



OUR JOURNEY TOWARDS
SUSTAINABLE TRANSFORMATION

SUSTAINABILITY REPORT
2019



In our journey towards sustainable transformation, we work every day to build a world in which waste can be repurposed as a resource. This reflected on the cover by representing many triangles and shapes, forming a butterfly, transformed from a caterpillar. This process are shown throughout the report in the chapter separator.

Through collaboration and commitment to high quality services, Cenviro is reinforcing the critical infrastructure and institutional capacity needed to make this future a reality. As society moves towards a more evolved notion of what waste is, Cenviro is driving responsible and efficient solutions to waste challenges and thinking green for people and the planet.

LEADING THE
GREEN REVOLUTION

SUSTAINABILITY REPORT
2019

THIS IS CENVIRO

We enable access to responsible waste resource management in order to enhance the quality of life for Malaysians and to drive progress towards a more sustainable nation. Our focus is on running our business the right way, and we strive to build relationships that unlock the potential for progress and prosperity.

Our commitment to sustainable solutions has been the driving force behind our journey to become an industry leader in waste solutions. Above all, we provide our services ethically and responsibly in ways that support our customers, communities and the environment around us. These values distinguish us and guide our actions to deliver results.



► Waste Generator
(Industrial)

► Household
Recyclables



► Recycle for Life

Community and corporate recycling programme that rewards participants with cash value using a smart card.





KUALITI ALAM

Waste Management Centre (WMC)

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

Recycling and Recovery Facilities

Recycling and recovery services of scheduled waste.

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.

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.

(exporting to grid)

Vertical Secured Landfill

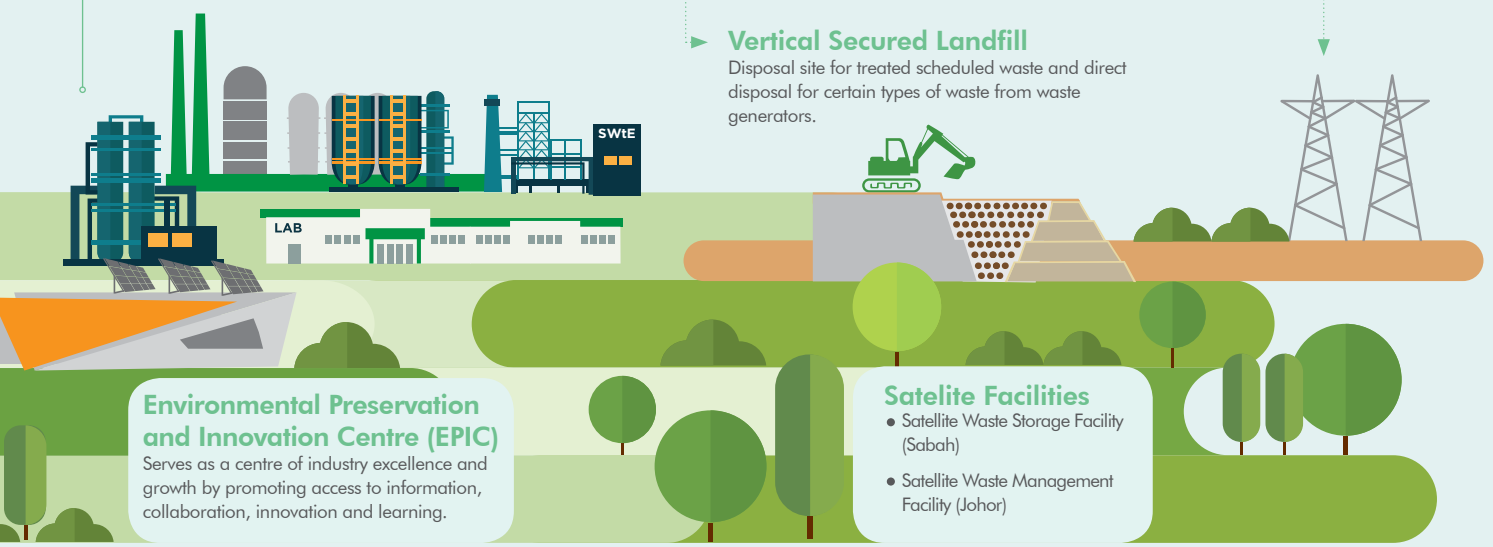
Disposal site for treated scheduled waste and direct disposal for certain types of waste from waste generators.

Environmental Preservation and Innovation Centre (EPIC)

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

Satellite Facilities

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





VISION

To be the Leader in Integrated Environmental Solutions

POSITIONING STATEMENT

Leading the Green Revolution

MISSION

To Provide Innovative and Sustainable Waste Management and Renewable Energy Solutions

ABOUT THIS REPORT

At Cenviro, we are committed to transparency and accountability in our sustainability disclosure. This Report marks our sixth year of sustainability disclosure, building on an additional nine years' worth of annual reporting under our former company name, UEM Environment Sdn. Bhd. Our sustainability reports are produced annually and provide a regular benchmark for our progress against our goals, while offering stakeholders insight into our strategies, actions and achievements. The reports also serve as an important tool to educate stakeholders on essential waste management functions, and to promote widespread understanding of and engagement with waste management infrastructure.

Reporting Framework

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

GRI 103-1

Scope

This Sustainability Report covers the reporting period for the year ending 31 December 2019, unless otherwise specified. It encompasses the activities of Cenviro and its subsidiaries, joint ventures and associate companies, all of which are located in Malaysia. References to 'Cenviro', 'the Cenviro Group', 'the Company', 'the Organisation' and 'we' refer to Cenviro Sdn. Bhd. and/or its affiliates and subsidiaries.

Assurance and Verification

This Sustainability Report has been independently verified by Bureau Veritas Certification (M) Sdn. Bhd. (Bureau Veritas). The assurance statement can be found on pages 113-117.

Feedback

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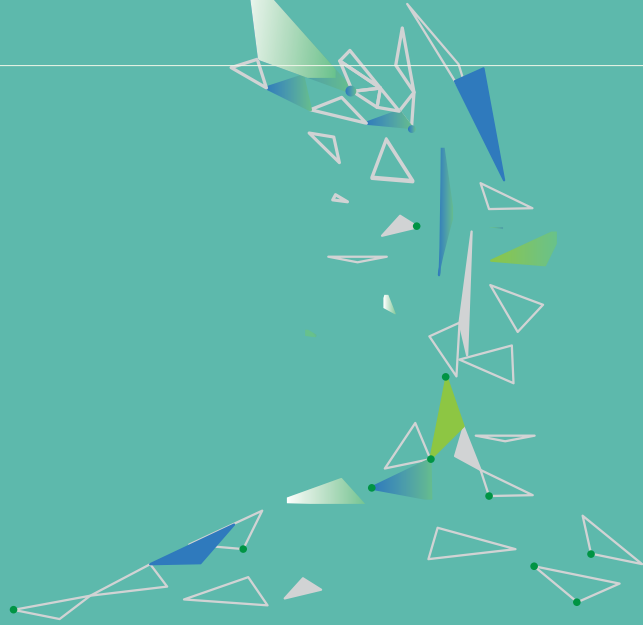


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FINANCIAL PERFORMANCE

Financial Performance (RM thousand)	2015	2016	2017	2018	2019
Revenue	193,341	189,560	176,581	253,057	219,856
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	71,079	66,530	52,910	(1,502)	65,511
Profit Before Taxation	95,097	86,355	57,629	(3,544)*	51,979
Net Profit Attributable to a Shareholder	78,964	75,096	46,183	(1,118)	37,046
Total Assets	414,567	535,489	643,090	648,733	689,346
Shareholder's Equity	325,195	450,410	496,262	467,651	483,653
Key Financial Ratios					
Return on Equity	30.42%	19.36%	9.75%	-0.68%	7.79%
Debt/Equity Ratio	0.03	0.07	0.17	0.18	0.18
Value Distributed to Stakeholders					
Total value distributed (RM thousand)	152,736	157,135	130,775	76,976	141,016
Providers of Capital * 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%	57.19%
Employees * Salaries and employee-related costs	26.62%	26.02%	34.62%	56.70%	32.14%
Government * Taxation (including deferred tax)	10.57%	7.17%	8.76%	-0.34%**	10.59%
Communities and Others * Corporate donations and sponsorships	0.78%	0.73%	0.11%	0.14%	0.08%

* Includes impairment loss on property, plant and equipment, and interest in an associate totalling RM50.8 million. If impairment loss is excluded, the adjusted profit before taxation is RM47.2 million.

** Negative value contributed to Government is mainly due to the recognition of deferred tax assets as per adoption of MFRS15 Revenue from contracts with customers.

AWARDS AND RECOGNITION

KUALITI ALAM SDN. BHD. (KASB)

- MSOSH Award 2018 - Gold Class 1
- FMM S.H.E Excellence Award
 - Employee Health & Safety (Silver)
 - Environmental Sustainability (Silver)
 - S.H.E Best Practices (Bronze)
- IEM Award & Appreciation Nite 2019
 - Environment Protection Sector Category

RECYCLE FOR LIFE SDN. BHD. (RFL)

- GCE ROLPOP 5 Awards 2019 - Industrial, Corporate, and Developer Category (Finalist)
- Industrial, Corporate and Developer Category

ENVIRONMENTAL PRESERVATION AND INNOVATION CENTRE SDN. BHD. (EPIC)

- National Energy Awards 2019 (Category 1 - Energy Efficiency Green Building Award)
- ASEAN Energy Awards 2019 (Green Building – Small & Medium Building Category)

E-IDAMAN SDN. BHD. (EISB)

- Global Leadership Award 2019
- Geoinnovation Award 2019 - Exemplary GIS Project for E-Bin Form and E-Cage Maintenance system
- ASEAN Master Class Award - Environmental Sustainability Excellence
- Malaysia Top Achievers 2019 - CSR Company of the Year for Community Services



Since the beginning **sustainability has always
been at the forefront** of our operations...





Our Commitment and Approach

We are an integrated waste management company driven by purpose, fuelled by partnerships, and geared towards performance. Our aim is to improve lives by fulfilling our promise of providing quality waste resource management in the country.

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OUR PURPOSE

Doing the Right Thing No Matter What

Thinking Green for the Industry

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

Improving Quality of Life

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

Waste management in Malaysia is a complex industry with multiple stakeholders and is subject to economic, environmental and social shifts. By continuously improving our internal processes, ensuring operational excellence and complying with regulatory requirements, we strive to integrate sustainability into the building blocks of our company.

Driven by our focus on doing the right thing no matter what, we are committed to raising the quality of life for our customers, partners and communities. Ultimately, we aspire to create a better world for future generations.

OUR STORY

Cenviro has been providing reliable and responsible waste resource management solutions in Malaysia since 1998, when we opened the country's first Integrated Waste Management Centre, Kualiti Alam Sdn. Bhd. Ever since, our track record of reliability and industry leadership has allowed Cenviro to become Malaysia's leading waste resource management solutions provider.

Today, in addition to operating the country's largest scheduled waste management centre, we provide a range of waste resource management solutions through our numerous subsidiaries, including municipal solid waste management and public cleansing through our joint venture company, E-Idaman Sdn. Bhd. as well as electronic waste management via our associate company, Shan Poornam Metals Sdn. Bhd.

OUR CORE VALUES

Our core values – Quality, Teamwork, Accountability, Passion and Safety (Q-TAPS), shape our actions across the entirety of our value chain. Q-TAPS forms the foundation of our commitment to sustainability and guides the way we conduct ourselves and our business every day. Through Q-TAPS, we continuously strengthen our reputation as a trustworthy service provider.



QUALITY

Aiming high - commitment to quality



TEAMWORK

Collective success, respect for others



ACCOUNTABILITY

Respect the law, rigorous adherence to integrity, rejection of conflict of interest, adherence to internal regulations



PASSION

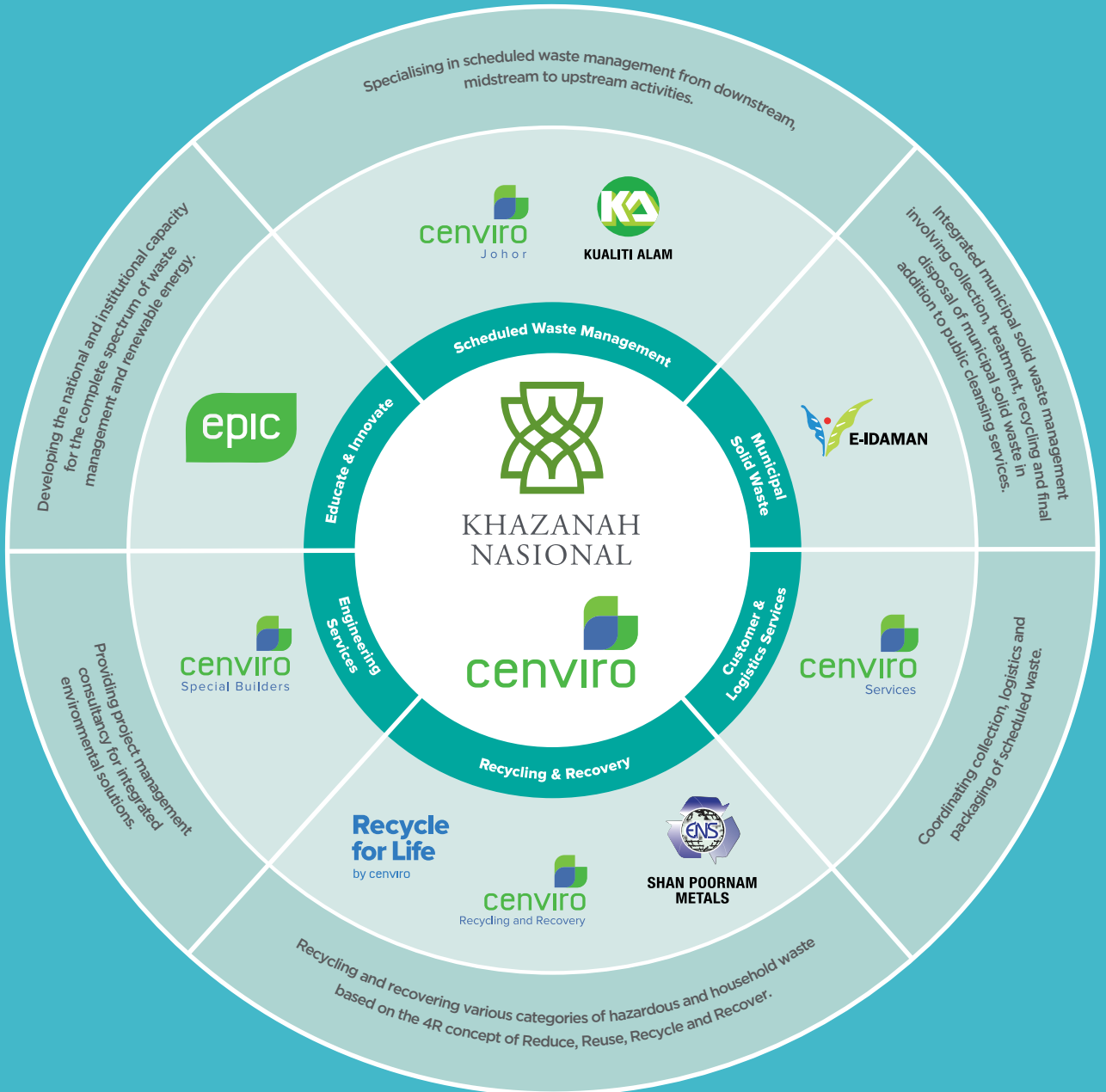
Commitment to professionalism, commitment to learning, commitment to customers



SAFETY

Caring for safety, health and the environment

GROUP STRUCTURE





Kualiti Alam Sdn. Bhd. (KASB)

With more than 20 years of experience, KASB continues to offer a comprehensive range of scheduled waste management services, from analysis and treatment to final disposal of scheduled waste. Through KASB, Cenviro owns and operates Malaysia's first and largest integrated Waste Management Centre (WMC), located in Negeri Sembilan. The centre is licensed to handle 76 of the 77 categories of scheduled wastes listed under the Environmental Quality (Scheduled Wastes) Regulations 2005. The centre covers an area of 241.6 acres. The facility has an annual capacity to store, treat and dispose of more than 100,000 tonnes of scheduled waste.

Cenviro Services Sdn. Bhd. (CS)

Collection, logistics and packaging of scheduled waste.

Cenviro Recycling And Recovery Sdn. Bhd. (CRR)

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

Cenviro Special Builders Sdn. Bhd. (CSB)

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

Cenviro (Johor) Sdn. Bhd. (CJ)

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

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

A centre of excellence that aims to develop national institutional knowledge and provide innovative and reliable solutions for the complete spectrum of waste management and renewable energy.

Recycle For Life Sdn. Bhd. (RFL)

RFL modernises the conventional method of recycling by rewarding our programme participants with cash through cash value RFL smart card.

E-Idaman Sdn. Bhd. (EISB)

Integrated municipal solid waste (MSW) management involving collection, treatment, recycling and final disposal of MSW in addition to public cleansing services. EISB is a Joint-Venture Company between Cenviro and Metacorp Berhad. Its subsidiaries include Environment Idaman Sdn. Bhd. (ENVI), Environment Idaman (Kedah and Perlis) Sdn. Bhd., Green Resource Recovery Sdn. Bhd. (GRRSB) and Environment Idaman (Perak) Sdn. Bhd.

Shan Poornam Metals Sdn. Bhd. (SPM)

Solutions provider for scheduled waste (both solid and liquid) and non-scheduled waste recovery, refining and asset management including household e-waste recycling and chlorofluorocarbon (CFC) recovery. Manufacturer of secondary aluminium alloy ingot, high purity precious metal ingot and copper cathodes from scheduled waste, promoting eco green products and closed loop recycling.

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

We face a rapidly changing world, driven by the speed of technological innovation and impacted by the reverberations of the COVID-19 global health crisis. Despite these external uncertainties, Cenviro will continue to adapt and evolve as we keep our eyes firmly on our future endeavours.

As we move forward with purpose, we continue to place our core values and operational excellence at the very core of all we do. High quality service, health and safety, and customer satisfaction are priorities that will continue to serve Cenviro well as we navigate the waters ahead.

As a leader in sustainable and responsible waste resource management, we have always seen waste as a valuable resource. Continuing to promote this perspective as well as delivering with impact for all our stakeholders, remains as important as ever to Cenviro.



**Tan Sri Dr
Azmil Khalili**
Dato' Khalid
Chairman

“To ensure robust and effective oversight on sustainability across our operations, good governance is essential.”

Q: What are the current sustainability drivers that are front-of-mind for the waste industry?

A: As we move towards rapid urbanisation in a world of finite resources, the industry is evolving beyond traditionally linear treatment models into valuable waste resource extraction.

Proper management of waste requires uncompromised expertise to mitigate environmental, social and regulatory risks. At Cenviro, our guarantee of service quality is underscored by our strong sustainability fundamentals.

Q: What are the core elements of Cenviro’s plan for achieving structured growth?

A: With strong stewardship from our management team, we continue to strengthen our governance towards sustainable transformation, consistent with our growth agenda.

Cognisant of the opportunities created by extracting value from waste, robust internal frameworks have been developed to further catalyse our evolution into a waste resource management company.

Q: What is Cenviro’s approach to cultivating meaningful connections across a multi-stakeholder industry?

A: Operating with our stakeholders’ best interests at heart remains at the forefront of our priorities. We value the working relationships that we cultivate via meetings, collaborations, events and site visits, to ensure that we cultivate strong and enduring partnerships with those who impact and are impacted by our operations.

Q: Industry leadership invariably demands organisational resilience. What strategic measures does Cenviro have in place to cement its position?

A: To ensure robust and effective oversight on sustainability across our operations, good governance is essential. Not only is it important to set the tone from the top, it is also important to focus extensively on creating a strong corporate culture of sustainable practices across our day-to-day operations.



Townhall session with Cenviro Board of Directors held in April 2019

MANAGING DIRECTOR'S MESSAGE

Waste is increasingly seen as a resource which promises possibilities and opportunities. This paradigm shift is evidenced by an increased awareness of consumption patterns, expanded research on waste-to-energy conversion, as well as global conversations on responsible resource management.

At Cenviro, where we have long been advocates of an integrated and sustainable approach to waste management, such a shift couldn't be more timely. As new technologies and growing stakeholder interest make capturing the true value of waste not just an option, but an imperative, Cenviro is working to be at the forefront of the resource revolution.



Dr Johari Jalil
Managing Director

As we make progress on our journey towards sustainable transformation, we are cognisant that maintaining a mindset of continuous improvement will drive the fundamentals of systematic growth. The future of Cenviro's growth will undoubtedly be found in the enhanced recovery of the valuable materials that make up our waste, and also in the efficiency, safety and reliability of our operations.

As industry leaders in Malaysia, we have forged close working relationships with regulators and stakeholders who are committed to leveraging our insights and expertise to shape the future of waste management and valuable resource extraction. Providing sustainable waste resource management and responsible operational practices remains our long term priority.

“The future of Cenviro's growth will undoubtedly be found in the enhanced recovery of the valuable materials that make up our waste.”

