-friendly products and closed-loop recycling

! Regulatory Compliance

- SPM ensures that customers' intellectual property rights and personal data are well protected throughout the treatment and disposal process
- SPM received ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) certifications in 2019. In 2020, SPM attained ISO 45001:2018 (Occupational Health and Safety) certification

EISB

Our joint venture, EISB, delivers public cleansing services and MSW collection, treatment, recycling and disposal services in support of healthier and cleaner communities with improved living standards.

? What We Do

MSW Collection Services

Provision of MSW collection services using multi-compartment trucks, thus helping to prevent littering and illegal dumping. The trucks allow separation of waste, facilitating efficient disposal and ensuring proper waste management.

In 2020, EISB's fleet of 387 vehicles collected an average of 1,663 tonnes of waste per day, totalling 518,712 tonnes for the year. Domestic, recyclable, green and bulky waste was collected from more than 377,915 premises in 2020.



Public Cleaning Services

Working to ensure litter-free and well-maintained public spaces for safe and healthy communities, EISB's extensive fleet of public cleansing vehicles is deployed across Kedah and Perlis for public cleaning services using high pressure water jetters and beach combers. Public cleaning services include road sweeping, grass cutting and cleaning of drains.

Commercial and Public Recycling Services

Sorting MSW collected to ensure that recyclable and compostable material such as paper, plastic and glass is diverted from disposal as waste and is instead properly recovered.

Recyclable material collected through EISB public and commercial collection services and the RFL community-based recycling division is sorted and processed through EISB's Materials Recycling Facility (MRF). Recyclable materials such as cardboard, paper, HDPE, PET, PP, steel, aluminium and tin are manually sorted before being sold as raw materials.

Community-Based Recycling

Engaging with communities via the RFL programme to educate and inform them on recycling initiatives. We aim to encourage community participation and address the lack of recycling programmes that are convenient and accessible for communities. These engagements aim to encourage individuals and incentivise them to collect and transport their waste for recycling.

To read more about our RFL programme, please visit pg 56.

Regulatory Compliance

- Certification for ISO 14001 – Environmental Management System, and ISO 9001

2020 Highlights

518,712 tonnes of MSW collected

2,456,924 tonnes of materials recycled

Collected waste from
377,915 premises

1,663 tonnes of waste collected per day

387 collection vehicles

473,404 tonnes of MSW collected in Kedah

45,308 tonnes of MSW collected in Perlis

**In 2020,
EISB's fleet of
387 vehicles
collected an
average of 1,663
tonnes of waste
per day**





Customer Satisfaction

Customer trust is important to the continued operation of our business and we strive to ensure that the services we offer at Cenviro are of exceptional quality. We work in close partnership with our customers to schedule pick-ups, deliver information regarding waste collection and ensure efficient waste collection by resolving potential disruptions. On an annual basis, we conduct customer satisfaction surveys in which we aim for a 75% response rate to measure our performance in meeting their needs.

2020 was an extraordinary year for Cenviro, with the national movement restrictions presenting unique and unprecedented challenges that affected our ability to efficiently collect customers' waste. While we remained committed to delivering a high quality of service and continuing to optimise our processes, we recognise that 2020 was a difficult year for all. It is largely due to these exogenous factors that KASB received an average customer satisfaction rating of 79% for our scheduled waste services and 88.19% for our clinical waste services. Nevertheless, we have confidence that the system enhancements introduced in 2020, such as DCTI, will lead to a more seamless customer experience moving forward. In 2020, we achieved an average customer satisfaction rating of 99.2% for our EISB services.

**Satisfaction
Rate**

88.2%
**for KASB
clinical waste
services**

79%
**for KASB
scheduled
waste services**

99.2%
for EISB services





Empowering Our People

SDGs
for this
chapter:



A photograph of four industrial workers walking through a large factory. They are all wearing green long-sleeved jumpsuits, white hard hats, and safety glasses. They are walking from left to right on a green floor with yellow safety lines. The background shows a complex industrial environment with large pipes, metal structures, and a high ceiling with exposed beams and lighting fixtures.

WE FLOURISH BY CREATING VALUE FOR OUR EMPLOYEES

We prioritise workforce health and safety while simultaneously providing meaningful work and giving our employees opportunities for development.

Putting Safety First

Workplace safety is our top priority. We strive to inculcate a safety-first culture throughout our organisation by equipping our employees with the necessary tools, knowledge and skills, and empowering them to take ownership of their health and safety. While the COVID-19 pandemic presented unforeseen health and safety challenges, we have taken proactive steps to ensure the safety of our employees within a difficult operating context.

GRI 403-3, 403-6

Workforce Health & Safety Amidst COVID-19

The safety and health of all our employees is our highest priority and, to this end, we constantly take steps to ensure that our health and safety management is robust. Our BCP and ERP frameworks are our key guides, helping to ensure the safety of essential employees who work on our premises as well as those who work from home. As a response to COVID-19 and in an effort to curb the spread of the virus while ensuring business continuity, we introduced the COVID-19 Health Policy, which details workplace SOPs that all employees have to comply with.

To mitigate the risks of COVID-19 infections in the workplace, all employees dealing with COVID-19 related waste at our WMC facility were given COVID-19 tests and equipped with comprehensive Personal Protective Equipment (PPE) including coveralls, masks and gloves. Besides PPE, we invested in specialised equipment enabling contactless waste handling such as wheel bins and open top drums in which COVID-19 waste can be safely incinerated. We also have an internal Hazmat team tasked as the first line of defence in the unlikely event of a workplace outbreak while our appointed Occupational Health Doctor (OHD) provided a COVID-19 briefing for employees at WMC.

COVID-19 mitigating measures were also implemented at our corporate headquarters. These measures included stringent SOPs enforced for the safety of our rotational employees, the distribution of free N-95 masks and hand sanitisers, enforcement of physical distancing practices and regular temperature checks. Our Health Flashes and webinars ensured that employees were kept informed and updated on COVID-19 news.

All employees dealing with COVID-19 related waste at our WMC facility were given COVID-19 tests



HSSE at Cenviro



GRI 103-2, 403-1, 403-3, 403-4, 403-6, 403-7

Functions of the HSSE Department

Safety First is the mindset that we strive to inculcate in each and every member of our workforce, because creating a robust safety culture requires commitment from everyone in the organisation. As protecting the health and safety of our employees is of utmost importance, we inculcate this culture in Cenviro through employee empowerment, numerous training programmes and engagement at all levels of the organisation.

The HSSE Department is central to the administration of policies and procedures, ensuring the safety of Cenviro's operations, while the QHSSE Policy acts as a guide on health and safety matters throughout the organisation. Additionally, the HSSE Framework guides all business units for clear HSSE direction and clearly demarcates responsibilities, such as Critical Safety Equipment ownership. The Framework empowers our employees through the Hazard Identification Programme (HIP), Emergency Response Plan as well as incident analysis for shared learnings.

Moving forward, our ambition is to further decentralise the functions of the HSSE Department and embed health and safety responsibility across our operations. Our Safety and Health Committees (SHCs) also oversee the management of onsite health and safety at WMC, which is in line with applicable regulations.

Functions of the HSSE Department



Occupational Health & Safety



Security



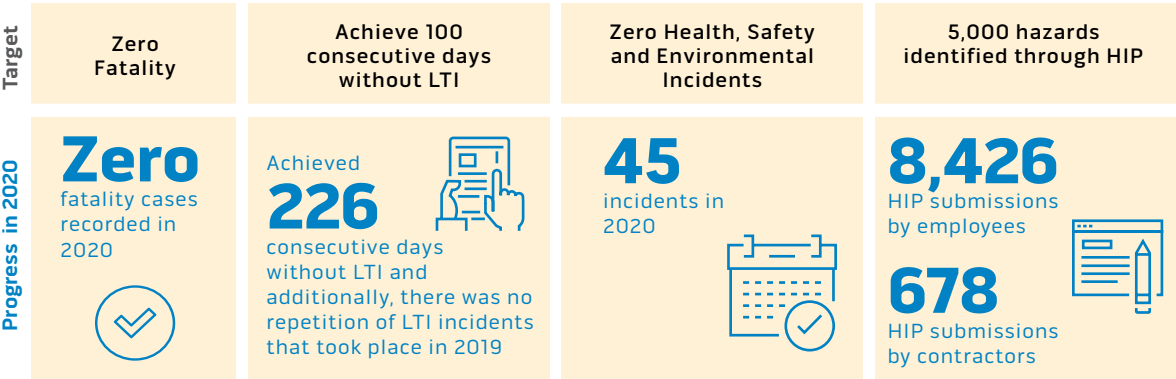
Fire & Hazmat



Environment

HSSE Targets

In 2019, we revised our internal definition of LTI events to more strictly monitor our safety performance. Previously, in accordance with the Department of Occupational Safety and Health's (DOSH) definition, an LTI event was an incident that required four days of medical leave. At Cenviro, we now define an LTI event as any incident resulting in at least one day of medical leave. Based on our criteria, we recorded two LTI events in 2020, with one of these incidents meeting DOSH's definition. These incidents occurred over the course of 545,376 employee man-hours.



GRI 403-7

Working Towards Our HSSE Targets

Regular workplace inspections, safety reminders for employees and contractors, provision of health and safety training and equipping contractors and employees with proper PPE were among the efforts we made to achieve our HSSE targets. To create awareness and encourage employees to continue practising good health and safety, we also displayed the number of days without LTI on our LTI board in WMC.

To further ensure that a safety-first culture is embedded across Cenviro, we have been working to simplify critical HSSE processes and introduce HSSE-BP to support other business functions within the organisation. Additionally, reflections on safety are carried out as part of every meeting agenda. There are also other safety-related KPIs in departments other than HSSE, to further decentralise ownership of health and safety management.

Other measures include conducting Safety Reflect Sessions to remind us of the 12 LTI incidents in 2019, sharing LTI performance statistics with all employees and broadcasting our "Did You Know?" factual flashes on HSSE data. We take an active role in addressing health and safety issues across our operations to prevent serious incidents from occurring by introducing monthly dashboards to monitor our performance against key health and safety indicators such as contractor LTI incidents, fire breakouts and spillages.

Besides these measures to achieve our HSSE targets, we continue at the operational level to perform monthly machinery inspections and drills, compliance evaluations and follow-ups with recommendations from relevant regulatory agencies.

To compare our year-on-year health & safety performance, please visit pg 125-126.



GRI 403-1, 403-2, 403-7

Certifications and Compliance

KASB, CRR and CS are certified with ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System). These three management systems have been integrated into the Cenviro Integrated Management System (IMS) which is overseen by our Corporate Governance & Assurance (CGA) body.

Our trained Internal Auditors conduct regular checks during the annual IMS Internal Audit to instil a culture of compliance. Our appointed external auditors conduct further assessments during the annual IMS Surveillance Audit. An external audit took place in November 2020, where four instances of non-conformance were raised, with no instances of major non-conformance.

We utilise a Plan-Do-Check-Act cycle to continuously improve our quality, environment and healthy and safety compliance. This process includes IMS objective and programme setting, Documented Information review exercise (inclusive of IMS Manual, System Procedure, Departmental Procedure, Risk Assessment review), Evaluation of Compliance Exercise, IMS Internal Audit and the Management Review Meeting, which discusses the overall performance of the IMS. In 2020, we also conducted additional radiological, mercury and hexane exposure monitoring, to ensure our compliance with regulatory requirements.

In 2020, we migrated our OSH Management System from OHSAS 18001:2007 to ISO 45001:2018. In tandem with this certification, the IMS documented information was also revised to reflect the certification and standards of ISO 45001. To raise awareness and share knowledge on the implementation of ISO 45001, we conducted training for our employees.



In 2020, we
migrated our OSH
Management
System
from OHSAS
18001:2007 to ISO
45001:2018

GRI 403-2, 403-4, 403-7

Building a Safety-First Culture

Decentralising Health & Safety Management

To have every Cenviro employee championing safety and health across the organisation, we are developing employees' safety awareness and cultivating a safety-first culture, with an emphasis on hazard prevention. Simultaneously, we aim to decentralise certain aspects of HSSE, with these responsibilities to be owned by all entities across the organisation. In doing this, every employee will have a responsibility in upholding the highest standards of health and safety throughout the organisation.

We reorganised the Health & Safety Committee in 2020, resulting in business units having a more focused HSSE agenda. We introduced the Cenviro Group HSSE Steering Committee, as well as dedicated committees for KASB, CRR, Supply Chain, Sales, Marketing & EPIC and our corporate office. This reorganisation has allowed for the more effective dissemination of information and gathering of feedback regarding HSSE matters. Our restructuring efforts aim to delegate HSSE responsibility across business units.

GRI 403-2, 403-4

Hazard Identification Programme

Established in July 2019, the Hazard Identification Programme (HIP) intends to inculcate a safety-first culture among employees, contractors and visitors by giving them a platform to report any hazards or near-miss incidents. Through this platform, we are strengthening our safety culture by empowering individuals to help us identify and address potential health and safety concerns. In 2020, a total of 8,426 submissions were received from employees, significantly exceeding the 5,000 submissions target for the year.

A new HIP platform was introduced in 2020, enabling submissions to be collected via Microsoft Forms to facilitate easier data collection and review. Individuals can also scan and submit HIPs through QR codes that have been placed throughout WMC. To integrate HIP as part of Cenviro culture, several initiatives encouraging HIP submissions were also introduced:

Monthly highlights and rewarding HIP submitters

To encourage employees to submit HIPs as well as call attention to the progress made towards achieving our 5,000 HIP submissions target, we sent out monthly highlights where we rewarded individuals who submitted the highest number of HIPs and those who submitted the best HIP for the month.

HIP Dashboard

Health and safety issues across various workstations have been detailed through a HIP dashboard. This dashboard is used to update the Operations team during their weekly meetings and is also shown to all Heads of Department.

HIP for Contractors

The HIP programme was extended to contractors, who are encouraged to send in their submissions through the same form. A total of 678 HIP submissions were received from contractors this year.

The HSSE Department reviews all HIP submissions and sends the details to the relevant area owner for the issue to be addressed. Monthly summary emails are sent out to follow up on these issues and ensure that appropriate actions have been taken.

GRI 403-4

HSSE Intervention Policy

Cenviro complemented the existing HIP with the introduction of the HSSE Intervention Policy in May 2020. The Policy empowers individuals either employed or engaged by the organisation to take ownership of their safety by intervening in any unsafe act or condition that could potentially lead to the occurrence of an incident. Once they have intervened, individuals can report the issue via HIP so that necessary further action can be taken.

GRI 403-4

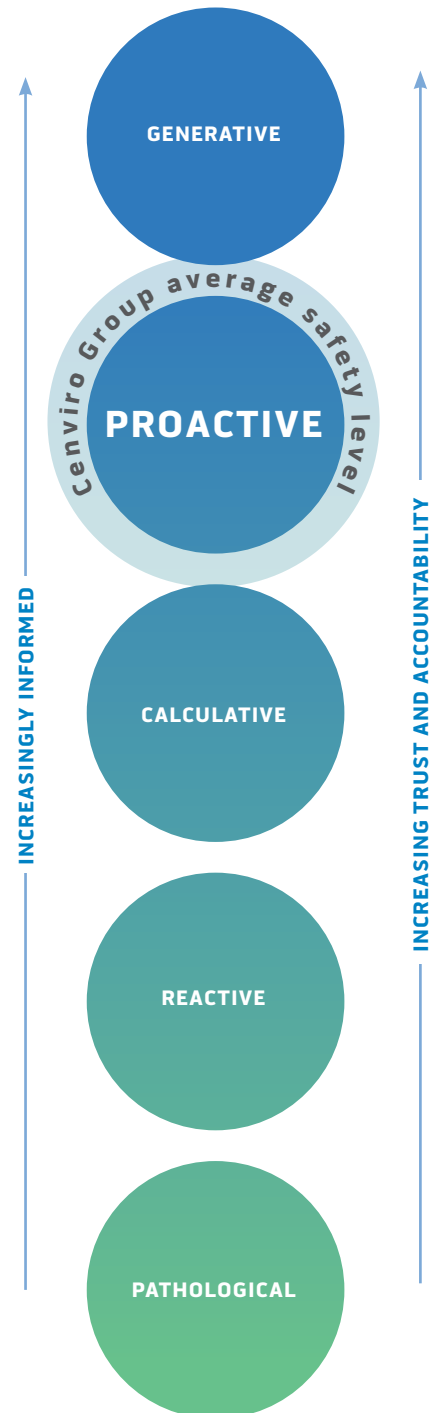
Safety Moments

Since August 2019, Safety Moment exercises have been practised during meetings to call attention to and highlight the importance of safety. These exercises involve brief discussions on proper safety SOPs for tasks at hand as well as matters such as PPE requirements, evacuation procedures for emergency situations, penalties for non-compliance and reminders to report unsafe conditions or acts through HIP.

Additionally, Safety Moment circulars have been released on a monthly basis. They have also been presented during the daily toolbox meetings and displayed in common areas of our premises. These circulars contain in-depth discussions on safety topics such as lessons learnt from recent incidents.

HSE Culture Survey

The HSSE Department conducted a HSE Culture Assessment survey in March 2020 to measure the level of safety culture among employees, better understand the safety culture of the organisation and assess how this culture drives performance. The survey, which assesses eight different dimensions, including leadership and commitment, hazard and effect management, as well as planning and procedures, saw the participation of 83% of employees. The findings were gauged against the Hearts and Minds safety culture ladder shown on the right. On average, Cenviro Group's HSE Culture is at the Proactive level, indicating that our employees exhibit strong safety leadership.



