

SUSTAINABILITY REPORT 2021

# Charting Our Sustainability Pathway



On the right of the page, the intricate venation leaf pattern represents how Cenviro is currently charting our pathway towards a more sustainable future, centred around the transition to a circular economy. This 'green roadmap print' highlights our holistic efforts towards embedding sustainability considerations within our business operations, with the primary focus of delivering value and impact to our key stakeholders.

On the left of the page is the ornate city plan of Kuala Lumpur, the capital city of the nation. As a leader within the nation's waste management industry, we strive to lead by example in showcasing our commitment to our sustainability agenda, namely by advancing our recycling and recovery capabilities, maintaining our workplace health and safety excellence, as well as reducing the intensity of our carbon emissions. By planting and nurturing these seeds of growth, we hope to achieve our aspiration to become the region's leading waste resource management solutions provider.

As highlighted by our logo at the leaf stalk, Cenviro is wellpositioned to drive and accelerate our sustainability focus areas in the years to come.

# Welcome to Cenviro's Sustainability Report

### **Reporting Framework**

GRI 1, 2-1, 2-3

Cenviro has reported in accordance with the GRI Standards for the period 1 January 2021 to 31 December 2021, as well as the Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statements in Annual Reports. This report is produced with close reference to the United Nations Sustainable Development Goals (UN SDGs) and the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Malaysian Code on Corporate Governance (MCCG) has been used as a guide to disclose our corporate governance practices.

### **Scope and Boundary**

GRI 2-2, 2-3

This Sustainability Report covers the reporting period for the year ended 31 December 2021, 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**

GRI 2-5

This Sustainability Report has been independently verified by Bureau Veritas Certification (M) Sdn. Bhd. (Bureau Veritas). The assurance statement can be found on pages 134-139.

### Feedback

GRI 2-3

Corporate Affairs Department Cenviro Sdn. Bhd. 13-1, Mercu UEM Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia

Tel:+603-2727 6100Fax:+603-2727 2100Email:corporateaffairs@cenviro.comWebsite:www.cenviro.com

# Table of Content

7	WHO WE ARE
8	We are Cenviro
14	Group Structure
16	Chairman's Message

18 Managing Director's Message

### 23 DRIVING IMPACT

- 24 Analysis of Risks and Opportunities
- 26 Our Sustainable Waste Resource Management Solutions
- 28 ESG Performance & Impact
- **30** Our Approach to Sustainability
- 34 The Enablers to Our Sustainability Agenda

### 43 TRANSFORMING WASTE TO RESOURCE

44	Cenviro's Progress in Transforming
	Waste to Resource
49	Recycling and Recovering our Resources
58	Treating and Disposing Any Residual Waste
60	Collecting, Transporting and Storing Waste

### 63 EMPOWERING OUR PEOPLE

- 64 Putting Safety First
  68 Maintaining a Safety-First Culture
  72 Facilitating Health and Safety Training
  77 Training and Developing Our People
  82 Fostering Engaged Employees
  83 Employee Performance Management
- 84 Promoting a Diverse and Inclusive Culture



### 87 MANAGING OUR ENVIRONMENTAL FOOTPRINT

- 88 Environmental Management At Cenviro
- 90 Towards Low-Carbon Operations
- 95 Energy and Water Consumption
- 97 Internal Waste Management
- 98 Ambient Impact Indicators and Biodiversity

### 101 STRENGTHENING OUR GOVERNANCE & INTEGRITY

- 102 Corporate Governance and Oversight
- 108 Risk Management
- 109 Managing Climate Risk
- 110 Good Business Conduct
- 112 Sustainable Procurement

### 115 SUPPORTING OUR COMMUNITIES

- 116 Contributing towards our Communities117 Delivering Meaningful Impact through Recycling Programmes
- 119 Engaging and Partnering with our Stakeholders

### 121 PERFORMANCE & ANNUAL DATA

140	
134	Assurance Statement
133	Governance Data
131	Environmental Performance
130	Community Performance
127	Workplace Data
125	Health & Safety Performance
123	Operational Performance
122	Financial Performance

- 145 Appendix
- 146 Cenviro Marketing Network
- 147 Definitions
- 149 Glossary



Cenviro has made a holistic effort this year to map and set our strategies in motion, planting and nurturing the seeds of progress towards accelerating our sustainability focus areas in the upcoming years...

# Who We Are

We Are Cenviro	8
Group Structure	14
Chairman's Message	16
Managing Director's Message	18

8

# We Are Cenviro

Cenviro is a goal-driven integrated waste resource management company committed to delivering high-quality services within the full spectrum of waste resource management to our customers. By building partnerships and collaborations with local and international industry partners, we are progressing further in advancing Malaysia's waste industry towards resource recycling and recovery.





### 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

\* 191

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. Satelite Facilities

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



# Our Story

Cenviro is a key enabler of the nation's circular economy ecosystem. Our 2,143-strong team carries out essential operations every day including resource recycling, energy generation and recovery, treatment, collection, transportation and disposal.

We provide waste resource recycling and recovery services via our subsidiary, Cenviro Recycling and Recovery Sdn. Bhd. In 2021, we established Cenviro Aura Technologies Sdn. Bhd., which will develop and operate Malaysia's first food grade bottle-to-bottle RPET recycling facility at Cenviro EcoPark.

Kualiti Alam Sdn. Bhd., our Integrated Waste Management Centre, offers reliable and responsible scheduled waste management solutions to all our industrial and commercial customers.

Our joint venture firm, E-Idaman Sdn. Bhd., provides municipal solid waste management and public cleanliness services, and our affiliated company, Shan Poornam Sdn. Bhd., manages the recycling of electronic waste.





# 

We are honoured to be at the forefront of the circular economy shift and we look forward to growing with our customers as we strive towards a more sustainable future.

# Our Purpose

# Thinking Green for the Industry

In our pursuit for a more sustainable future centred around a circular economy, we are strongly committed to advancing our resource recycling and recovery capabilities for the nation.

### **Improving Quality of Life**

By minimising waste to landfills and reducing the intensity of greenhouse gas emissions, Cenviro aims to safeguard the environment and alleviate the effects of climate change on the communities that we work with.

### **The Modern Resource Company**

As a Modern Resource Company, Cenviro aims to expand our services towards the full spectrum of waste resource management by identifying key innovative and relevant technologies for the advancement of our recycling and recovery capabilities. By doing this, we hope to further minimise waste to landfills and accelerate the shift to a circular economy. Sustainable value creation is essential to our organisation and stakeholders' future success and growth. Our intention is to consistently repurpose waste into useful materials while simultaneously reducing greenhouse gas emissions, and uplifting our people and the communities that we operate in.

### 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 Core Values

Cenviro's core values drive our actions across all aspects of our operations and value chain. As we continue down the path of sustainability-driven growth, we have refreshed our fundamental principles to better reflect the nature of our organisation. These core values — Safety, Holistic, Integrity, Environment, Lean, Diversity and Inclusiveness (SHIELD) — solidify our commitment to sustainability and shed light on how we conduct ourselves and our business.

# SHELD



### Safety

Our No.1 Priority which we will never compromise. We protect our staff, contractors and community where we operate.



### Holistic

We strive to offer holistic solutions to our customers and stakeholders along with service excellence.



### Integrity

We associate our reputation with highest quality of service, strict regulatory compliance and uncompromising governance.



### **Environment**

We are the conservator of the environment. Protecting environment underpins our strategy and actions.



### Lean

We cultivate lean culture of continuous improvement and agile organization ready to embrace change.



### **Diversity & Inclusiveness**

We value diversity, actively pursues equity and thrive on transparency to foster an inclusive environment.

# **Group Structure**

GRI 2-1, 2-2, 2-6, 3-3





#### Kualiti Alam Sdn. Bhd. (KASB)

The first and largest integrated waste management centre (WMC) in Malaysia, located in Negeri Sembilan, is owned and run by Cenviro through KASB. The Environmental Quality (Scheduled Wastes) Regulations 2005 enumerate 76 categories of scheduled waste that WMC is authorised to manage. More than 100,000 tonnes of scheduled waste can be stored, treated, and disposed of in a year at the 241.6-acre facility.

#### Cenviro Services Sdn. Bhd. (CS)

CS is responsible for the packaging, collection and logistics 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)

CSB is Cenviro's project management consultancy for integrated environmental solutions. It also specialises in engineering, procurement, construction and commissioning services.

#### Cenviro (Johor) Sdn. Bhd. (CJSB)

Satellite facility for the 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. EPIC is the thought leadership centre of Cenviro, responsible for research and development on innovative waste management solutions, while also providing training for employees and industry partners.

### Recycle For Life Sdn. Bhd. (RFL)

RFL operates a modernised recycling programme that provides cash rewards to participants using smart cards. RFL promotes the 4R (reduce, reuse, recycle & recover) programme while spearheading efforts to minimise the nation's reliance on landfills. The programme is also in line with Cenviro's objectives, which include encouraging public recycling practices and assisting the government with its separation-at-source initiatives.

#### 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 Sdn. Bhd. (SPSB)

SPSB is a provider of household e-waste recycling and chlorofluorocarbon (CFC) recovery, as well as planned waste (solid and liquid) solutions, non-scheduled waste recovery, refining, and asset management. SPSB also produces copper cathodes, high purity precious metal ingots, and secondary aluminium alloy ingots.

### 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.

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.

# Chairman's Message

Throughout 2021, Cenviro has steadfastly recuperated from the effects of the COVID-19 pandemic, showcasing our commitment and drive to revert our business and operations to pre-pandemic times.

At the same time, we remained cognisant of our stakeholders' needs and the major industry trends within the local and global landscape, leading us to develop actionable mitigating strategies based on the challenges of urbanisation, climate change, health and safety as well as digitalisation.

This year also provided us with the opportunity to truly reflect on our values and priorities as an organisation, in particular how Cenviro supports the nation's transition to a circular value chain, showcasing how sustainability is core to our business.

As a result of the reflection, we made a conscious effort to utilise this year to map and set our strategies in motion, planting and nurturing the seeds of progress before we accelerate further in the upcoming years. Cenviro is working towards advancing our sustainability agenda, by focusing on expanding our recycling and recovery capabilities, maintaining our workplace health and safety, and reducing the intensity of our GHG emissions.

### **Cenviro's Sustainability Focus Areas**

Cenviro aims to move beyond our services of waste treatment and disposal, and therefore we are committed towards building our niche in the field of resource recycling and recovery. By continuously repurposing waste into recycled materials and energy, we believe that we can progress further in our transition to a circular economy.

Workplace health and safety has consistently been a priority at Cenviro. By empowering our employees with the necessary skills and tools, we strive to deeply embed the safety-first culture within our organisation.

As a waste resource management company, we are also working to minimise the GHG emissions from our facilities. This strategy is cemented by the development of our 5-year GHG reduction roadmap in 2021, alongside specific targets and mitigation measures.

### The Enablers to our Sustainability Agenda

Our unwavering commitment to the sustainability agenda is evident in our endeavours. In the first quarter of 2022, we will issue our maiden Sustainability-Linked Sukuk, which will bridge our funding strategy with sustainability targets that are relevant and material to our business.

As part of our organisational transformation journey, we are continuing our efforts to embed the Continuous Improvement culture within our workforce, primarily by empowering our people to propose innovative solutions centred around improving operational and cost efficiency. In the long run, we hope that this Continuous Improvement culture will foster a productive and high-performance environment for the betterment of our people. Concurrently, we have progressed in our industry partnerships and collaborations within the waste management industry, predominantly in advancing our research and development capabilities. These strategic partnerships form part of our long-term goal to advance our recycling and recovery activities.

### **Moving Forward**

Undoubtedly, this is an exciting period for everyone at Cenviro. We believe that we hold the key to creating ripple effects that would translate into waves of transformation within Malaysia's waste management industry. Ultimately, we are looking forward to seeing our efforts come to fruition in the upcoming years, especially in our contributions to nation-building and our aspirations to create a more sustainable future for all.

Tan Sri Dr Azmil Khalili Dato' Khalid Chairman

Concurrently, we have progressed in our industry partnerships and collaborations within the waste management industry, predominantly in advancing our research and development capabilities 18

Managing Director's Message

GRI 2-22

2021 marked the year when Cenviro's operations began to steadily emerge from the shadows of the COVID-19 pandemic. Despite supply chain challenges and other uncertainties. Cenviro achieved our best financial year performance since the company was rebranded in 2014. We recorded a 7.6% yearon-year improvement, generating approximately RM273 million in revenue. This fantastic feat was only made possible by the people of Cenviro - for the drive, commitment and resilience that they have consistently demonstrated throughout the year.

( Mar)

Cenviro is currently on the cusp of our organisational and sustainable transformation journey. During the year, we initiated the exercise of embedding sustainability as a strategic priority within our business and operations. As a result, we are now focusing our efforts on developing innovative circularisation and reimagination of resources, whilst safeguarding our communities from the negative impacts of climate change. In tandem with this, we also nurture resourceful and productive employees via our continuous improvement culture, uphold our DNA of uncompromising safety mindset and behaviour, as well as maintain strict compliance in environmental, health, and safety matters.

Our proudest achievement in 2021 is the formation of our joint-venture company, Cenviro Aura Technologies Sdn. Bhd. (CENURA), which functions to develop and operate Malaysia's first food grade bottle-to-bottle RPET within Cenviro Eco-Park.

This joint-venture effort aims to facilitate the transition to a Polyethylene terephthalate (PET) plastic circular economy by closing the manufacturing loop of PET bottle-to-bottle by 59%. Henceforth, this investment is in line with Cenviro's aspiration of becoming the region's leading waste resource management company by 2025.

To demonstrate our sustainability commitment to our current and future potential capital providers, we are working towards the issuance of our inaugural Sustainability-Linked Sukuk in early 2022, with the first issuance to be valued at RM54.6 million. This green sukuk further solidifies our commitment to reducing the intensity of our greenhouse gas (GHG) emissions, with the capital raised to be channelled towards Cenviro's product development pipeline.

At the same time, EPIC has commenced several research projects with 3 universities and multiple international industry partners, with the aim of developing new and innovative solutions to address current and future waste management challenges. We are now focusing our efforts on developing innovative circularisation and reimagination of resources



Above all, Cenviro continues to cultivate strong relationships with stakeholders within the industry, whilst ensuring we maintain responsible and sustainable business operations.

### Embodying our SHIELD Core Values

In the pursuit of sustainability-driven growth, Cenviro strives to uphold our SHIELD (Safety, Holistic, Integrity, Environment, Lean, Diversity and Inclusiveness) core values in every facet of our business. The core values exemplify our commitment to the sustainability agenda and guide all our strategies, actions and practices moving forward.



### S - Prioritising our workplace health and Safety

In 2021, we successfully achieved 400 cumulative days without LTI and zero fatality rate. Henceforth, we are proud to announce that Cenviro's Health and Safety department was awarded the MSOSH Gold Class 2 during the 39<sup>th</sup> MSOSH Awards in 2021. This award showcases our high standards of workplace health and safety within the organisation.

Similar to previous years, we have strongly upheld the safety-first culture throughout our organisation, primarily via empowering and training employees. We continued our exercise of decentralising health and safety management, which ensures every department and employee takes ownership of HSSE. As part of the exercise, 8 committees with varying roles and responsibilities have been created. Concurrently, Cenviro's Quality, Health, Safety, Security and Environmental (QHSSE) policy was revised in January 2021 to incorporate additional measures. The rise in mental health issues during nationwide lockdowns have also prompted Cenviro to organise a webinar on "Mental Health During the COVID-19 Pandemic", the first of its kind by Cenviro. Other notable workplace health and safety highlights this year include:

- Registered 7,288 employee submissions for the Hazard Identification Programme, exceeding the 5,000 submission target.
- Set a new HSSE target of reducing fire and spillages by 50%.

# H – Advancing our Holistic and responsible waste resource management solutions

As part of our resource recycling and recovery agenda, Cenviro has commissioned 3 new recycling facilities within Cenviro EcoPark, focusing on recycling plastics, base oil and waste oil sludge (RPET, OPAL and MAVROS respectively). All these facilities are expected to be operational by 2024, which would result in increased repurposing of waste into recycled materials.

In 2021, Cenviro recycled 8,182 tonnes of waste via our CRR facility, which was a 6% improvement from pre-pandemic times (year 2019). Additionally, EISB's commercial and public recycling services recycled 763,804 tonnes of materials via the Material Recovery Facility. As for energy recovery, 3,742 MW of electricity was generated by our Scheduled-Waste-to-Energy (SWtE) facility within WMC, with the uptake in future energy demand being accommodated by the commissioning of another SWtE plant in Pengerang, Johor.

### I – Strengthening our Integrity and governance

Cenviro took key strides to strengthen our corporate governance in 2021. Following the launch of the Anti-Bribery and Corruption (ABC) Policy in 2020, Cenviro has subsequently prepared the Organisational Anti-Bribery and Corruption Plan (OACP), with 3 initiatives completed in 2021. As part of the OACP, the Employee Code of Conduct was revised to include minor and serious misconducts, including offences under the Malaysian Anti-Corruption Commission (MACC) Act 2009. On data security and privacy, Cenviro launched our inaugural Personal Data Protection policy this year. We also maintained zero incidents of substantiated complaints or issues regarding data privacy breaches or loss of customer data.

### E – Reducing our Environmental footprint and addressing climate change

This year, we officially launched our 5-year GHG reduction roadmap, with a target of 5% GHG emissions intensity reduction by 2025 from a 2020 baseline. The mitigation strategies developed to meet the target are focused on improving the usage efficiency of electricity, transportation and materials. As of 2021, we have reduced our GHG emissions intensity by 1.34%, signifying that we are on track to achieve our target.

This year, Cenviro generated 1,510,561 kWh of solar power and reduced water consumption by 4%. However, the amount of leachate generated increased considerably in 2021, leading to the commissioning of a new Leachate Treatment Plant within WMC to mitigate our environmental impact.

### L - Cultivating a Lean and agile culture of continuous improvement

Cenviro has progressed further in inculcating the Continuous Improvement culture within our workforce. Throughout 2021, we successfully implemented 14 Continuous Improvement Projects (CIPs) across our operations and processes, which translated to RM3.16 million in cost savings, exceeding our initial target of RM2.5 million. Our Continuous Improvement Framework consists of 6 strategies to drive customer and shareholder satisfaction, as well as employee engagement. Digitalisation projects also make up a huge part of our Continuous Improvement culture. In 2021, Cenviro's IT department initiated 3 projects, all of which are still ongoing. The projects include digitalising manual workflows and implementing the SAP Analytics Cloud system.

We are also pleased to announce that WMC office space is currently undergoing major renovations to foster a more comfortable working environment, in addition to upgrading the safety and environmental features of the building. Following from 2020, the High Potential (HiPo) Programme and Talent Mobilisation Programme were successfully completed by 79 and 12 employees respectively this year. Both programmes aim to nurture and support the professional development of our employees.

### D - Fostering a Diverse and inclusive environment

Cenviro believes a diverse and inclusive workforce translates into a more productive and innovative working environment. As of 2021, women make up 50% of the Board of Directors, and 20% of the senior management team. The percentage of women appointed to Cenviro's Board of Directors is significantly higher than the minimum quota advocated by Malaysian regulators (at least 1 woman director on the board), which is a testament to Cenviro's commitment to moving beyond compliance when it comes to diversity.

### **Looking Ahead**

This is an exciting transitional period for Cenviro, and hence would require commitment and collaboration from all our key stakeholders to achieve our sustainability agenda. It is hoped that our current and future endeavours will drive greater and more meaningful impact to our key stakeholders. Ultimately, we aim to realise our aspirations to transform the nation's waste management industry, by initiating a domino effect that would influence other companies to commit to and advance their sustainability agenda.

Dr Johari Jalil Managing Director Cognisant of the risks and opportunities within the waste resource management sector, Cenviro is working towards developing waste resource solutions that would deliver notable impact to our key stakeholders. In addition, we are also strategically focusing our efforts on driving several key enablers to our sustainability agenda...





# **Driving Impact**

Analysis of Risks & Opportunities	24
Our Sustainable Waste Resource Management Solutions	26
ESG Performance & Impact	28
Our Approach to Sustainability	30
The Enablers to Our Sustainability Agenda	34

# Analysis of Risks & Opportunities

### GRI 3-3

As we progress towards a more sustainable future built around a circular economy, analysing risks and opportunities is a necessity to ensure that we are constantly agile and responsive to change. To that end, Cenviro has in place an integrated risk and opportunity map, which details the four key drivers of the waste management industry, namely urbanisation, climate change, health and safety, as well as digitalisation.

### Urbanisation

Local Landscape	Risks	Opportunities	Our Strategy	Our Response
In 2020, the quantity of scheduled waste generated was 7,185,000 metric tonnes <sup>1</sup> , an increase of 79% compared to the volume reported in 2019. This was primarily contributed by power plant and water treatment plant industries. In terms of states, Selangor contributed the most scheduled waste at 28.5% followed by Johor (16.8%) and Negeri Sembilan (16.2%) <sup>1</sup>	Rapid increase in waste generation Insufficient recycling, treatment and disposal infrastructure Limited space of landfills	Meeting infrastructure and service needs by expanding our facilities Innovation in waste recycling and recovery solutions	Commissioning 3 new recycling facilities within Cenviro EcoPark, targeted to be operational by 2024 Commissioning 1 new SWtE plant within the CJSB Satellite Waste Management Facility, targeted to be operational by 2023	<ul> <li>Transforming Waste to Resource</li> <li>Recycling and Recovering our Resources, pg 49</li> </ul>

<sup>1</sup> Department of Statistics Malaysia (2021). Compendium Of Environment Statistics, Malaysia 2021.