Robust Governance

Sound leadership and strong governance practices have a central role to play in guiding us towards this future. At Cenviro, our corporate governance structure is designed to ensure that our business operates ethically, with integrity and in line with the interests of our stakeholders. In 2019, we enhanced our governance processes by establishing the Corporate Governance and Assurance Body to address increasing local regulatory requirements and to provide a more systematic channel of communication to the Board and shareholders on compliance assurance. We established the Anti-Bribery Policy and signed the Corruption-Free Pledge (IBR Pledge) with the Malaysian Anti-Corruption Commission (MACC). We also established the No Conflict of Interest Policy, enhancing our approach to upholding integrity and stakeholder trust.

Operational & Environmental Highlights

In 2019, we continued to make progress in our journey towards sustainable transformation. We mapped out internal plans of achieving our growth agenda via operational integrity. We recorded a revenue of more than RM219 million in 2019, with a customer base of more than 9,000 industrial and commercial customers for our scheduled waste operations, and more than 370,000 residential customers for our MSW operations, both of which contributed to a 12% increase in total customers compared to 2018. We also treated more than 163,000 tonnes of scheduled waste over the course of 2019.

We have also developed strong internal strategies in line with our goal of zero environmental pollution from our organisation's activities. In 2019, we generated 157,495 kWh of solar energy from our KASB and EPIC operations and recycled a total of 241 kg of internal waste.

2019 OPERATIONAL HIGHLIGHTS



>9,000

industrial and
commercial
customers

>370,000

residential
customers



>RM219
million

in revenue



>163,000

tonnes of
scheduled waste
responsibly
and sustainably
handled

2019 WORKPLACE HIGHLIGHTS



Conducted nearly
50%
more training
programmes compared
to 2018



Maintained
0%
fatality rate

Workplace & Community Highlights

For Cenviro to successfully drive the development of a sustainable waste resource management system in Malaysia, it is imperative that we have a diverse, talented and inclusive workforce that is well-equipped to deliver change. Our Continuous Improvement strategy is geared towards instilling a growth-oriented mindset in our employees through ongoing training and development, proactive engagement, and by building better policies and practices that keep our people safe and happy.

In line with our Safety First strategy, we conducted 316 training programmes in 2019, exceeding the number of programmes conducted in the previous year by 50%. We also rolled out several improvements to our workplace Health, Safety, Security and Environment (HSSE) practices: Upgrading our HSE policy to the Quality, Health, Safety, Security & Environmental (QHSSE) policy, strengthening our HSSE framework, and implementing several initiatives intended to strengthen our safety culture. One of the initiatives we implemented was making our internal definition of lost time injury (LTI) events more stringent relative to the definition laid out by the DOSH. As a result of this heightened metric, we recorded an increase in the number of LTI events, providing us with the data needed to make improvements to our HSSE practices. With our Safety First culture underscoring organisation-wide efforts, we will continue to monitor progress and roll out multiple initiatives including capacity building and awareness sessions for employees.

Our focused efforts to create a positive working environment is reflected in our ability to retain and nurture talent. Cenviro and EISB boast employee turnover rates which are lower than half the industry average. Our human capital efforts were recognised in the receipt of the

MSOSH Award 2018 Gold Class 1 as well as the FMM S.H.E Excellence Award for KASB.

Community empowerment is a priority close to Cenviro's heart. In 2019, we continued to strive towards positively impacting the communities in which we operate. Together with the Negeri Sembilan State Government, we launched a RM4 million fund for communities surrounding WMC, in addition to our own separate donation of over RM73,000 for local community programmes. We also continued to undertake several community-related initiatives, including sponsorship, contributions towards festive celebrations, and educational programmes.

“Community empowerment is a priority close to Cenviro's heart.”

Moving Forward

As we navigate these unprecedented times brought on by the COVID-19 pandemic, our key priority is to continue safeguarding the health and well-being of our community. We will continue to build on our strengths to deliver our best and to support the community at this crucial juncture.

Ultimately, the future of waste resource management lies in recognising that the material we dispose of is a valuable resource with the ability to offer opportunities for both economic gain and environmental sustainability. Capitalising on these opportunities will require collective action to drive technological development, expand expertise and advance the industry's capacity for resource recovery. Facilities such as Cenviro's Eco-Park will be essential in this endeavour, bringing together players from across the industry to serve as an engine of innovation.

Cenviro is focused on making this future a reality while also maintaining the quality of service that has made us the industry leader we are today. As we move forward, our focus is to onboard more customers and form meaningful partnerships that will transform the waste industry in Malaysia.

OUR COVID-19 RESPONSE

The global COVID-19 pandemic, which remains ongoing at the time of publishing this report, caused unprecedented global disruptions in 2020. Although the scope of this report is limited to Cenviro's business activities for the year ending 2019, we have chosen to use this Report to communicate the ways in which Cenviro responded, and continues to respond, to COVID-19 in light of the significance of this global pandemic.

Operational Continuity

At the onset of the COVID-19 pandemic in Malaysia, we activated our Business Continuity Plan (BCP) and Emergency Response Plan (ERP) frameworks to respond swiftly, immediately guaranteeing the safety of our workforce while ensuring the continuity of our essential services.

Our first line of action was to initiate a company-wide crisis management team headed by our Managing Director, supported by various Head of Departments and Superiors. All operations in our corporate headquarters and regional sales offices were put on hold with the exception of the crisis management team, which focused on planning business continuity and risk management strategies. Flexible remote working arrangements were extended to all other employees.

Our WMC plant, which played a key role in safely handling and disposing of the nation's COVID-19 waste, continued operations throughout the pandemic. Our essential employees were divided into two groups and worked on a rotational basis with minimal contact to reduce the risk of transmission.

Managing Stakeholder Relationships

A central component of our COVID-19 response was clear and consistent communication with stakeholders. Our engagement efforts focused on supporting our employees and customers, as well as working with regulators to protect communities.

Employees

Cenviro initiated several austerity measures to maintain job security for our employees.

On a daily basis, we communicated with our employees to provide updates on important developments and to provide educational information on COVID-19 related safety measures.

Government & Regulators

We constantly engaged with regulators such as the Department of Environment (DOE) and the Ministry of Environment and Water (KASA) via electronic platforms to provide important updates on the operations of our WMC facilities.

To support the crucial work carried out by the government, Cenviro donated RM500,000 to the Ministry of Health.

First Responders

Cenviro donated sanitisation equipment to the Fire and Rescue Department (BOMBA) of Negeri Sembilan to be used in public sanitation efforts.

We also provided food packs to Hospital Tuanku Jaafar (Seremban, Negeri Sembilan), and donated PPE such as face masks and gloves to Hospital Enche' Besar Hajjah Khalsom (Kluang, Johor).

Adapting to the New Normal

We are aware that in order to manage the impact of the COVID-19 pandemic, we must adapt to the operational regulations and best practices established by authorities. We remain committed to helping our employees, customers and stakeholders through these uncertain times, while doing our part to support the tireless efforts of the essential workers, frontliners and medical personnel keeping the country safe.



Workforce Safety

Maintaining the health and safety of our employees has always been at the forefront of Cenviro's operations. Guided by our BCP and ERP frameworks, we maintained the safety of both the essential employees who work on Cenviro's premises as well as employees who work from home.

All employees dealing with COVID-19 related waste at our WMC facility were given COVID-19 tests and comprehensive Personal Protective Equipment (PPE) equipment which included coveralls, masks and gloves. Our in-house Hazmat team was tasked with being the first line of defense in the unlikely event of an outbreak. Apart from PPE, we invested in specialised equipment that enables contactless waste handling. We procured 2000 wheel bins and open top drums which could be safely incinerated along with the COVID-19 waste stored inside it.

As for our corporate headquarters, stringent SOP's were enforced to ensure the safety of our rotational employees. Hand sanitisers and face masks were made available, safe physical distancing practices were encouraged and regular temperature checks were conducted.

Following a series of restructuring and rebranding activities, we began **driving sustainability** under the Cenviro banner...

SDGs
for this
chapter:





Why We Do, What We Do

As a leader and trusted provider of sustainable integrated waste resource management solutions, Cenviro continues to lead the green revolution in Malaysia. Driven by our fundamental belief of doing the right thing no matter what, Cenviro aims to improve the quality of life for multiple facets of society by providing exceptional, reliable and convenient solutions in tandem with the sustainable transformation of the Company.

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OUR KEY DRIVERS



HEALTH AND SAFETY

¹ Health and Safety Executive (2019). Waste statistics in Great Britain, 2019. Retrieved from <https://www.hse.gov.uk/statistics/industry/waste-recycling.pdf>

² Noor Artika H, Yusof MZ and Nor Faiza MT (2019). An Overview Of Scheduled Wastes Management In Malaysia. Journal of Wastes and Biomass Management, 1(2) :01-04. Retrieved from <https://jwbm.com.my/archives/2jwbm2019/2jwbm2019-01-04.pdf>.

Global Landscape

A key factor impacting the global waste industry is occupational health and safety. Studies in the United Kingdom (UK) reveal that the waste sector records one of the highest incidences of work-related illnesses compared to other industries such as manufacturing¹.

Local Landscape

As a developing country, the rapid increase in industrialisation in Malaysia has resulted in a 7% increase in the production of scheduled waste in 2017 compared to a 2010 baseline².

Due to its volatile nature, scheduled waste treatment poses many health and safety risks. It is important for scheduled waste to be disposed of in a timely manner by skilled workers with robust technical knowledge.

Risks

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

Opportunities

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

Our Strategy

At Cenviro, safety is our No.1 priority. Governed by our HSSE Department, our policies and procedures focus on creating a robust safety culture in pursuit of achieving our “zero accidents” target.

Our Response

Empowering Our People - Safety, Health and Well-Being at The Workplace (pg81)



URBANISATION

¹ European Commission. Knowledge For Policy, Growing Consumption. Retrieved from https://ec.europa.eu/knowledge4policy/growing-consumerism_en

² “Kaza, Silpa; Yao, Lisa C.; Bhada-Tata, Perinazz; Van Woerden, Frank. 2018. What a Waste 2.0 - A Global Snapshot of Solid Waste Management to 2050. Urban Development, Washington, DC: World Bank. © World Bank. <https://openknowledge.worldbank.org/handle/10986/30317> License: CC BY 3.0 IGO.”. Retrieved from <https://openknowledge.worldbank.org/handle/10986/30317>

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

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

⁵ Malay Mail (2014). Malaysians producing more solid waste than before. Retrieved from <https://www.malaymail.com/news/malaysia/2014/01/20/malaysians-producing-more-solid-waste-than-before/602887>

⁶ Noor Artika H, Yusof MZ and Nor Faiza MT (2019). An Overview Of Scheduled Wastes Management In Malaysia. Journal of Wastes and Biomass Management, 1(2) : 01-04. Retrieved from <https://jwbm.com.my/archives/2jwbm2019/2jwbm2019-01-04.pdf>

Global Landscape

The expanding global middle class, which is projected to reach 5.3 billion people by 2030, is expected to spur an increase in consumerism which would increase the volume of scheduled waste produced by waste generators¹.

By 2050, global municipal solid waste is projected to grow to 3.4 billion² tonnes in tandem with expectations for the global population to reach 9.7 billion³ people with the possibility of peaking at 11 billion around 2100.

Local Landscape

Malaysians living in highly urbanised areas generate about 56% more MSW per day than the national average⁴.

The average amount of MSW generated by each Malaysian per day increased by nearly 50% between 2005 and 2016⁵.

With the growing demand for consumer goods and services, the volume of scheduled waste generated increased by 7% between 2010 and 2017⁶.

Risks

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

Opportunities

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

Our Strategy

We aim to provide convenient access to high quality and responsible waste recycling, treatment and disposal services for waste generators and the general public via our suite of scheduled and MSW management infrastructure.

Our Response

Sustainable Waste Solutions - Integrated Scheduled Waste Solutions

- Sustainable Landfill Practices (pg54)
- Satellite Waste Management (pg51)

Sustainable Waste Solutions - Integrated Municipal Solid Waste Solutions

- Commercial and Public Recycling Services (pg57)
- Public Cleansing Services (pg57)



SHIFTING CONSUMER BEHAVIOURS

Global Landscape

Globally, an increasing amount of consumers say they are inclined to pay more for products designed to be reused or recycled. This trend challenges the global waste industry to innovate beyond linear models of waste management.

Local Landscape

With Malaysia's recycling rate hovering at only 24.6% in 2018, there is a serious lack of public awareness on the importance of waste management, recycling and responsible resource consumption.

Risks

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

Opportunities

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

Our Strategy

By transforming from being a waste management to a waste resource management company, Cenviro recognises the fact that waste has the potential to be a valuable resource. We look to instill this perspective in our customers via our recycling facilities and community-based recycling initiatives.

Our Response

- Sustainable Waste Solutions - Integrated Scheduled Waste Solutions
- Recycling and Recovery (pg52)
- Sustainable Waste Solutions - Integrated Municipal Solid Waste Solutions
- Commercial and Public Recycling Services (pg57)
 - Community Based Recycling (pg58)



CLIMATE CHANGE

Global Landscape

The annual global temperature is projected to be at least 1°C warmer compared to pre-industrial levels within the next 5 years¹.

As the world transitions to cleaner forms of energy to mitigate the effects of climate change, the waste-to-energy market size is expected to grow significantly, with renewable resources expected to replace coal².

Local Landscape

The growing volume of scheduled and municipal waste and increase in land pressure has limited the capacity and availability of landfill sites in Malaysia which has challenged the local waste industry to rethink traditional waste management methods. Regulators have implemented incentives for green technology and green energy with benefits such as financing and tax relief.

Risks

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

Opportunities

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

Our Strategy

Cenviro's strategies for climate change mitigation are targeted both internally and externally. Our specialised waste resource management expertise assists our customers in safely and responsibly processing and recycling waste that is harmful to the environment. Internally, we instill a mindset of continuous process improvement and constantly look to optimise our operations in an effort to minimise the negative impact of our operations.

We also work closely with our regulators in combating climate change. In 2019, we mapped out a set of seven commitments to the Ministry of Science, Technology and Innovation (MESTECC), some of which include reducing our carbon footprint, investing in renewable energy technologies and reducing illegal dumping.

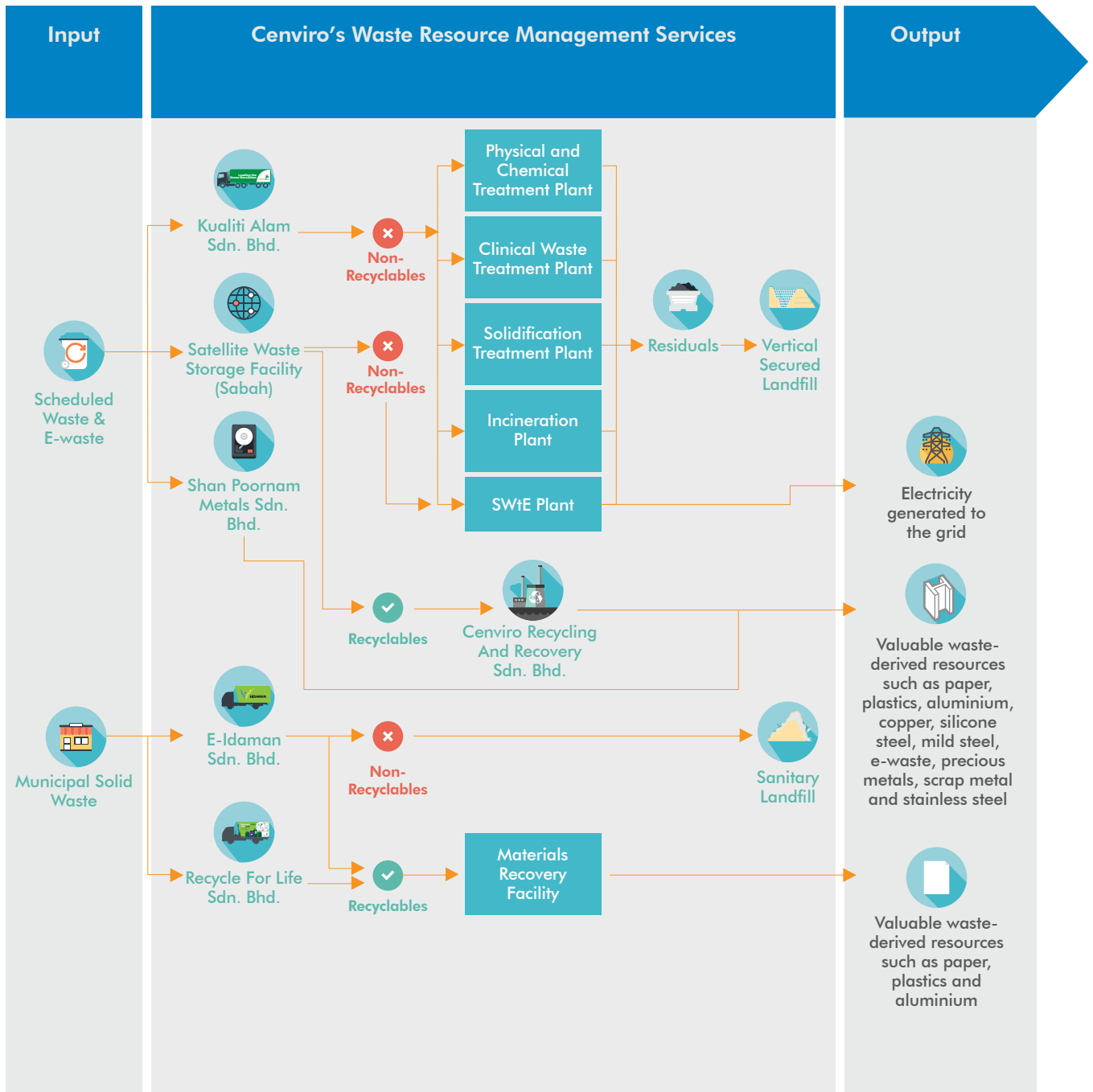
Our Response

- Sustainable Waste Solutions - Integrated Scheduled Waste Solutions
- Responsible Incineration (pg50)
 - Sustainable Landfill Practices (pg54)
- Managing Our Environmental Impact
- Environmental Management at KASB (pg68)
 - Greenhouse Gas Emissions (pg72)

¹ United Nations, UN News (2020). Rising global temperature shows 'enormous challenge' of meeting climate goal. Retrieved from <https://news.un.org/en/story/2020/07/1067991>

² Linchpin SEO (2020). Trends Transforming The Waste Management Industry in 2021. Retrieved from <https://linchpinseo.com/trends-waste-management-industry/#6-governments-will-continue-to-promote-waste-to-energy-wte-efforts>

OUR SOLUTIONS



OUR 2019 PERFORMANCE

Approximately
RM219 million
in Revenue




Market leader in scheduled waste management in Malaysia with an estimated market share of **20%***

Around **370,000** residential customers (premises)



Over **163,000** tonnes of scheduled waste treated at our WMC plants




Over **9,000** industrial and commercial customers with over **563,000** tonnes of municipal waste collected



98% of our suppliers were local



Over **34,000** tonnes of scheduled waste recycled at our CRR and SPM facilities

0 Fatality

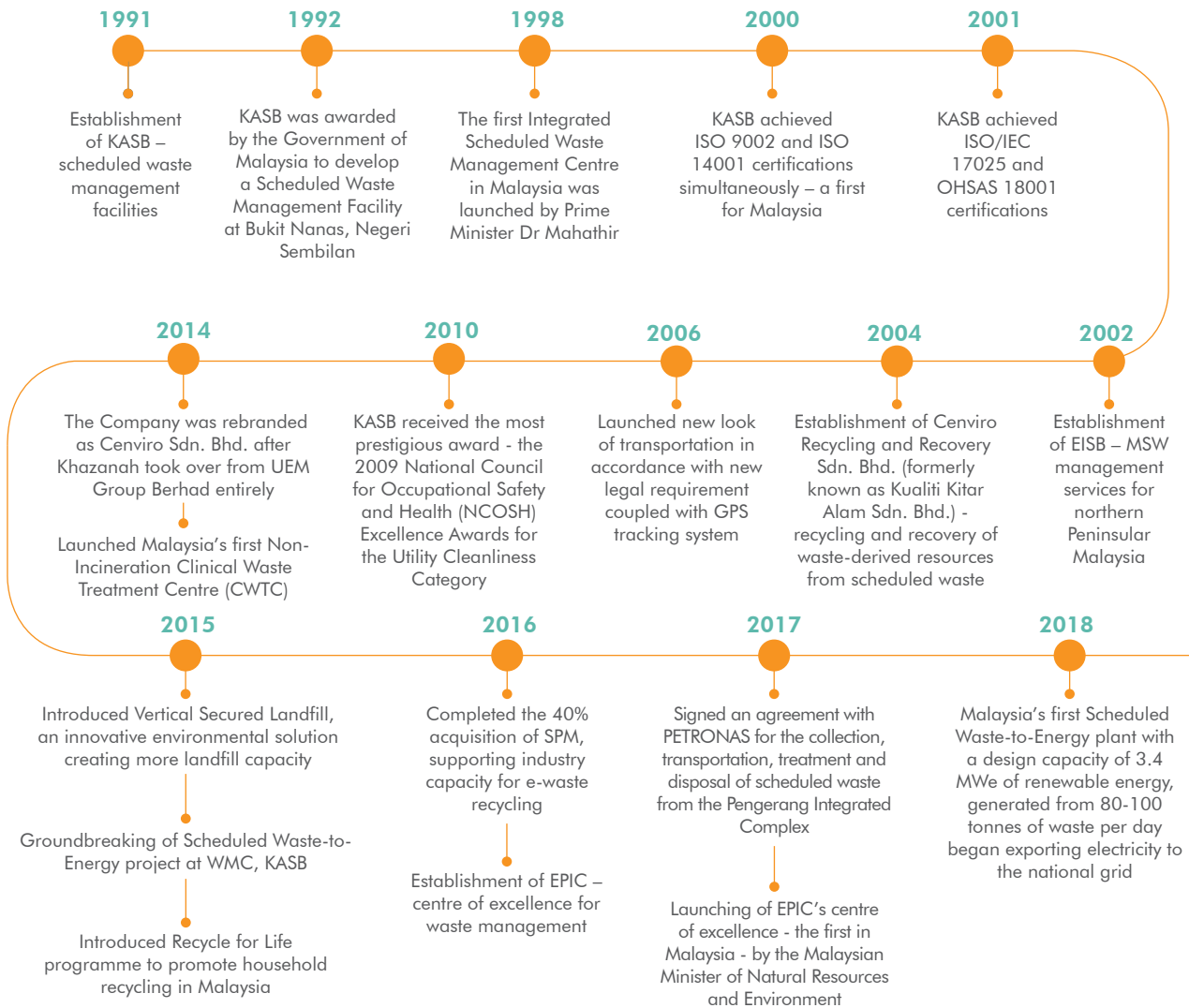
Maintained our **0** fatality target. 12 LTIs and 36 Health, Safety and Environment incidents recorded



Over **1,900** employees

* The estimated market share is calculated based on internal data.

