



Kualiti Alam



a subsidiary of

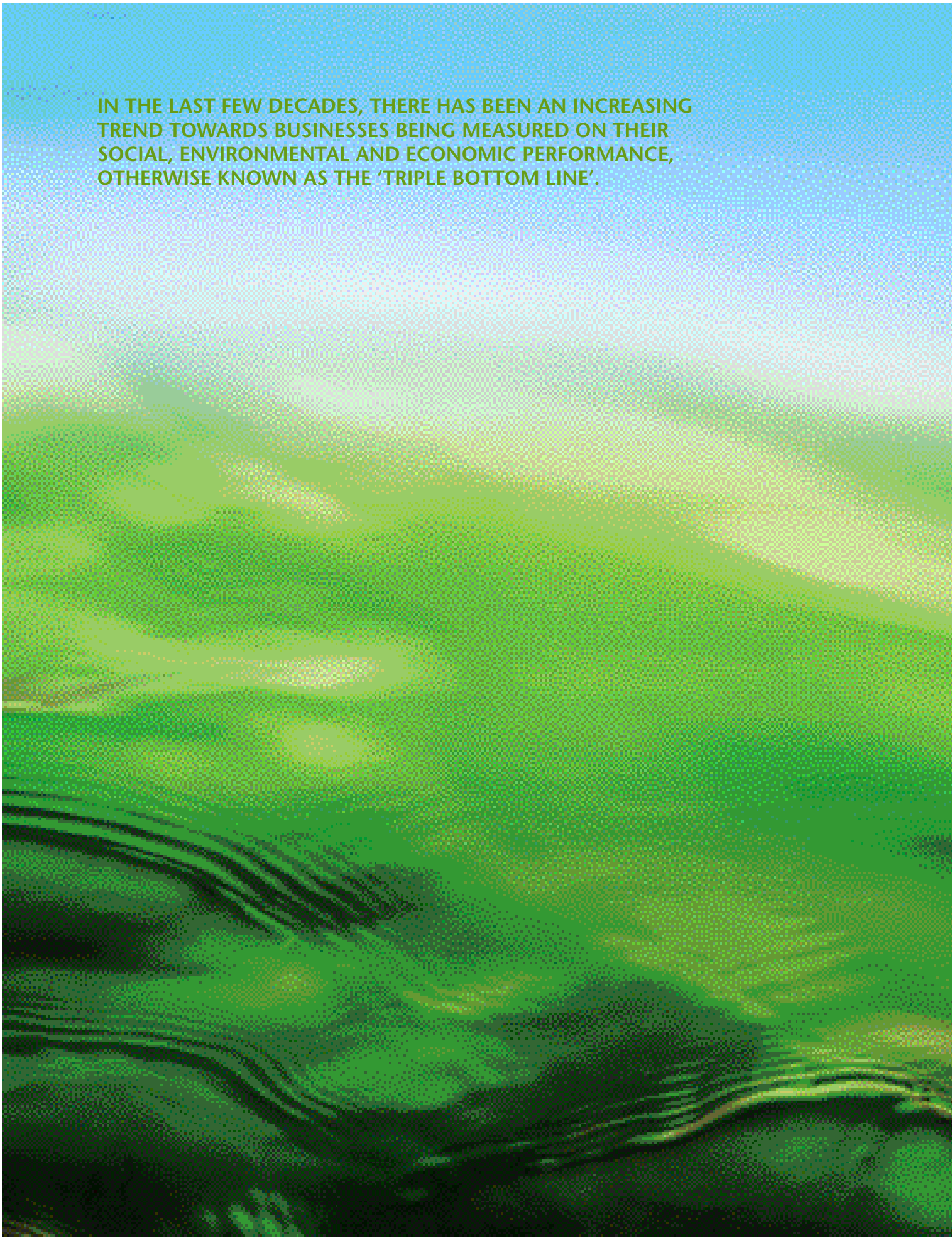


UEM ENVIRONMENT



sustainability report 1996-2005

IN THE LAST FEW DECADES, THERE HAS BEEN AN INCREASING TREND TOWARDS BUSINESSES BEING MEASURED ON THEIR SOCIAL, ENVIRONMENTAL AND ECONOMIC PERFORMANCE, OTHERWISE KNOWN AS THE 'TRIPLE BOTTOM LINE'.



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RESEARCH & DEVELOPMENT

- **MARCH 1999** Modification of feeding mechanism and combustion air line for incineration plant to treat higher ratio of solids.