### Health & Safety

Local Landscape	Risks	Opportunities	Our Strategy	Our Response
In 2020, the amount of clinical waste generated rose from 2019 by 18%, recording 40,000 metric tonnes <sup>1</sup> . This increase was mainly attributed to the use of personal protective equipment (PPE) and COVID-19 test equipment in health facilities and quarantine centres. Three states recorded the highest amount of clinical waste, namely Selangor (24.3%), Sarawak (10.3%) and W.P. Kuala Lumpur (10.3%) <sup>1</sup> .	Increased expenses for health and safety precautions for employees Disruption in supply chain due to lockdown measures	Industry leaders and experts in health and safety More meaningful employee engagement in ensuring workplace health and safety	Treated 16% out of the total clinical waste produced in Malaysia in 2020 <sup>1</sup> Procured 22,316 units of PPE for Cenviro employees in 2021, amounting to an investment of RM 636,418 Maintaining a robust "Safety First" culture throughout our workforce, governed by policies and procedures managed by the HSSE Department	<ul> <li>Driving Impact</li> <li>ESG Performance &amp; Impact, pg 28-29</li> <li>Empowering Our People</li> <li>Putting Safety First, pg 64</li> </ul>

<sup>1</sup> Department of Statistics Malaysia (2021). Compendium Of Environment Statistics, Malaysia 2021.

### Climate Change

Local Landscape	Risks	Opportunities	Our Strategy	Our Response
2021 saw one of the worst flash floods in Malaysia, resulting in an estimated RM6.1 billion in losses and causing the deaths of at least 54 people. <sup>2</sup> Scientists, climate activists, and the media have attributed the extreme weather to climate change. Within the private sector, regulators have implemented incentives (e.g., sustainable financing, tax relief, climate risk management and scenario analysis) to encourage decarbonisation efforts such as energy efficiency and renewable energy amongst public-listed companies in Malaysia. <sup>3</sup>	Increase in extreme climate- related natural disasters, leading to infrastructure damage and impacting employee health and safety Delay in companies achieving compliance with newly- established policies and regulations	Incentives for green energy and green technologies such as Waste-to-Energy facilities	Managing our environmental impact by minimising the GHG emissions from our operations, which would indirectly reduce the nation's susceptibility to extreme climate- related natural disasters Launched our 5-Year GHG Reduction Roadmap in 2021, which has a target of 5% GHG emissions intensity reduction by 2025 (baseline year 2020)	<ul> <li>Driving Impact</li> <li>Sustainability- Sukuk Issuance, pg 34-36</li> <li>Managing Our Environmental Footprint</li> <li>Towards Low- Carbon Operations pg 90-94</li> </ul>

<sup>2</sup> Department of Statistics (2021), Channel News Asia - Malaysia massive floods result in RM6.1 billion losses, Selangor worst hit.
<sup>3</sup> Bank Negara Malaysia (2021), BNM website - Preparing Our Financial Sector for Risks from Climate Change.

### Digitalisation

Local Landscape	Risks	Opportunities	Our Strategy	Our Response
The national 4 <sup>th</sup> Industrial Revolution policy launched in July 2021 identified 5 key growth areas, including Internet of Things as well as Cloud Computing and Big Data Analytics. <sup>4</sup> Some of the key initiatives in place for the utilities sector are to establish smart waste management centres of excellence and provide financial incentives for companies to upgrade to 4IR-enabled machines and equipment for resource efficiency. <sup>4</sup>	Business disruptions due to technologically- advanced competitors Job losses and demand for new skills Data security & privacy	Utilisation of automation to streamline operations Enhanced data analytics to improve process efficiency	Streamlining processes and increasing operational efficiency through our digitalisation efforts Digitalising manual workflows	<ul> <li>Driving Impact</li> <li>Continuous Improvement at Cenviro, pg 37-40</li> <li>Strengthening our Governance &amp; Integrity</li> <li>Good Business Conduct, pg 110-111</li> </ul>

<sup>4</sup> Economic Planning Unit, Prime Minister's Department (2021). National Fourth Industrial Revolution Policy, pg 16 & 57.

# Our Sustainable Waste Resource Management Solutions

GRI 2-6, 3-3



At Cenviro, our focus is always on providing responsible and sustainable waste resource management solutions to our customers, whilst also managing our environmental footprint, empowering our people and supporting the communities that we serve. We also strive to strengthen our industry partnerships and collaborations to further drive innovation in the waste management industry.

At our core, we support nation building as one of our strategies to enhance our recycling and energy recovery capabilities are aligned with Malaysia's target to increase the nationwide recycling rate of scheduled waste to 35% by the end of 2025.<sup>5</sup>

<sup>5</sup> Economic Planning Unit, Prime Minister's Department (2021). Twelfth Malaysia Plan 2021-2025 "A Prosperous, Inclusive, Sustainable Malaysia", pg 283.

Impacts	
	We foster industry partnerships and collaborations to ensure the advancement of innovative recycling and energy recovery solutions.
Our Industry	We established <b>Cenviro Aura Technologies Sdn. Bhd</b> ., a new joint venture which functions to develop and operate Malaysia's first food grade bottle-to-bottle RPET recycling facility at Cenviro EcoPark. The facility is targeted to be operational by 2024.
	In 2021, we established <b>joint research projects with 2 local universities</b> , focusing on the conversion of waste materials to a catalyst and construction materials. We also formed partnerships with <b>multiple international industry partners to drive 3 research projects</b> centred on the conversion and recycling of plastic waste and clinical waste, as well as developing policies in line with the Extended Producer Responsibility.
	We deliver high quality and responsible waste resource management solutions to our customers.
Our Customers	In 2021, we continued to build the momentum on our recycling capabilities via our CRR facility, resulting in <b>recycling</b> <b>92% more used oil, 18.7 times more plastic waste and 2.53 times more electronic waste</b> as compared to 2020.
	The customer satisfaction rate for scheduled waste management at WMC remained consistent at 80%.
Our	We embed a culture of continuous improvement in our organisation to ensure enhanced operational efficiency and sustainable business growth.
Business	In 2021, we achieved <b>RM3.16 million in cost savings</b> through multiple Continuous Improvement Projects (CIPs), exceeding our 2020 performance by 13%.
Our	We focus on workforce health and safety while also providing meaningful and engaging work, as well as learning and development opportunities to employees.
Employees	In 2021, we achieved <b>400 cumulative days without LTI</b> , which was 174 days more than last year.
Our	We contribute to our communities' health and wellbeing by creating awareness about the importance of recycling, while also maintaining responsible business operations.
Commonity	In 2021, we continued the Recycle For Life programme and invested <b>RM36,410 in community programmes</b> .
Our Environment	We continuously improve the implementation of our environmental practices to actively monitor, manage and minimise air pollution and greenhouse gas emissions across our operations.
Environment	In 2021, we generated <b>1,510,561 kwh solar energy</b> and <b>reduced GHG emissions intensity by 1.34%</b> . We target to reduce our GHG emissions intensity by 5% by 2025.

# **ESG Performance & Impact**

GRI 2-6, 3-3

	FY2020 Performance	FY2021 Performance	SDG	Impact Created
الله المعامة الم				
Revenue (RM, 000s)	253,498	272,800		
Return on Equity	7.37%	11.36%	8 DECENT WORK AND ECONOMIC GROWTH	In 2021, Cenviro and EISB achieved 1.6 times more
Profitability	34,827	57,268		profitability than in 2020.
Net Profit Attributable to a Shareholder (RM, 000s)				
Operational				
Waste Recycled (tonnes)	11 110	0 10 2	11 SUSTAINABLE CITIES AND COMMUNITIES	Cenviro is commissioning
Recycling and Recovery Facilities	11,110	8,182		3 new recycling facilities
Waste Recovered to Energy (tonnes)	25,217	25,509	<b>AUUU</b>	the facilities expected to be
Scheduled-Waste-to-Energy Plant				operational by 2024.
Waste Treated (tonnes)				In 2021 Cenviro recycled a total
Incineration Plant	18,272	22,818	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	of 10 031 tonnes of scheduled
Physical and Chemical Treatment Plant	2,809	4,672	CO	waste and e-waste via CRR and
Solidification Treatment Plant	10,753	12,685		SPSB. Additionally, 763,804
Clinical Waste Treatment Centre	6,407	5,234		tonnes of materials were recycled via EISB's commercial
Waste Disposed (tonnes)				and public recycling services.
Vertical Secured Landfill	138,262	132,872		
Environmental				
Total absolute GHG emissions (tCO,e)	95,925	90,805		Convine generated 1 510 551 kW/b
· L ·			13 CLIMATE	of color operated 1,510,501 KWN
Carbon Footprint				almost 90% of it being reused
(ton CO <sub>2</sub> e/ ton waste)				internally by Cenviro operations.
WMC total treated waste	0.448	0.442		
All CRR output	0.095	0.082		Cenviro reduced GHG emissions
Inermal treatment of incinerable waste	1.459	1.253		intensity in 2021 by 1.34%,
Physical chemical treatment of liquid wastes	0.223	0.218		mostly as a result of scheduled
Solidification of inorganic wastes	0.278	0.3/0		maintenance of SWtE.
Secured landfill of inert wastes	0.081	0.007		
Renewable Energy Generation (kWh)	1,537,509	1,510,561		

Indicator	FY2020 Performance	FY2021 Performance	SDG	Impact Created
Environmental (cont.)				
<b>Total Energy Consumption (GJ)</b> Total fuel consumption from non-renewable sources and electricity consumption	90,836	75,750		
Water Consumption (m <sup>3</sup> )	203,426	194,442		
Waste Management (kg) Internal waste recycled Total internal scheduled waste treated internally and landfilled Total internal general waste collected by appointed domestic contractors and sent to approved facilities	22 505 22,620	313 479 54,867	12 RESPONSELE CONSIMPTION AND PRODUCTION	We reduced our water consumption by 4% in 2021.
Human Capital				
Health & Safety Number of consecutive days without LTI Number of LTI incidents involving employees Number of LTI incidents involving contractors Fatality Rate	226 2 1 0	400 2 0 0		Cenviro recorded 400 consecutive days without LTI and zero fatality rate in 2021.
<b>Employee Training (average training hours per employee)</b> Cenviro EISB	18 16	25 16	4 CMALITY EDUCATION	Cenviro provided a total of 25 average training hours per employee.
AAA Governance				
<b>Diversity</b> Board of Directors Senior Management	60% 20%	50% 20%		50% of the Board of Directors consisted of women as of 31 December 2021.
Community Engagement				
Community Investment	> RM66,300*	RM36,410	-	
* FY2020 and first quarter of FY2021 included				

# Our Approach to Sustainability

### Stakeholder Engagement

GRI 2-29, 3-3

To ensure that our business operations are in line with stakeholders' interests and expectations, we focus on understanding stakeholder needs and building their trust. We strive to proactively communicate with our 8 key stakeholders via multiple channels to identify and understand their priorities.

### Our Stakeholder Engagement Approach



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



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



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

### Shareholders

Engagement Method	Engagement Frequency	
Board Meetings, Town Hall Sessions	Annually, Quarterly, Regularly, Ad hoc	
Key Issues Raised	Our Response	
<ul> <li>Cenviro's business plans and strategies</li> </ul>	<ul> <li>Managing Director's Message, pg 18-21</li> </ul>	
Financial performance	Financial Performance, pg 122	
Project updates	<ul> <li>Recycling and Recovering our Resources, pg 49-57</li> </ul>	
Business operations	<ul> <li>Corporate Governance and Oversight, pg 104-106</li> </ul>	

### Government, local authorities and regulators

<b>Engagement Method</b> Regular Meetings, Progress Updates, Compliance Reports, Seminars and Forums, Collaboration Programmes, Visits and Inspections, Networking sessions	<b>Engagement Frequency</b> Annually, Bi-quarterly, Monthly, Regularly, Ad hoc	
Key Issues Raised	Our Response	
<ul> <li>Compliance with rules and regulations</li> <li>Assistance in managing and resolving waste and environmental issues</li> <li>Supporting the Government's efforts to appreciate, conserve and protect the environment</li> <li>Leadership in environmental strategies</li> </ul>	<ul> <li>Transforming Waste to Resource, pg 43-61</li> <li>Putting Safety First, pg 64-67</li> <li>Environmental Management at Cenviro, pg 88</li> <li>Good Business Conduct, pg 110-111</li> </ul>	

### Customers

### **Engagement Method**

Customer Satisfaction Survey, Customer Hotline, Website

### Key Issues Raised

- Pricing
- Quality of service
- Credibility and trust of the Cenviro brand
- Awareness on waste management best practices

### Media

Engagement Method	Engagement Frequency	
Press Releases, Social Media Platforms	Ad hoc	
Key Issues Raised	Our Response	
Cenviro's business direction	<ul> <li>Managing Director's Message, pg 18-21</li> </ul>	
Project development	Cenviro website	
	Social Media	

### Local communities and the public

<b>Engagement Method</b> Community Programmes		<b>Engagement Frequency</b> Annually, Quarterly, Monthly, Regularly, Ad hoc	
Key Issues Raised		Our Response	
	Environmental hazards Project updates and expansion plans Health and safety issues Complaints and feedback		Recycling and Recovering our Resources, pg 49-57 Putting Safety First, pg 64-67 Environmental Management at Cenviro, pg 89 Supporting our Communities, pg 115-119
	Recycling programme and MSW collection		

### Suppliers and contractors

Engagement Method	Engagement Frequency	
Meetings with Health, Safety, Security and Environment, Procurement Departments, Training programmes, Vendor rating systems	Annually, Quarterly, Ad hoc	
Key Issues Raised	Our Response	
Fair procurement practices	Sustainable Procurement, pg 112-113	

• Facilitating Health & Safety Training, pg 72-76

On-site safety and health practicesVehicle training for logistics contractors

Informative tendering process

Updates on Cenviro's business standing

### **Engagement Frequency**

Annually, Clinical Waste Service Hotline, Clinical Waste Customer Registration, EISB's Active Hotline (available 7 days a week from 8am - 8pm)

### Our Response

- Driving Impact, pg 23-41
- Transforming Waste to Resource, pg 43-61

### Employees

Engagement Method	Engagement Frequency	
Surveys, Safety Briefings, Training, Town Hall Sessions (virtual)	Annually, Quarterly, Regularly, New Recruitment, Ad hoc	
Key Issues Raised	Our Response	
<ul> <li>Employee benefits and rights</li> <li>Workplace safety</li> <li>Construct apport opportunities</li> </ul>	<ul><li>Empowering Our People, pg 63-85</li><li>Good Business Conduct, pg 110-111</li></ul>	
Vork-life balance     Foual workplace opport unities		
Company direction and performance		
Industry and business partners		

<b>Engagement Method</b>	<b>Engagement Frequency</b>	
Committee and Member Meetings, Collaboration Programmes	Annually, Regularly, Ad hoc	
<ul> <li>Key Issues Raised</li> <li>Conduct operations and services in a responsible manner</li> <li>Commitment to integrity and accountability</li> </ul>	<ul> <li>Our Response</li> <li>Research, Development &amp; Innovation at Cenviro, pg 41</li> <li>Facilitating Health &amp; Safety Training, pg 72-76</li> <li>Training and Developing our People, pg 77-81</li> <li>Sustainable Procurement, pg 112-113</li> </ul>	

### **Materiality Assessment**

#### GRI 3-1, 3-2, 3-3

In 2020, we carried out a materiality assessment to identify the sustainability issues that matters the most to our stakeholders. Through this assessment, we identified 24 material topics that are most critical to our business. Additionally, we also strive to manage our stakeholders' expectations and align their long-term objectives with our vision.

In 2021, we conducted a review of those key material topics to ensure that the issues remained relevant to our business, reflected the impact of our operations, and are aligned with stakeholders' interests and concerns. Our analysis shows that our materiality matrix adequately reflects stakeholder interests based on industry benchmarking and best practices in 2021.

The material topic descriptors can be referred to in Cenviro's Sustainability Report 2020, page 47.



### List of Cenviro's Material Topics

Note: The colours indicate the specific chapters where the material topics are referred to:

Transforming Waste to Resource
 Managing Our Environmental Footprint
 Strengthening Our Governance & Integrity

### The Enablers to Our Sustainability Agenda GRI 203-2

Our commitment to the sustainability agenda is showcased by the endeavours that we partake in to further drive and enable our aspirations. Our strategies are two-pronged, focusing on enabling sustainability for both our business and our industry. With these strategies in place, we believe that we can continuously improve our ESG performance in the vears to come.

### **Enabling Sustainability for our Business**

### Sustainability-Linked Sukuk Issuance

On 29 December 2021, Cenviro officially lodged an unrated Islamic medium-term notes programme (Sukuk Wakalah) of up to RM500 million in nominal value, under the Syariah principle of Wakalah Bi Al-Istithmar (Sukuk Wakalah Programme). Henceforth, we expect to issue our maiden Sustainability-Linked Sukuk (SLS) in two tranches, with the first issuance, expected March 2022 to be valued at RM54.6 million.

The Sustainability-Linked Sukuk framework (SLS Framework), of which the SLS issuance is based on, is aligned with the principles prescribed by the International Capital Market Association (ICMA) and Cenviro's commitment towards a sustainability agenda, especially in the reduction of greenhouse gas emissions intensity. The SLS framework would be independently reviewed by a second party opinion provider, RAM Sustainability Sdn. Bhd. prior to the SLS issuance.

Cenviro believes sustainable financing plays a crucial role in demonstrating our commitment towards the sustainability agenda, particularly to our current and future potential capital providers. Via the SLS issuance, Cenviro would be able to bridge our external funding strategy with sustainability targets that are relevant and material to the business.

### Other objectives include:

- Raising funds for expenditure on the existing Waste Management Centre in Negeri Sembilan, the CJSB Satellite Waste Management Centre in Pengerang Johor and the RPET facility within Cenviro EcoPark respectively via Tranche 1, 2 & 3.
- Solidifying Cenviro's commitment in reducing greenhouse gas (GHG) unitised emissions by 5% by 2025 from its 2020 baseline year.
- Strengthening Cenviro's market presence and positioning in the industry.

The SLS issuance would also be aligned with Malaysia's target of reducing GHG emissions intensity by 45% by 2030 from the baseline year of 2005, hence reflecting Cenviro's contribution towards nation-building. Additionally, this SLS issuance is also hoped to encourage other companies within the industry to further advance their sustainability agenda.

### Selection of Key Performance Indicator

# Key Performance<br/>Indicator (KPI)Reduction of GHG emissions intensity (i.e. tCO2e/mt) by FY2025, from the baseline year of FY2020 and<br/>its GHG inventories ("2020 Base Year Inventory").<br/>GHG Intensity shall be computed as follows: Tons of Co2 Emissions Equivalent / Tonnage of Waste<br/>Volume treated.

When selecting our Key Performance Indicators for the SLS, Cenviro takes into account that our waste treatment process contributes to both direct and indirect GHG emissions. For treatment of hazardous waste specifically, direct GHGs are emitted primarily from thermal processes such as waste incineration. In 2020, 23% of scheduled waste was treated via incineration within Cenviro's WMC plant, making the process the main contributor of Cenviro's Category 1 emissions\*. Hence, there is a pressing need for Cenviro to actively manage and monitor the GHG emissions from our operational facilities.

\*Note: The description of each emissions category based on the ISO 14064-1 Standards are explained in Chapter 5: Reducing our Environmental Footprint, pg 90-94.

### Strategy to Achieve our Sustainability Performance Target



Cenviro has selected as its Sustainability Performance Target (SPT) for the SLS - a 5% reduction of GHG emissions intensity (tCO<sub>2</sub>e/mt) by 2025, with 2020 as the baseline year.

This target was calibrated based on Cenviro's potential to mitigate risks and improve operational conditions, especially in light of increased urbanisation and the projected increase in volume of waste treated by Cenviro in the next five years.

Cenviro's strategy to achieve the SPT consists of 3 major pillars, which are reducing GHG emissions through electricity efficiency, transportation optimisation, and material efficiency initiatives. Achieving the SPT will contribute to the United Nations' Sustainable Development Goals (SDGs) 9, 12 and 13.



Strategy Pillars	Target by 2025	Contribution Towards SPT
Electricity Efficiency Projects	25% reduction in emissions from the use of electricity	55% of SPT
Transport Efficiency Actions	10% reduction in emissions from fossil fuel used in waste transport	42% of SPT
Material Efficiency Actions	10% reduction in emissions from chemical use	3% of SPT

### Performance of GHG emissions intensity as of FY2021

We achieved a 1.34%\* reduction in our GHG emissions intensity in 2021, as compared to the baseline year 2020. Hence, we are on the right track to achieving our target of 5% reduction by the year 2025.

\*Note: The breakdown of GHG emissions intensity performance based on the ISO 14064-1 Standards are explained in Chapter 5: Reducing our Environmental Footprint, pg 90-94.


# **Continuous Improvement at Cenviro**

Continuous improvement (CI) is one of the 4 key pillars supporting Cenviro's organisational transformation journey, which functions to generate a pipeline of cost efficiency initiatives based on elimination, simplification, standardisation and automation (E.S.S.A) processes.



### **Continuous Improvement Culture at Cenviro**

Cenviro aims to fully embed the Continuous Improvement mindset and culture within our business operations and workforce, which would further drive the initiatives that we have in place to achieve our 5-year business strategy.

We strongly believe that the adoption of the CI culture will lead to a positive mindset shift among the senior management team, which will cascade to all employees within the organisation.

Therefore, we have continued our efforts towards inculcating a CI culture in our DNA, primarily by empowering our people to propose innovative solutions aligned with the organisation's vision of becoming a better resource recovery and recycling company, while also improving operational and cost efficiency.

In the long run, it is hoped that this CI culture would transcend cost-saving projects, ultimately cultivating an innovative, productive and high-performance workforce.

#### **Continuous Improvement Framework of Cenviro**

Cenviro's CI framework consists of 6 strategies that drive customer and shareholder satisfaction, as well as employee engagement. The strategies and subsequent implementation methods fulfil Cenviro's objective of embedding the CI culture within the organisation.

#### **Employee Engagement**

.

.

### People Development

Develops future leaders within the organisation by empowering them through Cl initiatives.