OUR MILESTONES



2019

The Environmental Preservation and Innovation Centre (EPIC) Sdn. Bhd. won

2 awards:

- National Energy Awards 2019 (Category 1 - Energy Efficiency Green Building Award).
- ASEAN Energy Awards 2019 (Green Building – Small & Medium Building Category).

As a trusted partner in responsible waste solutions,
we have continued to **provide innovative and
sustainable waste management and renewable
energy solutions...**

SDGs
for this
chapter:





Managing Sustainability

At Cenviro, sustainability is at the core of our operational integrity and innovative solutions. The integration of sustainability into our business is guided by good business conduct and ethical business practices, which form the fundamentals of our multi-level approach to sustainability.

- 34** Sustainability Governance
- 35** Stakeholder Engagement
- 38** Material Matters
- 41** Supporting the Sustainable Development Goals

SUSTAINABILITY GOVERNANCE

Cenviro’s responsible business practices are driven by a culture of sustainability management that begins at the top and permeates across all levels of our organisation. The Board of Directors plays an important role in steering the organisation’s sustainability strategies and policies through active engagement in sustainability decision-making.

To strengthen our sustainability governance, we established the Corporate Governance and Assurance (CG&A) governing body which oversees companies across the Cenviro Group. The CG&A function was introduced to address increasing local regulatory requirements and to create a Group-wide systematic approach towards identifying and managing end-to-end key operational risk and provide assurance to the Board of Directors and shareholders.

Highlights in 2019 include the appointment of the Head of CG&A, signing the IBR Pledge with MACC and enhancement of the Enterprise Risk Management Framework for adoption in 2020.

Moving forward, we plan to appoint a Chief Integrity and Governance Officer (CIGO) as part of the Top Management’s commitment towards preparing adequate procedures in line with section 17A of the amended MACC Act and ensuring uncompromisable standards of integrity and business ethics are always maintained at every level of the company. Our aim is to incorporate risk, compliance and governance agendas in every Board Committee and Management meeting for 2020 to ensure our business growth is balanced effectively with risk.



ROLE

Board of Directors
Corporate Governance and Assurance
Corporate Affairs
Human Resource & Administration
Health, Safety, Security & Environment
Procurement
All Divisions and Departments



RESPONSIBILITIES

Steer the organisation towards achieving its sustainability agenda
Oversee Group-wide regulatory compliance and risk identification
Coordinate sustainability reporting, branding and stakeholder management
Oversee employee-related matters
Regulate, enforce and monitor environment, occupational safety and health policies
Source goods and services
Track and monitor sustainability-related activities

STAKEHOLDER ENGAGEMENT

SHAREHOLDERS



How

Board Meetings, Site Visits, Town Hall Sessions

When

Annually, Quarterly, Regularly, Ad hoc

Key Issues

- Ongoing updates of Cenviro’s business plans and strategies, financial performance, project updates and business operations

What We Are Doing

- Financial Performance, pg10
- Sustainable Waste Solutions, pg43
- Good Governance and Ethical Business Practices, pg101

GOVERNMENT, LOCAL AUTHORITIES AND REGULATORS



How

Regular Meetings, Progress Updates, Compliance Reports, Seminars and Forums, Collaboration Programmes, Visits and Inspections

When

Annually, Monthly, Regularly, Ad hoc

Key Issues

- Compliance with rules and regulations
- Assistance in managing and resolving waste and environmental issues
- Supporting the Government’s efforts to appreciate, conserve and protect the environment
- Leadership in environmental strategies

What We Are Doing

- Sustainable Waste Solutions, pg43
- Managing Our Environmental Impact, pg65
- Good Governance and Ethical Business Practices, pg101

CUSTOMERS



How

Customer Satisfaction Survey, Customer Hotline, Website, Open Days, Roadshows, Exhibitions, Customer Visits, Customer Audits

When

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

Key Issues

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

What We Are Doing

- Sustainable Waste Solutions, pg43
- Customer Satisfaction, pg63

STAKEHOLDER ENGAGEMENT

LOCAL COMMUNITIES AND THE PUBLIC



How

Community Programmes, Public Dialogues, Education Programmes, Environmental Engagement Campaigns, Branding Awareness Programmes, Social Media Platforms

When

Annually, Quarterly, Monthly, Regularly, Ad hoc

Key Issues

- Handling of environmental hazards
- Project updates and expansion plans
- Handling of health and safety issues
- Handling of complaints and feedback
- Recycling programme and MSW collection

What We Are Doing

- Sustainable Waste Solutions, pg43
- Customer Satisfaction, pg63
- Managing Our Environmental Impact, pg65
- Safety, Health and Well-Being at the Workplace, pg81
- Enhancing Community Livelihoods, pg95

SUPPLIERS AND CONTRACTORS



How

Meetings with Health, Safety, Security and Environment, Procurement Departments, Contract Management Programme, Vendor Development Programme and Surveys

When

Annually, Quarterly, Ad hoc

Key Issues

- Fair procurement practices
- Informative tendering process
- On-site safety and health practices
- Vehicle training for logistics contractors
- Updates on Cenviro's business standing

What We Are Doing

- About This Report, pg7
- Safety, Health and Well-Being at the Workplace, pg81
- Responsible Procurement Practices, pg108

Leading the Green Revolution
www.cenviro.com
Follow us @cenvirogroup

STAKEHOLDER ENGAGEMENT

EMPLOYEES



How

Surveys, Safety Briefings, Training, Town Hall Sessions, Focus Groups, Campaigns, Kelab Sukan Kualiti Alam Programmes

When

Annually, Quarterly, Regularly, New Recruitment

Key Issues

- Employee benefits and rights
- Workplace safety
- Career development opportunities
- Work-life balance
- Equal workplace opportunities
- Company direction and performance

What We Are Doing

- Empowering Our People, pg77
- Enhancing Community Livelihoods, pg95

INDUSTRY AND BUSINESS PARTNERS



How

Committee and Members Meetings, Collaboration Programmes, Seminars, Forums and Workshops

When

Annually, Regularly, Ad hoc

Key Issues

- Conduct operations and services in a responsible manner
- Commitment to integrity and accountability

What We Are Doing

- Sustainable Waste Solutions, pg43
- Safety, Health and Well-Being at the Workplace, pg81
- Responsible Procurement Practices, pg108

MEDIA



How

Interviews, Media Briefings and Training, Press Releases

When

Ad hoc

Key Issues

- Cenviro's business direction, Corporate Social Responsibility and project development

What We Are Doing

- About This Report, pg7
- Website: www.cenviro.com



MATERIAL MATTERS



WE LISTEN

Throughout the year, we reach out to, listen to and address the concerns of the individuals and organisations that are impacted by our activities.



WE ENGAGE

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



WE REPORT

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

To identify and address sustainability issues that are important to us and matter most to our stakeholders, we conduct materiality assessments that are in accordance with the GRI standards via web-based surveys.

In 2019, we assessed feedback from our stakeholder groups and reviewed our material topics from the previous materiality assessment conducted in 2018 against current industry trends to ensure the continued relevance of these topics. Our assessment revealed that our materiality matrix sufficiently reflects stakeholder interests and requires no further amendments.





SUSTAINABLE WASTE SOLUTIONS

Integrating digital and smart technologies

Adopting digital solutions across Cenviro to optimise business operations and gain a competitive advantage

Transition to circular economy

Supporting a national transition towards a circular economy in which waste serves as a resource

Engaging with industry and relevant authorities

Partnering with regulators and industry players to promote industry-wide best practices in Malaysian waste management

Innovation-driven growth

Introducing innovative strategies to the Malaysian market to enhance Cenviro's business success and growth

Future-focused integrated solutions

Developing holistic and forward-looking solutions to solve the pressing waste management challenges in Malaysia

Achieving customer satisfaction

Delivering the highest quality customer service and maintaining positive customer relationships



EMPOWERING OUR PEOPLE

Promoting diversity and equal opportunity

Supporting equality and workplace inclusivity by embracing diversity

Developing a next generation workforce

Providing training and development to enhance employees' careers and build talent within our workforce

Maintaining an engaged workforce

Promoting a satisfied and engaged workforce to drive workplace productivity and well-being

Ensuring health and safety at the workplace

Maintaining a productive and safe workplace for our employees and contractors by minimising risks and improving health and safety awareness



ENHANCING COMMUNITY LIVELIHOODS

Community engagement and development

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



MANAGING OUR ENVIRONMENTAL IMPACT

Domestic waste management

Responsibly managing and reducing Cenviro’s internally-generated waste

Noise monitoring

Monitoring noise emissions from our operations

Beyond compliance

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

Biodiversity monitoring

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

Sustainable energy consumption

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

Operational efficiency

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

Managing emissions and addressing climate change

Implementing environmental best practices to track, manage and minimise air pollution and greenhouse gas emissions from our operations

Water management

Monitoring and managing Cenviro’s water consumption and potential impact to surrounding water bodies and communities



GOOD GOVERNANCE AND ETHICAL BUSINESS PRACTICES

Good governance and ethical business practices

Ensuring sound leadership and group-wide policies and practices that are ethical, effective and compliant with regulations

Sustainable procurement practices

Taking due consideration of the economic, environmental and social impact of the goods and services we procure

Data security and privacy

Protecting the personal information of Cenviro’s customers and our transactions

Human rights

Respecting and protecting human rights at workplace

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS

SDG



3.3

By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.

OUR CONTRIBUTIONS IN 2019

Since 2017, Cenviro has provided Hepatitis B immunisation for **34 employees and contractors**.



8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

In 2019, Cenviro and EISB created full time employment positions for **97 males and 35 females**.



9.1

Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

Using Cenviro's **comprehensive waste resource management infrastructure**, we have been able to **contribute to a better quality of life for our customers** by processing a total of **163,485 tonnes scheduled waste** and collecting **546,765 tonnes of MSW**.



11.6

By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

In 2019, Cenviro treated a total of **163,485 tonnes of scheduled waste, 26,675 tonnes of which were responsibly incinerated** by our plants equipped with computerised Continuous Emissions Monitoring System (CEMS) that **comply with the Clean Air Regulation 2014** in order to preserve local air quality.

Cenviro collected a total of **546,765 tonnes MSW** for responsible recycling, treatment and disposal.



12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Via its recycling subsidiaries, Cenviro has successfully **recycled a total of 34,511 tonnes of scheduled waste** - including e-waste - and **1,839 tonnes of MSW**.



13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Cenviro converted **11,795 tonnes of scheduled waste into 3,097 MW of electricity from renewable energy**.

To support the Malaysian government's initiatives based on the Montreal Protocol on Substances that Deplete the Ozone Layer, Cenviro disposed of more than **65 tonnes of Ozone Depleting Substances (ODS) since 2015**.



14.1

By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

Via our **57 environmental monitoring locations around the WMC**, we closely monitor surface and groundwater quality to prevent marine pollution.



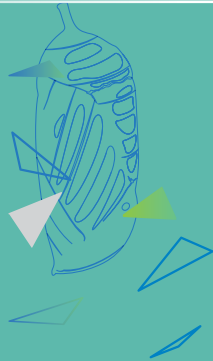
15.5

Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity.

Our Vertical Secured Landfills **increases landfill lifespan by 30 years and saves up to 45 acres of land**, preventing further damage to our environment and ecosystem by negating the need for additional sites due to landfill overcapacity.

Throughout our ongoing developments and adaptation to evolving waste challenges, our key priority has been **leading the green revolution...**

SDGs
for this
chapter:





Sustainable Waste Solutions

In today's rapidly-evolving waste landscape, Cenviro continues to advocate sustainable waste resource practices. At the core of Cenviro's sustainable waste resource solutions is our desire to provide cost-effective services without compromising on quality, reliability and regulatory compliance. We raise the quality of life for the customers we serve and preserve the environment using our suite of sustainable waste resource management solutions, which are delivered via a diverse array of essential infrastructure.

- 46** Integrated Scheduled Waste Services
- 56** Integrated Municipal Solid Waste Services
- 60** Future-Focused Integrated Solutions
- 63** Customer Satisfaction

SUSTAINABLE WASTE SOLUTIONS





TRANSFORMING PERSPECTIVES ON WASTE

As we continue to recognise waste as a valuable resource, we progress in our transformative journey of diverting waste from landfills. Our efforts in 2019 have allowed us to achieve:

A 76% increase in the recycling and recovery of scheduled waste at CRR compared to 2018

An 84% increase in MSW recycled via our Materials Recovery Facility (MRF) and RFL operations compared to 2018

2019 PERFORMANCE OVERVIEW



163,485 tonnes

Total scheduled waste treated at the WMC

9,221 tonnes

Total scheduled waste recycled at CRR



Over

9,000

Industrial and commercial customers with over

563,000

tonnes of MSW collected

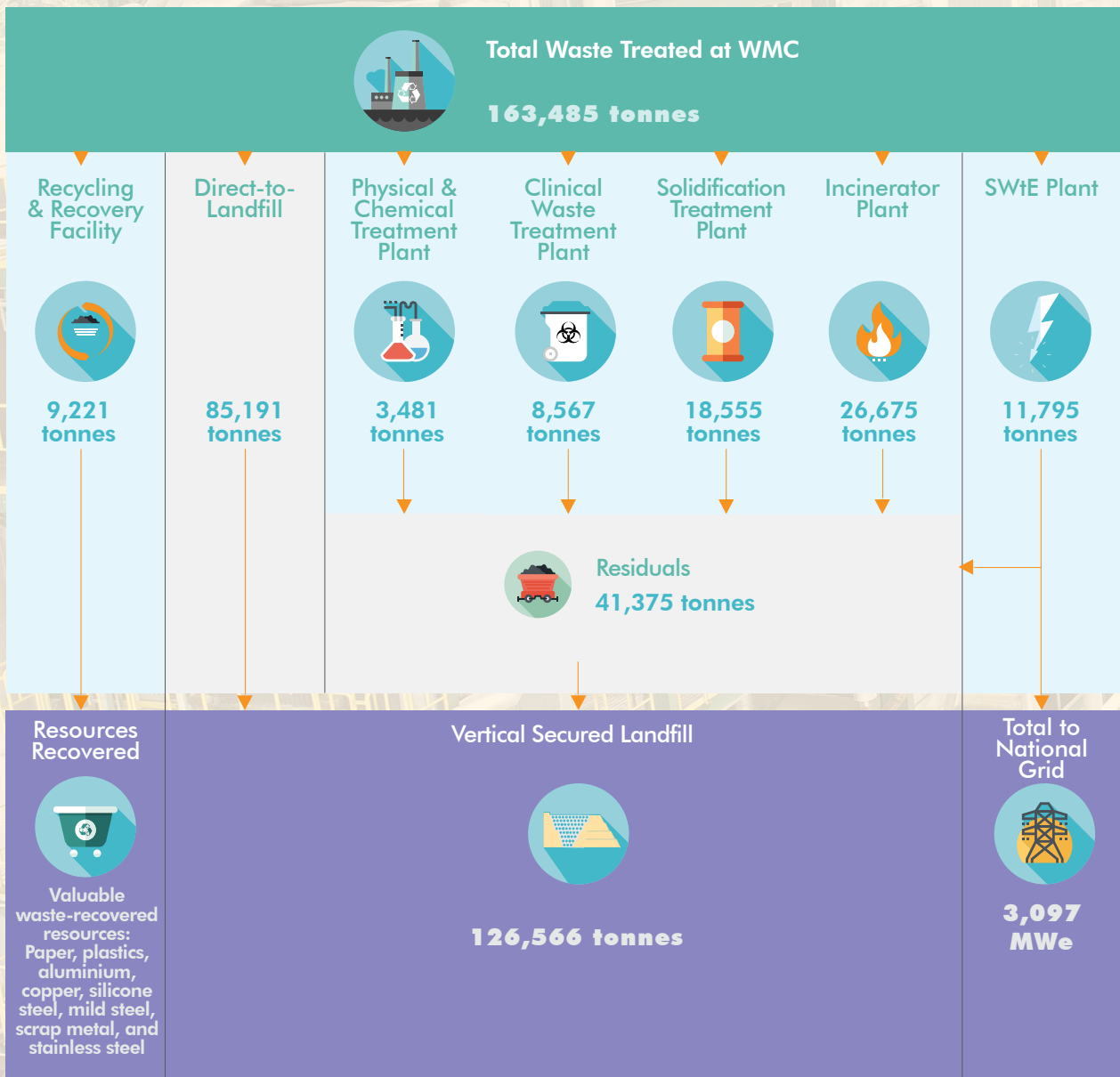


Certificate of Destruction

Cenviro is a trusted company in the Malaysian waste industry that provides its customers with a Certificate of Destruction which indicates full compliance with regulatory requirements. This certificate, which provides proof of disposal by incineration or landfill, provides our customers with a peace of mind, knowing that their waste is responsibly disposed of.

INTEGRATED SCHEDULED WASTE SERVICES

Our scheduled waste management services provide an avenue for the safe packaging, transportation, storage, treatment, recycling, and disposal of scheduled waste from corporate, industrial and clinical customers. These services are based out of our Integrated WMC, which contains numerous facilities that allow us to process waste of different natures. Designed and managed to meet international standards, WMC is certified to meet the standards of MS ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2015, MS 1722:2011 and ISO/IEC 17025:2017.





WASTE ANALYSIS

How It Works

Knowing the classification and characteristics of waste is essential for ensuring that materials are disposed of safely. Failure to correctly identify hazardous waste will not only result in regulatory non-compliance, but also create environmental and public health hazards. Waste-testing and classification are therefore essential steps in the disposal of scheduled wastes.

What We Do

With the exception of selected waste streams, all scheduled waste entering WMC is brought to our on-site laboratory for testing and evaluation prior to treatment and disposal. These waste-testing and evaluation services play an important role in ensuring that materials can be properly and safely disposed of – an essential function in effective waste management systems. While focusing primarily on internal lab testing, we also extend our expertise to meet external demand as an additional revenue stream.

Tests conducted at the laboratory include general waste evaluation as well as specialist waste-testing services carried out by our highly skilled chemists. In recognition of the high standards of practice carried out by Cenviro, our Waste Analysis Library is accredited with ISO/IEC 17025 and is recognised by the International Laboratory Accreditation Cooperation (ILAC). In 2019, 236,658 tests were run on 18,595 waste samples. Highlights in 2019 also include the installation of new lab equipment to avoid machine downtime and to enhance safety measures.

> **236,658**

tests were run on 18,595
waste samples in 2019





CLINICAL WASTE MANAGEMENT

How It Works

Waste produced from healthcare-related activities can expose health care workers, patients, waste processors and the community to injury or infection when poorly managed. Effective disposal of clinical waste requires strict adherence to the practices of waste segregation, sterilisation and disposal. Non-compliance may cause companies to incur fines or clean-up costs.

What We Do

Our Clinical Waste Treatment Centre (CWTC) serves as a point of service for the collection and processing of certain types of clinical waste, supplying of materials for handling waste, and customer training in waste handling procedures. One of the largest facilities of its kind in Asia, the CWTC operates an innovative microwave treatment system that converts hazardous material into an inert, landfill-ready residue while producing zero emissions. Waste that exceeds the facility's capacity for microwave treatment is processed by incineration.

The CWTC is also the hub for numerous engagement activities intended to encourage the safe and responsible handling of clinical waste. To ensure that healthcare-related waste arriving at the CWTC is managed in a way that protects our customers and employees, we conduct an annual Clinical Waste User Training Programme for new and existing customers. We also organise roadshows for private clinics and the general public to improve the public's understanding of responsible waste handling, assist customers to register as waste generators, and promote our services. Our roadshows are supported by the DOE and State Health Departments in recognition of the important role they play in protecting public health.