HSE Focus Recognition Programme

One of the key findings from the HSE Culture Assessment is that our employees feel that at Cenviro, there is a lack of recognition for employees who exhibit outstanding behaviour related to HSSE, such as recommending safety improvements and regularly reporting hazards. In response to this, we introduced the HSSE Focus Recognition Programme in 2020. The Programme aims to recognise outstanding performance of employees and contractors in promoting awareness of HSSE issues. Senior Management evaluates nominated personnel and those who pass this evaluation will receive a certificate of recognition during our town hall. There were a few nominations in 2020 but no individual has yet received recognition through the programme.

ERT Members

To provide additional logistical support for incidents at WMC, in 2020, we allowed all employees to register to become Emergency Response Team (ERT) members, through the functions of Fire Fighting, Evacuation Controller, First Aider and Hazmat Responder. The ERT programme has been put on hold because of the MCO, but full execution will be carried out once it is safe to do so.

GRI 403-5

Capacity-Building for Health & Safety

TREX-Table Top Drill

TREX-Table Top Participants

- KASB Emergency Response Team
- KASB Fire & Hazmat Team
- HSSE Department
- Operations Department
- Jabatan Bomba dan Penyelamat Malaysia (JBPM), Negeri Sembilan
- Hospital Tuanku Ja'afar (HTJ), Seremban
- Atomic Energy Licensing Board (AELB)

The first ever Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) Drill Exercise – otherwise known as a TREX-Table Top drill – in Malaysia took place at EPIC in September 2020. The drill tests an organisation's ability to handle emergency situations related to radioactive waste. It also provides an opportunity to practise all elements of emergency planning and response. The drill, which involved the simulation of a TENORM spillage and subsequent fire outbreak in WMC, saw key Kualiti Alam personnel and ERTs familiarise themselves with the roles, procedures and responsibilities related to such an incident.

The drill aimed to ensure preparedness of first responders and ERTs in dealing with the situation, test their communications with the Emergency Response Command Centre (ERCC), and assess the resilience of Emergency Response Preparedness plans for Tier 1, 2 and 3 cases of incidents involving TENORM sludge in WMC. The contingency plan between Fire & Hazmat Teams, ERT and relevant authorities to control a TENORM spillage was also tested during the drill.



Cenviro Safety Passport

We launched the Cenviro Safety Passport (CSP) in September 2019 to ensure our health and safety standards are upheld throughout our value chain. The CSP, developed in collaboration with the National Institute of Occupational Safety and Health (NIOSH), has been fully enforced since January 2020, replacing the previous contractor induction and contractor training programme. All contractors must now undergo the CSP training programme before they are allowed to work on Cenviro's premises. Contractors who complete the training receive their CSP, which is valid for three years and includes insurance coverage. In 2020, we provided 39 training sessions as part of the CSP.

For more details on how we engage with our suppliers and contractors, please refer to pg 118-119.

GRI 403-5

Health & Safety Training

We provided a broad range of training programmes in 2020 to ensure that our employees are equipped with the necessary health and safety knowledge and skills to be able to perform their role safely. These programmes included:

2020 Health & Safety Programmes

Oil & Gas Safety Passport (OGSP)	Scheduled Waste Control Handling Management	Cenviro Safety Passport	Radiation Protection Course for Officer (RPO)
Environmental Life Cycle Assessment Training	Understanding of Safety Data Sheet (SDS) for Chemicals	Authorised Entrant & Standby Person for Confined Space (Refresher)	Introduction to Scheduled Waste Management Training (ISWM)
Radiation Safety Awareness Training	Overhead Crane Operation & Inspection	Scheduled Waste Risk Assessment	Safe Handling & Management of Mobile Crane Operation
Authorised Gas Tester & Entry Supervisor for Confined Space (Refresher)	Safe Handling of Chemical (SHOC)	Defensive Car Driving Training (DDT)	TENORM Waste Awareness Training

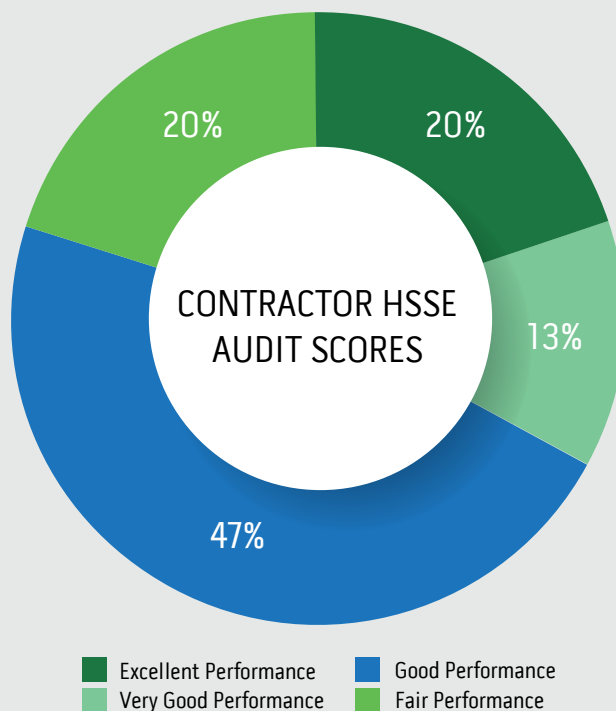
We garner feedback from contractors on any health- and safety-related matters

GRI 403-7

Contractor Safety

The Contractor HSSE Committee was introduced in 2020, composed of representatives from the HSSE Department and representatives from all resident contractors at WMC. Through the Committee, we are able to facilitate communication, update on developments in terms of health and safety requirements and garner feedback from contractors on any health- and safety-related matters. The Committee met four times in 2020 to discuss issues including contractor HSSE performance, CSP, Contractor Safety Pamphlet, the HSSE Penalty Matrix and the HSSE Contractor Audit. The meetings also review year-to-date incident statistics and share One Point Lessons from incidents. As a consequence of these meetings, we updated our Vendor Assessment to include contractor HSSE performance, considering criteria such as incident rate, PPE compliance and HSSE Contractor Audit score.

This year, we conducted our inaugural HSSE Contractor Audit on 15 of our contractors, assessing their compliance with key regulatory requirements such as Occupational Safety and Health Act 1994, Environmental Quality Act 1974, Factories and Machinery Act 1967, as well as Cenviro's internal HSSE requirements and procedures. The audit results were shared with the contractors during the HSSE Contractor Committee meeting.



In 2020, we provided our contractors 6,576 hours of training, engaging 822 participants. This training helps ensure that our contractors remain compliant with our health and safety requirements.

GRI 103-1, 103-2, 103-3, 404-2

Developing Future-Ready Talent

Cenviro strives to ensure that our workforce receives the training and development they need to improve their skills and expertise. We cultivate a culture of collegiality that enables our employees to thrive, while also contributing to the growth of our organisation. We aim to nurture our employees in the workplace, enabling them to develop the skills and knowledge required to address the challenges of waste management.

GRI 404-1

Training and Development

To achieve our strategic ambitions and to ensure that our workforce is ready for the challenges facing the waste management industry, we continue to invest in the development of our employees. We were able to provide skills enhancement training to 409 Cenviro employees and 1,556 EISB employees in 2020. The average training hours decreased by approximately 23% from the previous year, as a large proportion of our workforce was working from home, hampering our ability to deliver certain training programmes.



Total employees trained

Cenviro **409**

EISB **1,556**

Average training hours

Cenviro **18.09**

EISB **16**

Cenviro offers comprehensive technical in-house training courses as well as external certification training to nurture waste industry professionals who will drive progress and innovation in Malaysia's waste system. This range of learning and development opportunities is offered to meet not just the needs of our business but also to support the career progression of our employees. Among the training programmes offered to our employees are:

- Microsoft Excel – Beginner to Expert in 8 Hours
- Greenhouse Gas Emissions Calculating and Reporting
- Introduction to Scheduled Waste Management
- Introduction to Healthcare Waste Management
- Scheduled Waste Management
- Scheduled Waste Spillage Handling

To learn more about health & safety training, please visit pg 77.

GRI 404-1, 404-2

Competency Training

The waste management industry is highly technical, with various certifications and key competency areas. Regulators have also set out minimum expectations for the number of certified employees in key areas. Given these requirements, Cenviro endeavours to maintain a highly skilled workforce across all the competency areas. A total of 43 Cenviro employees were fully certified as of December 2020.

Additionally, we sent two Cenviro employees to attend training at the Environmental Institute of Malaysia (EiMAS) in 2020, where they secured one-year competency certificates in various technical aspects of health and safety on completion of the training programme. Additionally, two EISB employees also hold competency certifications from EiMAS.

Cenviro's Employees	2020
Total Competency Areas	9
Target for Certified Competent Employees per Competency Area	14
EiMAS training figures	
Total training attendance	2
No. of attendees that received one-year competency certificates	2
No. of employees with full competency certificates	43

GRI 404-2

Leadership Training and Development

Cenviro's ambition to be an industry leader, offering innovative solutions to our customers, relies heavily on our talents' leadership skills. We have been providing leadership development programmes aimed at strengthening the quality of leadership within the organisation. Our leadership training sessions saw the participation of 73 Cenviro employees and 146 EISB employees in 2020. Besides formal training, we also provide our employees with a range of opportunities for further learning and development.

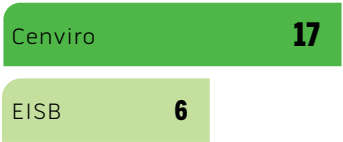
Leadership Development Approach

 EXPERIENCE	 EXPOSURE	 EDUCATION	 ENVIRONMENT
50% On-the-job work experience and hands-on learning Job rotations and transfers Long-term assignments	30% Being mentored and coached Participation in projects, working committees, presentations Exposure to Senior Management Short-term assignments	10% E-learning Formal classroom training Certifications	10% Organisational structure Company vision, targets and KPIs Tools and infrastructure

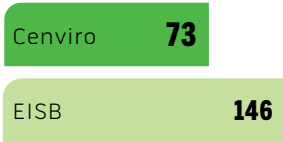
Our leadership training sessions saw the participation of 73 Cenviro employees and 146 EISB employees in 2020



No. of leadership training sessions



No. of employees who attended training sessions



GRI 404-1

Succession Planning

Succession planning has remained one of the key focus areas for our leadership and development efforts in 2020. Our succession planning aims to ensure business continuity, minimise business risk and increase the availability of experienced and capable employees who can assume leadership roles as they become available. We have been working at the departmental level to establish plans and strategies that clearly define succession of leadership. We have identified the following eight steps for succession planning in the organisation:

1. Identifying growth plans

2. Identifying leadership and critical positions

3. Collating talent

4. Evaluating potential
5. Disclosure of future plans

6. Grooming and mentorship

7. Development programmes

8. Determining retention incentives

To support our succession planning efforts, we have developed the High Potential (HiPo) and Talent Mobilisation programmes.

GRI 404-2



High Potential (HiPo) Programme

Employees with the potential to take on a leadership role and who received a Platinum or Gold grading in their performance reviews can be nominated by their HODs to participate in the HiPo programme. These nominated employees undergo a three-stage evaluation process where they are assessed on a range of skills such as critical thinking ability and communications. Evaluators include members of Senior Management. There were 16 individuals nominated in 2020, with seven making it through the evaluation process. As part of their training, these seven individuals participated in the Certified Lean Practitioner (CLP) training programme, developing new skills to enhance their productivity. We aim to collaborate with EPIC to provide further training for HiPo candidates in the future.



Talent Mobilisation Programme

To avoid the “silo effect” and optimise human capital, we configure departments to ensure employees are placed in positions that suit their competencies while also challenging them and enhancing their capabilities.

We move employees among departments through the Talent Mobilisation Programme to enable them to better leverage their competencies, experience and skills towards organisational goals, while at the same time, giving them the opportunity to develop and grow in their careers. This programme helps Cenviro achieve strategic goals and facilitates cross-departmental knowledge transfer that can lead to the development of new ideas and process innovations.

Employee Performance Management

Our performance management process involves bi-annual performance appraisals and management feedback. Together, they play important roles in employees' development and careers as well as job satisfaction. Through this process, we ensure that employees' development is aligned with broader organisational performance and strategic goals. The performance appraisals also enable managers and employees to collaboratively establish performance goals, communicate expectations and identify areas for improvement. For employees pending confirmation, there is a separate appraisal process assessed across several criteria. For employees who are confirmed, set goals including areas for improvement, a development plan, and a target date for achievement are provided. Performance appraisals were given to 97% of eligible employees in 2020.

The Performance Improvement Plan (PIP), which facilitates meaningful discussions between underperforming employees and their line managers, is an ongoing initiative that enables key areas for improvement to be identified for these employees. Employees who are unable to meet their KPIs also undergo the PIP. PIPs are tailored to each individual, targeting their personal deficiencies while providing them guidance to improve their performance. A total of 11 employees were placed under PIP in 2020, with nine employees passing and continuing their employment, while two employees had their PIP period extended.

Employee appraisals in 2020

CATEGORY		Manager	Executive	Non Executive
	Cenviro	63	129	275
	EISB	24	88	1,234
GENDER		Male	Female	
	Cenviro	351	116	
	EISB	1,188	158	
TOTAL		Percentage	Number	
	Cenviro	97%	467	
	EISB	87%	1,346	





GRI 103-2, 103-3

Maintaining Engaged Employees

COVID-19 forced many of us to work remotely, which meant necessary changes were made to enable us to connect with our employees in more meaningful ways. We want our employees to have their voices heard so that they feel engaged, motivated and cared for, which is vital not only to the success of our business but also to their wellbeing. Employees are encouraged to have open communication with the Human Resources (HR) Department and we provide avenues such as the monthly Employee Focus Groups and monthly HR Service Counter for them to voice their concerns and questions.

GRI 403-3, 403-6

Supporting Employee Wellbeing during COVID-19

To help our employees cope with the stress of working remotely and navigating the impact of COVID-19, we conducted several webinars including 'Urus Stres & Terus Sukses' through EPIC and 'Living with COVID-19: A New Normal', hosted by our OHD and attended by 79 employees. Complementing these were HSSE Department's health webinars on quitting smoking, obesity, hypertension and kidney stones. Our OHD also delivered a series of COVID-19 awareness talks to various departments throughout the year and conducted a Medical Treatment and Consultation Programme at WMC.

We provided support to employees hospitalised due to COVID-19



As work-from-home became the norm for non-essential employees during the pandemic, we allowed them to make claims for internet and data expenses every month. We also allowed employees who were not working from home on a full-time basis as well as essential staff working on rotational basis at WMC to make these claims.

Cenviro arranged and covered the costs of swab tests for any employee or contractor who came into contact with a positive COVID-19 case. In addition, we provided support to employees hospitalised due to COVID-19 and reached out to employees who needed to quarantine at home to offer assistance. Employees were also supported through regular communication updates.

GRI 103-3

2020 Employee Survey

We obtain feedback from our employees through the Annual Employee Survey, which is an important medium for us to gauge employee sentiments regarding key issues and at the same time, make targeted improvements to human capital management strategies. Responses were received from 84% of our employees in WMC and our corporate headquarters this year.



SAFETY

71.2% of employees believe that safety procedures in the workplace have strengthened, while **85.4%** of employees feel a responsibility to intervene in any incident of safety violation



TEAMWORK & COLLABORATION

77.2% believe that there is stronger teamwork in the workplace, while **67.7%** believe there is stronger interdepartmental collaboration



ENGAGEMENT

68% of employees are satisfied with the level of engagement with HODs, but **43.2%** would like more opportunities to voice their opinions



LEADERSHIP

66% feel that they are well mentored and coached by their supervisors, but **34%** are still hoping for more coaching and mentoring



MOTIVATION

80.9% feel motivated to work and **89.8%** are proud to work for Cenviro



CONTINUOUS IMPROVEMENT

77.9% of employees are eager to innovate processes and implement continuous improvement in their ways of working

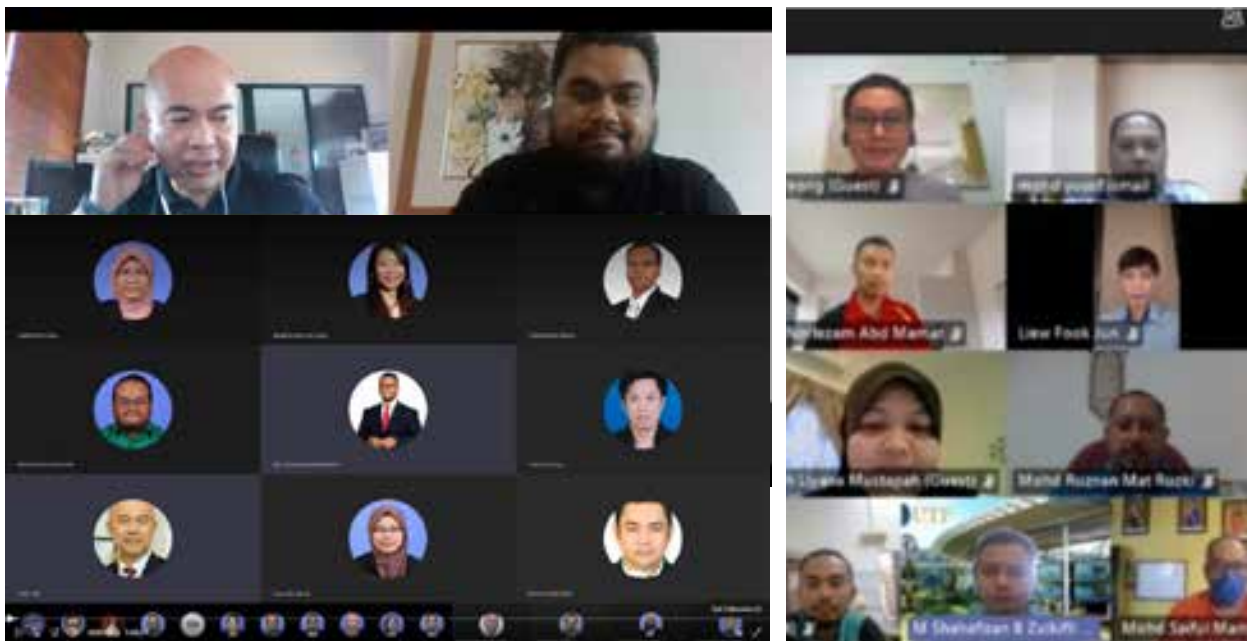
Employee Engagement Initiatives

Engaging with our employees became even more crucial during the COVID-19 lockdowns as we endeavoured to strengthen our Cenviro community and bring our workforce together at a challenging time. We organised a number of events throughout the year to engage with our employees and these events became an important means to reach out to them. We had the monthly HR Service Counter for payroll and other HR matters to be addressed, workplace improvements facilitated through plant tours and focus groups, virtual wellness events, as well as virtual Long Service Award (LSA) and Town hall events.