- Certified Lean Practitioner:
   Develops change agents to drive CI
   initiatives within the organisation.
- Cl Survey and Newsletter: The survey identifies key areas of improvement, while the newsletter is the Cl knowledge sharing platform for employees.
- CI 101 and Bite Size Training: CI 101 provides basic training for Cenviro new joiners, while bite size training are easily digestible CI learning materials to ease understanding and implementation.
- Kaizen: Empowers employees to track and document their progress and improvements, focusing on small, actionable changes.

#### **Business Profitability**

Improves business profitability by increasing sales revenue and reducing business cost.

- Cost-Saving Projects: Promote cross-functional cost-saving projects and recognises successful effort through the Special Recognition Award (SRA).
- Cost to Serve Reduction: Reduces budget overruns and lowers cost variability via optimisation of people and processes.

#### **Corporate Objectives**

Supports Cenviro's strategic growth agenda alongside Sales Transformation, Operations Integrity and Corporate Governance & Assurance.

- Sales Enhancement: Develop additional sales streams through CI projects or CI Idea Bank submissions.
- Compliance in Business: Demonstrates commitment and leadership in managing ethics, governance, health and safety, as well as environmental compliance.
- Operational Integrity and Discipline: Implements Kaizen approach to ensure uninterrupted operations via strict asset procurement, inventory management and life-cycle maintenance. Includes process simplification and standardisation to improve work effectiveness.
- Creating an Inspiring Culture: Create a culture that underpins safety and productivity, whilst encouraging continuous learning amongst all employees.

Respect

**Openness** 

**Organisation Culture - LEAN** 

Safety

#### **Customer Satisfaction**

#### **Shareholder Satisfaction**

#### **Business Unit Objectives**

Builds and operationalises our centre of excellence.

- Simplification of Business: Utilises a lean approach to eliminate any non-valueadding components within the organisation in order to maximise value delivered to customers.
- High Performance
   Organisation and Cl culture:
   Develops a proactive learning culture by challenging managers and employees to learn new skills and competencies, on par with current industry practices.
- Visual Management: Incorporates 5S to create a visual work environment that is self-explaining, self-ordering and self-improving.

#### **Operational Excellence**

Executes consistent and reliable business strategies in relation to competitors in the market, by lowering operational risks and costs as well as increasing revenue.

- Idea Bank : The platform for all employees to share their innovative ideas, with feasible ones to be translated into projects for implementation.
- **5S:** Developed a system that organises space to promote an effective, efficient and safe workplace.
- Value Stream Mapping: Used extensively to identify wastes (TIMWOODI) in our work processes and subsequently develop mitigation measures.
- Automation: Improves operational scalability and sustainability by enabling automation to handle repetitive and routine tasks. In 2021, Cenviro

implemented the following digitalisation and automation initiatives:

- Developed a mobile app-based waste registration feature, which reduces customers' waiting time significantly from an average of 10 minutes to approximately 2 to 3 minutes.
- Digitalised the Hazard Identification reporting process using a mobile app, which functions to encourage Cenviro employees to boost their participation in this programme.
- Launched a new electronic billing system for Clinical Waste ("CW") customers, which aims to improve customer experience.

#### **GHG Reduction**

Enhances Cenviro's sustainability practices through initiatives that reduce the intensity of our operational GHG emissions.

- Bottom-Up Projects: Achieves smallscale GHG emissions reduction through CI initiatives. Upon completion of initiatives, green carbon credit savings can be implemented.
- Electricity Efficiency Actions (EEAs): Implements energy walkthrough audit to identify potential areas of energy saving opportunities, such as replacing fluorescent lights with LED lights, and installing high efficiency motors.
- Transport Efficiency Actions (TEAs):
   Optimises transportation routes, loads
   and schedules, as well as switching 100%
   to biodiesel as the fuel source for logistics
   trucks.
- Materials Efficiency Actions (MEAs): Eliminates use of chemicals such as lime and cement that causes high CO<sub>2</sub> emissions, as well as controlling leakage of refrigerants within the plants.

Delivery

Teamwork

#### **Commit & Deliver**

#### **Continuous Improvement Projects**

Continuous Improvement Projects (CIPs) in Cenviro began in 2019 with the aim to embed continuous improvement in the DNA of the organisation. To ensure we achieve our strategic aspirations, we have successfully implemented 14 CIPs across our operations and processes throughout 2021. CI initiatives have directly translated to improvements in financial performance and indirectly enhanced certain areas, resulting in increased cost-savings, more efficient processes, optimised output and improved service quality.

The CI initiatives also resulted in non-financial impacts, including improved collaboration and teamwork between multiple departments, as well as internal waste reduction via digitalisation and automation initiatives.

The **CIPs implemented** this year contributed savings amounting to **RM3.16 million**, exceeding our target of achieving **RM2.5 million** in savings by December 2021.

#### The Top 5 Cips With The Largest Savings In 2021 Are Listed Below.

CIP	Projects Undertaken
٦	Process capacity and throughput improvement by introducing ice as a catalyst
2	Optimisation of electricity usage
3	Fleet planning to utilise Cenviro trucks for short-distance logistics, instead of outsourcing to third-party companies
4	Multiple cost saving initiatives by the EMS department
5	Process optimisation of employee overtime procedures



# **Enabling Sustainability for the Industry**

At Cenviro, we are committed to developing more innovative and impactful sustainable waste resource solutions in Malaysia and ASEAN. To achieve this aspiration, we continue to support technological developments and invest in infrastructure while fostering close-knit industry partnerships and collaborations, primarily through EPIC.

#### **Research, Development and Innovation in Cenviro**

EPIC is at the heart of R&D efforts for the organisation. We believe that R&D at EPIC will play a role in innovating waste solutions that are aligned with our aspiration of becoming a better resource recovery and recycling company. 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 access to the R&D capabilities of universities, whilst universities test and commercialise their ideas via industry partners. Besides being an enabler of partnerships, EPIC also assists Cenviro with research related to waste management issues and provides consultancy services to external parties.

What We Do	How We Create Impact
As an R&D platform, we provide innovative and impactful solutions for the complete spectrum of waste resource management and renewable energy value chain via strategic industry and academic partnerships/collaborations	By driving collaborative research projects with notable universities and industry partners for the advancement of resource recycling technologies and the reduction of GHG emissions intensity in Malaysia
Act as the centre of industry excellence and growth by promoting access to information and learning opportunities	By offering modules designed and conducted by in-house experts that include real-life scenarios and hands-on learning

In 2021, we successfully formed formal collaborations with 3 research universities, namely Universiti Putra Malaysia (UPM), Universiti Malaysia Pahang (UMP) and University of Warwick. We have established a good research network and shared technical and analytical expertise with the aforementioned universities. We are also proud to launch several research projects this year, which include:

Research Project Type	Research Project Name	Partner	
Rah	Conversion of waste to alumina catalyst	Universiti Malaysia Pahang	
Local	Conversion of waste to construction materials	Universiti Putra Malaysia	
International	Conversion of marine litter plastic waste	United Nations Environment Programme (UNEP) Note: This was an International grant that was channelled through the Ministry of Environment & Water (KASA) and Malaysian Green Technology And Climate Change Corporation (MGTC)	
	Extended Producer Responsibility (EPR) project on plastics recycling	University of Warwick	
	Reduction of PVC clinical waste	<ul> <li>BCSD Malaysia</li> <li>Ministry of Health (MOH)</li> <li>Zuellig Pharma</li> </ul>	

By expanding our resource recycling and recovery capabilities, Cenviro is showcasing our strong commitment in ensuring that our customers continuously 'move up the waste hierarchy'. We endeavour to provide holistic and impactful waste resource management solutions to our customers, whilst maintaining strict regulatory compliance for all our facilities...

# Transforming Waste to Resource

Cenviro's Progress in Transforming Waste to Resource	44
Recycling and Recovering our Resources	49
Treating & Disposing Residual Waste	58
Collecting, Transporting and Storing Waste	60

# Progress in Transforming Waste to Resource

GRI 2-6

Today's world conventionally operates in a linear economic model (take-make-dispose approach), whereby raw materials are extracted, then transformed into products that are used by consumers, until the materials are finally discarded as waste. In contrast, the circular economy model follows the reduce, reuse and recycle (3R) approach, whereby usage of resources is minimised, reuse of products is maximised and materials are recycled back into the manufacturing loop.

At Cenviro, we perceive waste as a valuable resource and commodity that can be transformed into useful materials in our customers' daily lives. This year, we continued to expand our capabilities in resource recycling and recovery by upgrading and expanding our facilities, as well as digitalising our internal processes to improve operational efficiency and safety.

Cenviro aims to move beyond our services of waste treatment and disposal, and therefore we are fully committed towards carving our niche in the resource recycling and recovery field. Via our holistic suite of services, we aim to facilitate our customers' journeys in sustainable waste resource management, which would further advance our transition towards a circular economy.



At Cenviro, we perceive waste as a valuable resource and commodity that can be transformed into useful materials in our customers' daily lives

# Moving up the Waste Hierarchy

To boost our resource recycling and recovery capabilities, Cenviro has looked towards the "waste hierarchy" concept to guide us towards more sustainable waste resource management solutions. Based on this concept, the first step is reducing resource consumption, followed by reusing existing materials, then recycling, and subsequently energy recovery, before diverting the residual waste to landfills.

Our efforts to develop and enhance our resource recycling and recovery solutions underscores our commitment to ensure that our customers continuously "move up the waste hierarchy" and minimise their reliance on landfills. Our unique position within the industry bestows upon us the pathfinder responsibility, as we foster collaborations with multiple industry partners to develop innovative and sustainable waste resource solutions.



### **Cenviro's Waste Hierarchy Performance**

Since Cenviro's inception, we have progressively enhanced our recycling and recovery capabilities to drive the management of waste further up the "waste hierarchy". The percentage of scheduled waste diverted to our landfill out of the total scheduled waste sent to the WMC complex has reduced from 79%\* to 71%\* within the past 6 years, primarily due to the commissioning of the Scheduled-Waste-to-Energy plant in 2018.

\*The percentage shown refers to the total waste sent to the Vertical Secured Landfill, including residual waste generated from the 4 treatment facilities.



#### Waste Input





#### Treated

35% 20.5% 2019 2020 2021

#### Disposed\*\*



Note: Percentages in the table above may not add up to 100% due to rounding up.

\*\*The percentage shown refers to waste directly sent to the Vertical Secured Landfill, excluding residual waste generated waste from the 4 treatment facilities.



# Cenviro's recycling and recovery performance would be further enhanced once the 3 new recycling facilities (RPET, OPAL and MAVROS) within Cenviro EcoPark become operational over the next few years. Moving forward, Cenviro aims to continuously convert waste to resources through innovative recycling and energy recovery solutions.

# Waste Analysis

In line with our strategy to "move up the waste hierarchy", Cenviro has consistently tested and evaluated the scheduled waste brought to WMC via our on-site laboratory. This ensures that we classify waste accordingly based on their characteristics so that they can either be recycled, recovered to energy, treated, or, sent to the landfills. As an additional revenue stream, we have also extended our waste analysis services to external clients.

The number of tests run in 2021 was impacted by the COVID-19 pandemic, resulting in a 27% decline from 2020. However, the number of samples tested increased marginally this year.



#### Waste Analysis Highlights



### Number of samples tested 19,483 18,595 18,614 2019 2020 2021

What We Do	Regulatory Compliance
Provide general waste evaluation and specialist waste testing services (e.g., Waste Acceptance Criteria (WAC) analysis, effluent analysis, analysis for external	<ul> <li>ISO/IEC 17025:2017 accreditation for Waste Analysis Laboratory</li> </ul>
laboratories)	<ul> <li>International Laboratory Accreditation Cooperation (ILAC) recognition for Waste Analysis Laboratory</li> </ul>

#### Number of samples tested

# Recycling and Recovering our Resources

GRI 3-3, 203-1, 203-2

In order to facilitate the transition towards a circular value chain, we have continued to build our momentum in prioritising recycling and energy recovery activities. Since the commencement of the SWtE plant in 2018, Cenviro has increased the percentage of scheduled waste diverted to resource recycling and recovery from 15% to 19%.

To fortify our commitment towards advancing our recycling and energy recovery capabilities, Cenviro has commissioned 3 additional recycling facilities within Cenviro EcoPark, as well as an additional SWtE facility in Pengerang, Johor.

Facility name	RPET	OPAL	MAVROS	CJSB
Objective	To produce food- grade recycled Polyethylene Terephthalate (RPET) resins, which is then converted into bottles.	To recycle waste lubricants into regenerated base oil	To recycle waste oil sludges from refineries and marine sources into light fuel oil	To cater to Scheduled Waste generated in Johor and reduce dependency on WMC. This site would have one SWtE facility for energy recovery purposes.
Expected capacity	33 tonnes/day	20 tonnes/day	20 tonnes/day	50 tonnes/day
Planned operation date	2024	2024	2024	2023



# **Cenviro Recycling & Recovery**

### **CRR Highlights**



 $^{\ast}$  Total external revenue generated by CRR, inclusive of recycling and recovery services, transport and packaging



Compared to 2020, we recycled 92% more used oil, 18.7 times more plastic waste and 2.53 times more e-waste

Wł	nat We Do	How We Create Impact	Regulatory Compliance
Offe and ind	er trusted and reliable end-to-end scheduled waste recycling I recovery services through our CRR facility for commercial and ustrial partners, which include:	Contribute valuable resources back into the manufacturing loop, hence	<ul> <li>Licensed to recover</li> <li>14 Scheduled Waste</li> <li>Codes</li> </ul>
•	Recycling used oil into reconstituted oil, which can be used as a diesel substitute or a raw material for grease manufacturing Recycling of plastic containers	accelerating our transition to a circular economy.	<ul> <li>Certified with ISO 9001, ISO 14001 and</li> </ul>
	Dismantling and resale of scrap metal Partial recovery of e-waste for shipment to Shan Poornam facility for full recovery		ISO 45001
	Recycling used solvent into industrial-grade solvents		

In 2021, we saw a definite improvement in the recycling of oil, plastic and e-waste. Compared to 2020, we recycled 92% more used oil, 18.7 times more plastic waste and 2.53 times more e-waste. This is mainly attributed to capacity build-up in preparation for the commencement of the RPET and OPAL plants in 2024, as well as improved collaboration with Shan Poornam Sdn. Bhd. in relation to e-waste recycling.

We also refurbished and revived our Solvent Recovery Plant to enhance the recycling and recovery of waste solvents within the Cenviro Recycling and Recovery (CRR) facility. However, the refurbishment process and reduced market demand resulted in a 27% decline in the volume of solvents recycled at CRR in 2021.

Despite this decline, CRR improved their revenue performance in 2021, as compared to the year 2019 (when business was operating normally), signifying that the market trends are resuming to pre-pandemic times. In terms of continuous improvement, CRR is currently enhancing the logistics efficiency within Cenviro EcoPark by integrating the pipelines between the oil and solvent facilities.



# Scheduled Waste-To-Energy plant

#### SWtE Highlights



#### What We Do

- Incinerate scheduled waste via a combustion chamber. 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 then exported to the national energy grid

#### How We Create Impact

As the first of its kind in Malaysia, the SWtE plant diverts our energy source away from fossil fuel-based electricity, thus reducing GHG emissions

Emissions from the SWtE process comply with Malaysia's Environmental Quality (Clean Air) Regulations 2014

**Regulatory Compliance** 

Our SWtE plant meets both Malaysian and EU regulatory standards

Our SWtE plant within WMC began operations in 2018. This year, the SWtE plant generated 17.6% more revenue as compared to in 2020. At the same time, 3,742 MW of electricity was generated and transported to the national grid, despite incinerating 292 tonnes more waste compared to the previous year.

The drop in electricity generation for the year 2021 is predominantly due to the downtime of equipment and machineries, as well as major equipment upgrade during the annual shutdown period.

The uptake in energy demand would be accommodated by 2023 via the operation of another SWtE plant in CJSB Satellite Waste Management Facility, which is designed to have the capacity to treat 50 tonnes/day of scheduled waste.



# Recycle For Life Sdn. Bhd.

#### **Recycle for Life Highlights**



\*Total external revenue generated by RFL

The RFL smart card programme is open to the public as well as Cenviro and EISB employees



#### What We Do

- Reward our recycling programme participants with cash value through the RFL smart card, which can be used at selected partner outlets
- The RFL smart card programme is open to the public as well as Cenviro and EISB employees
- Waste collected from EISB participants under the RFL smart card programme is sent to the Materials Recovery Facility (MRF) for processing
- RFL is licensed to operate in the northern and central Peninsular Malaysia states and is also licensed to collect waste in Klang Valley and Negeri Sembilan

#### How We Create Impact

- Engage with communities such as schools through
   educational campaigns on recycling
- Build partnerships with participating corporations
- Provide good user experience as the RFL mobile app allows participants to track the cash value balance on their smart cards. This consequently encourages communities to recycle more
- Donate 3% of the cash value generated by the RFL programme to the MyKasih Foundation to provide low-income families with food aid and education

Cenviro believes that community engagement is crucial in supporting our progress towards a circular economy. Educating the community-at-large on the importance of recycling would indirectly drive customer demand for more sustainable and recyclable products at the point-ofpurchase, hence incentivising manufacturers to increase the production of environmentally-friendly products.

In 2021, we restarted the recyclable waste collections from the community post-pandemic, primarily focusing on schools. We expanded the RFL programme into the state of Negeri Sembilan, where we collaborated with Negeri Sembilan's Department of Environment (DOE) to organise an e-waste collection drive from schools and government agencies in the state. The programme coincided with Negeri Sembilan's Hari Alam Sekitar (HASN) 2021 celebration and DOE's national level e-waste campaign. The 8-month long programme that started in March 2021 was participated by 34 schools, resulting in the collection of 24,935 kg of e-waste.



	EISB		Cenviro	
	Volume (KG)	Reward Value (RM)	Volume (KG)	Reward Value (RM)
Paper	374,781	68,700	37,270	3,699
Plastic	157,542	46,983	3,263	617
Steel	20,410	10,591	1,751	525
Aluminium	33,575	16,737	984	566
Used Cooking Oil	18,769	24,274	-	-
E-Waste	-	-	26,409	6,174
Fabric	22,446	1,560	-	-
Glass	67	-	-	-
TOTAL	627,591	168,845	69,678	11,581

#### 2021 Waste Recycled via the RFL Programme

Note: "-" denotes not applicable.

# Shan Poornam Sdn. Bhd. (e-Waste recycling)

### SPSB Highlights





Through Shan Poornam Sdn. Bhd., Cenviro strives to fully recover the e-waste recycled by the CRR facility. The residual waste is then diverted to the Vertical Secured Landfill.



What We Do	How We Create Impact	Regulatory Compliance	
<ul> <li>Recycle a range of household and industrial e-waste as well as scheduled waste through green technologies</li> <li>Recover precious metals to serve as raw material for other industries</li> <li>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</li> <li>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</li> </ul>	<ul> <li>Contribute valuable electronic-based materials back into the manufacturing loop, hence accelerating our transition to a more circular economy</li> </ul>	<ul> <li>Received ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System) certifications in 2019, and ISO 45001:2018 (Occupational Health and Safety) certification in 2020.</li> </ul>	

# E-Idaman Sdn. Bhd. (Municipal Solid Waste Management)



### **EISB Highlights**

MSW collected (tonnes) Total



#### Used cooking oil collected (kg)



#### Fabric collected (kg)



#### Number of premises





Number of collection vehicles



Our joint-venture, E-Idaman Sdn. Bhd. (EISB), provides integrated Municipal Solid Waste (MSW) management as well as public cleansing services to our residential customers in the northern region of Malaysia, hence promoting a healthier and cleaner environment for the communities that we serve.

	What We Do	Regulatory Compliance
MSW Collection Services	Provide waste collection services via multi-compartment trucks, which allow efficient separation of waste, ensuring better waste management	Certification for ISO 14001 – Environmental Management System, and ISO 9001
MSW Commercial and Public Recycling Services	Sort and collect MSW to ensure that recyclable and compostable material such as paper, plastic and glass is properly recovered instead of diverted to landfills directly 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 Recovery Facility (MRF). Recyclable materials such as cardboard, paper, HDPE, PET, PP, steel, aluminium and tin are manually sorted before being sold as raw materials	
MSW Community- Based Recycling	Engage with communities via the RFL programme to encourage individuals and incentivise them to collect and contribute their waste for recycling	
Public Cleansing Services	Ensure litter-free and well-maintained public spaces for safe and healthy communities via high pressure water jetters and beachcombers. Public cleaning services include road sweeping, grass cutting and cleaning of drains	

#### **Customer Satisfaction**

A customer survey is launched every year to determine the satisfaction level of EISB customers. In 2021, we updated the survey method to make it more targeted towards specific groups in selected areas, whilst also involving new users and new locations. The percentage recorded in 2021 is lower compared to 2020, but not far off from our target of 75%.

#### Satisfaction rate



# Treating & Disposing Residual Waste

GRI 3-3. 203-1, 203-2

In our efforts to move up the waste hierarchy, we have continued to divert increasing amounts of waste to be recycled and recovered, before the residual waste is sent to the various treatment facilities and landfills. In 2021, we diverted 81% of total scheduled waste to our treatment and disposal facilities, which is 7% less than that recorded in 2020.