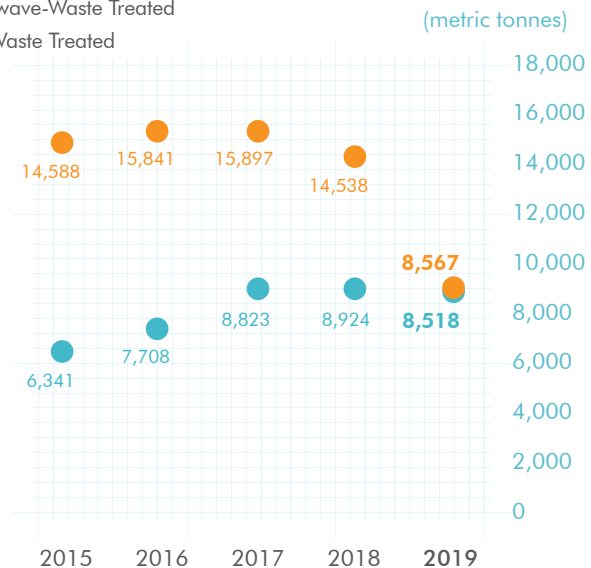
In 2019, 8,567 tonnes of waste were treated at the CWTC. Cenviro also delivered training programmes at 74 hospitals and received about a 93% approval rating by participants. Through our roadshow organised in collaboration with the DOE and State Health Department of Kedah, we reached an estimated 200 participants.



“Our roadshows are supported by the DOE and State Health Departments in recognition of the important role they play in protecting public health.”

Type of Material

- Microwave-Waste Treated
- Total Waste Treated



LEVERAGING TECHNOLOGY FOR ENHANCED SERVICE

In 2018, we created a Clinical Waste Integrated Collection and Logistics Infosystem (CWICLI) mobile application for our clinical waste transporters. Using CWICLI, transporters are able to plan each day's collection schedule by identifying optimal routes and tracking collections in real-time. New customers can use the application to complete the registration process while existing customers can plan their collection schedules.



TOTAL CUSTOMERS

2019

3,784

NS 2018
SWL 380 Tons
3,330



CWICLI ADDED VALUE

More accurate data for billing and financial references

Digitalised data-collection via our software

Customers can access and view invoices, account statements, debit notes, and credit notes





RESPONSIBLE INCINERATION

How It Works

The incineration process is designed to reduce the volume and hazardous properties of scheduled waste via controlled burning at high temperatures. Responsible incineration requires that all harmful substances emitted be captured and treated appropriately. Incineration can be used in the disposal of many different types of waste, including scheduled waste, clinical waste and sewage sludge.

In a process called Waste-to-Energy, thermal energy generated during incineration can be captured and used to power a boiler and steam turbine, which in turn generates valuable electricity.

What We Do

Cenviro operates the only large-scale scheduled waste incinerator in Malaysia, with an operating capacity of 100 tonnes per day. Our incineration processes are monitored at all times by a fully computerised Continuous Emissions Monitoring System (CEMS) in order to preserve local air quality and ensure compliance with relevant environmental regulations. Through the CEMS, we ensure that emissions from the plant meet Malaysian environmental emission standards at all times. In 2019, our incineration facility processed 26,675 tonnes of scheduled waste.

In our efforts to transition away from a linear model of managing waste, Cenviro began operating a Scheduled Waste-to-Energy (SWtE) facility in 2018. Designed to eventually replace our incineration facilities, the SWtE offers a more sustainable alternative to incineration by producing electricity that can be used as a substitute for environmentally-damaging fossil fuels.

Cenviro's SWtE plant was designed to meet both European Union and Malaysian regulatory standards. Its emissions comply with Malaysia's Environmental Quality (Clean Air) Regulations 2014. In 2019, our SWtE plant generated less electricity compared to 2018 due to more frequent tuning and optimising maintenance conducted in the plant over the year.

In 2019, the plant generated 3,097 MW of electricity through the incineration of 11,795 tonnes of scheduled waste.



Scheduled waste is fed into the plant



Waste is incinerated in primary and secondary combustion chambers, with temperatures reaching over 1,100°C



Combustion energy in the waste-to-energy boiler is recovered to generate steam



Superheated and high-pressure steam from the boiler is used to move the turbine, generating 3.4 MW of electricity



Electricity generated by the turbine is exported to the national energy grid

3,097 MW

of electricity generated in 2019



SATELLITE WASTE MANAGEMENT

How It Works

Long-haul scheduled waste transportation increases the likelihood of spills, emits more greenhouse gases and increases transportation costs. Satellite waste management facilities provide secure temporary storage prior to transportation for waste processing, treatment and disposal.

“The stringent process includes compliance with the type of container used and the handling process with the Port Authority”

What We Do

Our satellite waste management facility in Sabah was introduced in 2018 to provide an added level of convenience and cost-effectiveness to customers without immediate access to our operations. The KA Sabah facility provides temporary waste storage before it is shipped to Peninsular Malaysia for processing, treatment and disposal. Our Sabah facility is committed to complying with DOE regulations pertaining to waste collection, waste compatibility, packing of waste, and fumigation before containers are moved to the port. The stringent process includes compliance with the type of container used and the handling process with the Port Authority.

In addition to our facilities in Sabah, the signing of an agreement for the collection, transportation, treatment and disposal of scheduled waste between Cenviro and PETRONAS in 2017, has catalysed the construction of a Renewable Energy (RE) satellite facility in Johor. With its development scheduled to be completed by the end of 2022, this facility will be one of the few in Malaysia that complies with the Clean Air Regulation 2014.



KASB temporary scheduled waste storage facility in Sabah began operations in 2018.



RECYCLING AND RECOVERY

How It Works

Scheduled waste contains many different valuable materials which can be extracted and recycled to be used in other manufacturing processes. To recover these materials, scheduled waste needs to be manually sorted and processed, a process which can be hazardous to human health and the environment if not performed responsibly.

What We Do

Cenviro offers a suite of trusted and reliable end-to-end scheduled waste recycling and recovery services for our commercial and industrial customers via our CRR facility, which is operated by a team of highly experienced management executives and skilled workers. CRR is licensed to recover 14 Scheduled Waste Codes, and is certified with ISO 9001, ISO 14001 and OSHAS 18001. In 2019, a total of 9,221 tonnes of waste were recycled at CRR.

Resources Generated (kg)

Waste Type	2018	2019
Oil	2,832,000	2,024,000
Solvent	362,190	277,000
e-Waste	414,507	43,000
Scrap Metal	1,525,732	3,670,000
Plastic	103,517	3,207,250





INTEGRATED E-WASTE MANAGEMENT

How It Works

Due to the rapid and widespread adoption of digital technologies, electronic waste (e-waste) is quickly emerging as a major waste stream in Malaysia and around the world. While e-waste contains valuable materials, it also presents environmental and human health risks if disposed of incorrectly. In addition, certain types of e-waste can contain sensitive information, presenting security risks for waste generators.

What We Do

Cenviro provides e-waste recycling and disposal services through SPM, a subsidiary of our associate company Shan Poornam Sdn. Bhd. SPM uses modern, green technologies to recycle a range of household and industrial e-waste and scheduled waste, recovering precious metals that serve as raw materials for other industries, and to promote eco green products within the same industry. SPM ensures that its customers' Intellectual Property Rights and personal data are well protected.

E-WASTE 2019 PERFORMANCE



27,247 **25,290**
tonnes **tonnes**
Waste Processed Waste Recycled



92.8%
Recovery Efficiency



ISO CERTIFICATIONS

In 2019, SPM successfully received ISO 9001:2015 (Quality Management System) and ISO 14001: 2015 (Environmental Management System) certifications. SPM aims to accomplish ISO 45001:2018 in 2020



SUSTAINABLE LANDFILL PRACTICES

How It Works

Landfill sites are used for the disposal of non-recyclable waste and materials from waste generators and other waste treatment processes. To ensure that burying these materials at landfill sites does not pollute the local environment, proper landfill site management is essential. Malaysia is facing a rapid decrease in landfill capacity and availability due to factors such as growing volumes of waste and increasing land pressure.

What We Do

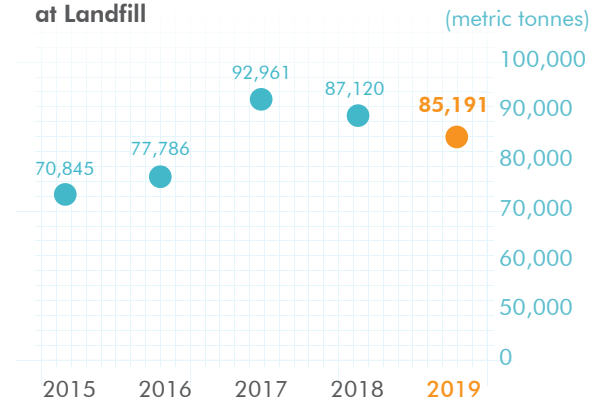
As we continue our efforts to divert waste from landfills by developing alternative treatment facilities and promoting recycling, we are cognisant that landfilling will remain an essential waste disposal practice in the immediate future. In light of this, our innovative drive has enabled us to develop our Vertical Secured Landfill (VSL).

2015 marked the commencement of Phase 1 of our VSL operations. A total of 85,191 tonnes of waste was directly disposed of at our Phase 1 site in 2019 which marks a reduction of about 2% from the waste disposed in 2018. Our estimations predict that our Phase 1 VSL site would reach its full capacity by 2024, after which we would turn to our strategically-planned Phase 2 VSL site.

To ensure the safety of our operations, we constantly monitor leachate generation and discharge from our landfill sites. Our Leachate Treatment Plant (LTP) treats leachate via several processes to achieve Standard B effluents in line with DOE requirements.



Waste Disposed of at Landfill



VERTICAL SECURED LANDFILL

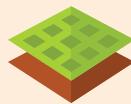
BENEFITS



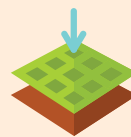
Features: Geogrid walls utilised to expand existing landfill capacity



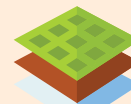
>30 years landfill life expansion



45 acres of land saved



Reduction in land pressure



Capacity building to convert more landfills



Knowledge-sharing to benefit the waste industry in Malaysia



WMC PERFORMANCE

In 2019, we reviewed the metrics included in our past disclosures. Due to the fact that plant downtime is industry-sensitive information, we have decided to omit disclosing our plant downtime figures in this report.

To reflect our operational efficiency, we continue to report on the total waste treated at our plants as well as various energy consumption data which can be found in the Managing Our Environmental Impact chapter of this report found on pg65.

Waste Treated (Tonnes)

	2015	2016	2017	2018	2019
Incineration Plant For incinerating harmful scheduled waste using thermal treatment	49,488	40,962	31,872	25,293	26,675
Scheduled Waste-to-Energy Plant For generating energy via the thermal treatment of scheduled waste	Not yet operational			19,275	11,795
Physical and Chemical Treatment Plant For treating all types of hazardous inorganic liquid waste	4,921	2,605	4,884	4,380	3,481
Solidification Treatment Plant For stabilising and solidifying toxic components of scheduled wastes to avoid leaching once waste has been disposed of	9,806	11,054	13,176	11,218	18,555
Clinical Waste Treatment Centre For treating clinical waste using an eco-friendly incinerator and microwave technology	14,588	15,841	15,897	14,538	8,567
Recycling and Recovery Facilities For recycling and recovering valuable resources from scheduled waste	Not yet operational	5,800	8,040	5,238	9,221
Vertical Secured Landfill Disposal site for treated scheduled waste and direct disposal for certain types of waste from waste generators	70,845	77,786	92,961	87,120	85,191*

* Data represents direct-to-landfill figures.

INTEGRATED MUNICIPAL SOLID WASTE SERVICES

Through the delivery of our public cleansing and MSW collection, treatment, recycling and disposal services, Cenviro strives to support the creation of healthier, cleaner communities with improved living standards. These essential municipal services are provided through our joint venture, EISB.



MSW COLLECTION SERVICES

How It Works

Effective and reliable MSW collection services is an important component of waste infrastructure. Regular waste pickups are essential for discouraging littering or illegal dumping activities, which in turn threaten public health and the environment. Simultaneously, effective multi-stream household and commercial waste collection can help to ensure that recyclable and compostable material is diverted from disposal as waste.

What We Do

We collect domestic, recyclable, green and bulky waste from more than 370,000 premises on a regular basis via EISB. Using multi-compartment trucks which allow waste streams to be kept separate and facilitate efficient disposal at appropriate streams, we ensure that waste is managed responsibly and in the most sustainable manner. Our fleet of 392 vehicles collected an average of 1,806 tonnes of MSW per day which totalled to 563,431 tonnes of waste in 2019.



	2016	2017	2018	2019
MSW Collected – Perlis (tonnes)	62,005	46,197	42,180	43,333
MSW Collected – Kedah (tonnes)	570,563	529,893	490,435	520,098
Total MSW Collected (tonnes)	632,568	576,090	532,615	563,431

* Began data tracking for reporting purposes in 2018



COMMERCIAL AND PUBLIC RECYCLING SERVICES

How It Works

MSW in Malaysia contains a significant amount of material that can be recycled. Without effective systems for sorting this material, recyclable paper, plastic, glass and other materials ends up being disposed of as garbage, placing an increased burden on the extraction of raw resources. In addition to robust collection and processing infrastructure, widespread public knowledge is essential to ensure that efficient recycling practices are adhered to by members of the public.

What We Do

EISB's MRF serves as the sorting and processing centre for recyclable material collected through our EISB public and commercial collection services and the RFL community-based recycling division. At the MRF, cardboard, paper, HDPE, PET, PP, steel, aluminum and tin are manually sorted before being pressed in bales in order to be sold as raw materials.

In 2019, we recycled 748 tonnes of MSW from our EISB collection with an additional 1,049 tonnes via the RFL programme.



PUBLIC CLEANSING SERVICES

How It Works

Ensuring that public spaces are free of litter and well-maintained is an important function for maintaining safe and healthy communities. Unclean public spaces can not only attract disease-carrying pests and harm local ecosystems, but also lower the quality of life for local residents.

What We Do

EISB's public cleansing services include road sweeping, grass cutting and the cleaning of drains, dry and wet markets, public toilets and beaches. Services are carried out across Kedah and Perlis by our team of dedicated employees using our extensive fleet of public cleansing vehicles, including high pressure water jetters and beach combers.



COMMUNITY-BASED RECYCLING

How It Works

In order for recycling systems to be effective, it is essential for society to be informed on and engaged in recycling initiatives. Factors such as inadequate or unavailable service, perceived inconvenience and a lack of understanding of the value of recyclable materials all serve as major barriers to public recycling. As Malaysia lacks curbside or commercial pick-up services, individuals must be encouraged and incentivised to collect and transport their waste for recycling of their own accord. New and innovative ways of thinking are needed to foster green thinking and promote community participation in recycling practices.

What We Do

Through our community-based recycling programme – RFL, Cenviro offers convenient material collection services with the goal of strengthening positive public perceptions of recycling. Waste collected by RFL is sent to the MRF facility for processing. RFL currently holds licenses to operate primarily in the northern states and central Malaysia and has established corporate partnerships with 147 different organisations. To read more about how RFL’s community-based programmes positively impact Malaysian communities, refer to pg99 of this report.

Under Cenviro’s RFL programmes, individuals and community members - including Cenviro and EISB employees - are invited to bring recyclable items to collection sites where the materials are weighed and collected for recycling. The market value of the material is then credited to a smart card, which can be used to make purchases at selected partner outlets. Programme participants can track the value of their recycled items and the balance in their smart card at any time using the RFL mobile application.



RFL MOBILE APP GROWTH



App downloads increased by **> 2 times** in 2019 compared to 2018

TOTAL DOWNLOADS

2019
2,881

2018
1,087



	2017	2018	2019
Cards issued	3,530	15,669	25,652
Recyclable waste collected (kg)	112,857	819,953	1,048,688
Partner Corporations	2	24	147
Participating Schools	4	88	243

As part of our commitment to support the communities in which we operate, Cenviro donates the equivalent of 3% of the cash value generated by the RFL programme to a non-profit organisation, the MyKasih Foundation, which provides low-income families with food aid and education programmes.



Waste Recycled Via the RFL Programme



- Paper
- Plastic
- Steel
- Aluminium
- Used Cooking Oil
- e-Waste
- TOTAL**

	2018				2019			
	EISB		CENVIRO		EISB		CENVIRO	
	Volume (kg)	Total (RM)	Volume (kg)	Total (RM)	Volume (kg)	Total (RM)	Volume (kg)	Total (RM)
Paper	370,410	97,073	64,317	17,444	562,938	140,498	67,191	12,972
Plastic	258,194	156,500	58,535	1,399	268,531	164,329	11,293	5,348
Steel	62,159	34,008	7,008	4,383	56,108	30,780	3,636	2,170
Aluminium	44,755	26,758	1,798	3,067	59,245	32,739	4,170	3,688
Used Cooking Oil	204	204	-	-	14,424	14,404	-	-
e-Waste	-	-	2,574	4,469	-	-	1,150	1,583
TOTAL	735,723	314,544	84,230	33,761	961,246	382,770	87,441	25,761

FUTURE-FOCUSED INTEGRATED SOLUTIONS

At Cenviro, our ambition is to drive large-scale sustainable waste resource solutions in Malaysia and ASEAN. We are committed to fostering an ecosystem of growth and development by driving industry partnerships, supporting technological developments and investing in infrastructure for industry excellence.



Located within Cenviro Eco-Park, EPIC is Cenviro's centre of excellence which aims to drive research and development in the Malaysian waste industry and offers training and certification.

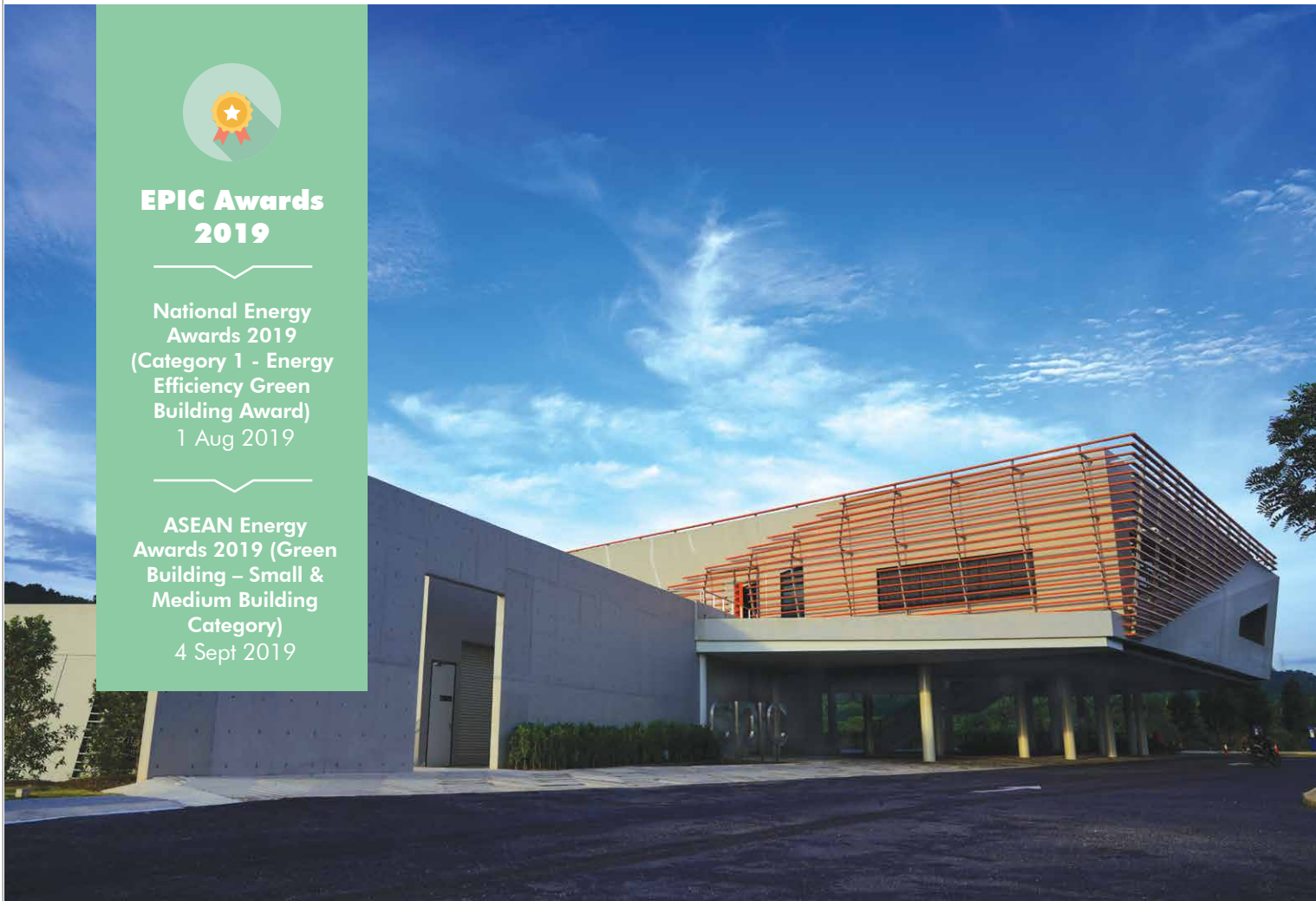
In 2019, EPIC delivered 10 training programmes, reaching 139 participants, including employees from various other companies, Cenviro employees, academics, and students.