- **FEBRUARY 2000** A Waste Reception Centre or new storage yard with the capacity of 9,000 tonnes was built with the cost of RM5.91 million.

- **JULY 2000** We improved scheduled waste tracking system by introducing Bar Coding of wastes to provide quick tracking and accessibility. Another 1st in Malaysia.

- **OCTOBER 2000** 1st Rubber Sludge Landfill in Malaysia was built by us to cater for rubber based industries. We have invested RM5.96 million for the development of this facility.

- **OCTOBER 2000** We achieved dual ISO 14001 and ISO 9002 Certification to become the 1st company in Malaysia to achieve the certification together.

- **AUGUST 2001** A quarantine area near the Solidification and Physical-Chemical Treatment Plant was constructed with a total costs of RM2 million. The quarantine area serves as a stopover for waste awaiting laboratory tests results.

- **OCTOBER 2001** In addition to ISO 14001 and ISO 9002, we were awarded ISO/IEC 17025 on 24th September 2001 and OSHAS 18001 on 5th October 2001 to become the 1st company to hold 4 certifications concurrently.

- **NOVEMBER 2001** We opened the 1st Leachate Treatment Plant (LTP) in Malaysia to treat the leachate from our operations of Waste Management Centre (WMC). It has the capacity to treat 300 m³ of leachate daily. The total investment for this project was RM1.2 million.

- **JULY 2003**
We introduced two more treatment methods, encapsulation and cementation, to our fleet of scheduled waste treatment in order to provide our customers more options.

- **JANUARY 2004** We launched the new look for our Customer Circular and renamed it as "InTouch" to improve our communications with our customers.

- **JULY 2004** We established a Six-Sigma team to develop and deliver near-perfect services to our customers. In this exercise we planned to reduce our incinerator downtime from 16% to 10%.

- **JANUARY 2005** Started racking system at logistic and warehouse area. We installed racks that can store up to 6 pallets of jumbo bag per rack and to-date, we have installed 118 units of this type of racks that cost about RM142,000. The purposes of the system are to reduce land contamination, spillage, prevention of contact from runoff water and increase storage capacity.

- **FEBRUARY 2005** A new chapter for us where our parent company UEM Environment assumed back the marketing agency that was previously outsourced to offer our services and delivery to customers. This signified the birth of our sister company Kualiti Khidmat Alam Sdn Bhd, undertaking the business of marketing, collection, transportation & packaging of scheduled waste.

KEY ACHIEVEMENTS



- **JUNE 2005** Kualiti Alam through its process R & D initiatives installed a waste burner system where energetic liquid waste is used to replace diesel as burner fuel. Costing RM1.2 million, the project has helped save more than 50% of pure diesel consumption.
- **JULY 2005** An industrial shredder system was installed at a cost of RM1.1 million to process solid organic waste for more efficient incineration, operating at a capacity of 10 tonnes per hour. With the Industrial Shredder in place we have eliminated some of the root causes that contributed to the plant downtime such as improper waste mixing, waste hopper clogging and the backlog issue of bulky waste that cannot be directly fed to the bunker. After the shredding process, the waste will be homogeneously mixed; thus resulting in a better control of plant operations and emission release.
- **JULY 2005** A waste water treatment contractor was engaged to support stormwater treatment for 6 months costing RM280,000. Treated water at Standard B is then pumped back into the treatment plants for use as process water and for quenching at the incineration plant thereby helping to conserve natural resources.
- **SEPTEMBER 2006** Another milestone for us as we launched simultaneously the new look for our transportation trucks according to the new legal requirement coupled with GPS tracking system and our mascot, the firefly.
- **SEPTEMBER 2006** Kualiti Alam won the MSOSH OSH Silver Award for 2005 organised by the Malaysian Society For Occupational Safety & Health under its Services Sector which is equivalent to a Good OSH performance.
- **SEPTEMBER 2006** A new Leachate Treatment Plant costing RM5.6 million is currently under construction at the Waste Management Centre to further complement the existing plant in treating leachate and stormwater. It has a daily treatment capacity of 400 m³ and is scheduled to be completed in July 2007.