Facility	What We Do	How We Create Impact	Regulatory Compliance	2021 Highlights
	Т	reat		
Incineration Plant	Practise responsible incineration, ensuring that all harmful substances emitted are captured and treated appropriately Reduce the volume and hazardous properties of scheduled waste by incineration via controlled burning at high temperatures Treat many types of waste, including scheduled waste, clinical waste and sewage sludge	Divert waste from landfills by treating the waste appropriately according to its waste characteristics	The Continuous Emissions Monitoring System (CEMS) constantly monitors the incineration process, ensuring that plant emissions meet the environmental emission standards	Waste incinerated: 22,817 tonnes
Physical & Treatment Plant	Treat all types of hazardous inorganic liquid waste through various chemical processes to ensure safe disposal		Certified to meet the standards of MS ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, MS 1722:2011 and ISO/IEC 17025:2017	Waste treated: 4,672 tonnes
Solidification Treatment Plant	Stabilise and solidify toxic components from waste processed by the various treatment facilities prior to their disposal at the VSL, to avoid leaching			Waste treated: 12,685 tonnes

Facility	What We Do	How We Create Impact	Regulatory Compliance	2021 Highlights
Clinical Waste Treatment Centre	Process certain types of clinical waste using a microwave treatment system that converts it into inert, landfill-ready residue with zero emissions Treat COVID-19 waste in excess of the SWtE plant and INC1 incinerator's capacities as incineration is a safer and more efficient disposal method for such waste	Organise activities that encourage safe and responsible handling of clinical waste Conduct the annual Clinical Waste User Training to ensure healthcare-related waste arriving at CWTC is managed safely Develop the CWICLI app to provide billing and financial data to customers	Certified to meet the standards of MS ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, MS 1722:2011 and ISO/IEC 17025:2017	Waste treated: 5,234 tonnes Obtained 86% approval rating from clinical waste customers 1,364 participants in Clinical Waste User Training (CWUT) sessions, reaching 32 hospitals Automated the e-billing process fully for CW customers to improve their user experience
		Dispose		
Vertical Secured Landfill	Manage the landfill site properly to minimise environmental impact Utilise geogrid walls to expand existing landfill capacity Treat leachate at Leachate Treatment Plant (LTP) to achieve Standard B effluents as per DOE requirements	Extend landfill life by more than 30 years Save 45 acres of land Organise capacity- building programmes to convert more landfills into secured landfills	Tracked key compliance metrics (e.g., groundwater, surface water, ambient air quality, noise quality) to ensure we are responsibly managing our environmental impact	Waste directly disposed at Phase 1 site: 102,422 tonnes Remaining capacity of VSL Phase 1: 31% Estimated remaining lifespan of VSL Phase 1: Until Jan 2024 VSL Phase 2 to be launched in Sept 2022

#### **Customer Satisfaction**

At Cenviro, we endeavour to ensure that we offer highquality services to our customers. In 2020, we introduced online surveys for Scheduled Waste (SW) and Clinical Waste (CW) customers respectively. We are in the midst of implementing a system to automatically analyse our customers' responses and categorise them accordingly.

#### **Satisfaction rate**



WMC Scheduled Waste





Note: 2019 data is unavailable due to customer survey system revamping exercises.

# Collecting, Transporting and Storing Waste

GRI 3-3. 203-1, 203-2

For our industrial and commercial customers, we provide waste collection, transportation and offsite storage facilities. Additionally, we are commissioning a new Scheduled Waste Management Centre in Johor, which is expected to be fully operational by 2023. This satellite facility will provide scheduled waste management services to the southern region of Peninsular Malaysia, while simultaneously generating electricity to be exported to the national grid via the SWtE plant. Our SWtE plant is the first of its kind 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 automatically shuts down in the event of an emergency.

Facility	What We Do	How We Create Impact	Regulatory Compliance	2021 Output		
	Treat					
Satellite Waste Storage Facility (Sabah)	Provide temporary waste storage before it is shipped to Peninsular Malaysia for processing, treatment and disposal Conduct field tests and laboratory analyses to monitor indicators (e,g., ambient air quality, noise level and surface water conditions) and submit our quarterly findings in our Environmental Monitoring Report (EMR) to DOE Ensure the safety of our operations by verifying consignment notes for each collection and carrying out inventory inspections	By providing temporary storage, we monitor the environmental impact of scheduled waste stored within our facility	Comply with DOE regulations on waste collection, compatibility, packaging and fumigation before transporting to the port Comply with regulations on the type of container required to transport waste and the handling processes as stipulated by the Port Authority Carry out an annual Environmental Compliance Audit Report (ECAR), in line with DOE requirements	Waste transited: 5,945 tonnes Linked the weighbridge at our Sabah facility to our centralised SAP system to immediately capture the consignment weight from Sabah		



# Our SWtE plant is the first of its kind in the country to comply with the Clean Air Regulation 2014

Facility	What We Do	How We Create Impact	Regulatory Compliance	2021 Output
Cenviro Services Sdn. Bhd.	Provide packaging services in compliance with DOE regulations Provide waste collection services using Cenviro's fleet of trucks Transport scheduled waste to the lab in WMC for chemists to perform rigorous waste analysis, so that the waste is diverted to the correct management facility	Maintain the Digital Collection and Transportation Instruction (DCTI) system to improve our customer service As an initiative to reduce the GHG emissions from our operations, Cenviro upgraded our fleet of trucks to become more energy-efficient, hence reducing 4% of fuel consumption Fit our fleet with GPS technology that notifies our team if a driver deviates from the planned route; this serves to prevent illegal waste dumping	Certified to meet the standards of MS ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, MS 1722:2011 and ISO/IEC 17025:2017	Waste transported: WMC - 168,746 tonnes CRR - 8,174 tonnes

Health & Safety and Diversity and Inclusivity are two of the key organisational pillars at Cenviro. The people of Cenviro contribute significantly to the communities that we serve, whether it is through working in our operational facilities, or interacting with consumers and contractors. We also thrive on transparency to foster a diverse and inclusive working culture in our organisation....

TO DE LE RECEITE DE LE RECEI



# Empowering Our People

Putting Safety First	64
Maintaining a Safety-First Culture	68
Facilitating Health and Safety Training	72
Training and Development for Our People	77
Employee Performance Management	82
Managing Engaged Employees	83
Promoting a Diverse and Inclusive Culture	84



GRI 3-3, 403-2, 403-4

Safety at the workplace is one of our key priorities at Cenviro. It is an integral part of our core organisational values. By providing our employees with the essential equipment, information, and training as well as enabling them to take responsibility for their own health and safety, we work to instil a safety-first culture throughout our organisation. We have always taken proactive measures to ensure that employee health and safety are prioritised, even during the challenging COVID-19 pandemic.

# **HSSE Targets and Achievements**

Prior to 2019, four days of medical leave were required to constitute an LTI incident at Cenviro. We have since changed that rule to just one day, reflecting our dedication in improving health and safety in the workplace. In 2021, we identified 2 LTI incidents out of 37 HSE cases over the period of 459,275 employee man-hours. This number has been maintained from 2020 when we also recorded two LTI incidents; a significant drop from 12 LTIs in 2019.

In 2021, new HSSE targets were set and successfully achieved by the HSSE department. Achieving 400 cumulative days without LTI in 2021 was a historic milestone, not just for the department, but for Cenviro as a whole. No LTI incidents for 150 days was achieved twice this year while the fatality rate was zero. In 2021, we set a new HSSE target of reducing fire and spillages by 50%. The target was to keep fire cases below 6 and spillage cases below 4 in 2021. There were no major incidents recorded for fire and leakage.

### New HSSE Targets and Achievements in 2021



#### Successfully Achieving our Targets

GRI 403-7

Our efforts to meet our HSSE targets comprise regular workplace inspections, safety reminders for both workers and contractors, provision of health and safety training, and providing contractors and employees with the appropriate PPE. We also publish the number of days without LTI on our LTI board in WMC to raise awareness and motivate employees to abide by their commitment to excellent health and safety practices.

We have been working to streamline crucial HSSE processes and introduce HSSE-Business Partner (HSSE-BP) to support various business units within the organisation to ensure that a safety-first culture is established across Cenviro. To further decentralise the control of health and safety, there are other safety-related KPIs in departments other than HSSE. At the operational level, we also perform monthly machinery inspections and drills, compliance evaluations and follow-ups with recommendations from relevant regulatory agencies to ensure a safety-first culture within our organisation.

The HSSE training programmes and practices are at the forefront of successfully achieving our targets. The health and safety training in 2021 can be found in the "Facilitating Health and Safety Training" section; it describes the objectives, implementation methods and results.

# **Functions of the HSSE Department**

GRI 403-1, 403-3, 403-7

At Cenviro, we work hard to instil the principle of Safety First in each and every employee since a strong safety culture demands the cooperation of everyone within the organisation. We foster a safety culture through employee empowerment, development, and involvement at all business levels.

Cenviro's Quality, Health, Safety, Security and Environment (QHSSE) policy was revised in January 2021 to update and improve certain policy measures. It serves as a roadmap for health and safety issues across the organisation, while the HSSE Department is crucial to the administration of policies and procedures, assuring the security of Cenviro's operations. Our QHSSE policy also ensures that we are compliant with all the regulations prescribed by relevant authorities. The aim is to ensure that our stakeholder groups, including customers, contractors and employees, are safe and satisfied with the services we provide and the working environment within Cenviro.

The HSSE Framework also clearly guides all business divisions to focus on HSSE and explicitly defines roles, such as who owns Critical Safety Equipment, etc. It also empowers our employees through the Hazard Identification Programme (HIP), Emergency Response Plan as well as incident analysis for shared learnings.



Occupational Health & Safety



Security



Fire & Hazmat



Environment



# **Certifications and Compliance**

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

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). Our Corporate Governance & Assurance (CGA) body has linked these three management systems with the Cenviro Integrated Management System (IMS), which is under its purview.

As part of the annual Integrated Management System (IMS) Internal Audit, our skilled internal auditors conduct routine checks to foster a compliance culture. In August 2021, the IMS internal audit was conducted by Cenviro with the following objectives:

- 1. To audit the compliance with the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 requirements and its documented procedures.
- 2. To verify corrective actions taken from the previous audit findings.
- 3. To identify and highlight all non-conformances and opportunities for improvement.

The scope of the audit includes Cenviro Sdn. Bhd., Kualiti Alam Sdn. Bhd., Cenviro Recycling and Recovery Sdn. Bhd., Cenviro Services Sdn. Bhd., and the regional offices.

To identify and highlight all non-conformances and opportunities for improvement, our appointed external auditors conducted further assessments during the annual IMS recertification audit from September to December 2021 with a total of 24.5 man-days. The audit was conducted to ensure recertification for ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 for KASB, CRR and CS in Cenviro. With the successful completion of the audit, the three certificates were recertified.

To continuously enhance our adherence to quality, environment, health and safety standards, we use a Plan-Do-Check-Act cycle. Setting IMS's objectives and programmes is a part of this process. It also includes the Documented Information Review Exercise that comprises IMS Internal Audit, Evaluation of Compliance Exercise, System Procedure, Departmental Procedure, and Management Review Meeting to review IMS's overall performance.



# Maintaining a Safety-First Culture

GRI 3-3, 403-7

# **Decentralising Health and Safety Management**

GRI 403-1

Decentralising health and safety is paramount in ensuring every department and employee takes ownership of HSSE. By doing this, each employee is accountable for preserving the highest levels of health and safety across the company. As part of the process, 8 committees with varying roles and responsibilities have been created. The committees meet on a quarterly basis.

#### Committees

Safety and Health Steering Committee

Kualiti Alam Safety and Health Committee

Cenviro Recycling and Recovery Safety and Health Committee

Sales, Marketing and EPIC Safety and Health Committee

Supply Chain Safety and Health Committee

**Contractor Safety and Health Committee** 

Mercu Safety and Health Committee

Cenviro Johor Safety and Health Committee





# **Hazard Identification Programme**

GRI 403-2, 403-4

The HIP aims to foster a culture of safety among staff, contractors, and visitors by providing an avenue for them to report any risks or near-accidents. By empowering users to detect and handle possible health and safety issues, this platform helps us develop our safety culture. Employee submissions were 7,288 in 2021, exceeding the 5,000 target.

A new HIP Feedback System created using SAP Fiori was introduced in 2021. With a simple interface that works on any device, SAP Fiori is a design system that enables users to create business applications with a consumer-grade user experience. In 2021, a HIP Ambassador and HIP Admin were added to monitor cases. A HSSE webinar session on "Hazard Identification Program Migration to SAP Fiori" and "Incident Notification and Reporting" was hosted by the HSSE department on 14 April 2021 to discuss the changes made in HIP Migration to Comprehensive HIP Feedback System and the flow of Cenviro Incident Notification and Reporting.

# **HSSE Intervention Policy**

GRI 403-4

In May 2020, the HSSE Intervention Policy was introduced. The Policy empowers individuals who are either employed or engaged by the organisation to take control of their own safety by intervening on any unsafe act or circumstance that might eventually result in an incident. After which, others can use HIP to report the problem so that the appropriate follow-up actions can be taken. No changes or amendments were made to the policy in 2021.

# Safety Culture Assessment

A HSSE Culture Assessment survey was conducted in 2021 to understand and measure employee safety culture, and assess how it influences performance. Third party consultants were engaged to conduct the survey to validate and compare the results that were generated from the internal survey assessment. The survey result indicates that the majority believe our group culture is between calculative and proactive. The survey assessment led to the development of a safety culture roadmap heading towards a generative safety culture. This would require a boost in accountability and trust in the safety culture in Cenviro.



# Safety Moments

GRI 403-4

Safety moments exercises are practised during meetings in Cenviro to highlight the importance of a safety-first work culture in our organisation. This is also part of the HSSE culture introduced by the management to ensure that safety moments are reflected when our clients are engaged. Additionally, Safety Moment circulars have been released monthly with in-depth discussions on safety topics such as lessons learnt from recent incidents and discussions on the safety SOPs to create a safe operating environment for our employees. The aim of the HSSE department is to ensure all employees return home safely by minimising hazards in the workplace.

# **Focus Recognition Programme**

HSSE Focus Recognition (HSSE FR) recognises the outstanding performance of Cenviro's employees, and contractors towards fostering and promoting health, safety, security, and environment issues in the workplace. Award recipients have successfully achieved distinction through their dedication and commitment to HSSE in the workplace. HSSE FR boosts and improves multiple aspects within the HSSE department including workplace morale, compliance and productivity.

Nomination	Evaluation	Approval	Recognition Award
Nomination by executive and above in accordance to HSSE standards	Evaluation by the Senior Management Team	Approval by MD or COO	Certificate of recognition granted

# **Emergency Response Teams**

In March 2021, 40 employees were appointed as members of the Emergency Response Team (ERT). Their responsibilities and training consisted of Fire Fighting, Hazmat, First Aider and Evacuation Controller. The certification for ERTs in 2021 was deferred to 2022 due to the MCO. Within the yellow zone, ERT members are deployed in full PPE during emergency situations to support the technical team, who are always equipped with partial PPE. ERT members also assist the technical team in tackling and managing risks as well.

ERT		Responsibilities
A	Firefighter	To assist the nozzle man during fire incidents and the logistics team on fire readiness. They also act as the first rescue and extinguishment point within the organisation.
	Hazmat	To assist the entry team during rescue and decontamination, focusing on victims and fire hazmat. Their responsibilities include the first rescue attempt, whenever possible.
$\bigcirc$	First Aider	The key role is first aid response and medical assistance when required. They also maintain the first aid box.
₽) A	Evacuation Controller	They are the leaders of the evacuation process in WMC. Their key role is to report to the evacuation leader at the assembly point and manage crowd control during evacuation.

### **HSSE Engagements and Awards**



# Facilitating Health and Safety Training

GRI 3-3, 403-5, 403-6

Eliminating hazards is Cenviro HSSE department's main priority. Within the organisation, a key component in lowering the risk of illness and injury at work is occupational health and safety training.

# **HSSE Initiatives At A Glance**

Initiative	Objectives	Outcomes	
Briefing by CGSO E-Vetting 2.0 System	To adhere to Sasaran Penting Negara requirements	The E-Vetting registration programme was successfully organised for staff and contractors.	
Individual Physical Proficiency Test (IPPT)	To provide additional support as first responders during emergencies as early as Tier 1 to control all incidents before the situation escalates. 40 personnel were selected and will assist as first responders to our Fire & Hazmat Team during an emergency.	A total of 63 staff turned up and underwent the basic requirements test. They went through five stations – a 2.4km run in Sendayan TechValley, 30 sit-ups, 30 push-ups, standing broad jumps and 4x10m shuttle.	
Respirator Fit Test Training	To create awareness and provide a refresher course on respirator usage and how it can protect from exposure to deadly particles, vapour and gas. Participants are trained on how to perform a respirator leak test, seal check and the correct way to wear the respirator.	A total of 258 plant- technical personnel attended the training.	
	2.4.2		
----	-------	-----	----
In	111	stu	10
	161		

HSSE Penalty Matrix 2021



**Ergonomic Microbreak** 



## Objectives

To penalise contractors for any misconduct and offences.

To provide tips for avoiding body discomfort, information on musculoskeletal disorders (MSDs), and good practices to avoid ergonomic injuries.

#### Outcomes

HSSE Consequences Management (Penalty Matrix) for the year 2021 decreased by 40% from the previous year.

Participants learnt how to reduce ergonomic risk injury and improve the quality of health and life at work.

Webinar on Emergency Response Management (ERM), KKIP, Sabah



Webinar on COVID-19 Vaccine: All You Need To Know



Webinar on ERT Briefing



To create awareness on fire and safety and response for scheduled waste.

To create awareness on unsafe acts and unsafe conditions with regards to scheduled waste and clinical waste.

To encourage Cenviro Champions to register for COVID-19 vaccine in the MySejahtera application as we are frontliners.

To explain the roles and responsibilities of the ERT team.

Staff are aware of the actions to be taken to mitigate fire incidents.

Staff are aware of the importance of the COVID-19 vaccination from raising queries.

Selection of the ERT team took place on 5 and 7 April 2021 for the Individual Physical Proficiency Test.

## **HSSE Trainings**

In 2021, Cenviro provided 17 different training programmes for our employees. These programmes offered a wide array of best industry practices for waste management, health and safety. The trainings included:

Authorised Entrant & Standby Person (AESP)	Authorised Gas Tester and Entry Supervisor
Confined Space Awareness	Effective Safety and Health Committee Training
Electrical Safety and LOTO Training	Emergency Response Team training
Fire Immediate Response Safety Training (Basic Fire Safety Training)	Hazard Identification, Risk Assessment and Risk Control (HIRARC) Training
Industry Code of Practice (ICOP) Class Training	Incident Investigation Training
Noise Exposure Training	Permit to Work (PTW) & Job Hazard Analysis Awareness
Safe Handling Forklift Programme	Safe Handling of Chemical (SHOC)
Work at Height Awareness	Cenviro Safety Passport

#### Safe Handling Forklift Programme for Resident Contractor



## **Contractor Safety Training**

GRI 2-7, 403-7

The HSSE contractor network meeting was held four times in the reporting year to discuss topics including HSSE Performance, Cenviro Safety Passport (CSP), HSSE Consequences Management (Penalty), Cenviro General HSSE Rules Guidelines for Contractor, Cenviro HSSE Contractor Audit Programme, and iNCR issued to contractor – Forklift Competency.

The key outcomes of the meetings include the assessment of the contractor HSSE Performance inclusive of CSP rate, Incident Rate, PPE Compliance, penalty tickets issued and HSSE Contractor Audit score. The performance results and scores have been included in the Cenviro Vendor Yearly Assessment.

Formed in 2020, the HSSE contractor committee meets quarterly, and one dialogue session between contractors and top management is held annually. The HSSE contractor dialogue was conducted in December 2021 with a total of 55 business partners attending. The committee discussions were based on all the incident lessons learnt involving contractors. iNCR issues involving contractors were also shared, discussed and resolved. In addition, the HSSE toolbox briefing was conducted individually for 8 resident contractors every month.

Criteria	Our Performance	HSSE Contractor Penalty Matrix
No. of attendees	166	The HSSE Penalty Matrix categorises misdeeds as
Total contractor training hours	1,328	major or minor offences. Contractors are fined for minor offences. The accumulation of three minor
Average training hours per contractor	8	offences is equivalent to a major offence. Contractors who have committed one major offence are fined, while a second major offence leads to a ban
No. of penalty tickets issued	21	

In 2021, 21 companies were part of the HSSE Contractor Audit. The overall grade achieved was defined as 'Very Good Performance' for all audited contractors. The breakdown of the results is in the chart below.





# Training and Development for Our People

GRI 3-3, 404-1

### Cenviro provides our employees with a wide range of learning and development opportunities to meet their specific needs in the field of waste management, while actively recognising excellent work and supporting their career growth.

To develop professionals who will advance and innovate Malaysia's waste management system, Cenviro offers thorough in-house technical training courses as well as external certifications. These learning and development opportunities contribute to the demands of our business while ensuring our employees' career growth. We were able to provide skills enhancement training to 460 Cenviro employees and 1,662 EISB employees in 2021, registering an increment of 13% and 7% respectively for Cenviro and EISB. The average training hours increased by approximately 40% for Cenviro from the previous year while it has remained the same for EISB. We have experienced an increasing trend in the number of employees trained and average training hours, primarily due to our employees returning to the office after the relaxation of movement control orders.

#### **Total Employees Trained**



## Cenviro



Average Training Hours





There is a boost in the number of average training hours by 40% for Cenviro

## **Competency Training**

GRI 404-1, 404-2

The waste management industry is very technical, hence requiring a number of certifications and core competencies for our employees. Regulators have also established minimum standards for the number of certified workers in the waste management industry. Cenviro endeavours to retain a highly qualified workforce across all competency areas in tandem with these objectives. As of December 2021, 46 Cenviro staff have obtained full competency certification, recording a 7% increase from 2020.

Additionally, two Cenviro employees received training at the Environmental Institute of Malaysia (EiMAS) in 2020, where they secured one-year competency certificates in 2021 in various technical aspects of health and safety upon programme completion.

## Leadership Training and Development

GRI 404-2

# Our leadership training sessions saw the participation of 133 Cenviro employees and 113 EISB employees in 2021.

Our goal of being an industry leader and supplying innovative services to our customers relies heavily on our employees' leadership abilities. We continuously offer development programmes to boost the quality of leadership within the organisation. In 2021, a total of 133 Cenviro employees and 113 EISB employees enrolled in our leadership training. Cenviro saw an 82% hike in the number of leadership training attendees, which is very encouraging. In addition to formal education, we provide employees with a multitude of opportunities for additional learning and development.