Fostering a Diverse and Inclusive Workplace

Cenviro is committed to being an inclusive employer that ensures fair and equal opportunities for all employees. We are also committed to non-discriminatory workplace practices and strive for equality across race, age, gender and other key differentiators. We believe in creating a conducive environment for employees to thrive and realise their full potential.



Promoting Diversity & Inclusion at Cenviro

With most employees in the operational teams across the global waste management industry being male, it has become a particular focus for us to support and encourage women to join our workforce. Our vacancy postings are non-discriminatory and factors such as gender and race are not considered during the recruitment and hiring process. We ensure equal opportunity for all prospective hires regardless of race and gender, and we aim to increase the percentage of women in our workforce to 40% by 2024.

Cenviro is working towards raising awareness on sexual harassment and in 2018, established sexual harassment and disciplinary management policies related to this issue. Sexual harassment awareness is also included in the induction programme for new employees. Our grievance mechanisms and whistle-blowing processes have also incorporated the reporting process for sexual harassment incidents. All cases are forwarded to the head of HR within 48 hours, and internal investigations are conducted within five working days, with action ranging from warnings to domestic investigations, depending on the severity of the infringement.



Managing Our Environmental Impact

At the heart of Cenviro's sustainable waste solutions lie our efforts to become more resource efficient and encourage our employees to reduce our environmental footprint. To ensure that we conform to regulations and the law, we operate under 11 licences for KASB and CRR.

SDGs
for this
chapter:



A photograph of an industrial facility, likely a waste-to-energy plant. A tall, red and white striped chimney rises from a complex of green steel structures with yellow safety railings. Large silver pipes connect different parts of the facility. In the background, there are large industrial buildings, one with a white upper section and a blue lower section. The sky is clear and blue.

WE FLOURISH BY CREATING VALUE FOR THE INDUSTRY

We foster industry partnership and collaboration in an effort to develop innovative waste management solutions to usher in a sustainable future.

Environmental Management at KASB and CRR

GRI 307-1

As a waste management services provider, Cenviro acknowledges that our business operations and that of our customers have an impact on the environment. To mitigate and manage this impact, we have strict policies to minimise pollution and we comply with all requirements from regulatory bodies.

Along our value chain, all our subsidiaries and affiliates adopt environmentally-responsible practices, while at WMC, the facilities are reviewed annually to ensure compliance. KASB, CS, CRR, EISB and SPM are certified for ISO 14001 – Environmental Management System. As of 2020, we hold eight licences for WMC facilities, two for our satellite waste management facility in Sabah, and one for our CRR facility.

KASB, CS, CRR, EISB and SPM are certified for ISO 14001 – Environmental Management System



Cenviro is committed to improving the environmental management framework for our subsidiary KASB through the Integrated Management System Policy Statement, which in turn is overseen and governed by the Environmental Management System. To ensure environmental compliance, third party consultants are appointed to carry out the Environmental Monitoring Programme (EMP). Cenviro submits the monitoring report from this exercise to the DOE accordingly.

At Cenviro, our Environmental Performance Monitoring Committee (EPMC) and Environmental Regulatory Compliance Monitoring Committee (ERCMC) ensure no regulatory risks arise from environmental non-compliance.

	EPMC	ERCMC
Function	Supervises and oversees the environmental performance of KASB on the control and minimisation of pollution	In charge of the implementation of environmental pollution controls and reports to the management on progress
Meeting Frequency	Monthly	Annually
Members*	Members of various departments	All heads of department

*In accordance with the DOE's Guided Self-Regulation

The EPMC met 12 times and ERCMC met once in 2020 to discuss issues such as performance monitoring for every facility in WMC, EMP results, and compliance with all related licence conditions, Acts and regulations, and improvement for daily operational practices.

Ensuring Responsible Environmental Practices

As a trusted waste management service provider, we recognise that managing waste requires sound management throughout its life cycle. We take compliance with environmental regulations and laws very seriously and we have zero tolerance for major environmental incidents.

Our procedure to manage and prevent non-compliance is as follows:

The Procedures for Managing Non-Compliance

We take immediate steps to rectify the situation through the issuance of a Corrective and Preventive Action (CAPA) form to the responsible party

New employees go through compliance training

Regular internal environmental performance is reported to EPMC and ERCMC

Third-party reviews of our EMP

We conducted an Environmental Compliance Audit for KASB and CRR in November 2020 where five observations were raised with no non-conformance reported. The response was subsequently submitted to the DOE in December 2020.



Along our value chain, all our subsidiaries and affiliates adopt environmentally-responsible practices

Addressing Climate Change

We recognise the importance of managing the emissions from our operations and this year, we began the development of a 5-Year Greenhouse Gas (GHG) Reduction Roadmap. As managing emissions and addressing climate change is important to our stakeholders, we are constantly looking to optimise all aspects of our operations to minimise the negative impact of our activities through our strategy for continuous improvement. Our expertise in waste management helps our customers to safely and responsibly process and recycle waste.

As climate change affects our business in terms of risks and opportunities, it becomes ever more urgent to have a benchmark gauging our efforts in reducing GHG emissions from our operations. Therefore, we established 2020 as the baseline year for GHG emissions as a point of reference to measure year-on-year reductions progress and to monitor future emissions. To guide us further in our efforts to reduce GHG emissions in 2021 and beyond, we are developing a 5-Year GHG Reduction Roadmap with quantitative reduction targets.

GRI 103-1

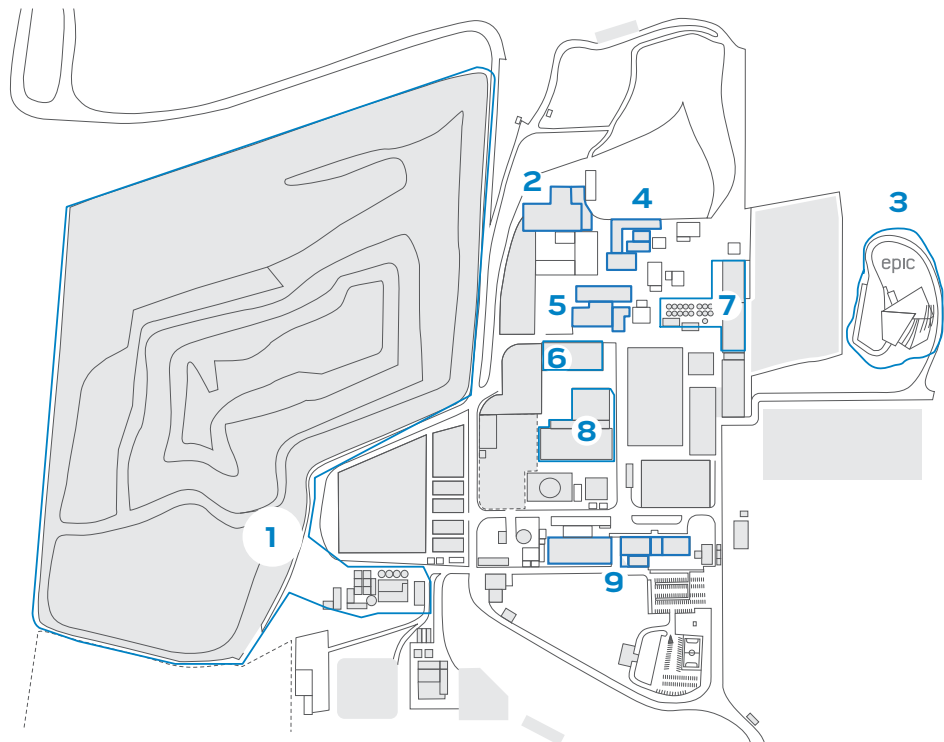
Greenhouse Gas Emissions

As a first step towards mitigating our climate change impact, we undertook an extensive exercise in 2020 to quantify our GHG emissions under ISO 14064-1 (2018), led by external consultants and our experts at EPIC. The study aimed to determine a baseline year for future reporting, identify GHG mitigation strategies and develop a 5-Year GHG Reduction Roadmap. The Roadmap is anticipated to be shared with stakeholders by the end of 2021.

Boundaries of Cenviro's GHG Emissions

Our GHG emissions reporting boundary and data collection are within our WMC operations only as shown below.

1. Secured Vertical Landfill, LTP & ETP
2. Clinical Wastes Treatment Centre (CWTC)
3. EPIC & Ecopark
4. Scheduled Waste to Energy Plant (SWtE)
5. Incineration 1 Plant (INC1)
6. Solidification Plant (SOLI)
7. Cenviro Recycling & Recovery (CRR)
8. Physical & Chemical Treatment Plant (PCT)
9. Administration (Admin, Commuting, Transportation)



GHG Emissions Categories

In previous years, we broke down our emissions into Scope 1, 2 and 3 categories in accordance with the Greenhouse Gas Protocol. Moving forward, we will be following the ISO 14064-1 standards of categorising emissions into Category 1 to 6.

ISO 14064	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6
Description	Direct GHG emission & removals	Indirect GHG emissions from imported energy	Indirect GHG emissions from transportation	Indirect GHG emissions from products used by organisation	Indirect GHG emissions associated with the use of organisation's products	Indirect GHG emissions from other sources
Emissions Sources related to WMC	Fuel combustion Emissions from processes	Electricity use	Upstream & downstream logistics Employees' commute & work travel Vendors, suppliers & clients' travel	Purchased products Waste generated	Downstream use of products developed by the organisation	Not applicable

Previously, we calculated GHG emissions in accordance with the internationally recognised Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Version). In 2020, we transitioned to quantify GHG emissions under the ISO 14064-1 (2018) standard: Greenhouse gases — Part 1: Specification with guidance at the organisation level for quantification and reporting of GHG emissions and removals. While the underlying methodology of calculating GHG emissions remains unchanged, quantifying GHG emissions in accordance with ISO 14064-1 enables us to more comprehensively determine the source of our emissions, which will in turn more effectively guide us in implementing strategies to manage our GHG emissions.

Through advances in data collection, we now account for all sources of emission across our WMC facilities in the computation of our direct emissions, where previous accounting was limited to fuel consumption in selected WMC facilities only. We have also enhanced the data sources used to calculate our GHG emissions, for example by recording the direct stack emissions from our incinerators, rather than calculating emissions based on the quantity of fuel consumed.

Cenviro continued to operate as an essential service throughout 2020. We acknowledge that there was a drop in our Category 3 emissions caused by a notable reduction in land and air travel as employees mainly worked from home. Nevertheless, 2020 was chosen as our baseline year because it is a comparatively accurate and holistic representation of our activities, particularly because our SWtE plant was fully operational.

To assist our employees in familiarising themselves with GHG monitoring and reporting at an organisational level and in tandem with the development of the 5-Year GHG Reduction Roadmap, we held a workshop in December 2020 and we anticipate sharing the Roadmap with stakeholders by the end of 2021.

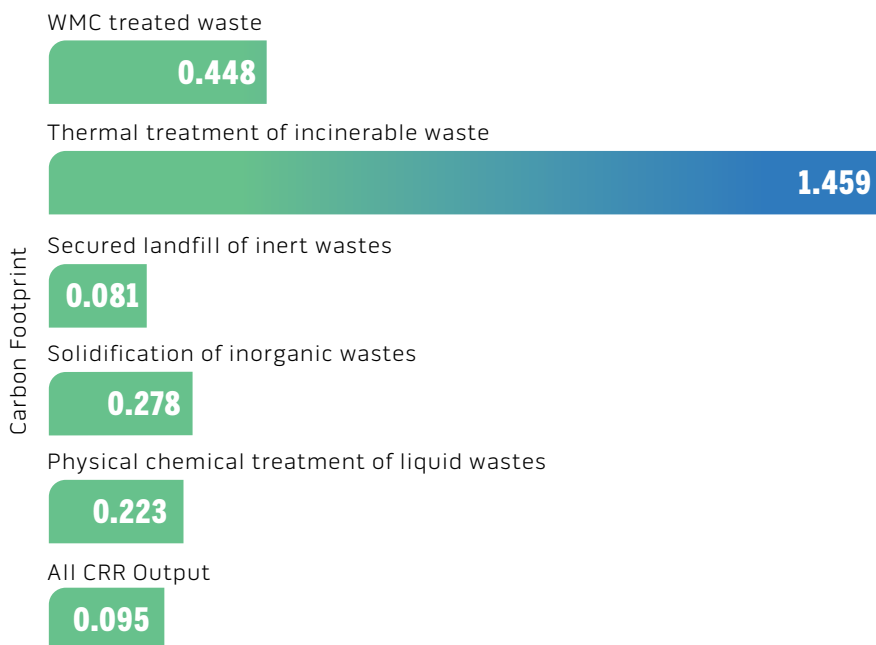
We achieved a key milestone by setting our greenhouse gas baseline year as 2020 to measure and compare our GHG reduction efforts in the years to come



Quantifying our GHG Emissions

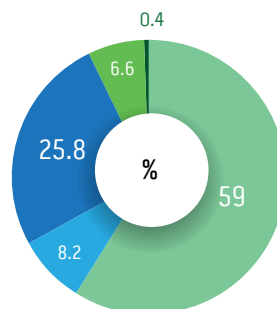
We have quantified the GHG emissions per unit waste treated by our WMC operations in the table below. Due to the nature of operations, thermal treatment of incinerable waste has the highest carbon footprint. These figures will be a key point of reference for us to monitor and track our carbon reductions progress in the coming years.

Type of Treatment (tonnes CO₂e/ tonnes waste)



In 2020, we observed a total of 95,925 tonnes of CO₂e where Category 1 emissions accounted for 59% of the total emissions. This is primarily due to the direct combustion of purchased fuels to operate key facilities. Due to the nature of our operations, Category 3 emissions are the second largest contributor to our GHG emissions as we regularly transport waste to our facilities along with other logistic activities.

Emissions by Category ISO 14064-1	2020
Category 1 (tCO ₂ e)	56,602
Category 2 (tCO ₂ e)	7,889
Category 3 (tCO ₂ e)	24,733
Category 4 (tCO ₂ e)	6,371
Category 5 (tCO ₂ e)	330
Total	95,925

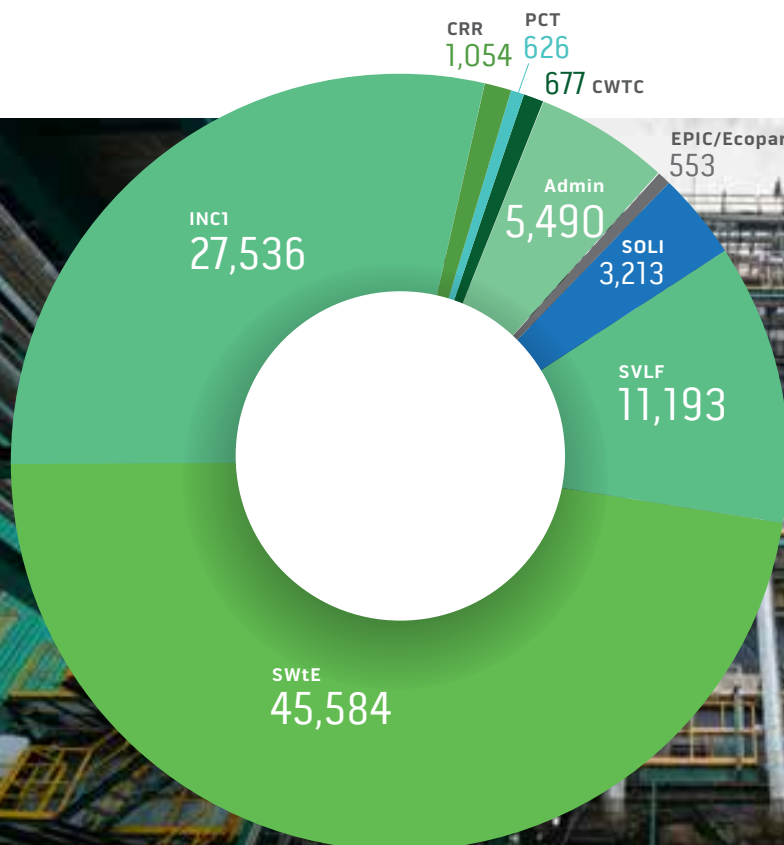


For more information on our historical GHG emissions data, including year-on-year comparison, please visit [pg 132](#).