CORPORATE AWARDS

- **OCTOBER 2001** In our debut at the Enterprise 50 2001 Award organised by Accenture Sdn. Bhd. and the Small and Medium Industries Development Corporation (SMIDEC), we managed to be placed at 22nd place among the top 50 enterprises based on the company's management and financial performance.
- **APRIL 2006** Kualiti Alam won the Best Innovation Award in UEM's Continuous Improvement Competition (CIC) with its waste burner project and the company was also awarded the 2nd overall champion in the competition. Kualiti Alam's CIC project for better boiler efficiency and Leachate Treatment Plant capability also won Silver Medals in the same competition.
- **SEPTEMBER 2006** UEM Environment was awarded UEM Group 2006 Sri Cemerlang Award for the best Systems and Processes Improvement for the innovative successes at Kualiti Alam's waste management centre.

ENVIRONMENTAL AWARDS

- **APRIL 2002** We were awarded a Certificate of Participation in our debut attempt in the Prime Minister's Hibiscus Award 2000/2001.
- **APRIL 2006** We are proud to be awarded the Notable Achievement Award in the Prime Minister's Hibiscus Award 2004/2005 cycle where 52 companies participated.



KUALITI ALAM – WHERE THE FUTURE IS SUSTAINABLE



AZMANUDDIN HAQ AHMAD

Managing Director, Kualiti Alam

We are pleased to present our 1996-2005 Sustainability Report of Kualiti Alam. We have used the requirements of the GRI Guidelines as our guide for the development of this report. In this report, we will show how Kualiti Alam has focused on building capability, diversifying and growing the business, taking a leadership role in sustainable scheduled waste management, improving resource recovery, and achieving successful commercial outcomes in an increasingly competitive market.

As a leader in this field, our customers rely on us for expert advice and sound environmental solutions to their scheduled waste problems.

To maintain a successful business, all of us at Kualiti Alam must earn the trust and confidence of the people we deal with every day; our colleagues, customers, regulators and anyone else with an interest in our organisation. We all have a responsibility to safeguard and contribute positively to our people, the environment and the communities around us.

But it's no good talking about values unless you can actually show people what they mean in reality, from day-to-day. This report does just that. It gives a comprehensive review of our Corporate Social Responsibility (CSR) activities across our operations to build a sense of trust in the people we depend on as a Company.

It demonstrates the degree of care we take in sourcing our materials, the progress we are making in promoting appropriate schedule waste management techniques, the work we are doing in the community, the support we give our employees and what we are doing to reduce our impact on the environment.

But promoting our CSR activities is not window dressing. Nor is it marketing. It is about managing Kualiti Alam to the highest standards and being absolutely clear that there is no bigger risk to us as a Company than losing the trust and confidence people have in us and our services.

MD'S MESSAGE

We would like to thank all of you for your continuous support and encouragement for our undertakings towards good corporate governance and transparency.

TO OUR STAKEHOLDERS

We work with our stakeholders to ensure continual improvement on our sustainability objectives by maintaining an Open Door Policy, through which clear commitments and policies have been developed to guide our actions, determine our performance and provide a roadmap for future improvements.

While we made steady improvements, we remain highly committed to further improve our environmental performance beyond the regulatory and stakeholders' expectation.

As evidence to our pursuit for excellence in environment, we have been awarded the prestigious PM Hibiscus Award in the Notable Category. We are proud to say that we are in the same league as the MNC and other big corporation where commitment to environmental management policies is of utmost priority.

CARING NEIGHBOURS

We continue to invest time and money in the communities in which we operate. Our communities are our partners and we work hard to maintain these partnerships. We always listen to what they say and support their efforts in build strong, caring communities.

In the past decade, we contributed more than RM 1 million to the communities in which we operate. We are proud of these achievements and the contribution our employees make on and off the job to their communities.

TO OUR CUSTOMERS

We are committed to creating and protecting customer value by conducting our affairs in a sustainable manner. Since fully operational in 1998 we have upgraded our operating systems twice with a total investment millions of ringgit in an effort to provide better services to our customers.

We have enhanced our total remuneration, high performance culture, career development and performance management systems to provided a solid foundation for overall performance improvement. We also continue to actively engage our employees to achieve better performance.

In recent years, Kualiti Alam has realised an incremental improvement in our safety and environmental performance due to our unswerving focus on safety continuous improvement. On the environmental aspect, we continue to manage our environmental performance to ensure consistent compliance with regulations.

INDUSTRY LEADER

Kualiti Alam is an industry leader in full and fair disclosure on financial and governance matters. We have received high praise from industries and government bodies alike on our Open Door Policy approach. In pursuit of maintaining the trust of our stakeholders, we are pleased to add corporate sustainability reporting to our disclosures.