# No. of leadership training sessions in 2021





Attendance in 2021

Cenviro saw an 82% hike in the number of leadership training attendees.



## **Succession Planning**

GRI 404-2

In 2021, succession planning remained one of our key focus areas for leadership and development programmes. We have been working at the departmental level to design plans and strategies for succession. Our succession planning strives to maintain business operations as usual, reduce business risk, and provide access to highly skilled and knowledgeable workers who can step into leadership positions once they become available. To support our succession planning efforts, we have also developed the High Potential (HiPo) and Talent Mobilisation programmes.

#### High Potential (HiPo) Programme:

Introduced in 2020, employees with leadership potential, who have received a Platinum or Gold performance review grade may be nominated for the HiPo programme by their HODs. Nominated employees undergo a three-stage evaluation process where they are assessed on a range of skills such as critical thinking and communication. Evaluators include members of the Senior Management Team.

A total of 7 development programmes, including leadership development, are conducted for HiPo nominees.

In 2021, 79 out of 81 nominated employees completed the evaluation process compared to 7 out of 16 nominated employees in 2020."

HiPo Category	Development Programme
Senior Management	Crucial Conversation
Senior Management	Crucial Conversation Post-Workshop
Management	Critical Thinking: Flip the Switch
Executive	Critical Thinking & Problem Solving
Executive	Winning Tools of Communication
Non-Executive	Effective Management Skills
Non-Executive	Leveraging Emotional Intelligence in Communication

#### **Talent Mobilisation Programme**

We structure departments in such a way that employees are placed in positions that match their abilities while also enhancing their skills to avoid a 'silo effect'. In 2021, 12 employees from 12 departments underwent this programme. Two out of 12 employees from Asset Maintenance-Mechanical and EMS departments went through upskilling while the remaining 10 employees were part of talent mobility, which includes transitioning through various departments.

## Learning Opportunities by EPIC

GRI 404-2

Cenviro's EPIC offers training and certification programmes, covering topics that encompasses the full spectrum of waste management and environmental sustainability. Since 2020, EPIC has collaborated with research and education institutions in developing courses and certification programmes relating to waste management. The training and certification programmes offered this year include:

Programme Type	Programme Name	Participants
Public training programmes	Clinical Waste User Training	1,364
	Do's and Don'ts in Scheduled Waste Packaging, Labelling and Storage	106
	Scheduled Waste Classification and Identification	87
	Scheduled Waste Hazard and Risk Assessment	42
In-house training	Introduction to Scheduled Waste Management	21
programmes	Calculation and Reporting of GHG Emissions	26
	Introduction to Healthcare Waste Management	20
Certification programmes via university collaborations (University of Malaya Centre for Continuing Education)	Professional Certificate in Scheduled Waste Management	8 sub- certificates towards 1 professional certificate

#### **EPIC Highlights**

In 2021 there has been a significant improvement in the number of training programmes provided by EPIC and the number of participants in these programmes as compared to the previous year.

#### No of participants



#### No of training programmes



# Fostering Engaged Employees

GRI 3-3

Employees' well-being and success largely depend on being in an environment where people are engaged, connected and cared for. Throughout the year, we held various events to interact with our employees, and these events became an important way to communicate with them. In addition to ongoing initiatives such as the monthly HR Service Counter for payroll and other HR matters, 6 total initiatives were taken to engage our employees.

#### **Key Initiatives for Employee Engagement**

Initiatives	Outcomes	
Virtual engagement of regional office and plant tour for WMC	Allows the employees to voice their concerns and ideas for workplace improvements and enhancements	
Monthly HR Service Counter	Enables employees to address payroll and other HR matters	
Hari Raya Goodies	Appreciation for employees who worked during the Hari Raya holidays	
Engagement with Union Exco	<ol> <li>To engage with the Union Exco and communicate any issues related to the union members</li> <li>To create a harmonious environment between Employer &amp; Union members</li> </ol>	
Courtesy visit to flood victims, sick employees or employees that have passed away	Supports the welfare of our employees	
Long Service Award (LSA)	Appreciation for our long service recipients	

### **Cenviro Talent Engagement Programme**



# Employee Performance Management

GRI 3-3, 404-3

Performance reviews and management input are both part of our biannual performance management process. Together, they have a significant impact on employees' career advancement, job satisfaction, and development. By adhering to this procedure, we facilitate employees' growth in line with the overall organisational performance and strategic objectives. Managers and employees can jointly set performance goals, convey expectations, and pinpoint areas for improvement through performance assessments. For employees whose confirmation is pending, a different assessment procedure is used to evaluate them based on various factors. Employees who have been confirmed are given goals with improvement areas, a development plan, and a deadline for completion. In 2021, 91% of Cenviro employees and 89% of EISB employees received performance appraisals.

The Performance Improvement Plan (PIP), which enables line managers and underperforming employees to identify key areas for improvement, is an ongoing initiative. Employees who are unable to achieve their KPIs also undergo the PIP. In 2021, 0 employees were placed under PIP.

#### **Employee Appraisals in 2021**

CATEGORY		Manager	Executive	Non Executive
	Cenviro	58	110	271
SS	EISB	24	88	1,361
GENDER		Male	Female	
60	Cenviro	338	101	
Mai	EISB	1,320	157	
TOTAL		Employees	Appraised	Appraisals
	Cenviro	482	439	91%*
	EISB	1,661	1,477	89%

\*The remaining 9% of employees were under probation in 2021 and will be appraised in 2022



# Promoting a Diverse and Inclusive Culture

GRI 3-3, 405-1

In line with our core organisational value of diversity and inclusiveness, we strive to maintain an inclusive work environment by encouraging our employees to bring their most authentic selves to work. In addition to enhancing representation of genders, ethnicities, abilities, and experiences across all levels of the organisation, we take pride in the fact that our frontline personnel also reflect the demographics of the communities we that we serve.

As part of our efforts in advocating for gender equity, we have included information on sexual harassment in our training programme for new hires. The reporting procedure for instances of sexual harassment has been incorporated into our grievance mechanisms and whistleblowing processes. All instances are sent to the head of HR within 48 hours, and internal investigations are completed within five working days. Depending on the gravity of the infraction, actions may range from warnings to domestic investigations.

We strive to increase the percentage of women in our workforce to 40% by 2024, and we ensure equal opportunity for all potential employees regardless of race and gender.



## Percentage of women in workforce



#### **Our Diverse Talent Pool**



Female 25% 10% EISB CENVIRO



## **Women of Cenviro**

We have made it a priority to support and encourage the women in our workforce, as the majority of employees in operational teams across the worldwide waste management business are men. Our job postings are nondiscriminatory, and during the recruitment and hiring process, demographic factors such as gender and ethnicity are not considered. We guarantee equal opportunity for all applicants, regardless of skin colour and gender, and by 2024, we want women to have 40% representation in our workforce. Currently, 50% of the Board of Directors and 23% management positions in Cenviro are women.

### Breakdown by Employee Category

#### **Top Management and Management**





At Cenviro, our sustainable waste solutions are grounded in our efforts to become more resource efficient whilst managing our environmental impact. We have a responsibility to minimise the carbon footprint of our value chain, and increase business resilience by addressing the short and long-term risks of climate change. To that end, we are accelerating the transition to low-carbon operations by establishing a 5-year GHG reduction roadmap...

頭睛



# Managing our Environmental Footprint

Environmental Management at Cenviro	88
Towards Low-Carbon Operations	90
Energy and Water Consumption	95
Internal Waste Management	97
Ambient Impact Indicators and Biodiversity	98

# Environmental Management at Cenviro

All our affiliates and subsidiaries are entrusted with implementing environmentally responsible policies corresponding with their unique impacts along our broad value chain. At WMC, all our facilities abide by DOE's licensing regulations and principles, and compliance is managed yearly as part of the licence renewal procedure. Environmental Management System ISO 14001 accreditation is also held by KASB, CS, CRR, EISB, and SPSB. As of 2021, we hold eight licences for WMC facilities, two licenses for our satellite waste management facility in Sabah, and one license for our CRR facility.

## **Responsible Practices in Cenviro**

GRI 3-3, GRI 2-7

With zero tolerance for any environmental incidents, we view environmental regulations and laws very seriously. We take immediate action to rectify any cases of Non-Conformity and noncompliance. Previously, the action taken for non-conformity was the issuance of Corrective and Preventive Action (CAPA). In 2021, we replaced that with an internal Non-Conformity Report (iNCR) issued to the responsible party.

Compliance management is embedded across the organisation through key committees overseeing environmental related compliance, namely the Environmental Performance Monitoring Committee (EPMC) and the Environmental Regulatory Compliance Monitoring Committee (ERCMC). Third-party consultants are also engaged to carry out the Environmental Monitoring Programme (EMP) to ensure environmental compliance.

We take immediate action to rectify any cases of nonconformity and non-compliance

	ЕРМС	ERCMC
ရန် ရန်ကြား နေနာက် နေနာက် Functions	Supervises and oversees the environmental performance of KASB on the control and minimisation of pollution	Reviews and advises the implementation of environmental pollution controls. Provides progress reports to the management



# Towards Low-Carbon Operations

In the long run, the waste sector will be crucial in mitigating GHG emissions through sustainable waste solutions such as resource recycling and recovery, as it minimises waste to landfills. In addition, our continuous improvement strategy helps us to minimise our operational carbon emissions. To guide us in our GHG reduction efforts through 2021 and beyond, we have developed a 5-year GHG reduction roadmap with discrete and realistic reduction targets. Our goal is to achieve a 5% reduction in GHG emissions intensity by 2025 from a baseline year of 2020, based on the projected growth of waste managed.

## **Our Carbon Footprint**

GRI 3-3

As part of Cenviro's continuous drive to deliver business and environmental value to our key stakeholders, we have kickstarted the development of our Carbon Management Plan. As the first step, we determined the GHG baseline year, boundaries, and inventories for us to ascertain our GHG baseline emissions in 2020, based on the ISO 14064-1 (2018) standard.

As a result, we were able to map our GHG emission hotspots and prioritise our GHG reduction efforts accordingly to align with the targets in our Sustainability-Linked Sukuk (SLS). Our Carbon Management Plan for the year 2020-2025 will be focusing on, but not limited to, aligning our GHG reduction efforts to our commitment to the SLS.



The baseline emissions accounting allows us to develop our 5-Year GHG Reduction Roadmap for tracking and mitigation of GHG emissions

### Setting the GHG emissions boundary

GRI 3-3

All facilities that are physically or operationally related to Kualiti Alam Waste Management Centre (KAWMC) in Negeri Sembilan and 100% under Cenviro's financial and operational control have been included in our assessment boundary. The operation units within our assessment boundary are listed below.

- 1. Secured Vertical Landfill, LTP & ETP (SVLF)
- 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. Integrated Support Services (Admin)



### **GHG Emission Accounting**

Emissions under the ISO 14064-1 (2018) standard are grouped into 6 broad categories. The categories and their sources within Cenviro's operational control are listed in the table below.

	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6
Description	Direct GHG emissions & 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
Emission Sources related to KAWMC	Fuel combustion	L Electricity use	Upstream & downstream logistics Employees' commute & work travel Uendors, suppliers & clients' travel	Purchased products	Downstream use of products developed by the organisation	Not applicable

#### Absolute GHG Emissions by Category and Facilities

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

### Absolute Emissions by Category (tCO<sub>2</sub>e)



In 2021, the total absolute emissions dropped by 5% to 90,805 tCO<sub>2</sub>e from the baseline year 2020. The majority of the emissions reduction came from categories 1 and 3.

Our total absolute emissions have reduced by 5,120 tCO<sub>2</sub>e in 2021, as compared to 2020. There has been a 38% reduction in emissions from the SWtE facility due to equipment downtime and machinery upgrade during the shutdown period. The administration buildings have also reduced their GHG emissions by 59%, primarily due to our GHG mitigation projects and initiatives. However, we recorded an increase in total emissions from the incineration plants, partly due to the increase in the volume of waste incinerated in 2021 compared to 2020.

### Absolute Emissions by Facilities (tCO,e)

2020	2021
5,490	2,246
1,054	676
677	2,172
553	574
27,536	40,223
626	1,019
3,213	4,774
11,193	10,707
45,584	28,414
95,925	90,805
	2020 5,490 1,054 677 553 27,536 626 3,213 11,193 45,584 95,925

### **Progress in GHG Emissions Intensity Reduction**

GRI 305-4

The unitised GHG inventory is developed based on the absolute emissions per metric tonne (MT) of waste treated by treatment type within our operations, henceforth defined as the GHG emissions intensity. Our 5-Year GHG reduction roadmap targets are based on this indicator as it is a more comprehensive way of quantifying the targets based on the amount of waste treated.

Type of Facility	Unit	2020	2021
KAWMC	tCO <sub>2</sub> e/tonne waste treated at KAWMC	0.448	0.442
Thermal treatment facilities	tCO <sub>2</sub> e/tonne incinerated waste	1.459	1.252
Vertical secured landfill	tCO <sub>2</sub> e/tonne landfilled waste	0.081	0.087
Solidification treatment facility	tCO <sub>2</sub> e/tonne solidified waste	0.278	0.370
Physical and chemical treatment facilities	tCO <sub>2</sub> e/tonne physicochemical treated waste	0.223	0.218
CRR	${\rm tCO}_{\rm 2}{\rm e}/{\rm tonne}$ recycling and recovery output	0.095	0.082

### GHG Reduction Targets and Mitigation Measures

GRI 305-5

In 2020, we set GHG mitigation targets and strategies in our 5-year GHG reduction roadmap. The overall target is to reduce GHG emissions intensity by 5% from the 2020 baseline year.

A reduction in GHG emissions would require projects that fulfil the targets through extensive mitigation measures. Cenviro is currently focusing on bottom-up approaches of GHG emissions mitigation, which form part of the Cenviro Cl culture. We are also keen to explore our options of top-down approaches of GHG offsetting, which are currently undergoing economic validation.

Our CI strategy pillar "GHG Reduction" in Chapter 2: Driving Impact for Cenviro further refers to the strategies and measures categorised here. Electricity, transport and materials efficiency actions are the three key focus areas in terms of bottom-up approaches to mitigate GHG emissions.



Cl Focused Mitigation Strategy	Target	GHG Impact	Financial Impact
Electricity Efficiency Actions	25% reduction by 2025 or	Avoidance of 3,000 tCO <sub>2</sub> e by 2025	Estimated total savings of
(EEAs)	7.25% annually		RM1,540,000
Transport Efficiency Actions	10% reduction by 2025 or 2%	Avoidance of 2,300 tCO <sub>2</sub> e by 2025	Estimated total savings of
(TEAs)	annually		RM1,850,000
Materials Efficiency Actions	10% reduction by 2025 or 2%	Avoidance of 160 tCO <sub>2</sub> e by year	Minimal
(MEAs)	annually	2025	

Other mitigation strategies include 5 projects that also use bottom-up approaches to reduce GHG emissions across our value chain. This includes both upstream and downstream activities.

Project Owner	Selected Initiatives
KASB	Reduction of GHG emissions from idle trucks during unloading activities by shortening the unloading time
KASB	Installation of New Caustic Storage Tank for SWtE plant
CRR	Reduction of residue copper crusher disposal
CRR	Integration of pipeline and storage tank
CS	Reduction of the number of trucks used to transport heavy waste by utilising heavy load trucks

## **Towards Achieving our 5-Year GHG Reduction Roadmap**

GRI 305-5

In 2021, we achieved a reduction in the GHG emissions intensity by 1.34% from the baseline year. Therefore, we are currently on track to achieve our target of 5% GHG emissions intensity reduction by 2025.

The bar chart below compares the *percentage reduction* in CFP between 2020 and 2021, based on the different treatment types.

#### **Type of Treatment**



The amount of solar energy generated in 2021 was 1,510,561 kWh. Solar energy generation has multiple benefits to our operations, namely by reducing our dependency on fossil fuels and lowering our purchased electricity consumption from the national grid.

#### Solar energy generated (kWh)



# Energy and Water Consumption

We are continuously looking for ways to reduce the environmental impact of the facilities that we operate, implement a variety of technologies and best practices, increase operational efficiency, and save cost. Energy and water consumption plays a key role in reducing our environmental footprint.

We reduce our electricity and fuel purchase by using energy generated from our solar energy generation facilities. Currently, we generate solar energy through our three solar generation facilities, namely;

- 150kw Solar Generation Feed in Tariff (FiT)
- 1MW SELCO solar generation
- EPIC SELCO solar generation

### **Energy Consumption**

GRI 302-1. 302-4

In 2021, we consumed 75,750 GJ of energy which is a decrease of 17% from 90,837 GJ energy consumption in 2020.

## **Purchased Electricity Consumption**

Due to the energy-intensive nature of our activities. we are dedicated to reducing our electricity consumption by streamlining our processes. We recorded an 8% increase in purchased electricity from 13,817,313 kWh in 2020 to 14,908,069 kWh in 2021, due to the end of work-from-home rules, relaxation of all movement control orders and the business running as usual, similar to pre-pandemic times.

#### Purchased Electricity Consumption (kWh)



### **Fuel Consumption**

As an important metric in the assessment of the operational integrity of our incinerators, we continuously monitor our fuel consumption. The incinerators at WMC use both diesel and reconstituted oil (RO). A total of 854 tonnes of diesel and 2.004 tonnes of RO were used to power these facilities in 2021. with the ratio of RO:Diesel being 2.3:1. Higher amount of RO was consumed in 2021 as a substitute to diesel for combustion purposes in our incineration process. resulting in a higher RO: Diesel ratio.



#### Type of Fuel (tonnes)



#### Water Usage and Effluent Generation

GRI 303-1. 303-2. 303-5

Recognising that water is a limited and irreplaceable natural resource, Cenviro is committed to minimising our impact on water resources, including the water we use and release. Our water usage at WMC has reduced by 4.42% in 2021 compared to the previous year. We also take a zero-discharge approach for the effluents generated. Thus, the effluents from these facilities are treated and then reused in our incineration plant as quench water.



### Materials

GRI 301-1

We use certain chemicals and raw materials to treat scheduled waste; the three most frequently used are hydrated lime, activated carbon, and caustic soda. At the point of extraction, we look for more environmentally friendly materials, which are then processed effectively in accordance with environmental regulations.

In 2021, we have seen a rise in the consumption of caustic soda while hydrated lime and activated carbon consumption has changed minimally. The selection of materials procured is subjected to the properties of the scheduled waste that we treat in our facilities. A greater variety of scheduled waste properties in our treatment facilities impacts the selection and the quantity of material consumption.

#### Type of Chemical (tonnes)

	2019	2020	2021
Hydrated Lime	1,118	779	796
Activated Carbon	10.6	6.5	2
Caustic Soda	653	1.1	1,268

# Internal Waste Management

GRI 3-3, 306-3, 306-4, 306-5

Besides safely handling waste from our clients, we also responsibly dispose of the waste generated internally, including that from our operations and processing facilities as well as ordinary waste from our offices and facilities. We have efficient systems for the collection, recycling and disposal of waste produced by our business operations, which are carried out by designated licensed contractors.

The amount of internal waste recycled increased in 2021 as we moved back to working from the office blocks in Cenviro. We have recycled the most amount of waste in 2021 compared to the past 3 years. We segregate recyclable materials from the general waste we produce through our operations, including waste from offices and other facilities, and send it to RFL for recycling. The organic material is then composted on-site.



#### Waste Treated (Kg)

#### Internal waste recycled



## Total internal scheduled waste treated internally and landfilled<sup>1</sup>



#### Total internal general waste collected by appointed domestic contractors and sent to approved facilities <sup>2</sup>



1. Code SW410 Contaminated uniform.

2. Miscellaneous office waste, canteen and food waste.

# Ambient Impact Indicators and Biodiversity

GRI 2-25, 3-3

In 2020, we revised the location of our environmental monitoring site so as to examine the impact of our operations on the neighbouring environment and communities. As of 2021, we monitor 7 indicators from 48 WMC sample points and three CRR sample points. We carry out a quarterly evaluation of our environmental performance based on these 7 broad indicators.

We have engaged 3<sup>rd</sup> party consultants at KASB to perform environmental monitoring for surface water quality, groundwater quality, wastewater quality, river sediment quality and biological quality - aquatic flora and fauna at KASB's operational site and surroundings



### **Biodiversity**

#### GRI 304-1, 304-3

Biodiversity is one of our material topics because it is the foundation of life on Earth and an important indicator of the health of our ecosystem. Poor environmental management can adversely impact biodiversity, such as marine life consuming plastic microbeads. Hence, we strive to ensure that our operations do not harm natural habitats nor their flora and fauna. We observe terrestrial and aquatic species in the area surrounding WMC.

We engage environmental impact assessment consultants to conduct biomonitoring and bioassay for aquatic flora and fauna and terrestrial flora and fauna as part of the EMP. The Shannon-Wiener Diversity Index is used to measure the diversity of species within the KASB monitoring sites. The results suggest that KASB has received high numbers within the index thus indicating that organisms flourish due to abundance of food supply at the monitoring sites.

#### TERRESTRIAL Flora and Fauna Survey

Observation towards presence of:

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

#### AQUATIC Bio-aquatic Monitoring

Observations and lab assessment towards presence of:

Types of fishes Phytoplankton Zooplankton



We continue to strengthen our governance and integrity by maintaining a sound corporate governance framework and developing robust policies that would safeguard the trust of all key stakeholder groups...





# Strengthening our Governance and Integrity

Corporate Governance and Oversight	102
Risk Management	108
Managing Climate Risk	109
Good Business Conduct	110
Sustainable Procurement	112



# Corporate Governance and Oversight

At Cenviro, our business activities are underlined by a sound corporate governance system and supported by our Code of Conduct, both of which integrate sustainability considerations. In safeguarding our integrity, accountability and stakeholder trust, we strive to pursue responsible leadership and develop robust policies that promote sustainable business growth. To accomplish this, we are committed to upholding our continuous improvement culture, as well as engaging in ethical business practices.