EPIC Awards 2019

National Energy
Awards 2019
(Category 1 - Energy
Efficiency Green
Building Award)
1 Aug 2019

ASEAN Energy
Awards 2019 (Green
Building – Small &
Medium Building
Category)
4 Sept 2019



GRI 203-1, 203-2



TRAINING MODULES OFFERED AT EPIC

Solid Waste Collection

- Level 2 - Solid Waste Collection Operation
- Level 2 - Solid Waste Collection Truck Operation
- Level 3 - Supervision of Solid Waste Collection Operations

Public Cleansing

- Level 2 - Manual Public Cleansing Operation
- Level 3 - Supervision of Manual Public Cleansing Operations

Scheduled Waste Control and Handling Management for Waste Handler (SWCHM)

Number of Participants



Public course attended by various companies (four sessions)

Scheduled Waste Risk Assessment (SWRA)

Number of Participants



Public course attended by various companies (three sessions)

Safe Handling of Chemical (SHoC)

In-House Training

Number of Participants

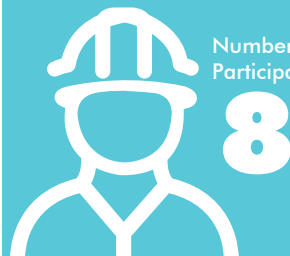


Fire Immediate Response Safety Training (F.I.R.S.T)

In-House Training



Number of Participants



The Practical Guide to Hazardous Waste Management

In-House Training for International Participants

Number of Participants



CENVIRO ECO-PARK

Our position as a key industry leader makes Cenviro uniquely poised to drive collaboration for the advancement of solid waste services in Malaysia. At Cenviro Eco-Park, we have endeavoured to create a space for this collaboration to thrive, encouraging industry partnerships, strengthening connections and developing a start-up culture. Occupying 241.6 acres in Sendayan, Negeri Sembilan, the Cenviro Eco-Park has been designed to bring together players from across the waste industry, serving as a world-class waste recycling and recovery service hub. Once fully occupied, Cenviro Eco-Park will include recycling and recovery facilities operated by joint-venture developers, tenants and partners.



SCHEDULED WASTE CONTROL AND HANDLING MANAGEMENT FOR WASTE HANDLER



OBJECTIVES

This programme was designed to provide comprehensive knowledge of scheduled waste control that complies with regulatory standards and to increase awareness in relation to scheduled waste handling.



ADDED VALUE

Conducted by our in-house expert with 17 years of experience, participants were provided with real-life scenarios and case studies in addition to short lectures and hands-on tips. Content from this programme applied elements of gamification which added to the overall participant engagement experience.



COURSE CONTENTS

Participants benefited from a structured programme featuring the topics below:

- Overview of Scheduled Waste Management
- Environmental Legislation and Regulations
- Scheduled Waste Classification and Identification
- Incompatibility of Scheduled Waste
- Waste Info Card
- Packaging, Labelling and Storage of Scheduled Waste
- Generator, Recycle & Recovery, Transportation, Treatment and Disposal Scheduled Waste



INDUSTRY ENGAGEMENTS IN 2019

Organisation

Construction Research Institute of Malaysia (CREAM)

Engagement Activities

EPIC was appointed by CREAM to develop content for the following modules:

1. Construction Site Waste Management
2. Sustainable Practices for Construction Waste Management

Upon the successful development of the modules, EPIC was invited as trainers for CREAM's pilot programme in December 2019.

Course Outcomes

- Participants were able to understand how to plan and implement green practices in construction work and were exposed to the best construction waste management practices available.
- The course increased awareness on the importance of construction waste management and the environmental risks of improper construction waste management.
- Participants were able to apply construction waste minimisation practices.

CUSTOMER SATISFACTION

Ensuring that the service we provide to customers is of the highest quality is central to building and retaining the trust of our customers. Across our operations, we work closely with our customers to schedule pick-ups, convey important information regarding waste collections and ensure that waste collection is efficient by resolving potential disruptions.

To evaluate our performance in meeting customer needs, we conduct annual customer satisfaction surveys for all our customers, with a targeted response rate of 75%. In 2019, we achieved an average satisfaction rating of 98.7% for our EISB services. Due to the revamping of our customer satisfactions metrics and systems, we did not conduct a survey for our KASB services.

	2016	2017	2018	2019
KASB	86.4%	85.4%	92.7%	N.A*
EISB	-	85.4%	94.3%	98.7%

* Data unavailable due to customer survey system revamping exercises.

“We appreciate the unparalleled quality and support of Cenviro’s excellent waste management services through the years. As our official solid waste management service provider, we have placed our trust in Cenviro due to the company’s strict adherence to stringent regulatory requirements.”

Hafizuddin Bin Omar
Manager of Safety & Environment Section
Showa Denko Materials (Johor) Sdn. Bhd.

“Kualiti Alam Sdn. Bhd. (KASB) has been our preferred waste management service provider since 2008 due to the company’s ability to produce trusted Certificates of Destruction, in line with our requirements and policies.”

KASB has shown great diligence in their consistency when it comes to strict compliance of regulatory requirements. We greatly appreciate the scheduled waste management services provided by KASB.”

Tan Chin Kee
Staff Engineer
Seagate International
Johor Sdn. Bhd.

With **continuous green innovation**, we are constantly evolving to deliver more sustainable solutions...

SDGs
for this
chapter:





Managing Our Environmental Impact

At Cenviro, consideration of the resources we consume and the ecosystems we impact are the main factors impacting our drive for efficiency. For the sake of our stakeholders, we are committed to serving as responsible stewards of the environment. Guided by robust systems, policies and practices, we maintain a strong track record of environmental excellence.

- 68 Environmental Management
- 69 Our Environmental Footprint

MANAGING OUR **ENVIRONMENTAL IMPACT**





TRANSFORMING THE WAY WE OPERATE

At the heart of our reliable and sustainable waste solutions is operational integrity. As we progressively transform our operations to become more efficient, our concerted efforts will allow us to reduce our environmental footprint.

In 2019, by introducing the more robust QHSE Policy, we continue to work towards ensuring the preservation of the environment in which we operate.



2019 PERFORMANCE OVERVIEW

Energy Consumption



130,000
GJ

Solar Energy Generated



157,495
kWh

Carbon Footprint



15,993
tonnes

Internal Waste Recycled



241
kg

Water Consumption



216,533
m³

Effluents



ETP
40,601
m³

LTP
42,198
m³

ENVIRONMENTAL MANAGEMENT

As an organisation grounded in helping our customers achieve environmental responsibility, managing the impact of our own operations is of paramount importance. At Cenviro, we do our utmost to use environmental resources responsibly and minimise the environmental impact of our operations. Along our diverse value chain, each of our affiliates and subsidiaries is tasked with adopting environmentally-responsible practices in response to their specific impacts. At WMC, all of our facilities comply with DOE licensing requirements and conditions, with compliance reviewed annually during the licence renewal process. KASB, CS, CRR, EISB and SPM also hold certification for ISO 14001 – Environmental Management System.

In 2019, to enhance the robustness of our governance policies, we revised our HSE Policy. The new policy is now called the QHSSE Policy.



GRI 307-1

ENVIRONMENTAL MANAGEMENT AT KASB

Environmental compliance at KASB is governed by the subsidiary's Environmental Management System, which is committed to continuously improving the environmental management framework laid out in KASB's Integrated Management System Policy Statement. The Company monitors its compliance through an Environmental Monitoring Programme, under which a third-party consultant carries out regulatory monitoring and submits monitoring reports to the DOE.

“At Cenviro, we do our utmost to use environmental resources responsibly and minimise the environmental impact of our operations.”

Oversight of KASB's environmental performance is performed by the Environmental Performance Monitoring Committee (EPMC), which meets on a monthly basis to control and minimise pollution, as well as the Environmental Regulatory Compliance Monitoring Committee (ERCMC), which meets throughout the year to discuss the implementation of environmental pollution controls and reports to top management. The EPMC comprises of members of various departments in accordance with the DOE's Guided Self-Regulation, while the ERCMC is made up of all heads of department. In 2019, the ERCMC met once.

KASB conducted its annual Environmental Compliance Audit in October 2019, receiving only one non-conformance report. Corrective action and response to the report was carried out and submitted to the DOE in November 2019.

We maintain numerous practices to ensure environmental compliance, including environmental compliance training for new employees, regular internal environmental performance reporting to EPMC and ERCMC, as well as third-party reviews of our Environmental Monitoring Reports. In the event of environmental non-compliance, immediate steps are taken to rectify the situation through the issuance of a Corrective and Preventive Action (CAPA) form to the responsible party.



OUR ENVIRONMENTAL FOOTPRINT

Operational efficiency at Cenviro is of paramount importance in mitigating negative environmental impacts while ensuring that the waste we handle is disposed of safely. Regular monitoring of key environmental metrics helps us to assess the magnitude of our impact on local ecosystems and communities, as well as establish a baseline from which to enhance our performance.

Ambient Environmental Impact Indicators

To monitor our impact on the area immediately surrounding our operations, we maintain 57 environmental monitoring locations around WMC. These locations are used to track environmental performance across seven key indicators, with performance evaluated quarterly.

Surface Water Quality



We conduct quarterly surface water quality monitoring to preserve river water quality while identifying changes and potential pollution sources. Cenviro follows the National Water Quality Standards.

Air Quality



Smoke from stacks is monitored to ensure that the quality of emissions complies with regulations. Gas emissions from the VSL are also monitored.

Odour



We have an odour removal system in place at CWTC.

Groundwater Quality



Groundwater quality is monitored as a part of licensing requirements.

Noise



The noise level of our operations is monitored according to DOE regulations.

Wastewater Quality



We practice zero discharge, as all wastewater is treated and reused within facilities.

Biodiversity



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





GRI 103-1, 103-2, 103-3, 302-1

ENERGY CONSUMPTION

Efficient energy consumption practices not only reduce our greenhouse gas emissions, but also minimise our operational expenses. In recognition of this, we strive to implement new technologies and industry best practices in order to enhance our energy efficiency across the Group. This includes reducing our consumption of purchased electricity and fuel, opting instead to increase the proportion of energy derived from our solar energy facilities.



	2018	2019
Total Fuel Consumption (from non-renewable sources) (GJ)	136,312*	66,493**
Electricity Consumption (GJ)	62,332.69	52,392.07
Electricity Sold (GJ)	37,489.54	11,148.89
Total Energy Consumption (GJ)	161,155.15***	130,038.96

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

** Includes fuel consumption from Scope 1 motor vehicle usage and diesel used for Incinerator 1 – INC1 and SWtE plant operations. Fuel conversion metrics based on those provided by the U.S. Energy Information Administration. Petrol calculations based on gasoline metrics provided by the U.S. Energy Information Administration.

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

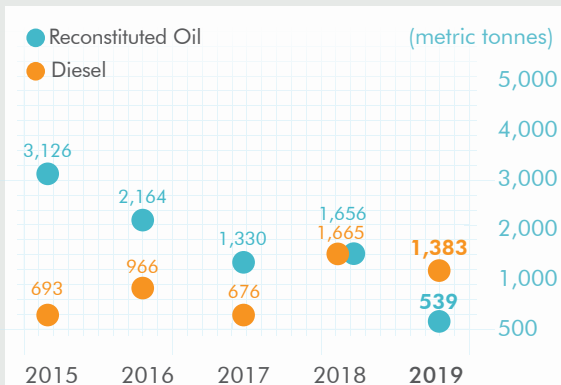


GRI 103-1, 103-2, 103-3, 302-1

FUEL CONSUMPTION

We monitor fuel consumption as an important metric to assess the operational integrity of our incinerators. We utilise both diesel and reconstituted oil (RO) to operate our incinerators at WMC.

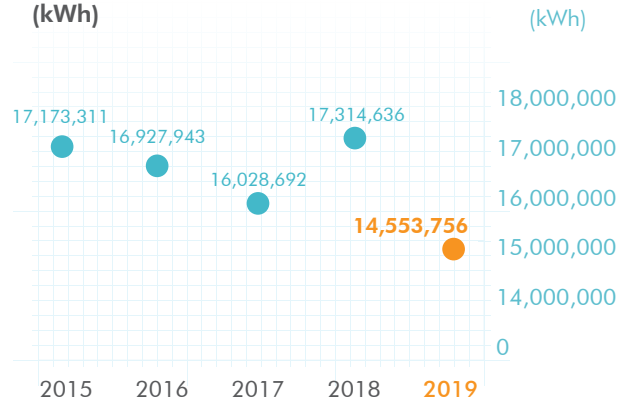
In 2019, a total of 1,383 tonnes of diesel and 539 tonnes of RO was used to power our facilities.



GRI 103-1, 103-2, 103-3, 302-1

PURCHASED ELECTRICITY

Purchased Electricity Consumption (kWh)



We continuously strive to optimise and minimise electricity consumption across our energy intensive operations. In 2019, we recorded more than 14,000,000 kWh in purchased electricity consumption.



GRI 103-1, 103-2, 103-3, 302-1

SOLAR ENERGY

We have been generating solar energy for self-consumption since the establishment of our rooftop solar panel system at EPIC in 2017. With the addition of our rooftop solar panel system at KASB in 2018, our solar panel systems generated close to 1,400 MWh of energy, which saved us 1,000 tonnes of GHG emissions. In 2019, we generated 157,495 kWh of solar energy to power our operations.

SOLAR ENERGY GENERATED* (kWh)

2019
157,495

2018
249,109

* Data includes solar energy generated at KASB and EPIC



GRI 103-1, 103-2, 103-3, 305-1, 305-2, 305-3

GREENHOUSE GAS EMISSIONS

The Greenhouse Gas (GHG) emissions generated by our business activities include the GHGs emitted directly by our processing facilities, as well as emissions associated with our electricity consumption and business travel. To better understand the magnitude of this impact, we monitor our GHG emissions using the internationally recognised Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Version).

	2015	2016	2017	2018	2019
Scope 1 Direct GHG emissions (tonnes)	15,333	10,075.12	163.75*	5,561.07***	4,648.13
Scope 2 Indirect GHG emissions (tonnes)	12,725	12,543.61	11,877.26	12,830.15	10,979.70
Scope 3 Other Indirect GHG emissions (tonnes)	10,236	6,620.76	512.48**	451.27	363.52
Total	38,294	29,239.49	12,553.49***	18,842.49	15,993.35

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

** Restatement of 2017 data following revised calculations

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

Breakdown of Scope 1, 2 and 3 Emissions:

SCOPE 1

Direct GHG Emissions

Emissions from sources that are owned or controlled by Cenviro

Company-Owned Vehicles

GHG emissions produced by our fleet of company-owned vehicles were calculated from purchasing fuel for cars, motorcycles, 4-wheel drives, vans, trucks and other heavy industrial vehicles. The CO₂ emissions from fuel consumption were derived from the emissions factor published by the IPCC Guidelines for National GHG Inventories

Plant Operations

Diesel consumption

SCOPE 2

Indirect GHG Emissions

Emissions as a consequence of Cenviro's operations, that occur at sources owned or controlled by another entity

Purchased Electricity Consumption

Indirect emissions from electricity consumption is calculated for Scope 2

SCOPE 3

Other Indirect GHG Emissions

Emissions as a consequence of Cenviro's other business activities, that occur at sources owned or controlled by another entity

Employee-Owned Vehicles

CO₂ emissions from the consumption of fuel for employee-owned vehicles were derived from the emissions factor published by the IPCC Guidelines for National GHG Inventories

Air Travel

GHG emissions resulting from air travel were measured from origin to destination including the number of employees on board, distance and flight class. We have included all short and long-haul flights in our GHG calculation. The data is tracked by the HR and Admin departments. We use the International Civil Aviation Organisation's Carbon Emissions Calculator to quantify our carbon emissions due to business air travel



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

WASTE MANAGEMENT

In addition to the materials we safely dispose of on behalf of customers, we are committed to responsibly managing the waste generated by our own business operations. This includes residual waste from our processing plants and operations as well as general waste from our offices and employee facilities.

General waste generated by our operations, including offices and other employees facilities, is separated with recyclable materials being sent to RFL for processing and organic material being composted on-site.

Scheduled waste generated by our operations is sent to our incinerator and SWtE facility for treatment with the exception of empty ink cartridges, which are sent to an external service provider to be refilled.

Waste Treated (kg)

	2015	2016	2017	2018	2019
Internal waste recycled	178*	204.2*	155**	268	241
Total internal scheduled waste treated internally and landfilled ¹	485	337	446	558	582
Total internal general waste collected by appointed domestic contractors and sent to approved facilities ^{***2}	61,120	54,680	35,150	29,750	23,560

* Data covers KASB only and empty cartridge

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

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

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

² Miscellaneous office waste, canteen and food waste.

241 kg

Internal waste recycled





GRI 103-1, 103-2, 103-3, 303-1, 303-2, 303-5

WATER USAGE AND DISCHARGE

We endeavour to minimise the water consumed by our operations. Our Effluent Treatment Plant (ETP) and Leachate Treatment Plant (LTP) practice a zero-discharge approach under which effluents from these facilities are treated to be reused as quench water in our incineration plant.

Water Usage Summary for WMC*

2015	2016	2017	2018	2019
212,695 m ³	213,200 m ³	260,599 m ³	254,368 m ³	216,533 m³

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

Effluent Generated Discharged

ETP	LTP
<u>2019</u>	<u>2019</u>
40,601 m³	42,198 m³
<u>2018</u>	<u>2018</u>
47,366 m ³	26,907 m ³
<u>2017</u>	<u>2017</u>
91,290 m ³	30,542 m ³
<u>2016</u>	<u>2016</u>
83,742 m ³	37,983 m ³



GRI 103-1, 103-3, 301-1

MATERIALS

Our scheduled waste treatment process requires the input of hydrated lime, activated carbon and caustic soda. These non-renewable materials are crucial for treating the flue gas generated during the incineration process.

Materials Consumed (Tonnes)

	2015	2016	2017	2018	2019
Hydrated Lime	1,290	1,548	1,628	1,239	1,118
Activated Carbon	8	10	7	12.7	10.6
Caustic Soda	50	115	181	1,108	653



ODOUR-MITIGATING PRACTICES

Managing the odours associated with our operations is essential in order to maintain the quality of life for individuals who reside in close proximity to our facilities. Cenviro takes a proactive approach to managing odours, including regular engagement with local communities. Our employees actively investigate areas with reports of odours using ambient analysers to discover and mitigate the root causes.

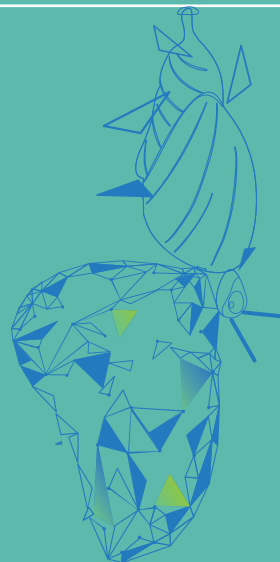




**AT THE HEART OF
OUR RELIABLE
AND SUSTAINABLE
WASTE SOLUTIONS
IS OPERATIONAL
INTEGRITY**

Throughout our journey, we have remained committed to **doing the right thing today while preparing for a better tomorrow...**

SDGs
for this
chapter:





GRI 103-1, 103-2

Empowering Our People

In line with our sustainable transformation plan, we are committed to not only ensuring the safety of our operations and employees, but also to nurturing and developing a next generation workforce. Through upskilling and training, we help our workforce continuously advance their skills and expertise, ensuring the well-being and supporting the advancement of our diverse and talented employees. These efforts are not limited to our workforce, but also extend to our contractors, with whom we work closely to manage on-site health and safety, as well as strengthen capacity throughout our value chain.

- 81** Safety, Health and Well-Being at the Workplace
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- 92** Nurturing an Inclusive Workforce

EMPOWERING OUR PEOPLE





2019 WORKFORCE OVERVIEW



Total Recorded
Man Hours
521,322

Total Numbers
of Contractor
Training Hours
240



Maintained
0
fatality target







TRANSFORMING HOW WE CARE FOR EMPLOYEES

For Cenviro, empowering our people means creating a workplace where our employees and contractors feel safe, valued and supported. In 2019, we:

Introduced the **Hazard Identification Programme (H.I.P)**, transforming the way we identify and address health, safety and environmental hazards

Incorporated **safety** as a Key Performance Indicator (KPI) in our **Corporate KPI** to **strengthen our safety culture**

2019

		CENVIRO	EISB
Total spent on training (RM)		472,736	319,257
No. of employee training programmes		166	150
Average training hours per employee		23.5	16.0
Workforce	By Gender		
	Male	335	1,383
	Female	113	163
	By Designation		
	Executive	190	107
	Non-executive	258	1,433
By Category			
Permanent	429	1,355	
Non-permanent	19	191	
Turnover rate (%)		9.5	5.4

SAFETY, HEALTH AND WELL-BEING AT THE WORKPLACE

At Cenviro, we take pride in maintaining a safe and productive workplace, with the ultimate goal of ensuring that all our employees, contractors and suppliers make it home safely every day. The policies and procedures we have in place to ensure the safety of our operations are currently governed by our HSSE Department, with future plans in place to decentralise the ownership of this function so as to embed HSSE ownership across our operations. WMC also maintains an Occupational Health and Safety (OHS) Committee to oversee the management of health and safety onsite, in line with the applicable regulations. In 2019, the QHSSE Policy replaced our existing HSE Policy.