Emissions by Facilities

Our SWtE and INCI facilities are the two largest sources of GHG emissions, due to the use of fuel in their operations. SWtE emitted 47.5% of the GHG emissions while INCI emitted 28.7%. This offers a great opportunity to implement reduction initiatives and targets, which will be covered in our 5-Year GHG Reduction Roadmap.



Energy Consumption

The solutions we seek to improve energy efficiency of the facilities we operate include adopting a range of technologies and best practices, reducing environmental impact, improving operational efficiencies and achieving cost savings. In 2020, 90,836.81 GJ of energy was consumed, a 30.1% decrease from 2019, due to the decrease in electricity and fuel consumption as a result of being under MCO for most of the year.

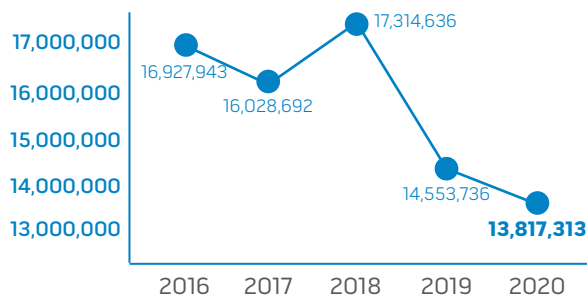
**A total of
90,836.81 GJ
energy consumed
in 2020**

We are focused on reducing the electricity and fuel we purchase by increasing the use of energy from our solar energy facilities. We reduce consumption of electricity from non-renewable energy sources through the adoption of various measures where possible. For example, in our administration office, we replace our lights with LED bulbs, switch off appliances when not in use, and print only when necessary as part of energy efficiency best practices.

Purchased Electricity

Because our operations are energy intensive in nature, we are committed to minimising our electricity consumption by optimising our processes. We recorded 13,817,313 kWh in purchased electricity consumption in 2020, a 5% decrease from 2019 due to the increased generation of electricity from solar energy as well as office closures due to the COVID-19 pandemic.

Purchased Electricity Consumption (kWh)



Solar Energy

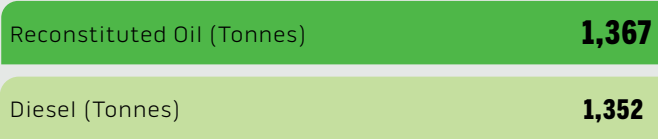
We have been harnessing solar energy from rooftop solar panel systems at EPIC since 2017 and at KASB since 2018 as part of the measures to reduce GHG emissions. This year, we generated 1,537,509 kWh of energy from these panels, which is approximately equivalent to more than 3,893.75 tonnes of CO₂ emissions averted.

	2018	2019	2020
Solar energy generated (kWh)	249,109	157,495	1,537,509

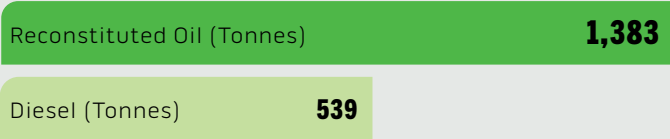
Fuel Consumption

As an important metric in the assessment of the operational integrity of our incinerators, we monitor fuel consumption. The incinerators at WMC use both diesel and reconstituted oil (RO) to operate. A total of 1,352 tonnes of diesel and 1,367 tonnes of RO were used to power these facilities in 2020.

2020



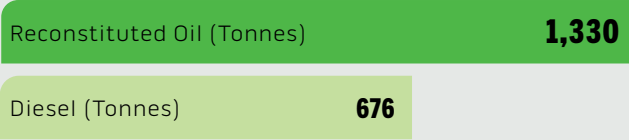
2019



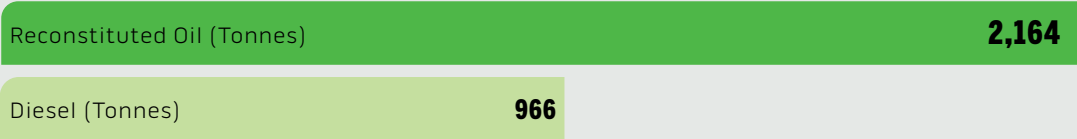
2018



2017



2016



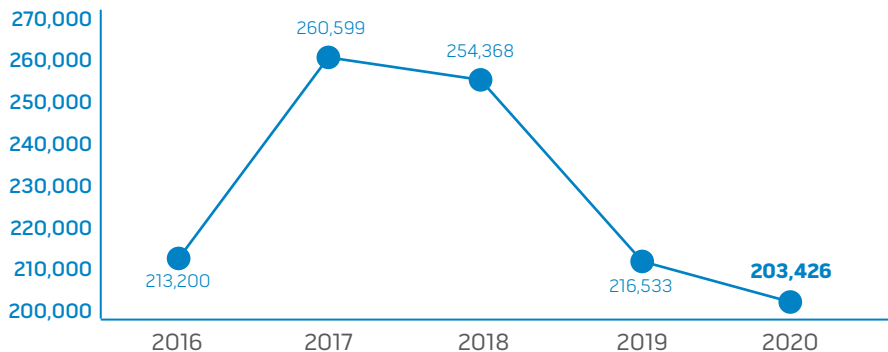
Consumption

GRI 303-1, 303-2, 303-5

Water Usage and Discharge

Cenviro is committed to reducing our impact on water resources, which includes the water we consume and discharge, as we recognise that this is a finite and irreplaceable natural resource.

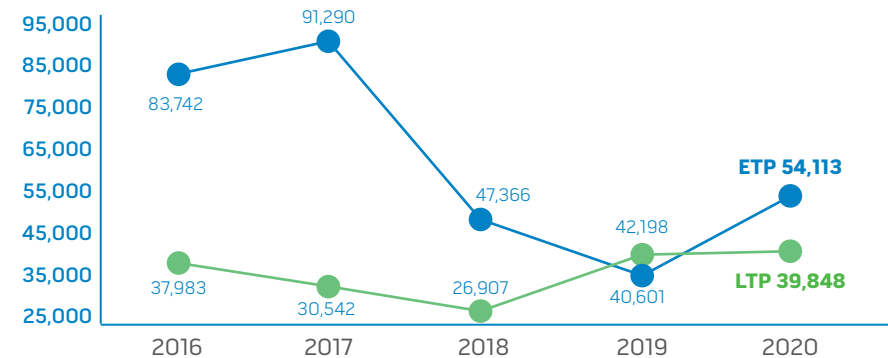
Water usage at WMC (m³)*



* WMC purchases fresh water from Syarikat Air Negeri Sembilan Sdn. Bhd. We do not withdraw water from any other source.

We practise a zero-discharge approach for our Effluent Treatment Plant (ETP) and Leachate Treatment Plant (LTP) as effluents from these facilities are treated and then reused in our incineration plant as quench water.

Effluent generated (m³)



GRI 103-1, 103-2, 301-1

Materials

We treat scheduled waste with certain chemicals and raw materials, with the three most commonly used being hydrated lime, activated carbon and caustic soda. We source for more eco-friendly materials at the point of extraction and these are processed efficiently in accordance with environmental regulations.

779 tonnes



Hydrated Lime

1.072 tonnes



Caustic Soda

6.5 tonnes



Activated Carbon



GRI 103-1, 103-2, 103-3, 306-2

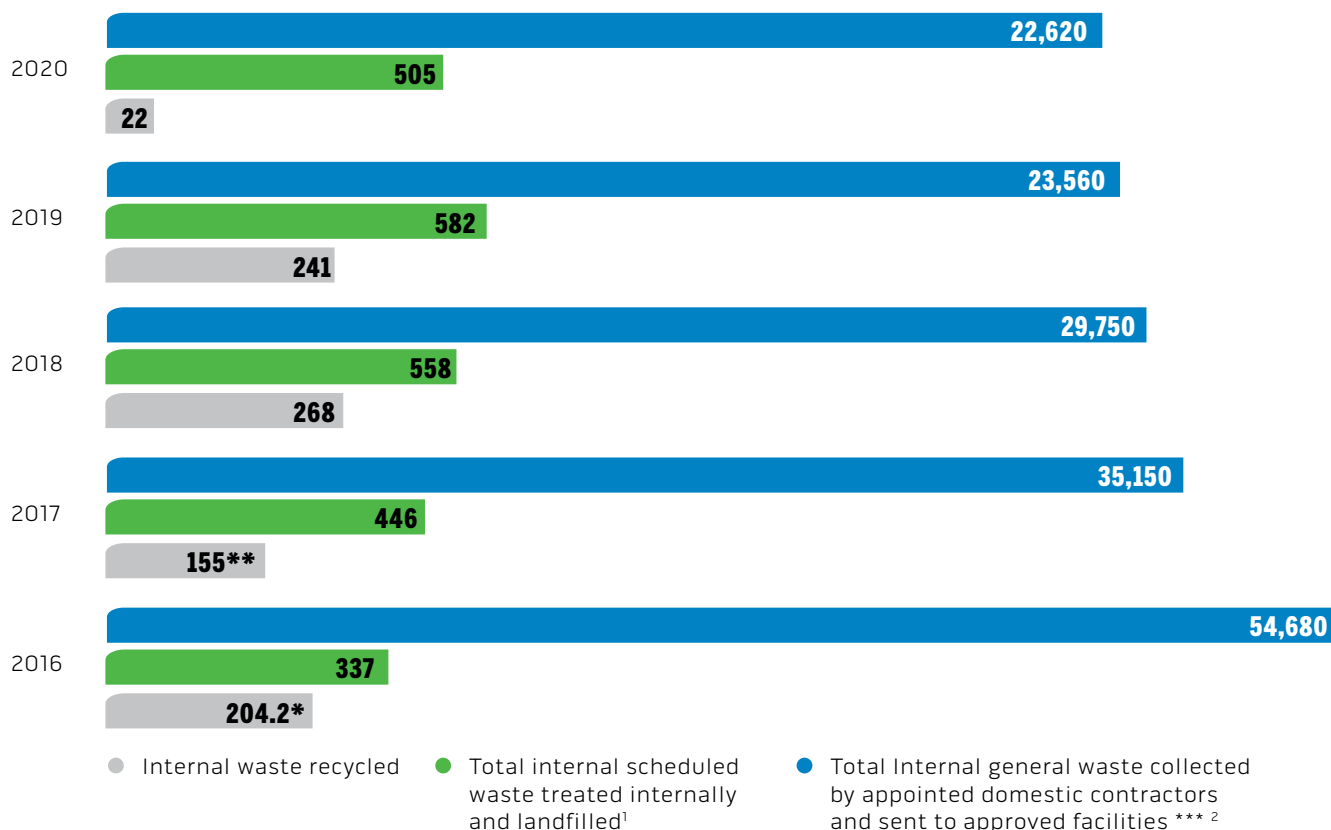
Domestic Waste Management

Besides managing our customers' waste in a safe manner, we also dispose of our internal waste responsibly, including those from our processing plants and operations as well as general waste from our offices and employee facilities. To manage and dispose of the waste generated by our business operations, we have effective systems for collection, recycling and disposal carried out by appointed licensed contractors that comply with government requirements.

We separate recyclable materials from our general waste generated by our operations, including those from offices and other employee facilities, and send them to RFL where they are processed, with organic material being composted on-site. Due to work-from-home arrangements in 2020, we recycled only 22kg of waste internally.

Our incinerator and SWtE facility treat scheduled waste generated by our operations except for empty ink cartridges, which are refilled by an external service provider.

Waste Treated (kg)



* Data covers KASB only and empty cartridges

** Data covers KASB only and empty cartridges, paper and plastic

*** From 2018, internal general waste has been sent to RFL for processing

1. Code SW410 Contaminated uniform (Operations employee uniform i.e., the green jacket and pants).

2. Miscellaneous office waste, canteen and food waste.

Surface Water Quality



Groundwater Quality



Wastewater Quality



Air Quality



Odour



Noise



Biodiversity



We strive to prevent or minimise potential harm caused by our operations to sensitive species, habitats and ecosystems.



Biodiversity

Biodiversity is the foundation of life on Earth and an important indicator of the health of an ecosystem. We strive to ensure that our operations do not harm natural habitats nor their flora and fauna. With biodiversity monitoring as one of our material topics, we observe terrestrial and aquatic species in the area surrounding WMC.

TERRESTRIAL

Flora and Fauna Survey

Observation towards presence of:

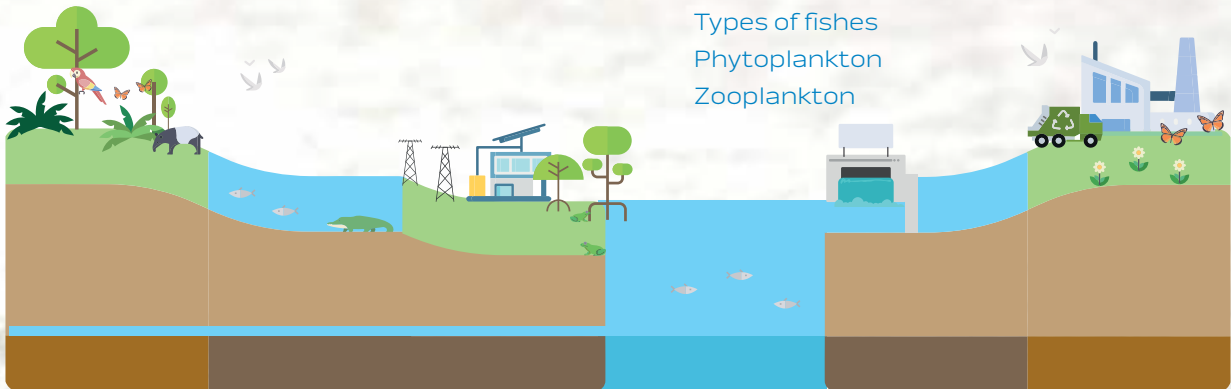
Species of frogs	Woody trees
Birds	Ferns
Mammals	Palms
Reptiles	Herbaceous trees
Butterflies	

AQUATIC

Bio-aquatic Monitoring

Observations and lab assessment towards presence of:

Types of fishes
Phytoplankton
Zooplankton



Odour Mitigation Practices

Cenviro prioritises the quality of life of communities located near our facilities by taking a dynamic approach to managing odours related to our operations. We have regular engagements with local communities and actively investigate reports of odours through the use of ambient analysers to discover and mitigate the root causes. We monitor, as part of EMP in compliance with the Clean Air Regulations 2014, our odour removal system at CWTC for particulate matter, smoke density, and non-methane volatile organic compounds. We received zero official complaints in 2020.



Enhancing Community Livelihoods

SDGs
for this
chapter:



An aerial night view of a city skyline, featuring the Petronas Twin Towers on the left. The city is densely packed with skyscrapers and buildings, all illuminated with various lights. The sky is dark with some clouds, and distant mountains are visible on the horizon.

WE FLOURISH BY CREATING VALUE FOR SOCIETY

We safeguard the health and wellbeing of our communities by ensuring our business operates in a responsible manner, while also engaging with communities to change their perspective on waste.

Enhancing the Lives of Communities

We live and work side by side with communities, which makes it vital that ties with these communities are based on mutual respect, trust and understanding. Cenviro is committed to contributing to the communities as part of our vision for a better future for the industry and society.



Caring For Our Communities

COVID-19 Response: Responding to Communities' Needs

We supported the fight against COVID-19 by donating RM500,000 to the Ministry of Health (MOH) for the purchase of essential medical supplies such as personal protective equipment (PPE) and ventilators for all MOH facilities nationwide.

RM531,700
was donated for
COVID-19 related
relief efforts

PPE was also donated to Hospital Enche' Besar Hajjah Khalsom in Johor, while 15 units of automatic knapsack sprayers and 2,000 pieces of surgical masks were donated to the Negeri Sembilan Fire and Rescue Department for public sanitisation programmes. Additionally, we distributed 2,800 packed meals to the healthcare frontliners of Hospital Tuanku Ja'afar in Seremban for 14 days, to express our gratitude for their hard work and dedication.



Cenviro Steps Up at Masjid Jamek Sri Petaling Disinfection Operations

Because of our expertise and experience in managing scheduled waste, we were tasked by the Crisis Management Committee of the National Security Council to assist in the cleanup at Masjid Jamek Sri Petaling, which had become a COVID-19 hotspot in early 2020. Our role was to manage the treatment and disposal of contaminated carpets from the mosque at WMC.



Community Contributions

Besides our efforts to support the battle against COVID-19, we have continued to bolster the communities in which we live in and work with. Our contributions for 2020 are:

	Event or Initiative	Beneficiaries (name of school, town, community, etc.)	Contribution (RM)
Schools	DKKA for emergency preparedness equipment and accessories	5 schools surrounding WMC	> RM34,400
Stakeholder	Contribution for Global Ozone Day	Department of Environment Negeri Sembilan	RM1,500
Communities	Hari Raya Aidiladha	5 communities	RM23,400
Stakeholder	Contribution to assist flood victims in Johor	Johor Health and Environment Committee	RM7,000
Total Contributions			> RM66,300

More than **RM66,300*** invested in community-related initiatives

 * FY2020 and first quarter of FY2021 included



Community Development

Dana Kelestarian Kualiti Alam

We launched the DKKA fund in 2019 to take proactive steps in engaging and having a positive impact on communities around our primary areas of operations. Prior to the COVID-19 lockdown restrictions, we continued our DKKA roadshow in early 2020 where we disbursed more than RM34,400 for our engagement with schools to establish sick bays equipped with basic medical and safety facilities. Additionally, we hosted a teh tarik session with the community surrounding WMC as part of our efforts to strengthen our relationship with community leaders.