#### 2021 Highlights

- Launched Cenviro's inaugural
   Personal Data Protection policy
- Updated our Cenviro Code of Conduct to include our new core values and the stakeholders required to comply to the code, amongst others
- Issued the Organisational Anti-Bribery and Corruption Plan (OACP), with 3 initiatives completed in 2021
- Integrated the KASB Environmental Policy into our existing Quality, Health, Safety, Security and Environmental (QHSSE) policy

### **Top-down Approach to Governance**

GRI 2-9

In sustaining our credibility as a responsible and reliable waste resource management solutions provider, Cenviro endeavours to adhere to the highest standards of corporate governance. Both the Board of Directors and Senior Management team play key roles in Cenviro's corporate governance structure.

Cenviro's Board of Directors is supported by the Group Audit and Risk Committee, Group Nomination and Remuneration Committee, and Group Investment Committee. Within the Senior Management team, the Corporate Governance and Assurance (CGA) unit was set up in 2020 to address increasing local regulatory requirements.



# Board of Directors

#### GRI 2-9, 2-10, 2-11

Our Board comprises 6 highly committed and skilled directors from diverse backgrounds, who bring with them varied knowledge and experience to guide the company's business decisions, strategies and financial objectives, while representing the long-term interests of our shareholders.

Cenviro has an Independent Non-Executive Chairman of the Board and a separate Managing Director (MD). The Board believes that the separation of responsibilities strengthens it's independence and allows the Managing Director to focus on managing our business. The Chairman of the Board also acts as an important bridge between the Board and Senior management team, whilst providing objective leadership to the Board.

The Group Nomination and Remuneration Committee oversees the appointments to the Board, with candidates evaluated based on criteria 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.



Raja Ahmad Murad Raja Bahrin Independent Non-Executive Director





Tan Sri Dr Azmil Khalili Dato' Khalid Independent Non-Executive Chairman **Yeo Kar Peng** Independent Non-Executive Director

#### GRI 2-4

Board Member	Designation	Date of Appointment	Age**	Meeting Attendance	Meeting Attendance (%)
Tan Sri Dr Azmil Khalili Dato' Khalid	Independent Non-Executive Chairman	1 October 2018	61	9/9	100%
Dr Johari Jalil	Managing Director	3 June 2019	54	9/9	100%
Loh Tzu Anne	Non-Independent Non-Executive Director	24 April 2014	46	9/9	100%
Yeo Kar Peng	Independent Non-Executive Director	20 June 2017	60	9/9	100%
Raja Ahmad Murad Raja Bahrin	Independent Non-Executive Director	18 June 2021	61	4/4	100%
Serena Tan Mei Shwen *	Non-Independent Non-Executive Director	2 April 2019	43	9/9	100%
Effizal Faiz Zulkifly Alternate Director: Nurul Iman Mohd Zaman	Non-Independent Non-Executive Director	30 April 2022	42	N/A	N/A

\* Resigned on 30.4.2022 \*\* Age of Board of Directors is as of 2021

Note: Restatement of age of board of directors moving forwards is based on the current reporting period due to adherence to GRI reporting principles



Loh Tzu Anne Non-Independent Non-Executive Director



Dr Johari Jalil Managing Director



Serena Tan Mei Shwen Non-Independent Non-Executive Director

### Maintaining a Diverse and Inclusive Board

Cenviro recognises that the waste management industry is traditionally a male-dominated profession, and therefore supports and encourages the participation of women by empowering them across the board. We are strongly guided by our Company Code of Conduct and supported by our core values – SHIELD – to ensure all employees are treated fairly and receive equal opportunities. By 2024, we aim to achieve our target of 40% of women in our workforce.



Note: The percentages shown for the Board of Directors statistics above is as of 31 December 2021, taking into account 6 members (excluding Alternate Director, Nurul Iman Mohd Zaman)

### **Senior Management Team**

Our esteemed Senior Management team is responsible for the operational implementation of the Board's strategic vision, guided by years of industry experience and sound leadership skills.



### **Sustainability Governance**

GRI 2-12, 2-13, 2-14

As a waste resource management solutions provider, sustainability is embedded within our core business and operations. Cenviro is working to establish a Sustainability Committee, whereby the Sustainability Steering Team would spearhead all sustainability-related initiatives and implementation strategies for the entire company. We plan to share the Sustainability Committee Structure with our stakeholders by the year 2022.

Governing body	Roles and Responsibilities
Board of Directors	Steers the organisation's sustainability strategies and policies
	<ul> <li>Oversees a sound governance structure for the implementation of sustainability initiatives and practices in Cenviro's business operations</li> </ul>
	<ul> <li>Reviews and approves any sustainability-related disclosures and reports</li> </ul>
Senior Management	<ul> <li>Leads the company's implementation of sustainability strategies within business operations</li> </ul>
Team	<ul> <li>Reviews and approves any sustainability-related disclosures and reports</li> </ul>
Corporate	Oversees overall regulatory compliance and sustainability risk identification within the Cenviro Group
Governance and Assurance	<ul> <li>Develops a systematic approach towards identifying, prioritising and managing key sustainability risks</li> </ul>
Corporate Affairs	<ul> <li>Manages sustainability branding, positioning, disclosure, stakeholder management and community initiatives for Cenviro</li> </ul>
Human Resources & Administration	<ul> <li>Oversees all employee-related matters, namely training and development, employee engagement as well as diversity and inclusion initiatives</li> </ul>
Health, Safety, Security & Environment	Regulates, enforces and monitors environment, occupational safety and health policies
Procurement	<ul> <li>Arranges procurement and sourcing of goods and services according to Cenviro's operational and sustainability requirements</li> </ul>
Divisions and Departments	Tracks and monitors sustainability-related activities

The Board held 9 meetings in 2021, whereby the following key sustainability-linked matters were discussed:





#### Climate Change

Establishment of Sustainability-Linked Sukuk programme



Launch of 5-Year GHG Reduction Roadmap



#### **Enhancing Capacity in Circularity**

Budget approval for multiple recycling and recovery projects



#### Workforce Productivity

Budget approval for WMC office enhancement to drive employee productivity

# Risk Management

GRI 2-23, 2-25, 3-3, 403-1

In order to ensure the short-term continuity and long-term viability of our operations, we established a robust Enterprise Risk Management (ERM) strategy that identifies, assesses, prepares for, and manages potential business risks. The ERM strategy includes laying out identified risks in the Corporate and Departmental Risk Register, which are then prioritised based on likelihood and potential business impact. Subsequently, the Internal Audit department then determines the programmes and processes related to risk management as well as the individuals responsible for these programmes and potential oversights.

Note: No new risks were added to the Risk Register in 2021. Cenviro deems the risks listed out below to be relevant and material to our business.

Risk Identified	Impact	Mitigating Controls
Regulatory Risk Non-Compliance with Laws and Regulations	<ul> <li>Impact on operating licence</li> <li>Fines &amp; Compounds</li> <li>Health and safety risks</li> <li>Loss of stakeholder trust</li> <li>Reputation impact</li> </ul>	Our Environmental Performance Monitoring Committee (EPMC) and Environmental Regulatory Compliance Monitoring Committee (ERCMC) monitor the evaluation of environmental compliance on all related legislations, in addition to performing regular internal audits. Our HSSE Department and OHS Committee also monitor the evaluation of occupational health and safety compliance with related legislations. For more information on how we manage environmental risks, please refer to pg 88.
Operational Risk Prolonged unplanned downtime of plant machineries and equipment	<ul> <li>Plant downtime</li> <li>Loss of revenue</li> <li>Delayed work schedule</li> <li>Waste backlog</li> <li>Complaints from stakeholders</li> <li>Non-compliance with local authority requirements</li> <li>Reputation impact</li> </ul>	Our continuous improvement culture allows us to drive the operational integrity of our business and implement process efficiency initiatives. For more information on our continuous improvement approach, please refer to pg 37-40.
Health and Safety Risk Accidents or injuries suffered by our employees	<ul> <li>Loss of critical manpower</li> <li>Fines &amp; Compounds</li> <li>Reputation impact</li> </ul>	Our HSSE Department and OHS Committee oversee the health and safety of our employees and contractors. For more information on how we secure the safety of our employees and contractors, please refer to pg 64-76.
Environmental Risk INC1 under capacity to meet the Clean Air Regulation 2014 requirements	<ul> <li>Air pollution</li> <li>Reputation impact</li> <li>Complaints from stakeholders</li> <li>Health and safety risks to employees</li> <li>Non-compliance with local authority</li> </ul>	<ul> <li>Our ERCMC and EPMC collaboratively work to ensure environmental compliance through continuous monitoring as part of the Environmental Monitoring Programme. Examples of environmental monitoring and compliance include:</li> <li>Continuous Emissions Monitoring System (CEMS) installed at INC1 that complies with the Clean Air Regulations 2014</li> <li>Emissions from the SWtE process comply with Malaysia's Environmental Quality (Clean Air) Regulations 2014</li> <li>For more information on how we manage environmental compliance, please refer to pg 88.</li> </ul>
# **Managing Climate Risk**

In line with the guidance of the Task Force on Climate-related Financial Disclosures (TCFD), Cenviro has continued to enhance the climate-related disclosures of our operations. Reporting our climate-related performance in a transparent manner enables the industry and stakeholders to assess how we implement climate-related practices across our processes and policies.

In 2021, we developed our climate-related disclosures around four thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets. The Strategy section of our TCFD was enhanced based on the launch of our 5-year GHG Reduction Roadmap in 2021.

	Executive Summary	FY2021 Highlights
<b>Governance</b> To see how we ensure robust Sustainability Governance, please refer to pg 107.	<ul> <li>Cenviro's Board of Directors provide oversight to all climate-related risks and opportunities across the company, with the Senior Management team making decisions on policies and resource allocation.</li> <li>ERCMC assesses climate-related risks and impacts at an operational level.</li> </ul>	<ul> <li>Cenviro's Board of Directors discussed sustainability-related matters in their meetings in 2021, including the 5-year GHG reduction roadmap and the issuance of the Sustainability-Linked Sukuk.</li> <li>Cenviro is setting up a Sustainability Committee, which will be announced in 2022.</li> </ul>
<b>Strategy</b> For more information on our 5-Year GHG Reduction Roadmap, please refer to pg 90-94.	<ul> <li>Launched our 5-Year GHG Reduction Roadmap, which aims to reduce our GHG emissions intensity by 5% by 2025, with 2020 as the baseline year.</li> <li>Cenviro's strategy to achieve the aforementioned target consists of 3 bottom-up approaches, which are improving electricity efficiency, optimising transportation and logistics as well as reducing chemical usage.</li> </ul>	<ul> <li>Recorded a reduction in the GHG emissions intensity by 1.34% from the baseline year (2020) to 2021.</li> <li>Preparing a 5-year Sustainability Roadmap, with specific pillars set up to mitigate the negative impacts of climate change, which will be announced in 2022.</li> </ul>
Risk Management	<ul> <li>Cenviro's Corporate Governance and Assurance (CGA) department identifies, assesses and manages climate-related and other environmental risks through our Enterprise Risk Management (ERM) strategy.</li> <li>CGA identified risks of hazardous emissions to the atmosphere, waste backlog, and occurrences of health, safety and environment issues such as fire and spillage in 2020.</li> <li>To mitigate the risks identified, we implemented internal controls through the establishment of the Environmental Aspect Impact, EPMC monthly &amp; ERCMC annual meetings, Continuous Emissions Monitoring System (CEMS), Environmental Monitoring Programme, Air Pollution Control System (APCS), fleet inspection and waste backlog monitoring.</li> </ul>	<ul> <li>Integrated the KASB Environmental Policy into our existing Quality, Health, Safety, Security and Environmental (QHSSE) policy.</li> <li>Formulating our Sustainability Framework, that would guide the implementation of the strategies to mitigate the negative impacts of climate change, which will be announced in 2022.</li> <li>Exploring opportunities to meaningfully assess and measure our physical and transitional risk.</li> </ul>
Metrics & Targets For more information on our GHG emissions data monitoring, please refer to pg 90-94.	<ul> <li>For quantification of our GHG emissions, we have transitioned to the ISO 14064-1 standards from the Greenhouse Gas Protocol</li> <li>Under the ISO 14064-1 standards, GHG emissions are categorised into Categories 1 through 6 (previously grouped under Scope 1, 2 and 3 emissions).</li> <li>Established the year 2020 as our GHG emissions baseline year, hence it will be a point of reference to measure our progress in GHG emissions intensity reduction.</li> </ul>	<ul> <li>The targets for our GHG mitigation strategies are:</li> <li>25% reduction in emissions from the use of electricity</li> <li>10% reduction in emissions from fossil fuel used in waste transport</li> <li>10% reduction in emissions from chemical use</li> <li>Recorded a reduction in the GHG emissions intensity by 1.34% from the baseline year of 2020.</li> </ul>

# **Good Business Conduct**

GRI 2-23, 2-26

Guided by our robust corporate governance framework, our Senior Management team closely monitors all compliance requirements, including ethical behaviour, anti-bribery and corruption, as well as whistleblowing, amongst others.

Our Cenviro Code of Conduct provides guidance and insight to all employees regarding the highest standards of professionalism and ethics in business conduct. We are strongly committed to ensuring that the principles of the Code are adhered to across our organisation at all times, led by our focus on uncompromising governance. We are cognisant that our continued success and strong brand reputation are dependent on building and maintaining the trust of our customers, investors, employees, the public and other key stakeholder groups.

In July 2021, we launched our Personal Data Protection Policy, which is aligned with the data protection principles under the Personal Data Protection Act 2010. This policy streamlines how Cenviro collects, uses, stores, transfers and secures personal data, as well as ensures that the rights of the data subjects are protected.

### **Cenviro's Key Ethics & Integrity Policies and Certifications**

Anti-Bribery and Corruption Policy	Personal Data Protection Policy (launched in 2021)	ISO 9001: KASB, CS, CRR, EISB, SPSB
Gifts and Hospitality Guidelines	Whistle-Blowing Policy	ISO 14001: KASB, CS, CRR, EISB, SPSB
Cenviro Code of Conduct (updated in 2021)	Drugs, Alcohol & Substance Abuse Policy	ISO 45001: KASB, CS, CRR
QHSSE Policy (updated in 2021)	Guided Self-Regulation	ISO/IEC 17025: KASB





# Anti-Bribery & Corruption

- Cenviro Anti-Bribery & Corruption Policy
- Cenviro Gifts & Hospitality Guidelines
- Cenviro Code of Conduct

Our Anti-Bribery & Corruption Policy (ABC policy) is compliant with the Malaysian Anti-Corruption Commission Act 2009.

We launched our Organisational Anti-Corruption Plan (OACP) in 2021, whereby 3 initiatives were completed in the same year. As part of the OACP, the Cenviro Code of Conduct was revised to include minor and serious misconducts including offences under the MACC Act. We also developed risk-based audit plans that examine corruption risk areas, governance issues of accountability/responsibility, integrity, fairness and transparency. Additionally, we conducted 6 ABC-related training sessions in 2021. There were zero reported/escalated corruption cases within Cenviro this year.



#### Human Rights GRI 2-30

- Compliance with all applicable laws and regulations on forced and child labour as well as the rights of employees
- Cenviro Code of Conduct
- Cenviro Employee Handbook
- Cenviro Vendor Code of Conduct

Cenviro has zero tolerance for discrimination and human rights violations along our value chain. We strive to safeguard labour rights throughout our supply chain, and respect our employees' right to collective bargaining as well as our customers' right to privacy.

We are committed to fostering a diverse and inclusive work environment, by embracing and cultivating respect, trust, open communications and diversity of thought and people. As a best practice, we endeavour to provide a work environment that is free from any form of harassment, bullying, intimidation and abuse.

As per our Vendor Code of Conduct, Cenviro conducts our procurement process in accordance with our Procurement Policy. We perform thorough supplier evaluation and assessment to ensure fair and objective selection of vendors, whilst also committing to a diverse vendor base and safeguarding our vendors' information.

Every employee, customer, client and contractor is treated with respect, hence minimum wages are strictly observed within the Cenviro Group. In 2021, **29% of Cenviro employees** and **47% of EISB employees** were covered by collective bargaining agreements.



Whistleblowing GRI 2-16, GRI 2-25, GRI 2-26 • Cenviro Whistle-blowing Policy • Cenviro Code of Conduct

Cenviro's Whistle-blowing Policy provides a confidential mechanism for employees and stakeholders to raise concerns regarding suspected improper conduct at Cenviro Group, without fear of repercussions. This policy applies to any unethical, illegal or improper behaviour involving employees, consultants, vendors, contractors and any other parties with a business relationship with Cenviro.

Any critical concerns are raised to Cenviro's Board of Directors via the independent whistle blower channel and escalated further to the Board Audit and Risk Committee Meeting. In 2021, 1 case was reported in relation to abuse of power and conflict of interest. Employees and vendors who suspect incidents of corporate wrongdoing can submit anonymous reports through the dedicated hotline, website or email address below. This hotline is managed by an independent third-party company to ensure 24/7 service.

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



#### **Cybersecurity & Data Privacy**

- GRI 3-3, 418-1
- Cenviro IT Security Policy
- Cenviro Code of Conduct
- Cenviro Personal Data Protection Policy

Cenviro is committed to respecting and safeguarding the privacy and confidentiality of the data of our customers, suppliers, business partners and employees. Cenviro's Personal Data Protection Policy (launched on 12 July 2021) establishes governing principles to ensure that we manage data in accordance with high standards of data privacy, comply with relevant legal and regulatory requirements and establish robust data protection measures.

Cenviro is also guided by the IT Security Policy version 1.2 (updated on 1 January 2021), ensuring that all risks are identified, and all reasonable measures are taken to protect against security breaches. For employees working from home, the Management of Information and Technology Services (MITS) team assists with IT issues through VPN access, wherever possible.

Cenviro adopted the Microsoft Office 365 & OneDrive cloud technology to improve data security, whereby all users' data was transferred from various devices to the cloud to mitigate any hardware failure risks. This year, Cenviro maintained "zero incidents" of substantiated complaints/issues regarding data privacy breaches or loss of customer data.

# Sustainable Procurement

GRI 2-6, 3-3, 204-1

Cenviro is committed to maintaining a robust supply chain by carefully assessing the goods and services we procure, as we recognise its importance to the sustainability of our operations.

### **Our Approach to Sustainable Procurement**

Our procurement and subcontracting activities involve the purchase of consumable materials, waste treatment equipment and services related to equipment maintenance and construction.

We require all our suppliers to maintain robust ethical business practices and to strictly adhere to Cenviro's Vendor Code of Conduct (VCOC), in accordance with our commitment to responsible and ethical business conduct. The VCOC includes matters relating to integrity and compliance, anti-corruption, transparency, disclosure of conflicts of interest, as well as confidentiality. We also continuously engage with our suppliers to ensure that their practices remain in line with Cenviro's values and sustainability commitments. Additionally, all suppliers are screened under the relevant criteria based on our HSSE management standards before they are added to our procurement system. This screening process enables Cenviro to anticipate and prevent HSSE risks throughout our procurement activities.

Cenviro also strives to procure products and services from ethical and responsible local suppliers to create a deeper and more meaningful impact on the communities we operate in. Ultimately, we want to contribute back to the communities that we serve, including through our sourcing and procurement activities.

For more details on our Vendor Code of Conduct, please visit https://www.cenviro.com/sustainability/governance-and-assurance/



In 2021, 99% of all procurement spending was directed to local suppliers and vendors.





### Supplier Management Across our Value Chain

In 2021, **120 potential suppliers** were screened, with only **85 suppliers** accepted. Cenviro also maintained the Vendor Rating system, and Supplier Screening and Registration Process as disclosed in SR2020.

For more information, please refer to pg 118 of Cenviro's Sustainability Report 2020.

We ensure sustainability across our value chain by having our annual rating system for registered vendors' performance, whereby underperforming vendors are issued a vendor complaint form and vendors who fail to improve their performance are not invited for new business opportunities. In 2021, we assessed 31% of the active vendors, of which zero vendors underperformed.



We are committed towards delivering impactful economic, social and environmental value to the communities that we operate in. By educating them on the importance of moving up the waste hierarchy, we are able to encourage them to prioritise the 4R (reduce, reuse, recycle, recover) approach in their everyday lives...





# Supporting our Communities

Contributing Towards our Communities	116
Delivering Meaningful Impact Through	117
Recycling Programmes	
Engaging and Partnering with our	119

Engaging and Partnering with our Stakeholders

# Contributing Towards our Communities

GRI 3-3. 203-1, 203-2, 413-1

At Cenviro, we understand that our business is closely intertwined with the communities that we serve. Hence, we are committed towards delivering meaningful social, economic and environmental value to these communities. Simultaneously, Cenviro also aims to educate the public on the importance of resource recycling and recovery, primarily by engaging multiple stakeholders through our community programmes.

Our contributions towards the community are focused on supporting initiatives in which the objectives are largely aligned with Cenviro's core values, products, and services.

We provided financial support that amounted to RM20,000 to the communities surrounding WMC, which were five mosques and a few underserved "asnaf" families that live within the surrounding area. We also partially subsidised RM9,000 for the programmes organised by the communities residing nearby the CJSB Waste Management Facility site, primarily to purchase food and gifts to be given out during the Ramadan month. Apart from that, we also contributed RM7,000 towards the victims of the 2021 national flood crisis, targeted towards those who reside in the southern region of Malaysia.





# Delivering Meaningful Impact Through Recycling Programmes

# Initiating e-Waste Collection from Schools

Cenviro has continued to build momentum in improving our community-based recycling programmes across the nation.