FUNCTIONS OF THE HSSE DEPARTMENT:



Environment



Occupational Safety & Health



Fire & Hazmat



Security



With our Safety First culture underscoring organisation-wide efforts, we will continue to monitor progress and roll out multiple initiatives including capacity building and awareness sessions for employees.



GRI 403-2, 403-4

ENHANCING HSSE OWNERSHIP AND AWARENESS

Advancing our workplace safety and efficiency requires building a Safety First culture, in which responsibility for HSSE is championed by each and every employee. In line with this, we are committed to developing a high level of safety awareness and an emphasis on hazard prevention, while decentralising aspects of HSSE and strengthening their ownership by all entities within the Group. Efforts to do so in 2019 included delegating HSSE responsibility across multiple departments, establishing a HSSE Framework to guide all business units for clear HSSE direction and establishing clear demarcations of responsibilities regarding Critical Safety Equipment ownership. Moving forward, we are on track to restructuring our Safety & Health Committee and will introduce the Cenviro Group HSSE Steering Committee and dedicated Safety & Health Committees for CRR, EPIC & Sales, Supply Chain.

To build upon our 2019 progress, we also laid out several short-term and long-term targets and identified relevant steps to success.



HSSE TARGETS

- Heightening health, safety and security of our workers, by achieving zero fatality and 100 consecutive days without LTIs
- Effectively managing Contractor HSSE
- Establishment of Critical Safety Equipment List

Our strategy for achieving these targets will focus on simplifying critical HSSE processes and introducing HSSE-BP to support other business functions within the Group. We will also work to strengthen our HSSE culture by requiring Safety Moments to be carried out as part of every meeting agenda and by broadcasting HSSE data through our "Did You Know?" factual flashes.

GRI 103-2, 307-1, 403-7

Strengthening the HSSE Framework

In 2019, we initiated a series of internal process improvements, as we continued to strengthen our commitment towards ensuring the safety and well-being of our employees. We analysed the gaps in our HSSE framework and addressed them via the initiatives below.



To support our commitments, the ERCMC provided invaluable input on the environmental aspects of the updated QHSSE Policy to be implemented within the Cenviro Group structure. Monthly EPMC meetings ensured that continuous improvements were made where necessary. The EPMC was also tasked with monitoring DOE Site Visits and the Environmental Compliance Audit for 2019. The audit found one incidence of non-compliance which was rectified in November 2019.

GRI 403-2, 403-4

Hazard Identification Programme

The H.I.P was established in July 2019 with the aim of inculcating safety culture by prompting employees, contractors or visitors to report any identified hazards or near-miss incidents at Cenviro premises. The system is maintained as a digital survey form which can be completed to facilitate easy data collection and review.

One of the key objectives of the H.I.P was to encourage proactive participation in identifying potential hazards and providing best-case solutions for hazard prevention.

The success of this programme in 2019 was evidenced by the fact that we received a total of 705 identified hazards, with entries ranging from committed employees of every level of our operations, including our management team.

Some of the highlights of proactive hazard detection and proposed solutions highlighted by our employees include:



HAZARD IDENTIFIED

Staff engrossed with using mobile phone while walking around the WMC plant which could potentially lead to unfortunate accidents.

ACTION PLAN

To create SOP's restricting the use of mobile devices while in the WMC plant to ensure staff safety by preventing potential accidents.



HAZARD IDENTIFIED

Contract workers remove PPE before completely exiting the plant.

ACTION PLAN

Heighten safety awareness among contractors via safety briefings & OHS Toolbox programmes and to re-highlight plant boundaries where PPE is compulsory.



GRI 403-7

HEALTH AND SAFETY PERFORMANCE

In 2019, we made our internal definition of LTI events more stringent to encompass all incidents resulting in at least one day of medical leave, in contrast with the Department of Occupational Safety and Health's (DOSH) definition requiring four days of medical leave. This allowed us to monitor our safety performance more stringently.

Through this heightened metric, we recorded 12 LTI events, with only 2 incidents meeting DOSH's definitions. These incidents occurred over the course of 521,322 man-hours. The targets we established for the year were to maintain a zero fatality rate and achieve a minimum of 100 days without LTIs. While we successfully achieved our zero fatality target, we only managed to achieve 73 days without LTI incidences.

To support our health and safety targets, we established several new programmes and practices in 2019, which included sharing details of accidents to promote workforce-wide learning, sharing LTI performance statistics with all employees, and conducting targeted training for contractors.

These are performed in addition to our existing practices of monthly machinery inspections and drills, compliance evaluations and close follow-ups with recommendations from relevant regulatory agencies.

List of programmes and practices established in 2019 include:

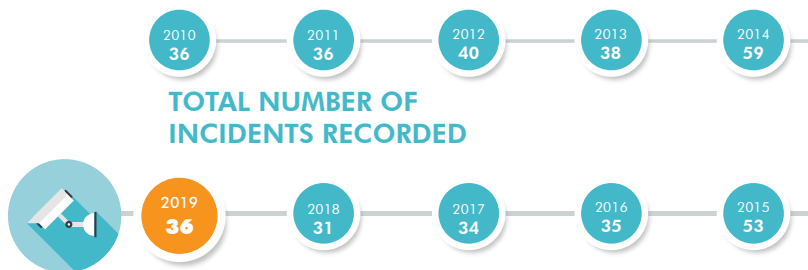
- Broadcast "Bad Day" to all - incidents related to LTIs with brief description, root causes and lesson learnt.
- Installation of LTI board along the main route to the plant.
- Establish H.I.P.
- Collaboration with EPIC to Conduct Fire Immediate Response Safety Training (F.I.R.S.T) for contractors.

Total Recorded Man Hours

2018	2019
530,867	521,322

No. of LTIs Recorded

2018	2019
3	12





GRI 403-7

STRENGTHENING OUR FIREFIGHTING SYSTEMS

This year, we completed planned construction upgrades to our firefighting system, including an enhanced sprinkler system. We also connected communication channels to the main fire panel. The upgrading is now in its final phase - obtaining the Certificate of Completion and Compliance, which is slated to be complete by 2021.

GRI 403-5

Enhancing Emergency Responses

In 2019, we conducted quarterly emergency response drills, three of which were Tier 2 drills, involving two to three departments, and one Tier 3 drill involving all employees under WMC.

The annual Tier 3 Emergency Drill programme, Cenviro Emergency Management Level 3 Exercise (CEML3X) (formerly known as the Disaster Management Exercise, DMEX) represents a significant multi-stakeholder partnership with Jabatan Bomba dan Penyelamat Negeri Sembilan, Ibu Pejabat Polis Daerah (IPD) Port Dickson, Hospital Tuanku Jaafar, DOE Negeri Sembilan, Civil Defence Department and the Port Dickson District Office.

CEML3X will provide continuous training for KASB, particularly the KASB Fire and Hazmat team, to ensure preparedness for future incidents. The CEML3X programme for 2019 was conducted in February.

GRI 403-7

Continuous Improvement

As part of our response to the fire breakout in 2019, we worked closely with the authorities to establish a system to identify the immediate cause of a fire incident and take steps to put out the fire.

We formed an ad-hoc risk mitigation team to examine all backlogged areas and catalogue waste mixtures to identify any high-risk issues. Through this exercise, we determined the need for, and developed plans to construct a new shed area for storage, as well as enhanced engagement sessions with Waste Generators to educate them on the risks of mixing waste types.



GRI 403-1, 403-7

HEALTH AND SAFETY CERTIFICATIONS

Overseen by the CG&A body, the Cenviro Integrated Management System (IMS) which covers KASB, CRR and CS, is certified with several ISO certifications including ISO 9001: 2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health & Safety Management System). Upgrading of ISO 9001 and ISO 14001 to the 2015 versions was completed within the past year.

To embed a culture of compliance, a series of checks are conducted at set intervals by our trained Internal Auditors during the annual IMS Internal Audit, and by our appointed External Auditors during the annual IMS Surveillance Audit. A Surveillance Audit was conducted by Bureau Veritas Certification Sdn. Bhd. on December 2019 with a total of 10 man-days.

In the pursuit of constant improvement, necessary actions are taken based on audit findings - to adequately address the root causes of non-compliance of the OHSAS 18001 standard requirements, and to prevent recurrence. Programmes are put in plan to ensure that the IMS objectives are achieved.

In addition, we implemented a Plan-Do-Check-Act cycle, which includes the IMS objective and programme setting, Documented Information review exercise (inclusive of IMS Manual, System Procedure, Departmental Procedure, Risk Assessment review), Evaluation of Compliance Exercise, IMS Internal Audit, and last but not least the Management Review Meeting to discuss the overall performance of Cenviro IMS.



Future Plans:

Migrating to ISO 45001:2018



We are preparing to migrate our OSH Management System from OHSAS 18001:2007 to ISO 45001:2018.

Steps taken in preparation include:

Revising the existing IMS Manual, Procedures and other relevant documented information to fulfill the ISO 45001 standard requirement.

A series of trainings conducted for all level of employees to raise awareness and share knowledge on the implementation of ISO 45001 including topics such as:

Understanding the Requirements of ISO 45001:2018 Occupational Health and Safety Management Systems

ISO 45001:2018 Internal Auditor Training and IMS Internal Audit Training.



GRI 403-5

HEALTH AND SAFETY TRAINING

An important component of ensuring workplace health and safety is providing our employees with the skills and knowledge needed to keep themselves and their co-workers safe. In 2019, we initiated several health and safety training sessions for our employees. In addition to raising the level of health and safety knowledge in our workforce, this training ensures that we exceed the regulatory requirements for a minimum number of competent personnel in specific occupational health and safety skills.



2019 Health And Safety Training Programmes

- Basic Occupational First Aid
- Authorised Entrant and Standby Person
- Authorised Gas Tester and Entry Supervisor
- Incident Investigation with Root Cause Analysis
- Radiation Safety Awareness
- Safe Handling of Chemicals
- Safety Data Sheet
- Hazmat Technician Certification Programme
- Stress Management Training
- Fire Safety Emergency Response Awareness Talk
- Identifying & Evaluation of Environmental Risk & Opportunities Including Aspects & Impacts
- Cenviro Safety Passport
- Oil & Gas Safety Passport
- Defensive Driving Safety
- Safety and Health Officer-Related Training
- Fire Immediate Response Safety Training

To ensure that health and safety standards are upheld across our value chain, we assess our contractors' health and safety competence and performance annually through our Contractor Management Programme and require that contractors take part in a Contractor HSE Induction programme prior to working on Cenviro's premises. In 2019, we provided contractors with 240 hours of training.

	2015	2016	2017	2018	2019
Total Training Hours	1,118	495	225	529	240
Average Training Hours per Contractor	5.85	3.0	1.76	4.00	8.00



HEALTH AND SAFETY INITIATIVES

Cenviro's health and safety programmes and initiative highlights from 2019 include:

HSE Contractor Network

Formerly known as the Kualiti Alam SHE Contractor Network (KASHECN), Cenviro's HSE Contractor Network provides opportunities for the Company and its contractors and vendors to engage on issues related to health and safety at WMC.

Two meetings with the HSE Contractor Network were held in 2019. The meetings focused on HSE performance, to share incident statistics and takeaways. One contractor was served a warning letter, reminding attendees of Cenviro's expectations.

We also relaunched the Safety Committee for Contractors in 2019 to refocus the purpose and functions of the committee and enhance the ownership and monitor contractors' health and safety performance. The Committee meets quarterly to assess contractor performance and develop strategies for managing and enhancing safety.

Our contractors' awareness of and compliance with health and safety procedures is enforced through our Penalty Matrix System, in which individuals who fail to comply with Cenviro's HSSE requirements are issued a Penalty Ticket. If a contractor company fails to comply with Cenviro's HSSE requirements, the HSSE Department will also issue a CAPA request.

GRI 403-3, 403-6

Promoting Employee Health

Being part of the waste solutions industry, our workers are constantly exposed to health-related risks. At Cenviro, we take these risks seriously.

In 2019 we continued to provide free Hepatitis B vaccinations for all operational employees at WMC and CWTC. Employees who require vaccinations are identified through an annual medical check-up. In 2019, one employee was vaccinated. A total of 34 employees and contractors have been vaccinated since 2017.

Cenviro also provides inpatient and outpatient medical, dental and optical coverage for employees and their family members. Other benefits include life and personal accident insurance for all employees.



GRI 102-13

HEALTH AND SAFETY ENGAGEMENTS

GRI 403-4

Safety Moments

To highlight and emphasise the importance of safety, we began practicing Safety Moment exercises in August 2019. As part of this exercise, we started daily toolbox meetings with a brief discussion on proper safety SOPs to be adhered to while performing the task at hand. This allowed all parties involved to focus on ensuring that every task was carried out safely and efficiently.

We also released a monthly Safety Moments circular from members of our management team, who shared their personal experiences with safety-related incidences, lessons learned from those events, and discussed specific safety topics in an in-depth manner. These circulars were presented during daily toolbox meetings, and displayed in common areas for employees to read and reflect upon. Topics covered so far include safe driving and also fire safety.

Mega OSH Toolbox

In 2019, following the success of the 2018 Mega OSH Toolbox event (which recorded the largest number of simultaneous safety briefings, known as Toolbox Talks, and was entered into the Malaysian Book of Records) Cenviro conducted an event honouring our dedication to OSH, during which WMC employees signed a banner commemorating Cenviro's commitment to supporting health and safety regulators.

HSSE Contractor Dialogue 2019

Under the Contractor Network initiative in 2019, Cenviro hosted a contractor dialogue session between Cenviro's and various contractors' senior management team as well as National Institute of Occupational Safety and Health (NIOSH). The session, which was attended by 50 individuals representing different contractors, provided an opportunity for HSSE to emphasize the importance of health and safety measures for contractors and communicate new interventions to be established in 2020. These include the establishment of a Cenviro Safety Passport Enforcement and an HSSE Contractor Audit in 2020.

GRI 403-4, 403-5

Workplace Accident-Free Week Programme

In July 2019, we conducted a Workplace Accident-Free Week programme at KASB in collaboration with DOSH Negeri Sembilan. The purpose of the programme was to create a strong safety culture among our employees and contractors while also strengthening our engagement with DOSH.

DEVELOPING A NEXT GENERATION WORKFORCE

Continuous Improvement is at the heart of how we train and develop our employees. Our ambition is to increase the efficiency of and raise our workforce's capabilities, creating a diverse and skilled workforce that is empowered to drive the development of a sustainable waste management system.

To achieve this goal and support our workforce, we invested in a number of training and development programmes intended to equip our employees with relevant skills and expertise. We are also focused on developing our internal pool of leadership talent to prepare the next generation of waste industry leaders.

RIGHT PEOPLE IN THE RIGHT JOB

Between late June to early November 2019, we evaluated and re-organised our Human Capital, through Organisation Review Exercises with all relevant Head of Departments, a Peer Review Session and internal restructuring. This was done to encourage cross-pollination of ideas and strengthen teamwork across all departments.

Throughout the restructuring process, we were able to discover which vacancies were necessary to allow resource mobilisation, as well as perform job-scope evaluations, re-grading and removal of redundancies, where necessary. Most importantly, we were able to break out of the "departmental silo" effect, as optimal departmental structures were reconfigured.

Through this exercise, we introduced several best practices and methodologies for management and reinforced the principle of "Right Structure First, Right People Second", and "Right people in the right job at the right time".

GRI 404-1

TRAINING AND DEVELOPMENT

Developing industry skills and expertise across our workforce is imperative, not only for our employees to advance their careers, but for Cenviro to advance our industry goals. Through our comprehensive technical in-house training courses and participation in external certification training, we are cultivating the next generation of waste-industry professionals to drive progress and innovation in Malaysia's waste system. In 2019, 346 Cenviro and 1,548 EISB employees received skill enhancement training.

	2018	2019	
	Cenviro	Cenviro	EISB
Total Employees Trained	310	346	1,548
Average Training Hours	30.33	23.48	16

Leadership Training and Development

Our leadership development programmes are aimed at strengthening the quality of leadership within the Cenviro Group and helping our leaders to provide effective management and guidance. In 2019, a total of 208 members of the management team in Cenviro and EISB took part in 18 leadership training sessions.

Succession Planning

One of the key focus areas of our leadership training and development efforts in 2019 was to establish a clear plan and strategy for the succession of power within each department. This process is aimed chiefly at ensuring business continuity, minimising risks and increasing the availability of experienced, capable employees to assume leadership roles within the organisation.

Eight key steps for succession planning in Cenviro were identified:

1. Identifying growth plans
2. Identifying leadership and critical positions
3. Collating talent
4. Evaluating potential
5. Disclosure of future plans
6. Grooming and mentorship
7. Development programmes
8. Determining retention incentives

	2018	2019	
	Cenviro	Cenviro	EISB
No. of Leadership Training Session	12	12	6
Attendance	69	58	150

GRI 404-2

Competency Training

A highly technical line of work, the field of waste management includes many different certifications and key competency areas, with minimum expectations for the number of certified employees set out by regulators. At Cenviro, we strive to go beyond the minimum regulatory requirements and maintain a highly skilled workforce across all competency areas. As of the end of 2019, 40 Cenviro and 50 EISB employees held full competency certificates.

For Cenviro, 92 employees attended Environmental Institute of Malaysia (EiMAS) training, participating in competency training to secure one-year competency certificates in various technical aspects of health and safety. Of the attendees, seven received a one-year competency certificate. One EISB employee also attended EiMAS training, receiving a competency certificate.

		2018	2019
Total Competency Areas		9	9
Target for Certified Competent Employees per Competency Area		14	14
EiMAS Training Figures	Total Training Attendace	19	92
	No. of Attendees that Receives One Year Competency Certificates	2	7
No. of Employees with Full Competency Certificates		16	40



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

PERFORMANCE MANAGEMENT

Performance appraisals and management feedback play an important role in allowing employees to advance their careers and increase their job satisfaction. We carry out bi-annual performance appraisals for eligible employees, providing a chance for managers to discuss their strengths and weaknesses and identify areas for improvement. Employees pending confirmation are instead given a separate appraisal, and are assessed across several criteria. During confirmation, they are provided areas of improvement, a development plan, and a target date for achievement. In 2019, 99% of eligible employees received a performance appraisal.

Enhancing Our Internal Processes

Since 2017 we have been working to streamline workflows and improve our operational efficiency using the industry-specific solutions offered by the SAP suite on the HANA enterprise software. After conducting surveys to identify departments that were not achieving full implementation of the system, we set a target to achieve uptake of the system by 400 additional users, which we exceeded by 7.5%.

GRI 404-3

EMPLOYEES APPRAISED

Total	2018	2019	
	CENVIRO	CENVIRO	EISB
	428	446	1,370
	95%	99%	89%
By Employee Category	2018	2019	
	CENVIRO	CENVIRO	EISB
Manager	47	59	21
Executive	124	129	85
Non-Executive	257	258	1,264
By Gender	2018	2019	
	CENVIRO	CENVIRO	EISB
Male	319	332	1,220
Female	109	114	150

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

In 2019, we revamped the way we set and measure KPIs, with the goal of driving higher performance, setting clearer deliverables and identifying accountabilities and measures for improvement. To streamline the review process and provide more meaningful feedback to employees, we implement KPIs across three levels, assessing performance at the corporate, departmental and individual levels, weighted according to employee grades. To ensure that all employees were up to date on the new assessment criteria, a town hall meeting was conducted, along with a digitally distributed memo.

We also continued implementing our Performance Improvement Plan (PIP), which was established in 2018 to facilitate constructive discussions between an employee and line managers and to clarify the areas of work that need to be improved upon. These PIPs are tailored to each employee to address specific deficiencies and provide guidance on talent development. In 2019, there were 3 employees placed under PIP, with 2 passing and continuing their employment with Cenviro, and 1 being dismissed. Employees who are unable to meet the new KPI scores will also be placed under the PIP.



GRI 103-2, 103-3

MAINTAINING AN ENGAGED WORKFORCE

Creating a workplace where people feel engaged, connected and cared for is vital to business success and employee well-being. At Cenviro, we encourage open communication between our employees and our Human Resources (HR) Department to ensure that employees are able to make their voices heard. Through functions such as our monthly Employee Focus Groups, our monthly HR Service Counter and weekly plant visits by HR, we make appropriate avenues available for employees to raise and resolve questions and concerns. We conducted our Annual Employee Survey in 2019, to gauge sentiments across five areas of employee satisfaction. We also organise a number of events throughout the year to bring our workforce together and strengthen the Cenviro community. Engagements throughout the year include monthly focus group and HR engagements, and weekly plant visits by HR. Other engagements included long-service employee appreciation and top-employee recognition events, as well as birthday and cultural holiday celebrations.