Note: Photos above are before COVID-19 period

Start Managing All Resources Today (S.M.A.R.T)

In 2020, our two-year collaboration with Global Environment Centre (GEC) and the Coca-Cola Foundation for the S.M.A.R.T Ranger programme to support Coca-Cola's World Without Waste pledge officially came to a close. It was an honour to have partnered with the River of Life Public Outreach Programme (ROLPOP), State Education Department (Kuala Lumpur & Selangor), Ministry of Education (MOE), and the Department of Irrigation and Drainage (DID) Malaysia for the programme.

Driving Change Through Recycling (RFL)

Our RFL programme continues to grow despite the challenges brought on by the MCO. We rolled out the RFL programme to schools surrounding WMC with the participation of 61 corporate partners including Air Selangor Sdn. Bhd. and WCT Holdings Berhad. We also expanded RFL to Negeri Sembilan through our involvement in the Hari Alam Sekitar Negara with the DOE, in which recyclables were collected from communities located in Tampin, Gemencheh and Gemas.



More than
895,000kg
of waste recycled
via the RFL
programme



For more information on RFL, please refer to pg 56.

Strategic Engagements and Partnerships

Engagements with Authorities

We continue to strengthen our relationships with our regulators and relevant authorities. In January 2020, we engaged with the Director General and team at the DOE Headquarters in Putrajaya as part of our bi-quarterly networking events with the DOE. Other engagements throughout the year included regular dialogues with the Minister's Office of the Ministry of Environment and Water (KASA), and sessions with Chief Minister of Johor, Chief Minister of Negeri Sembilan, and the Director of the Chief Government Security Office Negeri Sembilan. Our engagements with regulators and relevant industry bodies have made us more aware of the latest industry issues and enabled us to better leverage existing and future growth opportunities.



In December 2020, Cenviro incinerated and disposed of 2,058kg of pangolin scales worth RM25.3 million from the Department of Wildlife and National Parks Peninsular Malaysia (PERHILITAN) at KASB. The pangolin scales were seized by the Royal Malaysian Customs Department (JKDM) between 2017 and 2019.



We continue to strengthen our relationships with our regulators and relevant authorities

We worked together with the authorities to execute several drug disposals throughout the year. This year, we disposed of a total of RM121.26 million worth of drugs at WMC. At the beginning of September 2020, the Malaysian Maritime Enforcement Agency (APMM) handed over RM29 million worth of drugs to be disposed. Later in the month, we disposed of 306kg of drugs worth RM9.91 million from the IPK Polis Kuala Lumpur. In December, we received and disposed of 14,520kg of drugs worth RM82.35 million from the Selangor Narcotics Criminal Investigation Department (JSJN). The disposal was witnessed by the Selangor Police Chief, CP Dato' Noor Azam bin Jamaludin and our Director of KASB, En. Mohd Norsuradi Man.



Site Visits

We hosted delegations of Angkatan Pertahanan Awam Malaysia (APM) led by its Chief Commissioner, YAS KPj. (PA) Datuk Roslan bin Wahab, to WMC in September 2020 as part of APM's outreach efforts. We showed the delegations our facilities for them to have a better understanding of our operation flow. We also explored partnership opportunities with KASB in regard to security and civil defence.



Knowledge-Sharing Initiatives

The sustainable transformation of the Malaysian waste management industry is a collaborative effort and, as an industry leader, Cenviro has made efforts to educate and share our knowledge on the matter. We participated as a thought leader in the virtual International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) in 2020 to share our expertise and explain how Cenviro drives sustainability through its innovative and sustainable waste management and renewable energy solutions.

Our Managing Director, Dr. Johari Jalil, was interviewed by The Business Station – BFM 89.9 – to share Cenviro's waste management strategies with the public. He covered topics relating to the waste management process at Cenviro, treatments for the different types of waste, and ways in which industrial factories can ensure proper waste management. Additionally, we were featured on Radio Televisyen Malaysia (RTM) and BERNAMA where Dr. Johari shared our process of managing and disposing COVID-19 clinical waste.



Scan the QR code to listen to Cenviro's Managing Director interview with BFM 89.9



For more information on our knowledge-sharing and thought leadership activities, please refer to pg 57-58.

Festival Cheer

At Cenviro, we understand the value of events that bring our community together. We frequently engage with members of the communities surrounding our operating sites, to not only build relationships but also understand local issues, especially in regard to our operations. In the spirit of Hari Raya Aidiladha, Cenviro gifted four cows to communities surrounding WMC, including Kg Gadong, Kg Sendayan, Kg Jimah Lama and Jimah Baru, for their Qurban.

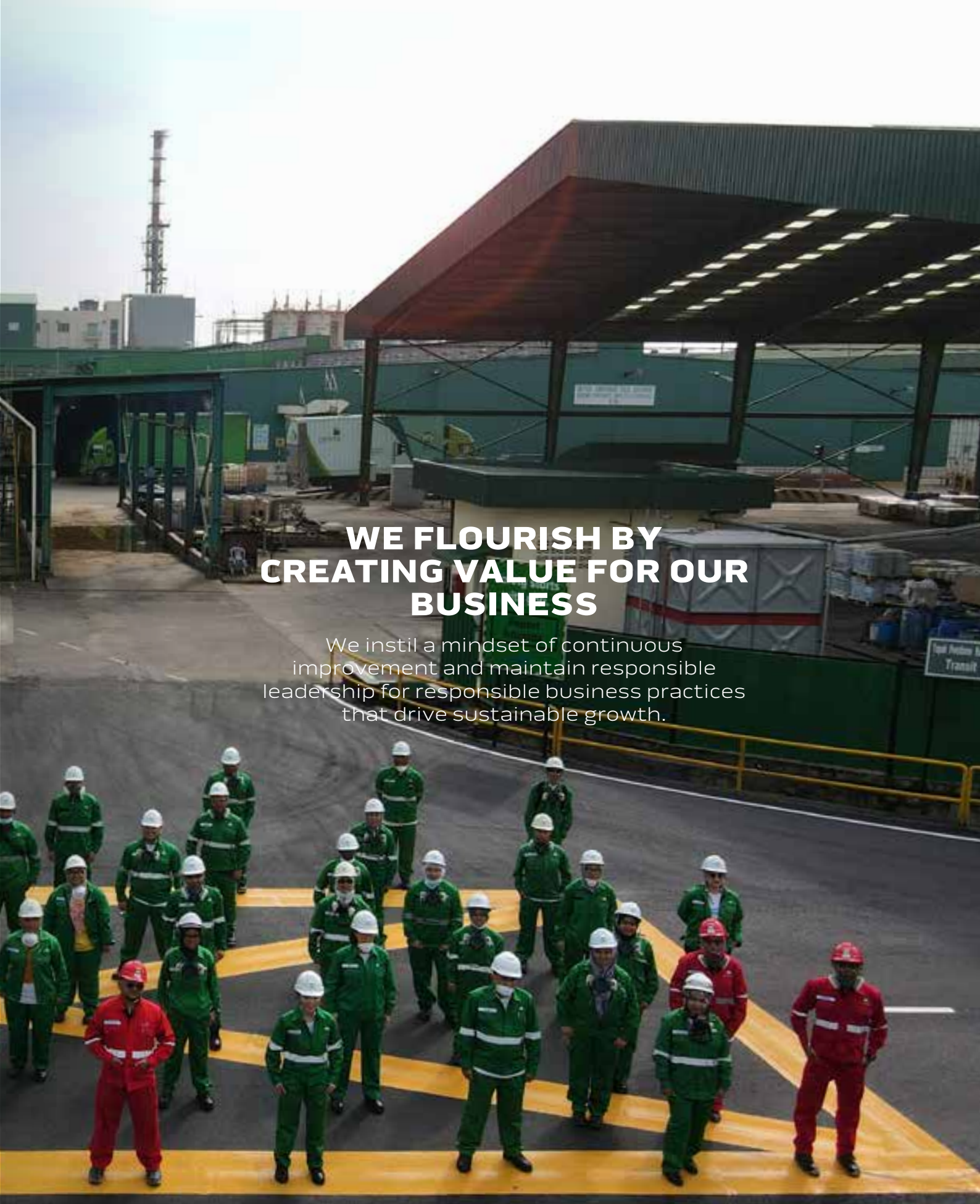




Good Governance & Ethical Business Practices

SDGs
for this
chapter





WE FLOURISH BY CREATING VALUE FOR OUR BUSINESS

We instil a mindset of continuous improvement and maintain responsible leadership for responsible business practices that drive sustainable growth.

Good Governance & Ethical Business Practices

Cenviro's business activities are guided by a corporate governance system supported by the Employee Code of Conduct and Business Ethics that integrates economic, environmental and social considerations. Central to this approach is maintaining our integrity and stakeholder trust, while a responsible leadership and robust policies provide the foundation for responsible business practices that drive sustainable growth.

We launched the Anti-Bribery and Corruption (ABC) Policy and the Gifts and Hospitality Guidelines in 2020, an important milestone in our journey of enhancing governance structures within our organisation.

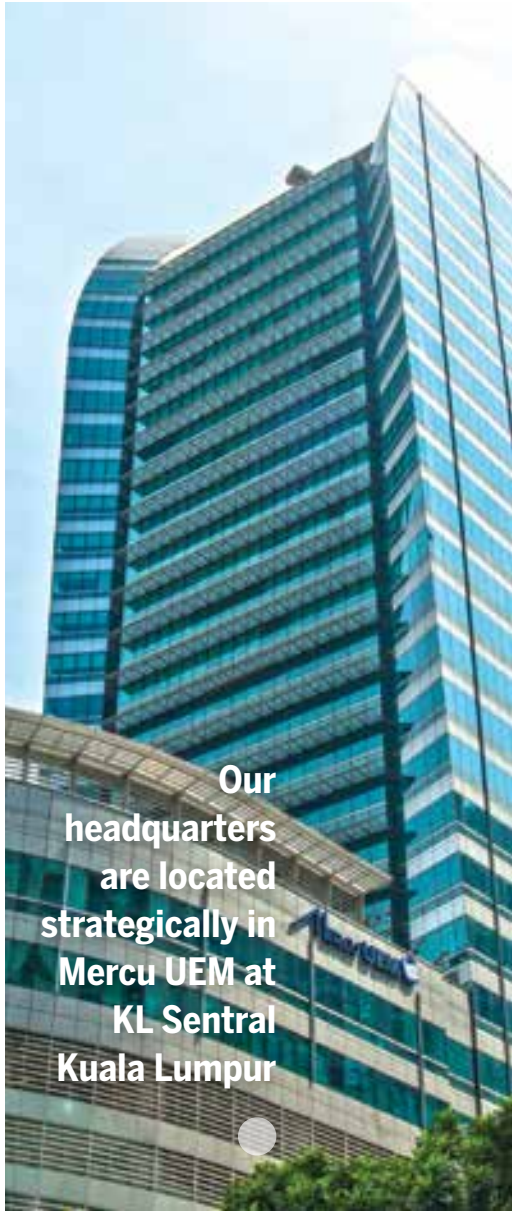
Robust Governance

Cenviro works diligently to ensure the integrity of our operations, balancing the creation of long-term shareholder value with our responsibilities to all stakeholders.

GRI 102-18

Sustainability Governance

As a waste management solutions provider, sustainability is at the heart of our culture. The role of the Board of Directors is critical in steering the Group's sustainability strategies and policies through active engagement in decision-making. The Corporate Governance and Assurance (CGA) body strengthens and oversees our sustainability governance and ensures that responsible business practices are adhered to. The main functions of the CGA are to address increasing local regulatory requirements, develop a Group-wide systematic approach towards



**Our
headquarters
are located
strategically in
Mercu UEM at
KL Sentral
Kuala Lumpur**



We launched the Anti-Bribery and Corruption (ABC) Policy in 2020



identifying and managing end-to-end key operational risks, and provide assurance to the Board of Directors and shareholders.

As part of the Top Management’s commitment towards preparing adequate procedures in line with section 17A of the amended Malaysian Anti-Corruption Commission (MACC) Act, we appointed a Chief Integrity and Governance Officer (CIGO) this year, which is a key milestone as we strive to ensure uncompromising standards of integrity and business ethics at every level of the company.

Role	Responsibilities
Board of Directors	Steer the organisation’s sustainability strategies and policies through active engagement in sustainability decision-making
Company Secretary	Advise the Board and all Board-level committees on corporate governance matters
Corporate Governance & Assurance	Oversee Group-wide regulatory compliance and risk identification
Corporate Affairs	Coordinate sustainability reporting, branding, stakeholder management and CSR initiatives
Human Resource & Administration	Oversee employee-related matters
Health, Safety, Security & Environment	Regulate, enforce and monitor environment, occupational safety and health policies
Procurement	Source for goods and services
All Divisions and Departments	Track and monitor sustainability-related activities

Members of the Board



Tan Sri Dr Azmil Khalili
Dato' Khalid

*Independent
Non-Executive Chairman*

Age: **61**
Meeting Attendance: **7/7**
% Attendance: **100%**



Dr Johari Jalil
Managing Director

Age: **54**
Meeting Attendance: **7/7**
% Attendance: **100%**



Datin Paduka Che Asmah Ibrahim*

*Independent
Non-Executive Director*

Age: **58**
Meeting Attendance: **6/7**
% Attendance: **86%**



Loh Tzu Anne

*Non-Independent
Non-Executive Director*

Age: **46**
Meeting Attendance: **7/7**
% Attendance: **100%**



Yeo Kar Peng

*Independent
Non-Executive Director*

Age: **60**
Meeting Attendance: **7/7**
% Attendance: **100%**



Serena Tan

*Non-Independent
Non-Executive Director*

Age: **43**
Meeting Attendance: **7/7**
% Attendance: **100%**



Nurul Iman Mohd Zaman**

*Alternate Director to
Serena Tan*

Age: **36**

* Datin Paduka Che Asmah Ibrahim resigned from the Board of Directors with effect from 1st March 2021

** Nurul Iman Mohd Zaman was appointed on 1st March 2021



Our Senior Management Team

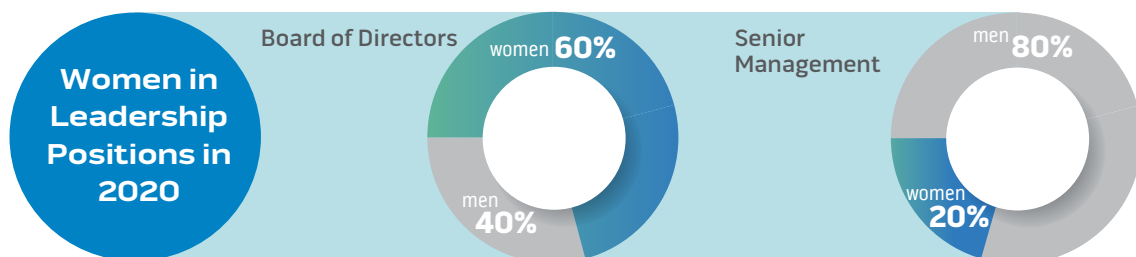
This year, we clearly defined the boundaries and members of the Senior Management team. The experienced professionals that comprise the Senior Management team are responsible for the day-to-day execution of the Board's strategic vision. Our esteemed management team comprises professionals with years of industry experience and leadership skills.



From left: Wan Azrizul Azad Zainal Abidin, General Manager, Business Services; Adi Saufi Mohamad Daud, Chief Operating Officer; Dr Johari Jalil, Managing Director; Seow Hai Yoong, General Manager, Finance; and Mohd Norsuradi Man, General Manager, Technical & Development

Board Diversity and Inclusivity

Recognising that waste management is traditionally a male-dominated industry, Cenviro strives to support and encourage the inclusion of women by empowering them in the organisation. As part of our new core values – Safety, Holistic, Integrity, Environment, Lean, Diversity and Inclusiveness (SHIELD) – we are guided by our Employee Code of Conduct to provide equal opportunities to all. We aim to have 40% of women in our workforce by 2024. In 2020, 60% of members at Board level and 20% at Senior Management level were women.



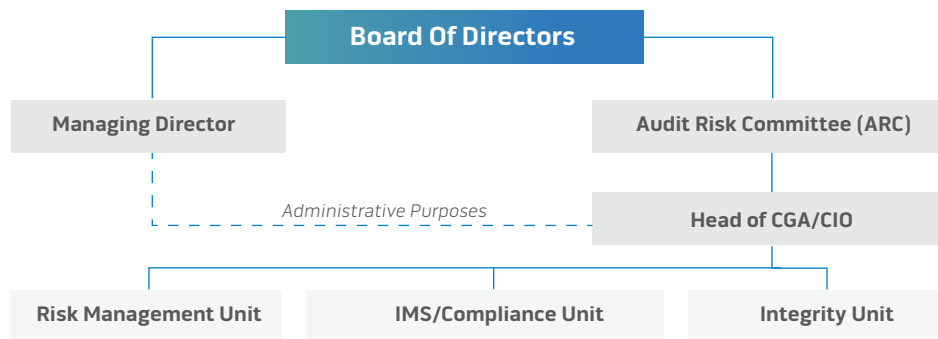
For more information on how we promote diversity and inclusion, please refer to pg 85.

GRI 102-18

Our Approach to Governance and Oversight

Cenviro is committed to the highest standards of governance as this is fundamental to the sustainability and stability of our business while ensuring that we are credible as a waste management solutions provider. Our best practices are constantly reviewed and strengthened.

The Board of Directors brings a diverse range of knowledge and experience to guide the Group's business decisions, strategies and financial objectives. They are also responsible for setting the tone for our commitment to ethical business by adhering to the highest standards of corporate governance. The Board held seven ordinary meetings in 2020 and two in the first quarter of 2021 where the Group's Succession Planning, annual shutdown of SWtE, Operating Plan FY2020, and the implementation of Long Term Incentive Plan were discussed. Special meetings are held when needed.