In 2021, Cenviro was invited by Negeri Sembilan's Department of Environment (DOE) to become a strategic partner for an e-Waste collection and recycling programme, targeted towards schools in Negeri Sembilan. With 34 participating schools, the programme was quite well-received, leading to a collection of almost 25,000 kg of e-Waste. The programme was organised in conjunction with Negeri Sembilan's Hari Alam Sekitar (HASN) 2021 celebration and DOE's national level e-Waste campaign.





# Enacting Change through Recycling (RFL)

As part of our aim to encourage recycling within communities that we operate in, we continued to expand our Recycle for Life (RFL) programme in 2021. This year, we signed an agreement with Shell Business Services, Cyberjaya to implement RFL within their premises. As of December 2021, RFL has registered the following stakeholder groups nationwide since 2017:



252 Schools



224 Corporate Partners



224 Communities





# Engaging and Partnering with our Stakeholders

GRI 2-28, 3-3, 203-1, 203-2, 413-1

As a forward-thinking and purpose-driven waste resource management company, we continue to strengthen our relationships with regulators, relevant authorities, communities and other key stakeholders to ensure that we address their needs accordingly. Our engagements with regulators and relevant industry bodies have made us more cognizant of the latest industry trends and have enabled us to better leverage existing and future growth opportunities.



# **IGEM 2021**

Participated as thought leaders in the virtual IGEM 2021 (International Greentech & Eco Products Exhibition & Conference Malaysia), organised by the Ministry of Environment & Water (KASA).



# **Collaboration Programme**

Engagement with Puan Norlin Binti Jaafar, Director General of the DoE. Key discussion points include progress of scheduled and clinical waste collection by Cenviro, Cenviro's clean-up services for illegal dumping and Cenviro's e-Waste recycling collaboration programme with Negeri Sembilan's Department of Environment.



122

134

140



# Performance and Annual Data

Performance and Annual Data Assurance Statement GRI Content Index

# GRI 3-3, 201-1 **Financial Performance**

Financial Performance (RM 000s)	2015	2016	2017	2018	2019	2020	2021
Revenue	193,341	189,560	176,581	253,057	219,856	253,498²	272,800
Earnings before interest, tax, depreciation and amortisation (EBITDA)	71,079	66,530	52,910	(1,482) <sup>1</sup>	65,511	73,782 <sup>2</sup>	85,225
Profit Before Taxation	95,097	86,355	57,629	(3,544)	51,979	44,779	68,145
Net Profit Attributable to a Shareholder	78,964	75,096	46,183	(1,118)	37,046	34,827	57,268
Total Assets	414,567	535,489	643,090	648,733	689,937	657,299	703,649
Shareholder's Equity	325,195	450,410	496,262	467,651	483,653	472,745	504,153

### Key Financial Ratios

Return on Equity	30.42%	19.36%	9.75%	-0.68%	7.79%	<b>7.37%</b> <sup>2</sup>	11.36%
Debt/Equity Ratio	0.03	0.07	0.17	0.18	0.18	0.16 <sup>2</sup>	0.11

### Value Distributed to Stakeholders

Total value distributed (RM 000s)	152,736	157,135	130,775	76,976	141,018	139,700²	173,385
<b>Providers of Capital</b> Finance costs and retained for future reinvestment and growth (depreciation, amortisation, retained profits and non- controlling interest)	62.03%	66.08%	56.51%	43.50%	57.18%	56.65%²	60.62%
<b>Employees</b> Salaries and employee-related costs	26.62%	26.02%	34.62%	56.70%	32.14%	) 35.83%²	33.08%
<b>Government</b> Taxation (including deferred tax)	10.57%	7.17%	8.76%	-0.34%	10.59%	<b>7.12%</b> ²	6.27%
Communities and Others Corporate donations and sponsorships	0.78%	0.73%	0.11%	0.14%	0.08%	0.40%	0.03%

<sup>1</sup> Restatement due to recalculation <sup>2</sup> Restatement due to recalculation and alignment to Audited Financial Statement 2021

# **Operational Performance**

#### **Total Tonnes of Waste Treated**

	2015	2016	2017	2018	2019	2020	2021
<b>Incineration Plant</b> For incineration of harmful organic waste using thermal treatment	49,488	40,962	31,872	25,293	26,675	18,272	22,818
<b>Scheduled-Waste-to-Energy Plant</b> For generation of energy via the incineration of scheduled waste	Not yet in operation	Not yet in operation	Not yet in operation	19,275	11,795	25,217	25,509
<b>Physical and Chemical Treatment Plant</b> For treatment of all types of hazardous inorganic liquid waste	4,9341	2,605	4,884	8,794²	3,481	2,809	4,672
<b>Solidification Treatment Plant</b> For stabilisation and solidification of toxic components of hazardous wastes to prevent leaching once waste has been disposed of	9,806	11,054	13,176	11,218	18,555	10,753	12,685
<b>Clinical Waste Treatment Centre</b> For treatment of clinical waste using an eco-friendly incinerator and microwave technology	6,341³	7,7084	8,845 <sup>5</sup>	8,921 <sup>6</sup>	8,567	6,407	5,234
<b>Recycling and Recovery Facilities</b> <sup>7</sup> For recycling and recovery of valuable resources from scheduled waste	10,528	7,968	9,970	9,954	8,167	11,110	8,182
<b>Vertical Secured Landfill</b> For disposal of waste once it has been treated							
Direct to landfill: Residuals from WMC:	70,845 47,950	77,807 <sup>8</sup> 44,080	91,598 <sup>9</sup> 44,934	85,542 <sup>10</sup> 34,718	85,191 41,376	111,972 26,290	102,422 30,450
Total:	118,795	121,887	136,532	120,260	126,567	138,262	132,872

Notes:

 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:

 7:
 Restatement due to recalculation of treatment tonnage for Clinical Waste Treatment Contre 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

ित्रि Resources generated by CRR (kg)	2018	2019	2020	2021
Oil	2,832,000	2,024,000	1,649,516	3,171,105
Solvent	362,190	277,000	317,632	19,239
e-Waste	414,507	<b>4</b> 3,000	32,468	> 113,523
Scrap metal	1,525,732	3,670,000	9,129,215	2,377,609
Plastic	103,517	3,207,250	127,482	2,500,795
				4

E-waste recovery and recycling by SPM	2019*	2020	2021
Waste Processed (tonnes)	27,247	2,048	1,855
Waste Recycled (tonnes)	> 25,290	2,045	) 1,849
Recovery Efficiency	92.8%	99.8%	99.7%

\* 2019 data includes both scheduled and non-scheduled waste

### 🚇 🛛 Customer Satisfaction

Scores	2016	2017	2018	2019	2020	2021
KASB	86.4%	85.4%	Clinical waste customers: 92.7%	Clinical waste customers: 92.4%	Clinical waste customers: 88.2%	Clinical waste customers: 86.2%
			Scheduled waste customers: NA*	Scheduled waste customers: NA*	Scheduled waste customers: 79%	Scheduled waste customers: 80%
EISB	-	85.4%	94.3%	98.7%	99.2%	74.5%

\*Data unavailable due to customer survey system revamping exercises

2021

#### GRI 3-3, 403-8, 403-9

# Health & Safety Performance

	2018	2019	2020	2021
Total HSE cases recorded	31	36	45	37
Total recorded man hours	530,867	521,322	545,376	418,560
No. of LTI incidents (Employees)	<b>&gt;</b> 3	<b>&gt;</b> 6	<b>&gt;</b> 1	> 1
No. of LTI incidents involving contractors	N.A.	6	( 1	( 1
Consecutive days without LTI incident	N.A.	73	226	400

GRI 403-8, 403-9

#### Occupational Health and Safety Performance Data

CRITERIA **EMPLOYEE** CONTRACTOR **Total Man hours** 549.072 384,000 Accident-related fatalities (death) 0 0 2 Accident with lost workdays 0 Accident without lost workdays 17 18 Total number of accidents 19 18 Total workdays lost 2 0 **Fatality Rate** No. of fatalities X 1000/ Annual average no. of employees 0 0 **Incident Rate** No. of accidents X 1000 / Annual average no. of employees 68.10 72 **Frequency Rate** No. of accidents X 1,000,000/ Total man-hours worked (Y) 34.60 46.88 **Severity Rate** Total workdays lost X 1,000,000 / Total man-hours worked 0 3.64 **Occupational disease rate** 14.34 16 Lost-day rate 0.73 0 Absentee rate NA NA

#### **Total HSE Incidents Recorded**

0





#### GRI 3-3, 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:	<ol> <li>Hazard Identification, Risk Assessment and Risk Control (HIRARC)</li> <li>Job Hazard Analysis</li> <li>Hazard Identification Programme</li> <li>Workplace Inspection</li> </ol>
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

# Workplace Data

#### GRI 405-1

### Employee Breakdown in 2021

	CEN	VIRO	EISB		
CRITERIA	VALUE	%	VALUE	%	
Total Employees	482	100%	1,661	100%	
<b>Permanent Employees</b> Male Female	347 119	72% 24.69%	1,498 163	90.19% 9.81%	
<b>Temporary Employees</b> Male Female	14 2	2.9% 0.41%	0 0	0% 0%	
<b>Full-time Employees</b> Male Female	361 121	74.90% 25.10%	1,498 163	90.19% 9.81%	
Part-Time Employees	О	0.00%	0	0%	
<b>By Ethnicity</b> Malay Chinese Indian Others	419 20 30 13	86.93% 4.15% 6.22% 2.70%	1,596 2 63 0	96.02% 0.12% 3.79% 0.06%	
Top Management Male Female <30 yrs old 30-50 yrs old >50 yrs old	2 0 0 1 1	100% 0.00% 0.00% 50% 50%	3 1 0 1 3	75% 25% 0 25% 75%	
Management Male Female <30 yrs old 30-50 yrs old >50 yrs old	49 15 2 48 14	76.56% 23.44% 3.13% 75.00% 21.88%	18 7 0 18 7	72% 28% 0 72% 28 %	
Executive Male Female <30 yrs old 30-50 yrs old >50 yrs old	72 73 38 96 11	49.66% 50.34% 26.21% 66.21% 7.59%	53 40 15 73 5	57% 43% 16% 78% 5%	
Non-Executive Male Female <30 yrs old 30-50 yrs old >50 yrs old	238 33 68 172 31	87.82% 12.18% 25.09% 63.47% 11.44%	1424 115 292 834 413	93% 7% 19% 54% 27%	

#### GRI 405-2

### Employee Salary Breakdown in 2021

		CENVIRO	EISB				
Basic Salary Ratio							
Top Management	Male to Female	1:0	1:0.64				
Management	Male to Female	1:0.2	1:0.73				
Executive	) Male to Female	) 1:0.92	) 1:0.91				
Non-Executive	Male to Female	1:0.94	1:1.05				

GRI 401-1

### New Employee Hires and Turnover in 2021

	CEN	/IRO	EISB		
	Number	Rate (%)	Number	Rate (%)	
New Employee Hires					
Total	27	5.6%	270	16.26%	
Male	19	3.94%	261	15.72%	
Female	8	1.66%	9	0.54%	
<30 yrs old	14	2.90%	162	9.76%	
30-50 yrs old	13	2.70%	103	6.20%	
>50 yrs old	) o	0.00%	> 5	0.30%	
Employee Turnover					
Total	22	4.56%	84	5.06%	
Male	13	2.70%	73	86.90%	
Female	9	1.87%	11	13.10%	
<30 yrs old	5	1.04%	52	61.90%	
30-50 yrs old	9	1.87%	29	34.52%	
>50 yrs old	8	1.66%	3	3.57%	

GRI 404-1

#### **Average Training Hours**

	CENVIRO			EISB		
	2019	2020	2021	2019	2020	2021
Number of Employees Training Cost (RM) Average Training Cost per Employee (RM) Training Hours Average Training Hours per Employee	448 472,736 1,055 10,521 23	479 386,286 806 8,666 18	485 481,181 992 12,318 25.4	1,548 319,257 206 24,768 16	1,556 179,790 115.6 24,896 16	1,662 115,780 70 26,592 16

#### GRI 404-1

### Employee Training by Employee Category and Gender in 2021

	CENVIRO			EISB		
	2019	2020	2021	2019	2020	2021
<b>Training Hours by Category</b> Manager Executive Non-Executive	1,814 3,841 4,766	60 130 219	3,069 5,253 3,996	17 21 10	16 16 8	16 16 8
<b>Number of Employees by Gender</b> Male Female	335 113	358 121	364 121	1,386 162	1,392 164	1,499 163

Leadership Training CENVIRO			EISB		ISB		
	2018	2019	2020	2021	2019	2020	2021
No. of leadership training sessions	12	12	17	7	6	6	6
No. of employees that attended training sessions	69	58	73	133	150	146	113

#### Competency Training for Cenviro's Employees

	2018	2019	2020	2021
Total Competency Areas Target for Certified Competent Employees per Competency Area	9 14	9 14	9 14	9 21
<b>EiMAS training figures</b> Total training attendance No. of attendees that received one-year competency certificates	) 19 2	9* 7	22	02
Other employees that secured a one-year competency certificates	17	7	2	2
No. of employees with full competency certificates	16	40	43	46

\*Restatement of data due to recalculation of 2019 figures

#### GRI 404-3

Employee Performance Appraisals	CENVIRO
	2021
Total Eligible Employees	
Percentage	100%
Number	439
Manager	
Percentage	13%
Number	58
Executive	
Percentage	25%
Number	110
Non-executive	
Percentage	62%
Number	271
Male	
Percentage	77%
Number	338
Female	
Percentage	23%
Number	101

#### GRI 401-3

#### **Employee Parental Leave Data in 2021**

Employee Parental Leave Data in 2021		/IRO	EISB		
	Male	Female	Male	Female	
Total no. of employees entitled to parental leave	363	121	1498	163	
Total no. of employees who took parental leave	29	7	68	10	
Total no. of employees who returned to work after parental leave	29	7	68	10	
Total employees that were still employed 12 months after returning	29	7	65	9	
Return to work rate (%)	100%	100%	96%	90%	
Retention rate (%)	100%	100%	100%	98%	

GRI 413-1			
Community Performance	2019	2020	2021
Total spent on community programmes	>RM 73,000	RM 66,300*	RM 36,410
Total donations to COVID-19 related relief efforts	-	RM 531,700	- \

\* FY2020 and first quarter of FY2021 included

Chapter 08 131 Performance & Annual Data

# Environmental Performance

GRI 305-1, 305-2, 305-3 GHG Emissions Data

Year	Direct Emissions	Indirect Emission	S		
	Scope 1	Scope 2		Scope 3	
	Cat 1	Cat 2	Cat 3	Cat 4	Cat 5
2020 (ISO 14064-1 standard)	56,602	7,889	24,733	6,371	330
2020 (Scope based data)	56,602	7,889	>	31,434	
2021 (ISO 14064-1 standard)	52,779	9,154	21,346	7,526	0
2021 (Scope based data)	52,779	9,154		28,872	

Note: Restatement of GHG emissions data from 2020 onwards is due to the change in standard from GHG Protocol to ISO 14064-1 standard

GRI 305-4

### **Carbon Footprint**

Type of Treatment (tonnes CO2e/ tonnes waste)	2020	2021
KAWMC treated waste	0.448	0.442
Thermal treatment of incinerable waste	1.459	1.253
Secured landfill of inert wastes	0.081	0.087
Solidification of inorganic wastes	0.278	0.370
Physical chemical treatment of liquid wastes	0.223	0.218
All CRR Output	0.095	0.082

GRI 302-1				2021
Energy	2018	2019	2020	2021
Total fuel consumption from non-renewable sources* (GJ)	136,312*	66,493**	63,069.65	36,113.10
Electricity Consumption (GJ)	62,332.69	52,392.07	49,740.95	53,669.05
Electricity Sold (GJ)	37,489.54	11,148.89	21,973.79	14,031.94
Total Energy Consumption (GJ)	161,155.15***	130,038.96	90,836.81	75,750.21

\* Includes fuel consumption from motor vehicle usage and diesel used for SWEE 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 SWEE plant operations. Fuel conversion metrics based on those provided by the U.S. Energy Information Administration.
\*\* Machine Stratement of 2018 data due to revised calculations.

#### GRI 302-1

#### **Fuel Consumption**

	2014	2015	2016	2017	2018	2019	2020	2021
<b>Reconstituted Oil</b> (tonnes)	4,322	3,126	2,164	1,330	1,656	1,383	1,367	2,004
Diesel (tonnes)	836	<b>6</b> 93	966	<b>)</b> 676	1,665	<b>&gt;</b> 539	) 1,352	854
Ratio	5.2:1	4.5:1	2.2:1	1.96:1	0.99:1	2.56:1	1:1	2.3:1

GRI 302-1

### **Purchased Electricity Consumption**

	2014	2015	2016	2017	2018	2019	2020	2021
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	<b>) 14,908,069</b>

GRI 302-1

### Solar Energy

	2018	2019	2020	2021
Solar energy generated (kWh)	249,109	> 157,495	) 1,537,509	) 1,510,561

GRI 303-5

Water Usage	2014	2015	2016	2017	2018	2019	2020	2021
Water usage at WMC (m³)*	140,318	212,695	213,200	260,599	254,368	216,533	203,426	194,442
Effluent generated (m <sup>3</sup> ) - ETP - LTP	}	}	83,742 37,983	91,290 30,542	<b>4</b> 7,366 26,907	<b>4</b> 0,601 42,198	) 54,113 39,848	) 59,018 68,055

\* 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	2021
Internal waste recycled (kg)	178	204.2	155	268	241	22	313
<b>Total</b> internal scheduled waste treated internally and landfilled (kg)	485	337	446	558	582	505	479
<b>Total</b> Internal general waste collected by appointed domestic contractors and sent to approved facilities (kg)	61,120	54,680	35,150	29,750	23,560	22,620	54,867

#### GRI 301-1

Materials Consumption	2014	2015	2016	2017	2018	2019	2020	2021
Type of Material (tonnes)								
Hydrated Lime	1,453	1,290	1,548	1,628	1,239	1,118	779	796
Activated Carbon	12	8	10	7	12.7	10.6	6.5	2
Caustic Soda	40	50	115	181	1,108	653	1.072	1268

# Governance Data

GRI 204-1

#### Supplier breakdown

	2015	2016	2017	2018	2019	2020	2021
Number of suppliers Local Foreign Total	312 10 322	419 12 431	411 8 419	442 6 448	776* 17 793	672 18 690	610 13 623
<b>Percentage of suppliers by type</b> Local (%) Foreign (%)	97 3	97 3	98 2	) 99 1	98 2	97 3	) 98 2
Percentage of spending on suppliers by type Local (%) Foreign (%)	84 16	99 1	95 5	97 3	98 2	98.7 1.3	99 1

\*Increase in local suppliers due to revised procurement metrics.

### **Supplier Screening**

	2019	2020	2021
Number of potential suppliers screened	181	146	120
Number of potential suppliers accepted	111	73	85

#### GRI 2-30

#### **Employees Covered by Collective Bargaining**

			CENVIRO		EISE	3
	2019	2020	2021	2019	2020	2021
No. of Employees	129	128	141	1,299	772	783
% of Employees	29%	26.7%	29%	84%	49.6%	47%

# Assurance Statement

INDEPENDENT VERIFICA	TION STATEMENT
To: The Stakeholders of C Kuala Lumpur, Malaysia	enviro Sdn Bhd
Introduction and Objective Bureau Veritas (Bureau Ve assurance over selected info Statement applies to the rel Scope of Work The scope of our work was lif for the period 1 January 202 topics.	es of Work ritas) has been engaged by Cenviro Sdn Bhd (Cenviro) to provide limited prmation reported in its Sustainability Report 2021 (Report). This Assurance ated information included within the scope of work described below. mited to assurance over the following information included within the Report 1 to 31 December 2021 (Selected Information), based on Cenviro's material
Material Topic	Indicators
	Total materials recycled by CRR (tonnes)
Transition to circular economy	Resources recovered by CHA, according to material type (tonnes) Recyclable waste collected by RFL (kg)
Transition to circular economy	Resources recovered by CRR, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes)
Transition to circular economy Renewable energy from	Resources recovered by CHA, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes)
Transition to circular economy Renewable energy from waste	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWtE (tonnes) Energy generated by SWtE (MW)
Transition to circular economy Renewable energy from waste Future-focused integrated solutions	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWtE (tonnes) Energy generated by SWtE (MW) Information on upcoming Cerwiro facilities
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cerwiro facilities R&D collaboration programmes grant value (RM)
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cerwiro facilities R&D collaboration programmes grant value (RM) Digitalisation/Automation initiatives
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation Achieving customer satisfaction	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cenviro facilities R&D collaboration programmes grant value (RM) Digitalisation/Automation initiatives Customer Satisfaction rate (%)
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation Achieving customer satisfaction	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cerwiro facilities R&D collaboration programmes grant value (RM) Digitalisation/Automation initiatives Customer Satisfaction rate (%) Functions of HSSE Department
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation Achieving customer satisfaction	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cerwiro facilities R&D collaboration programmes grant value (RM) Digitalisation/Automation initiatives Customer Satisfaction rate (%) Functions of HSSE Department QHSSE policy update
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation Achieving customer satisfaction	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cerwiro facilities R&D collaboration programmes grant value (RM) Digitalisation/Automation initiatives Customer Satisfaction rate (%) Functions of HSSE Department QHSSE policy update Decentralising Health & Safety management
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation Achieving customer satisfaction	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cerwiro facilities R&D collaboration programmes grant value (RM) Digitalisation/Automation initiatives Customer Satisfaction rate (%) Functions of HSSE Department QHSSE policy update Decentralising Health & Safety management HSSE Targets & Achievements
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation Achieving customer satisfaction Prioritising workplace health and safety	Resources recovered by CHX, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cerwiro facilities R&D collaboration programmes grant value (RM) Digitalisation/Automation initiatives Customer Satisfaction rate (%) Functions of HSSE Department QHSSE policy update Decentralising Health & Safety management HSSE Targets & Achievements Certifications and Compliance
Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation Achieving customer satisfaction Prioritising workplace health and safety	Resources recovered by CPAK, according to material type (tonnes) Recyclable waste collected by RFL (kg) E-waste recycled by SPM (tonnes) MSW collected by EISB (tonnes) Waste incinerated by SWIE (tonnes) Energy generated by SWIE (tonnes) Energy generated by SWIE (MW) Information on upcoming Cerwiro facilities R&D collaboration programmes grant value (RM) Digitalisation/Automation initiatives Customer Satisfaction rate (%) Functions of HSSE Department QHSSE policy update Decentralising Health & Safety management HSSE Targets & Achievements Certifications and Compliance

	Cartifications and Compliance
	Hazard Identification Programme
	Safety Culture Survey
	Safety Moments culture
	Focus Recognition Programme
	Emergency Response Team
	HSSE Engagements and Awards
	HSSE Initiatives
	HSSE Training List & expenditure (RM)
	Total Contractor Safety training (hours)
	HSSE Contractor Penalty Matrix
lengesseere in the	TREX-Table Top Drill
Developing a next generation workforce	Total number of employees trained
	Average training hours for employees
	Competency training
	Succession planning programmes
	Leadership training and development programmes
	Learning and Development programmes organised by EPIC
Fostering an engaged	Key initiatives for employee engagement
workforce	Cenviro Talent Engagement Programme (CTEP)
Promotion divertity	Percentage of women in Board of Directors and Senior Management (%
inclusivity and equal	Gender breakdown of employees (%)
opportunity	Category breakdown of employees (%)
21 2 2	Environmental Compliance in Cenviro
Beyond compliance	Responsible Practices in Cenviro
	Absolute GHG Emissions (tCO2e)
Managing emissions and	GHG Emissions Intensity (tCO2e/tonne waste treated)
addressing climate change	GHG Reduction Targets and Mitigation Measures
	Sustainability-Linked Sukuk Issuance
Sustainable energy consumption	Solar energy generated (kwh)
Operational efficiency	Continuous Improvement Projects
Energy consumption	Energy Consumption (GJ)
chergy consumption	Materials Consumption (tonnes)
Water management	Water Usage (m <sup>3</sup> )
water management	Effluent Generation (m <sup>3</sup> )
Noise monitoring	Ambient Impact Indicators
Biodiversity monitoring	Biodiversity
Internal waste	Internal Waste Recycled (kg)
management	Internal Scheduled waste treated and landfilled (kg)



	Total internal general waste collected by appointed domestic contractors and sent to approved facilities (kg)
Ethical business	Good Business Conduct (Ethics & Integrity policies, Whistleblowing policy, Human Rights policy, Anti-Bribery and Corruption policy)
	Risk management
Good governance	Top-down Approach to Governance
	Board of Directors
Sustainable procurement practices	Supplier screening & supplier assessment
Data security and privacy	Cybersecurity & Data Privacy policy
Community engagement and development	Community Investment amount (RM)
Health, safety and wellbeing of communities	Ambient Impact Indicators and Biodiversity

Our review also included an evaluation of alignment of the reported data and information included in the Report to the requirements of the Global Reporting Initiative (GRI) Standards and the corresponding GRI index. This is based on the current best practice in independent assurance.