Engagements of note in 2019 include the following initiatives:

- Monthly Employee Focus Group and Plant Tour - Allowing employees to voice their concerns and ideas for workplace improvements.
- Monthly HR Service Counter - A monthly session for employees to address payroll and other HR issues
- Medical Insurance Briefing - Briefing to update employees on the renewal of Medical Insurance coverage
- Kota Kinabalu Industrial Park (KKIP) Visit - Induction for new hires, assessment of working conditions, briefing on renewal of medical insurance and enhancements of the employee handbook for the Sabah region.



In 2019, the turnover rate for Cenviro was **9.5%**, while EISB recorded a rate of **5.4%**.



KEY INITIATIVES FOR EMPLOYEE ENGAGEMENT

HR Services Survey
Canteen Survey
Employee Satisfaction Survey



GRI 103-3

CENVIRO 2019 EMPLOYEE SURVEY RESULTS

Through the Employee Surveys conducted in 2019, we were able to gauge employee sentiments on the following, and make important improvements to our Human Capital management strategies

Motivation



87.5%
are proud
to work for Cenviro

Safety



81.4% will intervene
if they witness a safety
violation

Teamwork and Collaboration



73%
believe that opportunities
for inter-departmental
collaboration are aplenty

Engagement



53.3%
want more opportunities to
pursue career advancement
within Cenviro

Leadership



48.5% believe their superiors set a good
working example and **43.7%** believe they
are well-mentored



Cenviro Employee Hand book

At the beginning of each employee's tenure with Cenviro, they are presented with a handbook to guide them and ease their transition into the new work environment. In 2019 we re-evaluated the Cenviro Employee Handbook (established in 2015) and found that many company practices developed recently were not featured in the handbook, even though established employees were already familiar with them.

To account for this, the handbook was revamped to ensure that it functions as the main reference document on all employee-related matters; to increase transparency, performance and improve behaviours; and lower administrative burdens.

The enhanced handbook will come into circulation in January 2020.



NURTURING AN INCLUSIVE WORKFORCE

Cultivating a diverse and inclusive workplace helps both our employees and our Company to realise their full potential. At Cenviro, we are committed to non-discriminatory workplace practices and believe strongly in the need for workplace equality between race, age, gender or other key differentiators.

GRI 401-1, 401-3

DIVERSITY AND EQUAL OPPORTUNITY

Ensuring that we are supporting and encouraging women within our workforce and industry is a particular focus area for Cenviro, as we recognise the traditionally male-dominated nature of our field. We aim to bolster our workforce by empowering the women in our workforce to achieve their maximum potential.

With the establishment of the sexual harassment and disciplinary management policies in 2018 and the inclusion of these topics into the induction programme for new hires, we have raised awareness on these issues among our workforce. Under our policies, we have incorporated the reporting process for cases of sexual harassment into our grievance mechanisms and whistle-blowing processes. All cases are forwarded to the head of HR within 48 hours, and internal investigations are conducted within 5 working days, with remedial action ranging from warnings to domestic investigations, depending on the severity of the infringement.

Additionally, through the updated recruitment and selection policy, we are ensuring equal opportunities for all prospective hires, regardless of race or gender. We aim to increase the percentage of women in our workforce from 32% to 40% by 2024.



To support the continuation of our mature and disabled employees' careers, we assign less physically-demanding jobs on a case-by-case basis and, subject to departmental need, offer yearly contracts for retiree-aged employees who wish to remain with Cenviro.

SPOTLIGHT ON YOUTH

Operations – ETP/LTP

Name: New Wee

Cherng

Age: 27

Gender: Male



Q: How long have you been working at Cenviro? Is this your first job? What motivated you to join the waste solutions industry?

A: I have been working at Cenviro for 4 years, and yes, this is my first job. The motivation behind joining the waste solutions industry is that the industry is niche, especially for Scheduled Waste Management. Furthermore, the technology and waste disposal concept is rarely known in other industries which made it far more interesting for me to join Cenviro.

Q: What are the challenges you face as a junior member of the workforce? How have your senior colleagues helped you face these challenges?

A: The most interesting challenge I faced as a junior member of the workforce was understanding the methodology for treating scheduled waste. In the municipal waste industry, the concept of disposal is straightforward, and pre-treatment is rare due to its overall waste characteristics. However, for scheduled waste, there is such a wide array of waste types, which creates a whole lot of issues and challenges. I am required to think out of the box to treat these types of waste to meet the timeline for the waste generators. My senior colleagues have always helped me to brainstorm ideas and advise me on different treatment types to solve these challenges. They have given me guidance how to interact with different stakeholders such as authorities, management, colleagues and my subordinates.

Corporate – Sales, East Malaysia

Name: Ivy Paul

Age: 25

Gender: Female



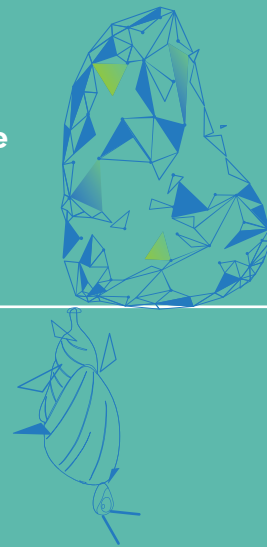
Q: How long have you been working at Cenviro? Is this your first job? Did you expect to join the waste solutions industry?

A: I've been working at Cenviro since September 2018. I have learnt how important it is to manage scheduled waste properly for better environment and human health, when I joined Cenviro. Ever since, I have loved working in this industry because it allows me to educate others on the importance of having proper scheduled waste management.

Q: What are the challenges you face as a junior member of the workforce? How have your senior colleagues helped you face these challenges?

A: There are many challenges to be honest. For example, completing many tasks on a tight deadline. Handling new tasks I've never done. Dealing with miscommunication between my colleagues and clients. I have learnt to multitask, manage my time and to organize tasks in order of their priority. These experiences have taught me many new things that benefit me. Other than that, I really appreciate having senior colleagues that understand the situation and aren't constantly pressuring people, but instead provide lots of support and encouragement.

Ultimately, our transformation journey has guided **our evolution as a waste resource management company...**



SDGs for this chapter:





GRI 103-1, 103-2, 413-1

Enhancing Community Livelihoods

Our efforts to advance the socioeconomic well-being of the communities in which we operate are part of Cenviro's vision for a better future for our industry and for society. Giving back to the communities where we live and work is reflective of our commitment towards driving shared development.

- 96 Supporting our Community
- 98 Strategic Stakeholder Engagements
- 99 Driving Change Through Recycling



TRANSFORMING HOW WE CARE FOR SOCIETY

We have always been at the forefront of creating a better life for society at large. With the launch of the Dana Kelestarian Kualiti Alam (DKKA) in 2019, we have become more proactively engaged with the communities around our WMC.



SUPPORTING OUR COMMUNITY



Total spent on community programmes in 2019

> RM 73,000



Dana Kelestarian
Kualiti Alam

Event

DKKA Launch

Contribution

RM25,000

Beneficiaries

Village Community Management Councils (MPKKs), kindergartens, primary schools and secondary schools

DANA KELESTARIAN KUALITI ALAM

As a responsible waste resource management organisation, we take proactive steps in protecting and positively impacting the communities around our primary areas of operations. In 2019, to mitigate the potential impacts of incidents caused by our WMC operations, Cenviro and the Negeri Sembilan State Government collectively launched the DKKA, a fund worth RM4 million pledged to benefit the surrounding communities.

During the launching ceremony of this fund, Cenviro provided contributions in support of the community in 2019. The beneficiary villages are Kampung Gadong Jaya, Kampung Felda Sendayan, Kampung Jimah Lama, Kampung Jimah Baru, and Kampung Ladang Tanah Merah.

COMMUNITY CONTRIBUTIONS

In addition to the support provided through the DKKA, Cenviro also contributed an additional RM48,055 to the communities to fund tuition and back-to-school programmes, as well as Hari Raya and Merdeka Day celebrations for MPKKs and schools.

Our contributions for 2019 are summarised as follows:

CATEGORY	EVENT	CONTRIBUTION	BENEFICIARIES
Communities	Various events such as Hari Raya celebrations and Merdeka Day Celebrations	RM32,655	MPKKs, mosques
Various NGO's	Events such as back-to-school programmes and donations to mosques	RM9,200	Students, orphans and several NGO's
Schools	Various school activities and Merdeka Day celebration	RM6,200	Schools and students



STRATEGIC STAKEHOLDER ENGAGEMENTS

ENGAGEMENT WITH MESTECC

In 2019, we engaged with the Ministry of Science, Technology and Innovation (MESTECC). Through this engagement, we mapped out a set of seven commitments to MESTECC. These commitments underline our support for MESTECC and serve as a guide in our journey of sustainable transformation.



DOE PARTNERSHIPS

Cenviro supported the DOE's initiatives in several locations across Malaysia in 2019. Through these meaningful collaborations, we enriched the lives of these communities and strengthened our ties with local regulators.

PROGRAMME

National Environment Day (HASN) 2019, National Level

Waste Management Seminar and Exhibition

DETAILS

In collaboration with DOE, the key focus for HASN in 2019 was targeted at creating awareness around single use plastics and the importance of recycling e-waste.

In 2019, to provide further support to the DOE, we participated in multiple seminars and exhibitions by DOE Sabah, DOE Johor and DOE Perak.



KNOWLEDGE SHARING

Sustainable and responsible waste management practices can often be hindered by the complexity of the waste resource management industry. The challenges faced in adopting sustainable practices include misinformation, mishandling of waste, selecting underqualified waste haulers and non-participation in recycling.

As industry leaders, we undertake efforts to educate and share our industry knowledge. In 2019, we participated in the International Conference & Exhibition on Waste Management (ICE-WM) and the International Greentech & Eco Product & Exhibition Malaysia (IGEM) to promote our expertise as a sustainable waste resource management organisation.

EDUCATIONAL OUTREACH

In 2019, our municipal waste management division, EISB, collaborated with the Solid Waste Management and Public Cleansing Corporation (SWCorp) to support the Kedah state-level Schools Recycling Competition (PERKISS).

This competition aimed to educate and raise awareness among school children on the importance of practicing the 3R's (Reduce, Reuse, Recycle), and allowed us to engage with 13,600 students and 765 teachers from primary and secondary schools in Kedah.

DRIVING CHANGE THROUGH RECYCLING

START MANAGING ALL RESOURCES TODAY (S.M.A.R.T) RANGER PROGRAMME

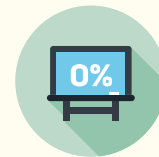
In 2019, we continued our collaboration with the Global Environment Centre (GEC) and Coca-Cola Foundation for the S.M.A.R.T. Ranger programme, supporting Coca-Cola's World Without Waste pledge. The initiative is expected to benefit 40,000 students and community members by 2020.



In our second year of this two-year project, we reached out to 120 schools and about 25,000 students to communicate the importance of recycling and zero-waste practices. Via the RFL programme, we collected more than 80,000 kg of recyclable items from schools and communities.



Besides RFL programme, GEC and the Coca-Cola Foundation, the S.M.A.R.T Ranger programme partners with other NGOs and government departments such as River of Life Public Outreach Programme (ROLPOP), State Education Department (Kuala Lumpur & Selangor), Ministry of Education (MOE), Department of Irrigation and Drainage (DID) Malaysia with the objective of:



Promoting the zero-waste concept among schools in the Klang Valley

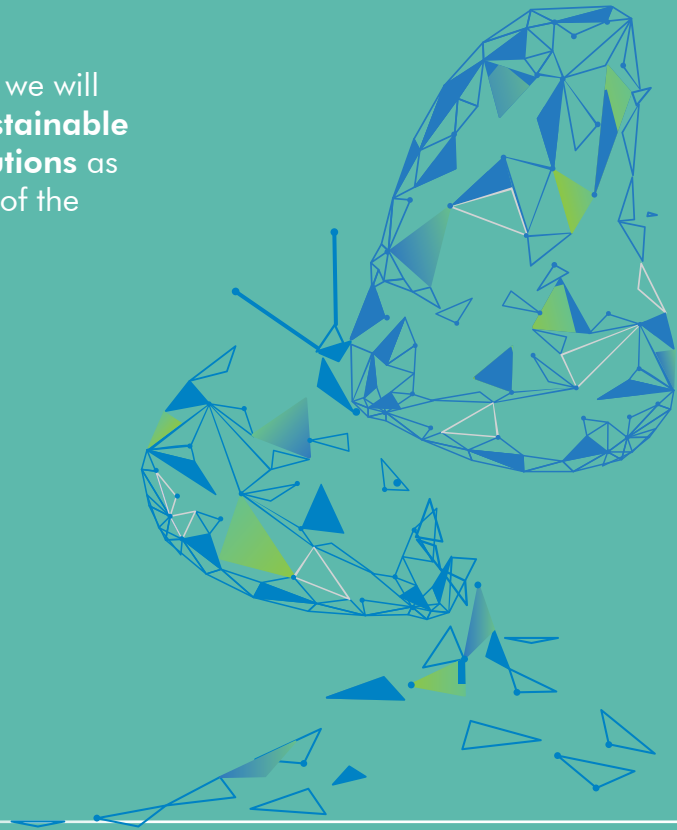


Introducing a buy-back system via the RFL programme that allows students to venture into business



Increasing awareness, knowledge and skills related to recycling practices with the aim of increasing the current recycling rate

As we move forward, we will continue **leading sustainable waste resource solutions** as responsible stewards of the planet...



SDGs
for this
chapter:

3 GOOD HEALTH
AND WELL-BEING



8 DECENT WORK AND
ECONOMIC GROWTH





Good Governance & Ethical Business Practices

At Cenviro, we believe that responsible leadership underpinned by robust policies is the foundation of sustainable business practices that drive systematic growth. Our corporate governance system is the guiding force behind the integration of economic, environmental and social considerations into our everyday business activities. Central to our approach is maintaining integrity and stakeholder trust. In 2019, we signed the IBR Pledge with the MACC, as well as established the Anti-Bribery Policy and No Conflict of Interest Policy.

103 Governance and Oversight

108 Responsible Business

THE BOARD



Tan Sri Dr Azmil Khalili
Dato' Khalid
Independent
Non-Executive Chairman



Datin Paduka Che Asmah
Ibrahim
Independent
Non-Executive Director



Loh Tzu Anne
Non-Independent
Non-Executive Director



Dr Johari Jalil
Managing Director



Yeo Kar Peng
Independent
Non-Executive Director



Serena Tan Mei Shwen
Non-Independent
Non-Executive Director

GOVERNANCE AND OVERSIGHT

Oversight for Cenviro’s sustainability practices is provided by the Board of Directors, whose mandate includes setting and overseeing the Company’s strategic sustainability direction. Responsible for governing the business and affairs of Cenviro, the Board sets out strategies and financial objectives and monitors the performance of senior management. The Board sets the tone for Cenviro’s commitment to ethical business by adhering to the highest standards of corporate governance.



LEADING THE SUSTAINABLE TRANSITION

Collectively, the Board of Directors bring a diverse range of knowledge and experience with which to guide the Group’s business decisions. Appointments to the Board are overseen by the Group Nomination and Remuneration Committee, who seek to establish a balance of valuable perspectives within the Board. Candidates are evaluated based on 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.

In addition to the Group Nomination and Remuneration Committee, the Board has established a Group Audit and Risk Committee as well as a Group Investment Committee to assist in the execution of its responsibilities for the Group. All Committees of the Board are guided by their respective terms of reference.



With the introduction of our CG&A body in 2019, we seek to address increasing local regulatory requirements and to create a systematic channel of compliance assurance communication to the Board and shareholders.



BOARD COMPOSITION

	DESIGNATION	AGE	MEETING ATTENDANCE	MEETING ATTENDANCE (%)
Tan Sri Dr Azmil Khalili Dato' Khalid	Independent Non-Executive Chairman	60	5/5	100
Datin Paduka Che Asmah Ibrahim	Independent Non-Executive Director	57	4/5	80
Loh Tzu Anne	Non-Independent Non-Executive Director	45	5/5	100
Yeo Kar Peng	Independent Non-Executive Director	59	4/5	80
Serena Tan Mei Shwen	Non-Independent Non-Executive Director	42	3/4	75
Dr Johari Jalil	Managing Director	53	3/3	100

Board Meeting

The Board regularly reviews the Group's financial standing, project progress and business performance at meetings held throughout the year. In the event that an urgent matter arises, a special meeting is called. To ensure that the Board is adequately informed for effective decision making, directors receive regular briefings on prospective deals, potential developments, and other relevant information.

In 2019, the Board convened for five ordinary meetings and discussed key topics related to continuous improvement, corporate KPIs.

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

Risk Management

Risk preparedness is vital to the short-term continuity of our operations and long-term viability of our company. Our Enterprise Risk Management (ERM) strategy helps Cenviro identify, assess, prepare for and manage potential business risks. Under the ERM strategy, identified risks are laid out in the Corporate and Departmental Risk Register, where they are prioritised based on likelihood and potential business impact. Programmes and processes related to risk management, including the individuals responsible for these programmes and any potential oversights, are determined by Internal Audit.

RISK IDENTIFIED	POTENTIAL IMPACTS	MITIGATING OUR RISKS
REGULATORY RISK	<ul style="list-style-type: none"> Impact on operating license Fines & Compounds Loss of stakeholders' trust Reputational impact 	<p>In addition to our ERM strategy and Corporate and Departmental Risk register, our EPMC and ERCMC ensure no regulatory risks arise from environmental non-compliance.</p> <p>Please refer to Environmental Management on pg68 of this report.</p>
OPERATIONAL RISK	<ul style="list-style-type: none"> Loss of revenue Delayed work schedule Waste backlog Complaints from clients Non-compliance to the local authority requirement. Reputational impact 	<p>By further developing our internal frameworks in 2019, we seek to instill a sense of continuous improvement to drive the operational integrity of our business.</p> <p>Please refer to Managing Director's Message on pg20 of this report.</p>
HEALTH AND SAFETY RISKS	<ul style="list-style-type: none"> Loss of critical manpower Reputational impact Fines & Compound 	<p>Our HSSE Department and OHS Committee oversee the health and safety of our employees.</p> <p>Please refer to Safety, Health and Well-Being at The Workplace on pg81 of this report.</p>

GRI 102-12

Managing Climate-Related and Environmental Risks

In response to recommendations by Bursa Malaysia, Cenviro continues to work towards strengthening our disclosure in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

GOVERNANCE	<p>Oversight of our climate-related risks and opportunities is provided by the Board of Directors, which is responsible for overseeing of the Company's strategic sustainability direction. The Board's decisions are operationalised by senior management, who make decisions on policies and resource allocation related to climate change. At an operational level, climate-related risks and impacts are assessed by the ERCMC.</p> <p>In 2019, we revised our internal risk matrix and the related parameters to ensure that environmental risks are identified more accurately. We are also in the process of adopting a Management Action Plan to reduce significant risks.</p>
RISK MANAGEMENT	<p>Climate-related and other environmental risks are identified, assessed and managed through our ERM strategy, as described in the Risk Management section of this chapter.</p> <p>Some of the environmental risks identified in 2019 via our ERM strategy include pollution arising from our water discharge, water treatment process, air emission, transportation.</p> <p>Some of our internal controls to mitigate these risks identified include:</p> <ul style="list-style-type: none"> Establishing the Environmental Aspect Impact for our operations EPMC monthly & ERCMC annual meetings Air Pollution Control System (APCS) Fleet inspection Waste backlog monitoring to prevent potential environmental pollution
METRICS AND TARGETS	<p>We currently monitor our Scope 1, 2 and 3 GHG emissions to assess our climate-related impacts. We are working towards establishing targets for our climate-related performance, while we continue striving towards minimising our environmental footprint to the greatest possible extent.</p>

MANAGEMENT TEAM

Our Management team is responsible for overseeing the day-to-day execution of the Board's strategic vision. The Management team is made up of experienced professionals with strong leadership skills and extensive industry knowledge.

The team led by:



Dr Johari Jalil
Managing Director



Adi Saufi Mohamad Daud
Chief Operating Officer



Zaki Abdul Aziz M. H. Daud
Senior General Manager,
Commercial



Mohd Norsuradi Man
General Manager,
Technical & Development



Seow Hai Yoong
General Manager,
Finance



Wan Azrizul Azad Zainal Abidin
General Manager,
Business Services

FLIP



Wahizan Wahid
Chief Integrity & Governance Officer/
Senior Manager,
Corporate Governance & Assurance



Chang Siew Khim
Company Secretary



Mohd Rizal Zambros
Deputy General Manager,
Operations



Badrul Hisham Md Yusof
Deputy General Manager,
Finance & Accounting



Surindra Mahendra
Deputy General Manager,
Sales



Aqil Hussain Shamim Hussain
Deputy General Manager,
Cenviro Recycling & Recovery



Muhammad Fauzan Baharudin
Senior Manager,
Health, Safety, Security & Environment



Ismawati Mohd Shah
Senior Manager,
Corporate Affairs



Nurulhuda Faisal
Senior Manager,
Legal



Khalil Haji Shamsuri
Senior Manager,
Procurement



Dr Sivapalan S. Kathiravale
Senior Manager,
Environmental Preservation
& Innovation Centre

RESPONSIBLE BUSINESS

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

Business Ethics

Cenviro has in place related policies and procedures to ensure that ethical business practices are upheld across our operations. Intended to prevent and manage fraudulent, unethical or illegal conduct, these policies hold employees to the highest standards of conduct. Ethics is however beyond processes and procedures. We are cognisant that a culture of ethical business practices needs to be embedded at every level in the organisation. For this purpose, Cenviro also has in place an Employee Code of Conduct, which lays out the Company's expectations for professional behaviour. The Code applies to all employees of Cenviro and its associate companies. Employee awareness of and support for these policies and practices is bolstered through regular training and education.