The Company Secretary oversees the management and administration of Board affairs to ensure that it is in compliance with the corporate governance framework and regulatory requirements. As Cenviro seeks to have a balance of perspectives within the Board, appointments to the Board are overseen by the Group Nomination and Remuneration Committee. Candidates are evaluated based on a wide range of matrices such as personal and professional integrity, sound judgement, professional skills and experience, independence, potential conflicts of interest, diversity and potential for serving the long-term interests of shareholders. To assist in the execution of responsibilities, the Board has also established a Group Audit and Risk Committee as well as a Group Investment Committee. These committees are guided by their respective terms of reference.

To address the increasing local regulatory requirements, the CGA body was introduced in 2020 with a systematic channel that can identify and manage end-to-end key operational risks as well as provide assurance to the Board and shareholders.

GRI 102-11, 102-15, 103-2, 403-1

Risk Management

Our Enterprise Risk Management (ERM) strategy helps us identify, assess, prepare for and manage potential business risks in order to ensure the short-term continuity of our operations and long-term viability. The ERM strategy calls for laying out the identified risks in the Corporate and Departmental Risk Register, which are then prioritised based on likelihood and potential business impact. Internal Audit then determines the programmes and processes related to risk management as well as the individuals responsible for these programmes and potential oversights. Additionally, we enhanced our ERM Framework in 2019 and are in the process of adopting it this year.

Risk Identified	Impact	Mitigating Risks/Controls
 REGULATORY RISK Non-Compliance with Laws and Regulations	- Impact on operating licence - Fines & Compounds - Health and safety risks - Loss of stakeholder trust - Impact on reputation	In addition to our ERM strategy and Corporate and Departmental Risk register, our EPMC and ERCMC ensure no regulatory risks arise from environmental non-compliance. We monitor evaluation of compliance on all related legislation and perform regular internal audits <i>For more information on how we manage environmental risk, please refer to pg 88-89.</i>
 OPERATIONAL RISK Prolonged unplanned downtime of plant machineries and equipment	- Plant downtime - Loss of revenue - Delayed work schedule - Waste backlog - Complaints from stakeholders - Non-compliance with local authority requirements - Reputation impact	Our continuous improvement approach allows us to drive the operational integrity of our business and execute corrective maintenance. <i>For more information on our continuous improvement approach, please refer to pg 38-41.</i>
 HEALTH AND SAFETY RISK Accidents or injuries suffered by our employees	- Reputation impact - Fines & Compounds - Loss of critical manpower	Our HSSE Department and OHS Committee oversee the health and safety of our employees <i>For more information on how we secure the safety of our employees and contractors, please refer to pg 70-78.</i>
 ENVIRONMENTAL RISK INCI under capacity to meet the Clean Air Regulation 2014 requirements	- Air pollution - Reputation impact - Complaints from stakeholders - Query from authority	Our ERCMC and EPMC work together to ensure environmental compliance through continuous monitoring as part of the Environmental Monitoring Programme. <i>For more information on how we manage environmental compliance, please refer to pg 88-89.</i>

GRI 102-12

Task Force on Climate-related Disclosures (TCFD)

Cenviro has continued to improve our disclosure on our operations since 2018 in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). This transparent approach, including reporting on our climate performance, helps markets and stakeholders assess how we incorporate climate-related practices in our processes and policies, especially at a time when climate change continues to affect policy, investment and consumer decisions.

 GOVERNANCE	• Cenviro's Board of Directors provides the oversight for climate-related risks and opportunities, with their direction put into operation by senior management, which then makes decisions on policies and resource allocation • The ERCMC assesses climate-related risks and impacts at an operational level • To reduce significant risks, we adopted the Management Action Plan in 2020 • We revised our internal risk matrix and the related parameters in 2019 to ensure environmental risks are identified more accurately
 RISK MANAGEMENT	• We identify, assess and manage climate-related and other environmental risks through our ERM strategy • Among the risks identified in 2020 through the ERM strategy are hazardous emissions to the atmosphere, waste backlog, and occurrences of health, safety and environment issues such as fire and spillages • To mitigate the risks identified, we have implemented internal controls through the establishment of the Environmental Aspect Impact, EPMC monthly & ERCMC annual meetings, continuous emissions monitoring, EMP, Air Pollution Control System (APCS), fleet inspection and waste backlog monitoring
 METRICS & TARGETS	• We are working towards minimising our environmental footprint as much as we possibly can and to better gauge our performance, we are establishing targets for climate-related performance such as tracking direct and indirect greenhouse gas emissions to the environment • This year, we transitioned to quantify GHG emissions under the ISO 14064-1 standards from the Greenhouse Gas Protocol where greenhouse gas emissions are categorised into Category 1 to 6 (previously categorised under Scope 1, 2 and 3 emissions) • We also established 2020 as our GHG emissions baseline year and will be using it as a point of reference to measure our emissions reductions progress

GRI 102-12, 102-16, 102-17

Business Ethics

Our success depends on the personal ethical conduct and capability of all Cenviro employees as this is how we build trust with our customers, investors, employees and the public. We have related policies and procedures that ensure ethical business practices are upheld while aiming to prevent and manage fraudulent, unethical or illegal conduct among employees. These policies and procedures prove our commitment to operate in an environment in which all our employees act with integrity and accountability.

In August 2020, we launched the ABC Policy aligned with our commitments to the Corruption-Free Pledge (IBR Pledge) with the MACC. This policy allows Cenviro to manage its bribery and corruption risks by setting the guiding principles to ensure employees do not engage in any form of bribery and corruption. Our panel vendors must also pledge to comply with the principles of the ABC Policy. Alongside our ABC Policy, we also launched our Gifts and Hospitality Guidelines.

For more information on our ABC Policy, please visit:
<https://www.cenviro.com/sustainability/governance-and-assurance/>

Key Ethics & Integrity Policies and Certifications

- | | | |
|------------------------------------|---|---------------------------------------|
| • ABC Policy | • Drugs, Alcohol & Substance Abuse Policy | • ISO 9001: KASB, CS, CRR, EISB, SPM |
| • Gifts and Hospitality Guidelines | • QHSSE Policy | • ISO 14001: KASB, CS, CRR, EISB, SPM |
| • Employee Code of Conduct | • KASB Environmental Policy | • ISO 45001: KASB, CS, CRR |
| • Whistle-Blowing Policy | • Guided Self-Regulation | • ISO/IEC 17025: KASB |

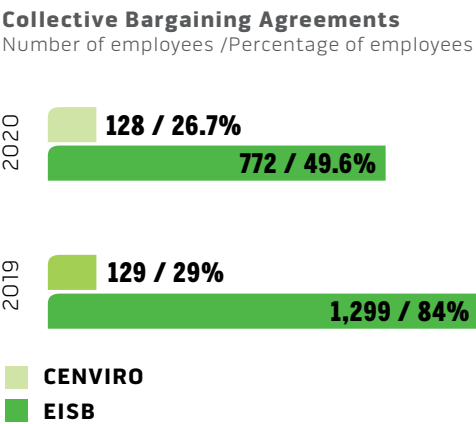
GRI 102-41

Human Rights

Cenviro's values for the workplace and our value chain are detailed and communicated to employees via our Cenviro Employee Handbook and the Employee Code of Conduct. Cenviro has zero tolerance for discrimination or human rights violations along our value chain. We are committed to upholding local regulations related to employee and human rights, including regulations to do with employing those below 18 years of age.

These values are also highlighted in the Vendor Code of Conduct. To ensure that our suppliers respect workers' rights, they are evaluated and assessed according to the same conduct standards we hold ourselves to.

We recognise the rights of our employees to enter into collective bargain agreements. In 2020, 26.7% of Cenviro employees and 49.6% of EISB employees were covered by collective bargaining agreements.



GRI 102-17



Whistle-Blowing

1800-817-365
report@cenvirowhistleblowing.com
<https://cenvirowhistleblowing.com>

The Cenviro Whistle-Blowing policy provides the framework to guide us on any suspected improper conduct involving employees, consultants, vendors, contractors and any other parties with a business relationship with Cenviro. Through the Cenviro Whistle-Blowing Hotline, we provide a mechanism enabling anonymous reports to be made on instances of unethical behaviour, actual or suspected fraud, dishonesty or violations of the Company's Code of Conduct or Ethics Policy. This hotline is managed by an independent third-party company to ensure 24/7 service.

Employees and vendors who suspect incidents of corporate wrongdoing can report through a dedicated hotline, website or email address.

Sustainable Procurement

Cenviro strives to make careful assessments of all the goods and services we procure to ensure sustainability in our operations. These assessments also help uphold our business conduct across our value chain.

Our Approach to Sustainable Procurement

Our procurement and subcontracting activities involve the purchase of consumable materials, equipment for waste treatment and services related to equipment maintenance and construction. To ensure that our ethical business practices are upheld, we require that our suppliers adhere to Cenviro's Vendor Code of Conduct (VCOC). The VCOC is the guiding principle for vendors on the minimum standard of behaviour they must adhere to while conducting business with us.

For more details on our VCOC, please visit:

<https://www.cenviro.com/sustainability/governance-and-assurance/>

All suppliers are screened under the relevant criteria based on our HSSE management standards, before they are added to our procurement system. This screening ensures that all potential suppliers meet the standards of our business conduct while enabling us to anticipate and prevent HSSE risks throughout our procurement activities.

To have a deeper and more meaningful impact on the economy of the communities in which we operate, Cenviro supports local suppliers and local economic development, by procuring their products and services to the greatest extent possible. These sourcing practices include the local SME businesses around the communities where our operations are located.

98.7%
of the
procurement
budget was
spent on local
suppliers and
contractors in
2020



Supplier Screening & Registration Process

In 2020, 146 potential suppliers were screened with 73 suppliers being accepted.

Supplier Registration Process

Potential suppliers complete the Vendor Business Profile form which requests key organisational information.



Information is scored and assessed against criteria such as the implementation of environmental management systems as well as policies and financial health.



Suppliers who score 50% and above are qualified to register with Cenviro's procurement system.



GRI 204-1

Sustainability Across our Value Chain

Contractors

We launched the Cenviro Safety Passport (CSP) in September 2019 as part of our continuous improvement approach. The CSP training programme ensures the importance of health and safety measures for contractors. All contractors must now undergo the CSP training programme before they are allowed to work on Cenviro's premises, including those working in WMC. The Passport is valid for up to three years. In 2020, we conducted 39 training sessions for 822 participants.

For more information on the Cenviro Safety Passport, please refer to pg 77.

Registered Vendors

Cenviro has an annual rating system for registered vendors' performance. Underperforming vendors are issued a vendor complaint form and vendors who fail to improve their performance are not invited for new business opportunities. In 2020, we assessed 10% of active vendors, where more than 82% of the evaluated vendors exceeded expectations and no vendors were underperforming.

In 2020, Cenviro updated its Vendor Rating System, introducing improvements as follows:

Issue	Previous Vendor Assessment	Enhanced Vendor Assessment
Assessment Period	June to July	January to December, following our financial year.
Evaluators	Project Owner/End User Only	Project Owner/End User, Buyer and HSSE
Category of Vendors to be Evaluated	All vendors with transactions during the assessment period	1. Vendors within the group of those which contribute to 80% of total expense 2. Vendors supplying products and/or services identified as critical 3. Vendors for CAPEX expenses valued above RM200,000
Questionnaires	Only one type of questionnaire for all vendors	Different set of questionnaires for Supply Vendors, Service Vendors & Tender Winners
Portal	Not user-friendly and not linked to SAP	More user-friendly and linked to SAP system

GRI 103-1, 103-2, 103-3, 418-1

Cybersecurity and Data Privacy

As we digitalise our operations, we are also cognisant of the risks to our customers' private and sensitive data. To mitigate these risks, we have taken steps to ensure that our Information and Communication Technologies service provider is certified to ISO/IEC 27001:2013 standards while being compliant with the Payment Card Industry Data Security Standard and has successfully completed a Threats Vulnerabilities Risk Assessment. In 2020, Cenviro received no substantiated complaints or issues regarding data privacy breaches or loss of customer data.

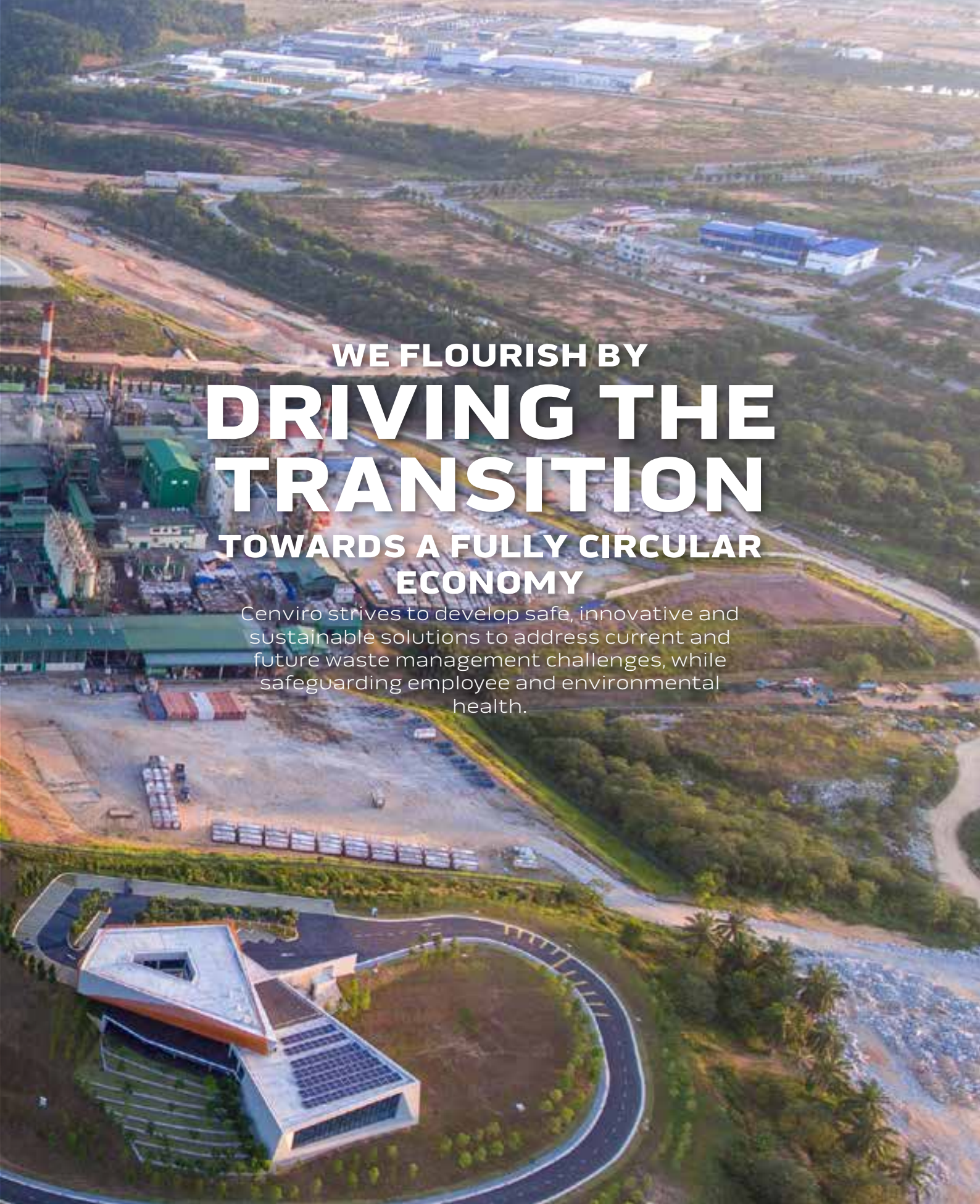
Data and information security is viewed seriously at Cenviro and we take constant steps to ensure that all data is safeguarded, especially with work-from-home arrangements. We are guided by our IT Security Policy where Cenviro ensures that all risks are identified, and all reasonable measures are taken to safeguard against security breaches. We implemented the use of Microsoft Office 365 just before the pandemic began in 2020. With the utilisation of Microsoft OneDrive cloud technology, our employees are able to work securely from home. We keep our employees updated on cybersecurity issues and best practices as we continue our adoption of digitalisation, innovation and technological advancement. While working from home, the Management of Information and Technology Services (MITS) team assists employees having IT issues through remote computing where possible.

We launched several digitalisation projects to increase operational efficiency as part of our continuous improvement efforts. These projects include a new e-billing system, which enables us to send invoices to customers on a more convenient platform while reducing the use of paper, and the Digital Collection and Transportation Instruction (DCTI) system that has eliminated a paper-based manual workflow for customer collection instructions to an automated system.

For more information about our digitalisation projects, please visit pg 38-41.



Performance & Annual Data

An aerial photograph of an industrial site. In the foreground, a modern building with a unique, angular design and a solar panel array on its roof is visible. The building is surrounded by a landscaped area with trees and a curved road. In the background, a large industrial facility with various buildings, including a prominent green one, and a tall smokestack is situated. The surrounding landscape is a mix of industrial areas and greenery.

WE FLOURISH BY DRIVING THE TRANSITION TOWARDS A FULLY CIRCULAR ECONOMY

Cenviro strives to develop safe, innovative and sustainable solutions to address current and future waste management challenges, while safeguarding employee and environmental health.