#### Methodology

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

- Conducted interviews with relevant personnel of Cenviro including the representative of its subsidiaries;
- 2. Reviewed the documented evidence produced by Cenviro and its subsidiaries;
- 3. Assessed the appropriateness and accuracy of the Selected Information; and
- 4. Agreed a selection of the Selected Information to the corresponding source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



#### **Our Findings**

Based on our methodology and the activities described above, our key findings are as follows:

- It is our opinion that Cenviro has established appropriate systems for the collection, aggregation and analysis of qualitative and quantitative data such as key performance data pertinent to the Selected Information.
- During the financial year, the total scheduled waste treated at Kualiti Alam Waste Management Centre (WMC) increased from 186,540 tonnes in 2020 to 181,521 tonnes in 2021, registering a 2.7% decline. The amount of waste diverted to Cenviro Recycling and Recovery Sdn. Bhd. (CRR) reduced from 11,110 tonnes in 2020 to 8,182 tonnes in 2021, marking a 26.4% reduction. The Scheduled-Waste-to-Energy (SW1E) facility incinerated 25,509 tonnes of scheduled waste, recording a 1.2% increase from 2020. The SW1E facility also generated 3,742 MW energy in 2021, a 69.4% reduction from 2020.
- Cenviro's uncompromising Safety First culture led to the achievement of 400 consecutive days
  without Lost Time Injury (LTI), which was 174 days more than last year and exceeding the 150
  cumulative days without LTI target. The Hazard Identification Programme (HIP), which aims to
  foster a culture of safety among staff, contractors, and visitors, received 7,288 submissions in
  2021, exceeding the initial 5,000 target.
- To continue driving Cenviro's strong emphasis on safety, multiple initiatives were introduced throughout 2021. Key highlights include the update to the Quality, Health, Safety, Security & Environmental (QHSSE) policy, and the Decentralisation of Health & Safety Management within Cenviro.
- Cenviro's focus this financial year was on reducing its greenhouse gas (GHG) emissions. Cenviro launched the 5-Year GHG Reduction Roadmap, which targets to achieve a reduction of 5% GHG emissions intensity by 2025, with a baseline year of 2020. In 2021, Cenviro achieved a reduction of 1.34% GHG emissions intensity. Additionally, Cenviro has transitioned its GHG emissions reporting from the Greenhouse Gas Protocol to the ISO 14064-1 standard.
   Cenviro also generated 1,510,561,28 kWh of solar energy in 2021, registering a slight 1.8%
- Centro also generated 1,510,551,25 kWh of solar energy in 2021, registering a signit 1.04 decline from 2020.
   We found that EPIC (Environmental Preservation and Innovation Centre) has rapidly grown in
- We found that EPIC (Environmental Preservation and innovation Centre) has rapidly grown in 2021, establishing 5 research collaboration programmes with local and international industry partners. In 2021, EPIC organised 115 training programmes with 2,600 participants, whereas 2020 recorded 1,718 participants and 19 training programmes.
- Cenviro also works to fully embed the Continuous Improvement culture within the organisation. In 2021, Cenviro achieved RM3.16 million in cost savings through multiple Continuous Improvement Projects (CIPs), exceeding the 2020 performance by 13%.
- Corporate Governance highlights in 2021 include the launch of Cenviro's inaugural Personal Data Protection policy. Cenviro also updated their Cenviro Code of Conduct to include the new core values and the stakeholders required to comply with the code, amongst other changes. We also found that Cenviro issued the Organisational Anti-Bribery and Corruption Plan (OACP), with 3 initiatives completed in 2021.
- Previously, the action taken for non-conformity was the issuance of Corrective and Preventive Action (CAPA). In 2021, Cenviro replaced that with an internal Non-Conformity Report (INCR) issued to the responsible party.
- Cenviro provided a total of 25 average training hours per employee in 2021, which was 7 hours
  more than the average training hours per employee recorded in 2020. In 2021, a total of 133
  Cenviro employees and 113 EISB employees enrolled in the leadership training programmes.
  50% of the Board of Directors consisted of women as of 31 December 2021.
- 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). As part of the annual Integrated Management System (IMS) Internal Audit, the compliance with the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 requirements and its documented procedures was audited in 2021. External auditors conducted further assessments during the annual IMS recertification audit from September to December 2021. The audit was conducted to ensure recertification for ISO 9001:2015, ISO 14001:2015, ISO 14001:2015, ISO 45001:2015.





# **GRI** Content Index



#### **GRI Services Statement**

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2–1 to 2–5, 3–1 and 3–2 are aligned with the appropriate sections in the body of the report.

Statement of use	Cenviro Sdn. Bhd. has reported in accordance with the GRI Standards for the period 1 January 2021 to 31 December 2021
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard	Disclosure	Page Number (s) or URL/Direct Answer	Omission
General Disclo	sures		
GRI 2: General Disclosures	2-1 Organizational details	3; 14-15	
2021	2-2 Entities included in the organization's sustainability reporting	3; 14-15	
	2-3 Reporting period, frequency and contact point	3	
	2-4 Restatements of information	Significant restatements of data compared to prior years are noted in the section(s) where they appear	
	2-5 External assurance	3; 134-139	
	2-6 Activities, value chain and other business relationships	8-10; 14-15; 26-29; 112-113	
	2-7 Employees	127	
	2-8 Workers who are not employees	127	
	2-9 Governance structure and composition	103-105; Cenviro website (www.cenviro.com)	
	2-10 Nomination and selection of the highest governance body	104-105	
	2-11 Chair of the highest governance body	104-105	
	2-12 Role of the highest governance body in overseeing the management of impacts	107	
	2-13 Delegation of responsibility for managing impacts	107	
	2-14 Role of the highest governance body in sustainability reporting	107	
	2-15 Conflicts of interest		<b>Confidentiality constraints:</b> As a private company, the details about Cenviro Board of Members are considered proprietary and not disclosed publicly.
	2-16 Communication of critical concerns	111	

GRI	Standard	Disclosure
<b>U</b>	ocurracia	D130103010

Page Number (s) or URL/Direct Answer	Omission
--------------------------------------	----------

2-17 Collective knowledge of the highest governance body		<b>Confidentiality constraints:</b> As a private company, the details about Cenviro Board of Members are considered proprietary and not disclosed publicly.
2-18 Evaluation of the performance of the highest governance body		<b>Confidentiality constraints:</b> As a private company, the details about Cenviro Board of Members are considered proprietary and not disclosed publicly.
2-19 Remuneration policies		<b>Confidentiality constraints:</b> As a private company, the details about Cenviro Board of Members are considered proprietary and not disclosed publicly.
2-20 Process to determine remuneration	104	
2-21 Annual total compensation ratio		<b>Confidentiality constraints:</b> As a private company, the details about Cenviro Board of Members are considered proprietary and not disclosed publicly.
2-22 Statement on sustainable development strategy	16-21	
2-23 Policy commitments	110-111	
2-24 Embedding policy commitments	111	
2-25 Processes to remediate negative impacts	98-99; 111	
2-26 Mechanisms for seeking advice and raising concerns	111; Cenviro website (www.cenviro.com)	
2-27 Compliance with laws and regulations	75	
2-28 Membership associations	119	
2-29 Approach to stakeholder engagement	30-32	
2-30 Collective bargaining agreements	111; 133	

#### **Material Topics**

GRI 3: Material Topics 2021	3-1 Process to determine material topics	30-32; 33
	3-2 List of material topics	Cenviro's material topics include: Transition to circular economy, Renewable energy from waste, Future-focused integrated solutions, Engaging with industry and relevant authorities, Digital technologies and innovation, Achieving customer satisfaction, Fostering an engaged workforce, Prioritising workplace health and safety, Developing a next generation workforce, Promoting diversity, inclusivity and equal opportunity, Managing emissions and addressing climate change, Sustainable energy consumption, Beyond compliance, Water management, Domestic waste management, Biodiversity monitoring, Noise monitoring, Operational efficiency, Sustainable procurement practices, Ethical business, Good governance, Data security and privacy, Community engagement and development, & Health, safety and wellbeing of communities.
		There has been no significant changes to applicable operational boundaries, scope or measurement methodology.
		Refer to pg 145 on the mapping of Cenviro's material topics to GRI Topic Standards. The material topic disclosures in the GRI Content Index have been structured according to the GRI Topic Standards.

GRI Standard	Disclosure	Page Number (s) or URL/Direct Answer Omission
Economic Perf	ormance	
GRI 3: Material Topics 2021	3-3 Management of material topics	11; 14-15; 24-25; 28-29; 30-33; 122
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	122
Indirect Econo	mic Impact	
GRI 3: Material Topics 2021	3-3 Management of material topics	26-27; 28-29; 49-57; 58-59; 60-61; 116
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	49-57; 58-59; 60-61; 116
F	203-2 Significant indirect economic impacts	34-41; 49-57; 58-59; 60-61; 116
Procurement I	Practices	
GRI 3: Material Topics 2021	3-3 Management of material topics	112-113
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	112-113; 133
Anti-corruptio	n	
GRI 3: Material Topics 2021	3-3 Management of material topics	111
GRI 205: Anti- corruption 2016	205-3 Confirmed incidents of corruption and actions taken	111
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	96
GRI 301: Materials 2016	301-1 Materials used by weight or volume	96; 133
Energy	0.014	
GRI 3: Material Topics 2021	3-3 Management of material topics	95-96
GRI 302: Energy 2016	302-1 Energy consumption within the organization	95; 131-132
	302-4 Reduction of energy consumption	95
water and Efflu		
GRI 3: Material Topics 2021	3-3 Management of material topics	95-96
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	96;131-132
	303-2 Management of water discharge-related impacts	96; 131-132
	303-5 Water consumption	96;132

Chapter 08 Performance & Annual Data

#### GRI Standard Disclosure

Page Number (s) or URL/Direct Answer Omission

Diadiususitus		
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	98-99
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	99
	restored	
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	90; 91
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	92;131
	305-2 Energy indirect (Scope 2) GHG emissions	92; 131
	305-3 Other indirect (Scope 3) GHG emissions	92; 131
	305-4 GHG emissions intensity	92
	305-5 Reduction of GHG emissions	93-94
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	97
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	97
	306-3 Waste generated	97
	306-4 Waste diverted from disposal	97
	306-5 Waste directed to disposal	97
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	77-85
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	128
	401-3 Parental leave	130
Occupational H	ealth and Safety	
GRI 3: Material Topics 2021	3-3 Management of material topics	64; 68; 72
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	65-66; 68
-	403-2 Hazard identification, risk assessment, and incident investigation	64; 66; 69

GRI Standard Disclosure

#### Page Number (s) or URL/Direct Answer Omission

Occupational H	ealth and Safety	
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	65-66
	403-4 Worker participation, consultation, and communication on occupational health and safety	69-70
	403-5 Worker training on occupational health and safety	72-76
	403-6 Promotion of worker health	72-73
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65-66; 68; 75
	403-8 Workers covered by an occupational health and safety management system	125-126
Training and Ed	403-9 Work-related injuries	64; 125-126
		77
Material Topics 2021	topics	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	77-78; 128-129
	404-2 Programs for upgrading employee skills and transition assistance programs	78; 80-81
	404-3 Percentage of employees receiving regular performance and career development reviews	83; 130
Diversity and E	qual Opportunity	
GRI 3: Material Topics 2021	3-3 Management of material topics	84
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	84; 127
	405-2 Ratio of basic salary and remuneration of women to men	128
Local Communi	ties	
GRI 3: Material Topics 2021	3-3 Management of material topics	30-32; 116-119
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	116-119
Customer Priva	cy	
GRI 3: Material Topics 2021	3-3 Management of material topics	111
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	111
# Appendix

GRI Topic	Standards	Cenviro's Material Topics
201	Economic Performance	Transition to circular economy
203	Indirect Economic Impacts	Transition to circular economy Renewable energy from waste Future-focused integrated solutions Engaging with industry and relevant authorities Digital technologies and innovation Achieving customer satisfaction Operational efficiency
204	Procurement Practices	Sustainable procurement practices
205	Anti-corruption	Ethical business
301	Materials	Sustainable energy consumption
302	Energy	Sustainable energy consumption
303	Water and Effluents	Water management
304	Biodiversity	Biodiversity monitoring Noise monitoring Health, safety and wellbeing of communities
305	Emissions	Managing emissions and addressing climate change
306	Waste	Domestic waste management
401	Employment	Fostering an engaged workforce
403	Occupational Health and Safety	Prioritising workplace health and safety
404	Training and Education	Developing a next generation workforce Fostering an engaged workforce
405	Diversity and Equal Opportunity	Promoting diversity, inclusivity and equal opportunity
413	Local Communities	Community engagement and development
418	Customer Privacy	Data security and privacy

Note: The material topics of "Good governance" and "Beyond compliance" are disclosed in GRI-2: General Disclosures 2021.

### Cenviro Marketing Network



### **Convenient Services Nationwide**

You can leverage our comprehensive marketing network for easy access and efficient services. We will be happy to provide you with more information about our capabilities and services for each of your business needs.

- CORPORATE OFFICE Cenviro Sdn. Bhd. 13-1, Mercu UEM Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel: +603 2727 6100 Fax: +603 2727 2100 Email: csd@cenviro.com
- 2 SELANGOR, KUALA LUMPUR, NEGERI SEMBILAN & MELAKA (Scheduled Waste) Kualiti Alam Sdn. Bhd. Waste Management Centre Ladang Tanah Merah A3 Division 71960 Bukit Pelandok P.O. Box 126 71000 Port Dickson Negeri Sembilan Tel: +606 666 2000 Fax: +606 666 2130 Email: central@kualitialam.com melaka@kualitialam.com
- 3 PAHANG, TERENGGANU & KELANTAN (Scheduled Waste) A-5, Ground Floor Lorong Tun Ismail 10 Jalan Tun Ismail 25000 Kuantan, Pahang Tel: +609 514 9232/9330 Fax: +609 514 9223 Email: eastcoast@kualitialam.com
- 4 PERLIS, KEDAH, PENANG & PERAK (Scheduled Waste) No 7, Ground Floor, Jalan Todak 1 Pusat Bandar Seberang Jaya 13700 Perai, Pulau Pinang Tel: +604 398 9782/9787 Fax: +604 398 9810 Email: northern@kualitialam.com
- 5 JOHOR (Scheduled Waste) No 18, Jalan Suria 19, Taman Putra 81100, Johor Bahru, Johor Tel: +607 332 7099/2742 Fax: +607 334 9693 Email: johor@kualitialam.com
- 6 SABAH & SARAWAK (Scheduled Waste) Kualiti Alam Sdn. Bhd. Lot 34-1, IZ 4, Kota Kinabalu Industrial Park 88460 Kota Kinabalu, Sabah Tel: +608 841 5370/5372 Fax: +608 841 5370 Email: csd@kualitialam.com
- 7 WISMA IDAMAN (Municipal Solid Waste) No. 163 & 164, Jalan BSG 4 Bandar Stargate Lebuhraya Sultanah Bahiyah 05400 Alor Setar, Kedah Tel: +604 771 1320 Fax: +604 771 1314 Email: info@e-idaman.com
- 8 SHAN POORNAM METALS SON BHD (E-Waste) No. 1479, Lorong Perusahaan Maju 6 Kawasan Perindustrian Perai, Fasa 4 13600 Perai, Pulau Pinang Tel: +604 508 4841 Fax: +604 508 4843 Email: enquiry@ensspm.com

### Definitions

#### Circular Economy<sup>1</sup>

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).

#### 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).

#### High Density Poly Ethylene<sup>2</sup>

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)<sup>3</sup>

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)<sup>4</sup>

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.

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

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

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

<sup>&</sup>lt;sup>2</sup>https://www.acmeplastics.com/what-is-hdpe#:<sup>\*</sup>:text=High%20Density%20Poly%20Ethylene%20(HDPE,%2C%20cutting%20boards%2C%20and%20 piping

## Glossary

ABC	Anti-Bribery and Corruption
CEMS	Continuous Emissions Monitoring System
CENURA	Cenviro Aura Technologies Sdn. Bhd.
CFP	Carbon Footprint Assessment
CGA	Corporate Governance & Assurance
CI	Continuous Improvement
CIPs	Continuous Improvement Projects
CJSB	Cenviro (Johor) Sdn. Bhd.
CRR	Cenviro Recycling and Recovery Sdn. Bhd.
сwтс	Clinical Waste Treatment Centre
CW	Clinical Waste
DCTI	Digital Collection and Transportation
DOE	Instruction
EiMAS	Department of Environment
EISB	Environmental Institute of Malaysia
EMP	E-Idaman Sdn. Bhd.
EMR	Environmental Monitoring Programme
EMS	Environmental Monitoring Report
	Environmental Monitoring System
EPIC	Environmental Preservation and Innovation
	Centre Sdn. Bhd.
EPMC	Environmental Performance Monitoring
	Committee
ERCMC	Environmental Regulatory Compliance
	Monitoring Committee
ERM	Enterprise Risk Management
ERT	Emergency Response Team
ETP	Effluent Treatment Plant
GHG	Greenhouse Gas
HDPE	High-density polyethylene
HIP	Hazard Identification Programme
HiPo	High Potential Programme
HSSE	Health, Safety, Security and Environment
IMS	Integrated Management System
iNCR	Internal Non-Conformity Report

INC1	Incineration Plant
KASB	Kualiti Alam Sdn. Bhd.
KAWMC	Kualiti Alam Waste Management Centre
LTI	Lost Time Injury
LTP	Leachate Treatment Plant
MACC	Malaysian Anti-Corruption Commission
MAVROS	Waste Oil Sludge Recycling Plant
MITS	Management of Information and Technology
	Services
MRF	EISB's Material Recovery Facility
MSW	Municipal Solid Waste
OACP	Organisational Anti-Bribery and Corruption
	Plan
OPAL	Refined Base Oil Recovery Plant
OSH	Occupational Safety and Health
PET	Polyethylene Terephthalate
РСТ	Physical and Chemical Treatment Plant
PP	Polypropylene
PPE	Personal Protective Equipment
QHSSE	Quality, Health, Safety, Security and
	Environment
R&D	Research and Development
RO	Reconstituted Oil
RPET	Recycled Polyethylene Terephthalate Plant
SDG	Sustainable Development Goals
SLS	Sustainability-Linked Sukuk
SOLI	Solidification Plant
SPSB	Shan Poornam Sdn. Bhd.
SPT	Sustainability Performance Target
TCFD	Task Force on Climate-Related Financial
	Disclosures
tCO <sub>2</sub> e	tonnes of Carbon Dioxide emissions
VCOC	Vendor Code of Conduct
VSL	Vertical Secured Landfill
WMC	Waste Management Centre

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.

Cenviro Sdn. Bhd. 13-1, Mercu UEM Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia

Tel: +603 2727 6100 Fax: +603 2727 2100

WWW.CENVIRO.COM