The QHSSE Policy replaced our existing HSE Policy, incorporating an added element of security control and was made effective across the Group, and placed within the scope of the Cenviro IMS.

Key Policies and Certifications at Cenviro

- Employee Code of Conduct
- Whistle-Blowing Policy
- Drugs, Alcohol & Substance Abuse Policy
- QHSSE Policy
- Guided Self-Regulation
- ISO 9001: KASB, CS, CRR, EISB, SPM
- ISO 14001: KASB, CS, CRR, EISB, SPM
- OHSAS 18001: KASB, CS, CRR
- ISO/IEC 17025: KASB



GRI 102-9, 103-1, 103-2 103-3, 204-1

Responsible Procurement Practices

Ensuring sustainability in our operations means looking closely at the goods and services we procure, to ensure that our standards of business conduct are upheld across the entirety of our value chain. Our procurement and subcontracting activities primarily consist of the purchase of consumable materials, equipment for waste treatment and services related to equipment maintenance and construction. All suppliers are held to the highest standards of HSSE management and we endeavour to anticipate and prevent HSSE risks throughout our purchasing activities. Our screening process ensures that all potential suppliers are assessed under relevant criteria before they are onboarded onto our procurement system.

NEW SUPPLIER REGISTRATION PROCESS

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

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

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

2019 ONBOARDING PERFORMANCE

181 Suppliers Screened

111 Suppliers Onboarded

Sustainability Across our Value Chain

Contractors

The Contractor Induction Programme (CIP) is a pre-engagement programme culminating in the issuance of a Contractor Pass, valid for six months. This ensures compliance with Cenviro's expectations of business conduct and can only be renewed through a CIP refresher course.

Registered Vendors

Registered vendors' ongoing performance is evaluated through an annual rating system. Underperforming vendors are notified of their shortcomings and those failing to improve performance are dismissed. In 2019, we assessed all active vendors, with 96%* meeting or exceeding our stringent assessment expectations. We are on track to conduct an additional full assessment between July 2019 to December 2020.

*Data covers assessment period between July 2018 to June 2019



GRI 102-9, 103-1, 103-2 103-3, 204-1

In order to support local economic development, we endeavour to procure our products and services locally to the greatest extent possible. Our sourcing practices are also inclusive of the local SME businesses around our areas of operation.

Supplier Breakdown	2015	2016	2017	2018	2019
No. of suppliers:					
Local	312	419	411	442	776*
Foreign	10	12	8	6	17
Total	322	431	419	448	793
Percentage of suppliers by type:					
Local	97%	97%	98%	99%	98%
Foreign	3%	3%	2%	1%	2%
Percentage of spending on suppliers by type:					
Local	84%	99%	95%	97%	98%
Foreign	16%	1%	5%	3%	2%

*Increase in local suppliers due to revised procurement metrics.

*Omitted total supplier spend as it is an industry sensitive information

GRI 102-41

Human Rights

Cenviro does not tolerate discrimination or the violation of human rights at any point along our value chain. Our workplace policies and expectations related to discrimination, harassment and violence in the workplace are laid out and communicated to employees in the Cenviro Employee Handbook and the Code of Conduct. We also uphold local legislation and regulations pertaining to employee and human rights and comply with relevant regulations regarding the employment of individuals below 18 years of age. Our suppliers are held to the same standards of conduct and are evaluated accordingly to ensure that they are respecting workers' rights.

We recognise the rights of our employees to enter into collective bargain agreements. As of 2019, 29% of Cenviro employees and 84% of EISB employees were covered by collective bargaining agreements.



Data Security and Privacy

Cybersecurity and digital risks are an emerging area of concern for Cenviro, especially when it comes to protecting our customers' private and sensitive data. In response to this risk, we have ensured that our Information and Communication Technologies service provider is certified to ISO/IEC 27001:2013 standards, is compliant with the Payment Card Industry Data Security Standard and has successfully completed a Threats Vulnerabilities Risk Assessment.

GRI 102-17

Cenviro Whistle-Blowing

Cenviro Whistle-Blowing is a platform managed by an independent professional company that gives employees and stakeholders the opportunity to anonymously report their concerns on corporate wrongdoings. Cenviro Whistle-Blowing is accessible through the following methods:

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

The Cenviro Whistle-Blowing Policy applies to any suspected improprieties involving employees, consultants, vendors, contractors and any other parties with a business relationship with the Company. In line with the Policy, the Cenviro Whistle-Blowing Hotline provides a mechanism to anonymously report instances of unethical behaviour, actual or suspected fraud, dishonesty or violation of the Company's Code of Conduct or Ethics Policy. The Hotline is operated by an independent third party and includes a dedicated hotline number, website and email address for staff and vendors to report suspected incidents of corporate wrongdoings.

PERFORMANCE DATA

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

Employee Breakdown in 2019

Criteria	Cenviro		EISB	
	Value	Percentage (%)	Value	Percentage (%)
Total number of employees	448		1,546	
By Contract Type				
Permanent employees				
Male	318	70.98	1,225	79.2
Female	111	24.78	130	8.4
Temporary employees				
Male	17	3.79	158	10.2
Female	2	0.45	33	2.1
By Employment Type				
Full-time employees				
Male	448	100	1,546	100
Female	335	74.78	1,383	89.5
Female	113	25.22	163	10.5
Part-time employees				
Male	-	-	-	-
Female	-	-	-	-
By Ethnicity				
Malay	391	87.28	1,476	95.5
Chinese	16	3.57	2	0.1
Indian	30	6.70	68	4.4
Others	11	2.46	-	-
By Employee Category				
Top Management				
Male	3	0.67	3	0.19
Female	3	100	2	66.67
Female	0	0.00	1	33.33
<30 yrs old	0	0.00	-	-
30-50 yrs old	1	33.33	2	66.67
>50 years old	2	66.67	1	33.33
Management				
Male	58	12.95	18	1.16
Female	44	75.86	15	83.33
Female	14	24.14	3	16.67
<30 yrs old	0	0.00	-	0.00
30-50 yrs old	48	82.76	9	50
>50 years old	10	17.24	9	50
Executive				
Male	129	28.79	86	5.56
Female	62	48.06	49	59.98
Female	67	51.94	37	43.02
<30 yrs old	39	30.23	16	18.60
30-50 yrs old	79	61.24	64	74.40
>50 years old	10	8.53	6	7.00
Non-Executive				
Male	258	57.59	1,433	93.09
Female	226	87.60	1,315	91.77
Female	32	12.40	118	8.23
<30 years old	63	24.42	243	16.96
30-50 yrs old	172	66.67	753	52.55
>50 yrs old	23	8.91	437	30.5

GRI 405-2

Employee Salary Breakdown in 2019

Criteria		Cenviro	EISB
Top Management	Male to Female	1:0	1:1.2
Management	Male to Female	1:0.98	1:0.82
Executive	Male to Female	1:0.93	1:0.86
Non-Executive	Male to Female	1:0.95	1:0.98

GRI 401-1

New Employee Hires and Turnover in 2019

Criteria	Cenviro		EISB	
	Number	Rate %	Number	Rate %
New Employee Hires				
TOTAL	40	8.96	92	5.95
Male	26	5.80	71	4.59
Female	14	3.13	21	1.36
<30 yrs old	18	4.02	70	4.53
30-50 yrs old	21	4.69	22	1.42
>50 years old	1	0.22	1	0.06
Employee Turnover				
TOTAL	42	9.38	83	5.36
Male	25	5.58	72	4.65
Female	17	3.79	11	0.71
<30 yrs old	11	2.46	39	2.52
30-50 yrs old	21	4.69	38	2.46
>50 years old	10	2.23	6	0.39

* Percentage of 'New Employee Hires' and 'Employee Turnover' are calculated based on the average number of employees in the year.

GRI 103-3, 404-1

Average Training Hours 2019

	No. of Employees	Training Cost (RM)	Average Training Cost per Employee (RM)	Training Hours	Average Training Hours per Employee
Cenviro	448	472,736	1,055	10,521	23.48
EISB	1,548	319,257	206.2	24,768	16

GRI 102-41

Employees Covered by Collective Bargaining Agreement in 2019

Cenviro	129
EISB	1,299

GRI 401-3

Employee Parental Leave Data in 2019

Criteria	Cenviro		EISB	
	Male	Female	Male	Female
Total no. of employees entitled to parental leave	330	113	1,383	163
Total no. of employees who took parental leave	23	7	49	14
Total no. of employees who returned to work after parental leave	23	7	49	14
Total employees that were still employed 12 months after returning	23	7	46	11
Return to work rate (%)	100%	100%	94%	79%
Retention rate (%)	100%	100%	99.8%	98.2%

GRI 103-3

Employees Training by Employees Category and Gender 2019

	Average Training Hours			No. of Employees	
	Manager	Executive	Non-Executive	Male	Female
Cenviro	1,814	3,941	4,766	335	113
EISB	17	21	10	1,386	162

GRI 404-3

Employees Receiving Regular Performance Appraisals in 2019

		Total	Manager	Executive	Non-Executive	Male	Female
		Cenviro	Number	446	59	129	258
	Percentage %	99.6	13.22	28.92	57.84	74.43	25.56
EISB	Number	1,370	21	85	1,264	1,220	150
	Percentage %	88.6	1.5	6.2	92.3	89.1	10.9

GRI 403-9

Occupational Health and Safety Performance Data

	2017*		2018*		2019**	
	Employee	Contractor	Employee	Contractor	Employee	Contractor
Total Man hours	532,656	215,200	530,867	333,560	521,322	177,589
Accident-related fatalities (death)	0	0	0	0	0	0
Accident with lost workdays	1	0	2	1	12	1
Accident without lost workdays	20	13	10	18	0	23
Total of number of accidents	21	13	12	19	12	24
Total workdays lost	96	0	2	3	6	3
Fatality Rate No. of fatalities X 1000/Annual average of No. employees	0	0	0	0	0	0
Incident Rate No. of accidents X 1000/Annual average of No. employees	84.68	130	48.58	122.58	25.97	12.70
Frequency Rate No. of accidents X 1,000,000/Total man-hours worked (Y)	39.43	60.41	22.60	56.96	58.96	135.14
Severity Rate Total workdays lost X 1,000,000/Total man-hours worked	180.22	0	3.77	8.99	29.48	16.89

* As reported to DOSH in JKKP 8 Form, OSH performance.

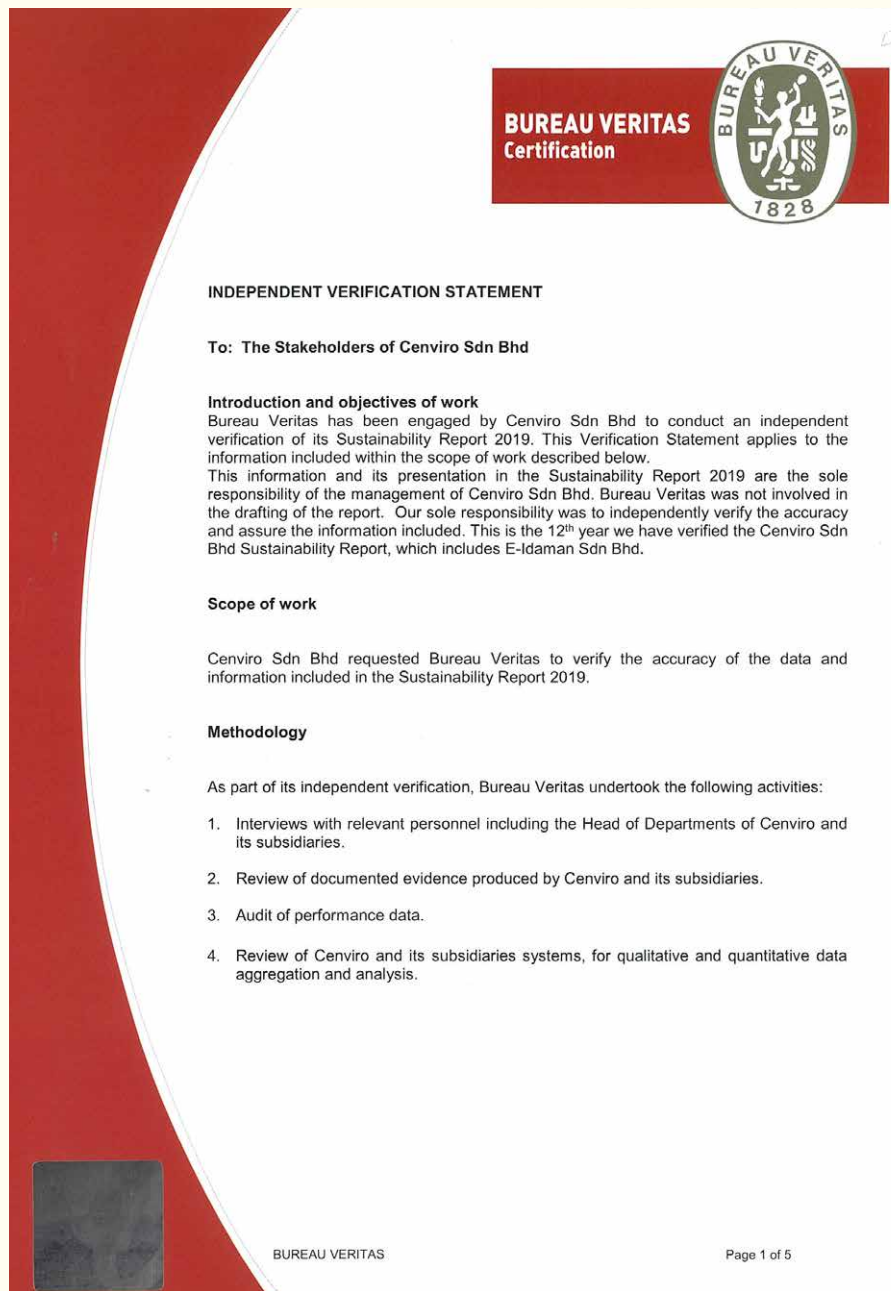
** From 2019 onwards, Cenviro will disclose on OSH performance based on internally defined metrics for LTI events (Accident with lost workdays), covering all incidents resulting in at least one day of medical leave, in contrast to events resulting in four days medical leave as per DOSH definitions.

GRI 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:	Hazard Identification, Risk Assessment and Risk Control (HIRARC), H.I.P
Which of these hazards have caused or contributed to high-consequence injury:	Release – H ₂ S Gas released due to Rupture Disc burst
Actions taken to eliminate these hazards:	Engineering Control - Installation of fixed gas detector

ASSURANCE STATEMENT



BUREAU VERITAS Certification




5. Verification and review via online and site visit to E-Idaman Sdn Bhd in Alor Setar, Kedah.
6. Our work follows Bureau Veritas' standard procedures and the Global Reporting Initiative (GRI) Sustainability Reporting Standards. It is based on current best practice in independent assurance

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

Our findings

Based on our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated.
- It is our opinion that Cenviro Group has established appropriate systems for the collection, aggregation and analysis of qualitative and quantitative data such as key performance.
- Cenviro established the Corporate Governance and Assurance (CG&A) governing body with oversight on companies across the Cenviro Group and to address increasing local regulatory requirements and to create a Group wide effort to identify end-to-end risks which provides a systematic channel of compliance assurance communication to the Board and shareholders. During the financial year, Cenviro established Anti-Bribery Policy and signed Corruption-Free Pledge (IBR Pledge) with the Malaysian Anti-Corruption Commission (MACC), enhancing its approach to integrity and stakeholder trust.
- Cenviro increased its recycling and recovery capacity of scheduled waste from 5,237 tonnes in 2018 to 9,221 tonnes in 2019, which marked a 76% increase via Cenviro Recycling and Recovery Sdn. Bhd. (CRR). Via the Materials Recovery Facility (MRF) and Recycle For Life Sdn. Bhd. (RFL) operations, the capacity for recycled and received municipal solid waste increased from 976.7 tonnes in 2018 to 1,797 tonnes in 2019, which marked an 84% increase.



BUREAU VERITAS
Certification

- As an achievement to Cenviro's efforts of investing in infrastructure for industry excellence, EPIC received two awards in 2019 which were the National Energy Awards 2019 (Category 1 - Energy Efficiency Green Building Award) and the ASEAN Energy Awards 2019 (Green Building – Small & Medium Building Category)
- As Cenviro continues driving string digital solutions within the waste industry, the company recorded strong growth in it's digital waste resource management platforms. The Clinical Waste Integrated Collection and Logistics Infosystem (CWICLI) mobile application recorded an increase in customers from 3,330 customers in 2018 to 3,784 customers in 2019 which resulted in a 13.6% increase. The RFL mobile application grew by more than two times from 1,087 total downloads in 2018 to 2,881 total downloads in 2019.
- With Safety First culture underscoring organisation-wide efforts, Cenviro conducted 316 safety-related training programmes during the financial year, exceeding the number of programmes conducted in the previous year by 50%.
- To continue driving Cenviro's strong emphasis on safety, multiple initiatives were introduced throughout 2019. Key highlights include the upgrading to the Quality, Health, Safety, Security & Environmental (QHSSE) policy, the Hazard Identification Programme (H.I.P) and the introduction of safety considerations into the Corporate KPI. Cenviro also strengthened their HSSE framework.
- The Safety Moment initiative introduced in 2019 further highlights the involvement of Cenviro's management team in strengthening its safety culture. Via this initiative, monthly circulars which included personal safety-related incidents and lessons learned by the management team were released for the benefit of its employees.
- To create value for it's employees, Cenviro conducted an employee satisfaction survey in 2019. Key results from this engagement include 87.5% of employees being proud to work for the organisation and 81.4% willing to intervene if safety violations arise, a statistic that further emphasises the strong safety culture already present in Cenviro's employees.
- In 2019, Cenviro continued to strengthen its engagement with key external stakeholders. By engaging with national and state level government, Cenviro continues its commitment to local regulators throughout its journey of sustainable transformation.

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Certification



- Acknowledging the fact that communities surrounding the WMC operations form a key stakeholder group, Cenviro launched a fund worth RM4 million in collaboration with the Negeri Sembilan State Government, Cenviro launched the Dana Kelestarian Kualiti Alam (DKKA) as a proactive step in protecting and positively impacting these communities.

Limitations and Exclusions

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

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim or future intention by Cenviro Sdn Bhd including E-Idaman Sdn Bhd) and statements of future commitment;
- Data identified by the client for non-inclusion, geographical operations/activities excluded, subsidiaries/Joint Ventures, etc.

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

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services, and an annual turnover in 2019 of EUR 5,100 million.

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

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



The assurance team has extensive experience in conducting verification and assurance of environmental, social, ethical and health and safety information, systems and processes. The team has over 6 years combined experience in this field and an excellent understanding of the Bureau Veritas standard methodology for the assurance of sustainability reports.

Bureau Veritas
Kuala Lumpur, MALAYSIA
28th December 2020



Kamaruzaman Bin Mohamed
LEAD VERIFIER



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2021

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GLOSSARY

4R

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

Anaerobic process

Anaerobic processes produce high energy materials such as methane which can be captured and burned as an energy source, and used to power gas-burning appliances or internal combustion engines, or to generate electricity.

Bioclimatic design

A design concept that is based on local climate aimed at providing thermal and visual comfort by making use of solar energy and other environmental sources.

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).

Geogrid-walls (previously known as green geogrids)

Geogrids are used in separation, stabilisation, and reinforcement applications. They are frequently used in construction below the stone base to extend the life of the pavements and to stabilise soft soils and reinforce retaining walls.

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

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

High Density Poly Ethylene¹

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)₂

Sometimes written poly(ethylene terephthalate)), commonly abbreviated PET, PETE, or the obsolete PETP or PET-P, 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.

Polypropylene (PP)³

Is a linear hydrocarbon polymer, expressed as C_nH_{2n}. PP, like polyethylene (HDPE) and polybutene (PB), is a polyolefin or saturated polymer. Polypropylene is one of those most versatile polymers available with applications, both as a plastic and as a fibre, in virtually all of the plastics end-use markets.

Scheduled Waste

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

Task Force on Climate-Related Financial Disclosure (TCFD)

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

¹ [https://www.acmeplastics.com/what-is-hdpe#:~:text=High%20Density%20Poly%20Ethylene%20\(HDPE,%2C%20cutting%20boards%2C%20and%20piping](https://www.acmeplastics.com/what-is-hdpe#:~:text=High%20Density%20Poly%20Ethylene%20(HDPE,%2C%20cutting%20boards%2C%20and%20piping)

² <https://omnexus.specialchem.com/selection-guide/polyethylene-terephthalate-pet-plastic>

³ <https://www.bpf.co.uk/plastipedia/polymers/pp.aspx>




The global waste industry is steadily evolving to become more sustainable. As we strive to be at the forefront of this sustainable evolution, **we continue progressing on our transformative journey**, driven by our core building blocks of operational efficiency, continuous improvement and unparalleled safety.

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