GRI 102-7, 103-3, 201-1

Financial Performance

Financial Performance (RM 000s)	2015	2016	2017	2018	2019	2020
Revenue	193,341	189,560	176,581	253,057	219,856	252,958
Earnings before interest, tax, depreciation and amortisation (EBITDA)	71,079	66,530	52,910	(1,482)*	65,511	73,860
Profit Before Taxation	95,097	86,355	57,629	(3,544)	51,979	44,779
Net Profit Attributable to a Shareholder	78,964	75,096	46,183	(1,118)	37,046	34,827
Total Assets	414,567	535,489	643,090	648,733	689,937	657,299
Shareholder's Equity	325,195	450,410	496,262	467,651	483,653	472,745

Key Financial Ratios

Return on Equity	30.42%	19.36%	9.75%	-0.68%	7.79%	7.28%
Debt/Equity Ratio	0.03	0.07	0.17	0.18	0.18	0.14

Value Distributed to Stakeholders

Total value distributed (RM 000s)	152,736	157,135	130,775	76,976	141,018	140,347
Providers of Capital <i>Finance costs and retained for future reinvestment and growth (depreciation, amortisation, retained profits and non-controlling interest)</i>	62.03%	66.08%	56.51%	43.50%	57.18%	56.39%
Employees <i>Salaries and employee-related costs</i>	26.62%	26.02%	34.62%	56.70%	32.14%	36.12%
Government <i>Taxation (including deferred tax)</i>	10.57%	7.17%	8.76%	-0.34%	10.59%	7.09%
Communities and Others <i>Corporate donations and sponsorships</i>	0.78%	0.73%	0.11%	0.14%	0.08%	0.40%

*Restatement due to recalculation



Operational Performance

Total Tonnes of Waste Treated

	2015	2016	2017	2018	2019	2020
Incineration Plant <i>For incineration of harmful organic waste using thermal treatment</i>	49,488	40,962	31,872	25,293	26,675	18,272
Scheduled-Waste-to-Energy Plant <i>For generation of energy via the incineration of scheduled waste</i>	Not yet in operation	Not yet in operation	Not yet in operation	19,275	11,795	25,217
Physical and Chemical Treatment Plant <i>For treatment of all types of hazardous inorganic liquid waste</i>	4,934 ¹	2,605	4,884	8,794 ²	3,481	2,809
Solidification Treatment Plant <i>For stabilisation and solidification of toxic components of hazardous wastes to prevent leaching once waste has been disposed of</i>	9,806	11,054	13,176	11,218	18,555	10,753
Clinical Waste Treatment Centre <i>For treatment of clinical waste using an eco-friendly incinerator and microwave technology</i>	6,341 ³	7,708 ⁴	8,845 ⁵⁶	8,921 ⁶⁶	8,567	6,407
Recycling and Recovery Facilities⁷ <i>For recycling and recovery of valuable resources from scheduled waste</i>	10,528	7,968	9,970	9,954	8,167	11,110
Vertical Secured Landfill <i>For disposal of waste once it has been treated</i>						
Direct to landfill:	70,845	77,807 ⁸⁶	91,598 ⁹	85,542 ¹⁰	85,191	111,972
Residuals from WMC:	47,950	44,080	44,934	34,718	41,376	26,290
Total:	118,795	121,887	136,532	120,260	126,567	138,262

Notes:

1: Restatement due to recalculation of treatment tonnage for Physical and Chemical Treatment Plant in 2015

2: Restatement due to recalculation of treatment tonnage for Physical and Chemical Treatment Plant in 2018

3 to 6: Restatement due to recalculation of treatment tonnage for Clinical Waste Treatment Centre from 2015-2018

7: Restatement of data from 2015-2019 due to recalculation of treatment tonnage and expansion of scope. Treatment tonnage now includes all waste recycled and recovered by Cenviro, including activities undertaken prior to the incorporation of Cenviro Recycling And Recovery Sdn. Bhd.

8 to 10: Restatement due to recalculation of waste directly disposed at Vertical Secured Landfill



Tonnes of key resources generated by CRR

	2018	2019	2020
Oil	2,832,000	2,024,000	1,649,516
Solvent	362,190	277,000	317,632
e-Waste	414,507	43,000	32,468
Scrap metal	1,525,732	3,670,000	9,129,215
Plastic	103,517	3,207,250	127,482



E-waste recovery and recycling by SPM

	2019*	2020
Waste Processed (tonnes)	27,247	2,048
Waste Recycled (tonnes)	25,290	2,045
Recovery Efficiency	92.8%	99.8%

* 2019 data includes both scheduled and non-scheduled waste



Customer Satisfaction Scores

	2016	2017	2018	2019	2020
KASB	86.4%	85.4%	Clinical waste customers: 92.7%	Clinical waste customers: 92.4%	Clinical waste customers: 88.2%
			Scheduled waste customers: NA*	Scheduled waste customers: NA*	Scheduled waste customers: 79%
EISB	-	85.4%	94.3%	98.7%	99.2%

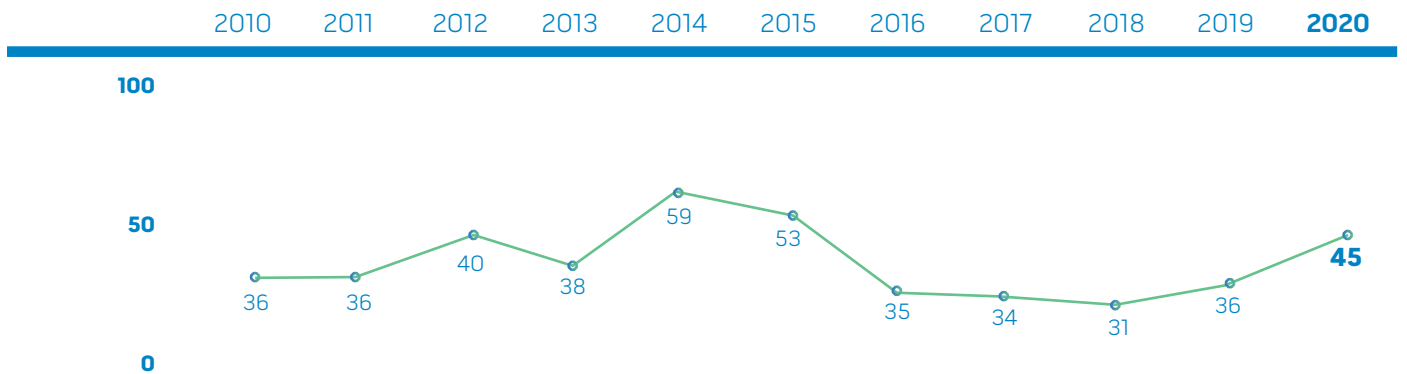
*Data unavailable due to customer survey system revamping exercises

GRI 103-3, 403-8, 403-9

Health & Safety Performance

	2018	2019	2020
Total HSE cases recorded	31	36	45
Total recorded man hours	530,867	521,322	545,376
No. of LTI incidents (Employees)	3	6	1
No. of LTI incidents involving contractors	N.A.	6	1
Consecutive days without LTI incident	N.A.	73	226

Total Number of HSE Incidents Recorded



GRI 403-8, 403-9

Key HSE Indicators

	2020	
CRITERIA	EMPLOYEE	CONTRACTOR
Total Man hours	545,376	210,824
Accident-related fatalities (death)	0	0
Accident with lost workdays	1	1
Accident without lost workdays	20	23
Total number of accidents	21	24
Total workdays lost	14	3
Fatality Rate	0	0
No. of fatalities X 1000/ Annual average no. of employees		
Incident Rate	76.09	14.36
No. of accidents X 1000 / Annual average no. of employees		
Frequency Rate	38.51	113.83
No. of accidents X 1,000,000/ Total man-hours worked (Y)		
Severity Rate	25.67	14.23
Total workdays lost X 1,000,000 / Total man-hours worked		
Occupational disease rate	0	0
Lost-day rate	5.13	2.84
Absentee rate	NA	NA

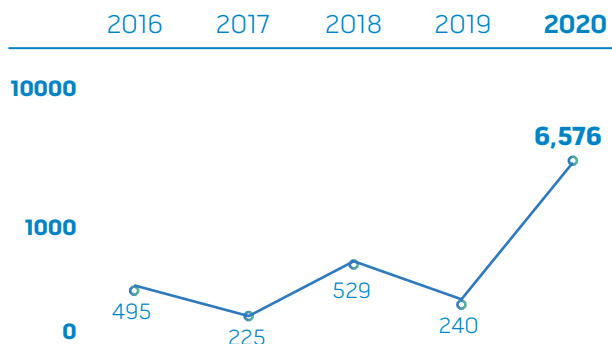
GRI 103-3, 403-2

Workplace Hazard Identification

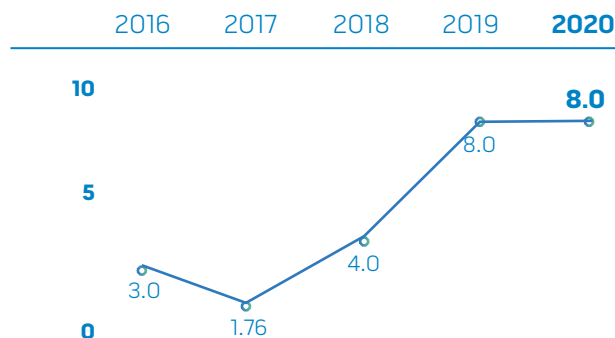
Work-related hazards that pose a risk of high consequence injury:	Gas Release, Explosion, Fire, Fall from Height, Hazardous Chemical
How these hazards have been identified:	1. Hazard Identification, Risk Assessment and Risk Control (HIRARC) 2. Job Hazard Analysis 3. Hazard Identification Programme 4. Workplace Inspection
Which of these hazards have caused or contributed to high-consequence injury:	Object Falling from Height
Actions taken to eliminate these hazards:	Regular workplace inspection, equipment upgrading and maintenance as needed and rigorous health and safety training

Contractor HSE

Total Contractor Training Hours



Average Training Hours per contractor



GRI 102-7, 102-8, 103-3, 405-1

Workplace Data

Employee Breakdown in 2020

CRITERIA	CENVIRO		EISB	
	VALUE	%	VALUE	%
Total Employees	479	100%	1,556	100%
Permanent Employees				
Male	343	71.61%	1,244	90%
Female	118	24.63%	143	10%
Temporary Employees				
Male	15	3.13%	147	88%
Female	3	0.63%	21	13%
Full-time Employees	479	100%	1,555	100%
Male	358	74.74%	1,387	89%
Female	121	25.26%	168	11%
Part-Time Employees	0	0%	0	0%
By Ethnicity				
Malay	417	87.06%	1,487	95.63%
Chinese	19	3.97%	2	0.13%
Indian	31	6.47%	66	4.24%
Others	12	2.50%	-	
Top Management				
Male	3	100%	2	67%
Female	0	0%	1	33%
<30 yrs old	0	0%	0	0%
30-50 yrs old	1	33.33%	2	67%
>50 yrs old	2	66.67%	1	33%
Management				
Male	47	74.6%	20	80%
Female	16	25.4%	5	20%
<30 yrs old	2	3.17%	0	0%
30-50 yrs old	46	73.02%	16	64%
>50 yrs old	15	23.81	9	36%
Executive				
Male	66	48.89%	55	59%
Female	69	51.11%	38	41%
<30 yrs old	33	24.44%	21	23%
30-50 yrs old	92	68.15%	66	71%
>50 yrs old	10	7.41%	6	6%
Non-Executive				
Male	242	87.05%	1,314	92%
Female	36	12.95%	120	8%
<30 yrs old	67	24.10%	224	16%
30-50 yrs old	186	66.91%	783	55%
>50 yrs old	25	8.99%	427	30%

GRI 405-1, 405-2

Employee Salary Breakdown in 2020

		CENVIRO	EISB
Basic Salary Ratio			
Top Management	Male to Female	1:0	1:0.98
Management	Male to Female	1:0.98	1:0.76
Executive	Male to Female	1:0.93	1:0.91
Non-Executive	Male to Female	1:0.94	1:1.00

GRI 103-3, 401-1

New Employee Hires and Turnover in 2020

		CENVIRO	EISB
		Number Rate (%)	Number Rate (%)
New Employee Hires			
Total		56 11.76%	93 5.98%
Male		46 9.66%	80 5.14%
Female		10 2.10%	13 0.84%
<30 yrs old		34 7.14%	65 4.18%
30-50 yrs old		22 4.62%	24 1.54%
>50 yrs old		0 0%	4 0.26%
Employee Turnover			
Total		26 5.46%	88 5.66%
Male		23 4.83%	77 4.95%
Female		3 0.63%	11 0.71%
<30 yrs old		7 1.47%	25 1.61%
30-50 yrs old		13 2.73%	31 1.99%
>50 yrs old		6 1.26%	32 2.06%

GRI 103-3, 404-1

Average Training Hours

		CENVIRO	EISB
		2019 2020	2019 2020
Number of Employees		448 479	1,548 1,556
Training Cost (RM)		472,736 386,286	319,257 179,790
Average Training Cost per Employee (RM)		1,055 806	206 115.6
Training Hours		10,521 8,666	24,768 24,896
Average Training Hours per Employee		23 18	16 16

GRI 103-3

Employee Training by Employee Category and Gender in 2020

	CENVIRO		EISB	
	2019	2020	2019	2020
Training Hours by Category				
Manager	1,814	60	17	16
Executive	3,841	130	21	16
Non-Executive	4,766	219	10	8
Number of Employees by Gender				
Male	335	358	1,386	1,392
Female	113	121	162	164

Leadership Training

	2018	CENVIRO		EISB	
		2019	2020	2019	2020
No. of leadership training sessions	12	12	17	6	6
No. of employees that attended training sessions	69	58	73	150	146

Competency Training for Cenviro's Employees

	2018	2019	2020
Total Competency Areas	9	9	9
Target for Certified Competent Employees per Competency Area	14	14	14
EiMAS training figures			
Total training attendance	19	9*	2
No. of attendees that received one-year competency certificates	2	7	2
No. of employees with full competency certificates	16	40	43

*Restatement of data due to recalculation of 2019 figures

GRI 404-3

Employee Performance Appraisals

	CENVIRO		EISB	
	2019	2020	2019	2020
Total Eligible Employees				
Percentage	99%	97%	89%	87%
Number	446	467	1,370	1,346
Category				
Manager	59	63	21	24
Executive	129	129	85	88
Non-executive	258	275	1,264	1,234
Gender				
Male	332	351	1,220	1,188
Female	114	116	150	158

GRI 401-3

Employee Parental Leave Data in 2020

	CENVIRO		EISB	
	Male	Female	Male	Female
Total no. of employees entitled to parental leave	294	84	1,391	164
Total no. of employees who took parental leave	31	6	55	18
Total no. of employees who returned to work after parental leave	31	6	55	18
Total employees that were still employed 12 months after returning	31	6	50	16
Return to work rate (%)	100%	100%	100%	100%
Retention rate (%)	100%	100%	91%	89%

Community Performance

Community Contributions by Cenviro

	2019	2020
Total spent on community programmes	>RM73,000	> RM66,300*
Total donations to COVID-19 related relief efforts	-	RM531,700

* FY2020 and first quarter of FY2021 included

Environmental Performance

Historical Greenhouse Gas Emissions

Breakdown of Scope 1, 2 and 3 Emissions

Prior to 2020, greenhouse gas emissions calculations were in accordance with the internationally recognised Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Version). GHG emissions calculations from 2020 onwards will be in accordance with the ISO 14064-1 (2018) standard.

SCOPE 1	SCOPE 2	SCOPE 3
Direct GHG Emissions Emissions from sources that are owned or controlled by Cenviro	Indirect GHG Emissions Emissions as a consequence of Cenviro's operations, that occur at sources owned or controlled by another entity	Other Indirect GHG Emissions Emissions as a consequence of Cenviro's other business activities, that occur at sources owned or controlled by another entity
COMPANY-OWNED VEHICLES GHG emissions produced by our fleet of company-owned vehicles were calculated from purchasing fuel for cars, motorcycles, 4-wheel drives, vans, trucks and other heavy industrial vehicles. The CO₂ emissions from fuel consumption were derived from the emissions factor published by the IPCC Guidelines for National GHG Inventories PLANT OPERATIONS Diesel consumption	PURCHASED ELECTRICITY CONSUMPTION Indirect emissions from electricity consumption is calculated for Scope 2	EMPLOYEE-OWNED VEHICLES CO₂ emissions from the consumption of fuel for employee-owned vehicles were derived from the emissions factor published by the IPCC Guidelines for National GHG Inventories AIR TRAVEL GHG emissions resulting from air travel were measured from origin to destination including the number of employees on board, distance and flight class. We have included all short and long-haul flights in our GHG calculation. The data is tracked by the HR and Admin departments. We use the International Civil Aviation Organisation's Carbon Emissions Calculator to quantify our carbon emissions due to business air travel

Total GHG Emissions

(Historical Data)

	2014	2015	2016	2017	2018	2019
Scope 1 Direct GHG emission (tonnes)	18,823	15,333	10,075.12	163.75*	5,561.07***	4,648.13
Scope 2 Indirect GHG emission (tonnes)	10,218	12,725	12,543.61	11,877.26	12,830.15	10,979.70
Scope 3 Other indirect GHG emission (tonnes)	10,261	10,236	6,620.76	512.48**	451.27	363.52
Total	39,302	38,294	29,239.49	12,553.49***	18,842.49	15,991.35

*Reduction in Scope 1 emissions between 2016 and 2017 was due to the revision of data boundary to exclude plant operations' diesel and RO consumption as well as contractor-owned vehicles

**Restatement of 2017 data following revised calculations

***Total GHG emissions in 2018 covered diesel consumption in plant operations

GRI 305-1, 305-2, 305-3

2020 Greenhouse Gas Emissions

Emissions by Category

GRI	ISO 14064-1	2020
Direct (Scope 1) GHG Emissions	Category 1 (tCO ₂ e)	56,602
Energy Indirect (Scope 2) GHG Emissions	Category 2 (tCO ₂ e)	7,889
Other Indirect (Scope 3) GHG Emissions	Category 3 (tCO ₂ e)	24,733
	Category 4 (tCO ₂ e)	6,371
	Category 5 (tCO ₂ e)	330
	Total	95,925

Carbon Footprint

Type of Treatment (tonnes CO ₂ e/ tonnes waste)	2020
WMC treated waste	0.448
Thermal treatment of incinerable waste	1.459
Secured landfill of inert wastes	0.081
Solidification of inorganic wastes	0.278
Physical chemical treatment of liquid wastes	0.223
All CRR Output	0.095

GRI 302-1

Energy

	2018	2019	2020
Total fuel consumption from non-renewable sources* (GJ)	136,312*	66,493**	63,069.65
Electricity Consumption (GJ)	62,332.69	52,392.07	49,740.95
Electricity Sold (GJ)	37,489.54	11,148.89	21,973.79
Total Energy Consumption (GJ)	161,155.15***	130,038.96	90,836.81

* Includes fuel consumption from motor vehicle usage and diesel used for SWtE plant. Fuel conversion metrics based on those provided by the U.S. Energy Information Administration.

** Includes fuel consumption from Scope 1 motor vehicle usage and diesel used for Incinerator 1 – INCI and SWtE plant operations. Fuel conversion metrics based on those provided by the U.S. Energy Information Administration. Petrol calculations based on gasoline metrics provided by the U.S. Energy Information Administration.

*** Restatement of 2018 data due to revised calculations.



GRI 302-1

Fuel Consumption

	2014	2015	2016	2017	2018	2019	2020
Reconstituted Oil (tonnes)	4,322	3,126	2,164	1,330	1,656	1,383	1,367
Diesel (tonnes)	836	693	966	676	1,665	539	1,352
Ratio	5.2:1	4.5:1	2.2:1	1.96:1	0.99:1	2.56:1	1:1

GRI 302-1

Purchased Electricity Consumption

	2014	2015	2016	2017	2018	2019	2020
Purchased Electricity Consumption (kWh)	14,960,527	17,173,311	16,927,943	16,028,692	17,314,636	14,553,736	13,817,313

GRI 302-1

Solar Energy

	2018	2019	2020
Solar energy generated (kWh)	249,109	157,495	1,537,509

GRI 303-5

Water Usage

	2014	2015	2016	2017	2018	2019	2020
Water usage at WMC (m ³)*	140,318	212,695	213,200	260,599	254,368	216,533	203,426
Effluent generated (m ³)							
- ETP			83,742	91,290	47,366	40,601	54,113
- LTP			37,983	30,542	26,907	42,198	39,848

* WMC purchases fresh water from Syarikat Air Negeri Sembilan Sdn. Bhd. We do not withdraw water from any other source.

GRI 306-2

Domestic Waste Management

	2015	2016	2017	2018	2019	2020
Internal waste recycled	178	204.2	155	268	241	22
Total internal scheduled waste treated internally and landfilled	485	337	446	558	582	505
Total Internal general waste collected by appointed domestic contractors and sent to approved facilities	61,120	54,680	35,150	29,750	23,560	22,620

GRI 301-1

Materials

	2014	2015	2016	2017	2018	2019	2020
Type of Material (tonnes)							
Hydrated Lime	1,453	1,290	1,548	1,628	1,239	1,118	779
Activated Carbon	12	8	10	7	12.7	10.6	6.5
Caustic Soda	40	50	115	181	1,108	653	1.072

GRI 204-1

Governance Data**Supplier breakdown**

	2015	2016	2017	2018	2019	2020
Number of suppliers						
Local	312	419	411	442	776*	672
Foreign	10	12	8	6	17	18
Total	322	431	419	448	793	690
Percentage of suppliers by type						
Local (%)	97	97	98	99	98	97
Foreign (%)	3	3	2	1	2	3
Percentage of spending on suppliers by type						
Local (%)	84	99	95	97	98	98.7
Foreign (%)	16	1	5	3	2	1.3

*Increase in local suppliers due to revised procurement metrics.

Supplier Screening

	2019	2020
Number of potential suppliers screened	181	146
Number of potential suppliers accepted	111	73

GRI 102-41

Employees Covered by Collective Bargaining Agreements

	CENVIRO		EISB	
	2019	2020	2019	2020
No. of Employees	129	128	1,299	772
% of Employees	29%	26.7%	84%	49.6%

GRI 102-56

Assurance Statement



INDEPENDENT VERIFICATION STATEMENT

To: The Stakeholders of Cenviro Sdn Bhd

Introduction and objectives of work

Bureau Veritas has been engaged by Cenviro Sdn Bhd to conduct an independent verification of its Sustainability Report 2020. This Verification Statement applies to the information included within the scope of work described below.

This information and its presentation in the Sustainability Report 2020 are the sole responsibility of the management of Cenviro Sdn Bhd. Bureau Veritas was not involved in the drafting of the report. Our sole responsibility was to independently verify the accuracy and assure the information included. This is the 13th year we have verified the Cenviro Sdn Bhd Sustainability Report, which includes E-Idaman Sdn Bhd.

Scope of work

Cenviro Sdn Bhd requested Bureau Veritas to verify the accuracy of the data and information included in the Sustainability Report 2020.

Methodology

As part of its independent verification, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel including the Head of Departments of Cenviro and its subsidiaries virtually.
2. Review of documented evidence produced by Cenviro and its subsidiaries.
3. Audit of performance data.
4. Review of Cenviro and its subsidiaries systems, for qualitative and quantitative data aggregation and analysis.



5. The audit was conducted remotely due to the restrictions imposed by the Movement Control Order (MCO) and did not include any visits to Cenviro Sdn Bhd at Mercu UEM in Kuala Lumpur, Waste Management Centre in Seremban and E-Idaman Sdn Bhd in Alor Setar, or physical inspections of any Cenviro's operating facilities.

6. Our work follows Bureau Veritas' standard procedures and the Global Reporting Initiative (GRI) Sustainability Reporting Standards. It is based on current best practice in independent assurance.

The work was planned and carried out to provide limited, rather than absolute assurance. We believe it provides an appropriate basis for our conclusions.

Our findings

Based on our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated.
- It is our opinion that Cenviro Group has established appropriate systems for the collection, aggregation and analysis of qualitative and quantitative data such as key performance.
- During the financial year, the total waste treated at Cenviro WMC increased from 163,485 tonnes in 2019 to 186,540 tonnes in 2020, a 14.1% increase. Cenviro also increased its recycling and recovery capacity of scheduled waste from 9,221 tonnes in 2019 to 11,110 tonnes in 2020, which marked a 20.5% increase via Cenviro Recycling and Recovery Sdn. Bhd. (CRR). As part of the Schedule Waste to Energy (SWtE), Cenviro incinerated 25,217 tonnes of waste, a 113.8% increase from 2019, which generated 12,209 MW energy, a 294% increase from 2019.
- As part of Cenviro's continuous improvement approach, the e-billing system was introduced in 2020 to improve process efficiency for Cenviro and their customers, with reduction in paper usage being a useful by-product of the initiative. This digitalised system has reduced to an average 18 days in 2020 for sending invoices and supporting documents such as the Collection and Transportation Instruction (CTI), weighbridge ticket and consignment note.
- Cenviro enhanced its Clinical Waste Integration Collection and Logistics Infosystem (CWICLI) mobile application where customers are able to view digital invoices, account statements, e-consignment notes, and certification of destruction through the convenience of the app. This is in efforts towards continuous improvement.



- Cenviro's focus this financial year was on its greenhouse gas (GHG) emissions. The Group executed a comprehensive study to quantify their GHG emissions and develop a baseline year for progress monitoring. This is part of their efforts for the 5-Year GHG Reductions Roadmap. The Group established the year 2020 as their baseline year and will be using the carbon footprint indicator as the main point of reference for future reporting. Additionally, Cenviro has transitioned its GHG emissions reporting from the Greenhouse Gas Protocol to the ISO 14064-1 standard.
- Cenviro's uncompromising Safety First culture led to the achievement of 226 consecutive days without Lost Time Injury (LTI), exceeding the 100 consecutive days without LTI Group target. The Hazard Identification Programme (HIP) aimed to help employees put the safety first culture into practise received more than ten times in HIP submissions from 706 submissions in 2019 to 8,426 submissions in 2020.
- To continue driving Cenviro's strong emphasis on safety, multiple initiatives were introduced throughout 2020. Key highlights include the upgrading to the Quality, Health, Safety, Security & Environmental (QHSSSE) policy, the Hazard Identification Programme (H.I.P), the Decentralising Health & Safety Management strengthened their HSSE framework.
- Cenviro are committed to introduce the COVID-19 Health Policy to reinforce employee compliance to workplace SOPs and setup the Committee to monitors and manages the COVID-19 situation, focusing on business continuity and risk management related to the pandemic. Cenviro also engaged with their employees and customers by supporting them and working with regulators to protect communities by distribution of face masks and sanitiser to employees and regular sanitisation of common surfaces. In their COVID-19 relief efforts, Cenviro contributed RM500,000 to the Ministry of Health to support the fight against COVID-19, donated automatic knapsack sprayers and surgical masks to the Negeri Sembilan Fire and Rescue Department for public sanitisation programmes, donated Personal Protective Equipment (PPE) to Hospital Enche' Besar Hajjah Khalsom in Johor, and distributed food packs to COVID-19 frontliners at Hospital Tuanku Ja'afar, Seremban, Negeri Sembilan.
- The Safety Moment initiatives in 2020 further highlight the involvement of Cenviro's management team in strengthening its safety culture. Via this initiative, monthly circulars which included personal safety-related incidents and lessons learned by the management team were released for the benefit of its employees. To mitigate the risks of COVID-19 infections in the workplace, all employees dealing with COVID-19 related waste at WMC facility were given COVID-19 tests and equipped with comprehensive Personal Protective Equipment (PPE) including COVID-19 mitigating measures were also implemented at corporate headquarters.
- To create value for its employees, Cenviro conducted an employee satisfaction survey in 2020. Key results from this engagement include 89.8% of employees being proud to work for the organisation and 85.4% willing to intervene if safety violations arise, a statistic that further emphasises the strong safety culture already present in Cenviro's employees.



- The Cenviro Integrated Management System (IMS), overseen by the CG&A (Corporate Governance and Assurance) body and covering KASB, CRR and CS, is certified with ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System). In 2020, migrated OSH Management System from OHSAS 18001:2007 to ISO 45001:2018. In tandem with this certification, the IMS Manual, Procedures and other relevant documents were also revised to reflect the certification and standards of ISO 45001. These efforts demonstrate good occupational safety and health management and Cenviro's determination to continuously improve.
- During the financial year, 60% of the members in Cenviro's Board of Directors are women, and 20% of the members at Senior Management level are women.
- Cenviro introduced the Anti-Bribery and Corruption Policy along with the Gifts and Hospitality Guidelines to set robust risk management systems and ensure employees do not engage in any form of bribery and corruption. Cenviro also appointed a Chief Integrity and Governance Officer to ensure the uncompromising standards of integrity and business ethics throughout the Group.

Limitations and Exclusions

Any verification of the following information is excluded from our scope of work:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by Cenviro Sdn Bhd including E-Idaman Sdn Bhd) and statements of future commitment;
- Data identified by the client for non-inclusion, geographical operations/activities excluded, subsidiaries/Joint Ventures, etc.
- The audit was conducted remotely due to the restrictions imposed by the Movement Control Order (MCO) and did not include any visits to Cenviro Sdn Bhd at Mercu UEM in Kuala Lumpur, Waste Management Centre in Seremban and E-Idaman Sdn Bhd in Aior Setar, or physical inspections of any Cenviro's operating facilities.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services, and an annual turnover in 2020 of EUR 4,600 million.



Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with Cenviro Sdn Bhd, its directors or managers beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The assurance team has extensive experience in conducting verification and assurance of environmental, social, ethical and health and safety information, systems and processes. The team has over 7 years combined experience in this field and an excellent understanding of the Bureau Veritas standard methodology for the assurance of sustainability reports.

Bureau Veritas
Kuala Lumpur, MALAYSIA
18 November 2021

Kamaruzaman Bin Mohamed
LEAD VERIFIER

GRI 102-55

GRI Content Index



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GRI 102: General Disclosures 2016					
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	102-2	Activities, brands, products, and services	14-15	Group Structure	
	102-3	Location of headquarters	3	About This Report	
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For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.



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Glossary

4R

Waste prevention techniques are commonly summarised as the so-called 4Rs: reduce, reuse, recycle and recover. Reduce, reuse and recycle are known in the industry as the 3Rs.

Circular Economy¹

A circular economy is a closed loop economic system that is restorative or regenerative by intention and design. The concept aims to replace the traditional end-of-life, linear concept by closing the loop in which raw materials consumed, components and products lose their value as little as possible. This involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. The objective is to eliminate waste through the superior design of materials, products, systems, and business models.

Clinical waste

The Ministry of Health Malaysia defines clinical waste as:

- Any waste which consists wholly or partly of human or animal tissue, blood or other bodily fluids, excretions, drugs or other pharmaceutical products, swabs or dressings, syringes, needles or other sharp instruments, being waste which unless rendered safe may prove hazardous to any person coming into contact with it.
- Any other waste arising from medical, nursing, dental, veterinary, pharmaceutical or similar practices, investigation, treatment, care, teaching or research, or the collection of blood for transfusion, being waste, which may cause infection to any person coming into contact with it.
- Also, a type of scheduled waste listed in the First Schedule of Environmental Quality (Scheduled Wastes Regulations 2005 (e.g. code: SW404 – Pathogenic wastes, clinical wastes or quarantined materials).

Continuous Improvement

Continuous improvement refers to the ongoing efforts of improving processes and operations.

Effluents

Liquid waste discharged into a natural body of water. Liquid factory waste and raw sewage can also be called effluents.

E-Waste

A type of scheduled waste listed in the First Schedule of Environmental Quality (Scheduled Wastes) Regulations 2005. (e.g. code: SW102 – Waste of lead-acid batteries in whole or crushed form and SW103 – Waste of batteries containing cadmium and nickel or mercury or lithium).

Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Version)

The Standard provides requirements and guidance for companies and other organisations preparing a corporate-level GHG emissions inventory. The standard covers the accounting and reporting of seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons PFCs, sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).



High Density Poly Ethylene²

HDPE is a thermoplastic polymer made from petroleum. As one of the most versatile plastic materials around, HDPE plastic is used in a wide variety of applications, including plastic bottles, milk jugs, shampoo bottles, bleach bottles, cutting boards, and piping.

Inert Waste

Waste that is neither chemically nor biologically reactive and will not decompose, such as sand and concrete.

Leachate

Water that has passed through waste and contains dissolved and suspended material is termed leachate. It may contaminate other sources.

Municipal Solid Waste

More commonly known as trash or garbage – consists of everyday items we use and throw away, such as product packaging, furniture, clothing, bottles, food scraps and newspapers.

Polyethylene terephthalate (PET)³

Sometimes written as poly(ethylene terephthalate), commonly abbreviated as PET, PETE, or the obsolete PETP or PET-P, it is the most common thermoplastic polymer resin of the polyester family and is used in fibres for clothing, containers for liquids and foods, and thermoforming for manufacturing, and in combination with glass fibre for engineering resins.

Recycled polyethylene terephthalate (RPET)⁴

Recycled polyethylene terephthalate, commonly abbreviated as RPET, is plastic that is made from used PET. After the original PET containers are used by consumers, they are processed at a facility that sorts, cleans and transforms the plastic into rPET flakes or pellets. The rPET flakes or pellets can then be reused to make new products, such as fibre for clothing and carpets, or plastic for food and beverage containers.

Scheduled Waste

Scheduled waste is any waste falling within the categories of waste listed in the First Schedule of Environmental Quality (Scheduled Wastes) Regulations 2005. Scheduled waste is by nature very toxic and dangerous. Improper management of such waste will lead to serious pollution of the environment and the ecosystem as well as immediate long-term impact on human health.

Task Force on Climate-Related Financial Disclosure (TCFD)

Recommendations in the form of a framework for companies to develop more effective climate-related financial disclosures through their existing reporting processes.

¹<https://reports.weforum.org/toward-the-circular-economy-accelerating-the-scale-up-across-global-supply-chains/from-linear-to-circular-accelerating-a-proven-concept/>

²[https://www.acmeplastics.com/what-is-hdpe#:~:text=High%20Density%20Poly%20Ethylene%20\(HDPE,%2C%20cutting%20boards%2C%20and%20piping](https://www.acmeplastics.com/what-is-hdpe#:~:text=High%20Density%20Poly%20Ethylene%20(HDPE,%2C%20cutting%20boards%2C%20and%20piping)

³<https://omnexus.specialchem.com/selection-guide/polyethylene-terephthalate-pet-plastic>

⁴<https://bottledwater.org/rpet-facts/>

As we progress on our journey of sustainable transformation, Cenviro will continue to form meaningful relationships with our stakeholders, **transforming perspectives** of waste and driving the transition towards a full circular economy. We are committed to operating with integrity, delivering a high quality of service without compromising on the health and safety of our people, communities and the environment.

Reimagining Resources

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