OUR COMMITMENT

As part of our move to delight our customers need, we have implemented various changes and improvements in our operations that have increased operational effectiveness and efficiency. Amongst others are the utilisation of waste oil (or reconstituted oil) which significantly reduced our diesel consumption. With these improvements, we have been able to maintain our treatment fees to our customers.

We have developed a new image for our transportation fleet in recognition of our strong commitment to assuring environmental management. We have further improved the quality of our transportation fleet through the installation of a GPS tracking system to monitor the movement and manage the distribution of our fleet.

Through Kualiti Khidmat Alam, we have expanded our services by including scheduled waste packaging and consultancy services.

Kualiti Kitar Alam on the other hand, will be complementing our value chain management by looking into recycling and recovery activities.

By developing a comprehensive waste management package, we believe that Kualiti Alam and our sister companies would assist our Malaysian industries in managing their scheduled waste in a more cost-effective manner making us your preferred choice.

As part and parcel of our business expansion, we are sharing our experience and expertise with the Indonesian Government on scheduled waste management. A Memorandum of Agreement (MOA) was signed on 11 July 2006 between UEM Environment and the Provincial Government of Kepulauan Riau to conduct a feasibility study on the setting up of an integrated waste management centre. While another MOA was signed on 13 July 2006 to look into the feasibility of setting up an integrated scheduled waste management center in the Province of West Java.

We are proud to release our inaugural compilation of sustainable indicators over the past 10 years. This report was produced to provide our stakeholders a clear picture on our efforts to maintain and promote sustainability of our business, community and environment.

We would like to take this opportunity to thank all our stakeholders for their responses and recommendations throughout our 10 years in operation. Your feedback to this report is most welcomed to enable us to continually improve our performance and subsequent corporate sustainability reports.

Yours sincerely,

AZMANUDDIN HAQ AHMAD
Managing Director, Kualiti Alam



OUR VISION

THE **GREENER** ENVIRONMENTAL SOLUTION

WE STRIVE TO BE A COMPANY THAT NOT ONLY PROVIDES THE GREENER ENVIRONMENTAL SOLUTION BUT MANAGES OUR BUSINESS IN A WAY THAT CONTINUALLY IMPROVES OUR SOCIAL, ECONOMIC AND ENVIRONMENTAL PERFORMANCE.

OUR MASCOT

The mascot is based on the firefly, a specie that is facing extinction in Malaysia as it is extremely sensitive to changes in the natural environment. The choice is important, as it embodies the set of values that Kualiti Alam represents. In this respect, the firefly is ideal as it symbolizes:

1. Concern and Care for the Environment
2. A reminder of the Environment's Fragility
3. The Principle of Conservation of Natural Resources
4. The Concept of Sustainable Development
5. The Role of Kualiti Alam in Championing Environmental issues in Malaysia



LET'S TALK: SUSTAINABILITY

OUR MISSION

TO BE A ROLE MODEL AS ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE CITIZEN, DEVELOPING AND OFFERING INNOVATIVE PRODUCTS AND SERVICES IN WASTE MANAGEMENT WITH HIGHEST PROFESSIONALISM AND ETHICAL STANDARDS FOR SUSTAINABLE DEVELOPMENT.

SUSTAINABILITY has a different dimension for Kualiti Alam. We define "sustainability" as innovation in our operation. Sustainability also means the overall health of the company and our businesses, not just our environmental performance. The following will provide a better overview of what sustainability means to Kualiti Alam and our strategies to achieve it.

OUR VISION for sustainable waste management involves a fundamental shift away from the concept of "out of sight, out of mind". We aim to provide a range of more environmentally friendly options for dealing with scheduled waste – to maximise the recovery of resources from waste streams – and providing cost effective solutions for our customers. This may involve the provision of alternative waste treatment technology options. Nonetheless, we recognise that most of our current revenue comes from the treatment of scheduled waste, and that landfill disposal will continue to be an integral part of waste management for many years. We believe that we are able to bring benefits to our customers by leading the shift to treating waste as a valuable resource.

OUR PLEDGE to sustainability extends beyond environmental responsibilities; to our stakeholders, including customers and staff. Sustainability means providing a high level of service to our customers, ensuring a family-friendly workplace and investing in the training and development of our people. It also extends to sustainable financial decision making and good governance in how we operate.

We are committed to developing a Sustainability Policy and will be working in consultation with various groups to develop a Policy that clearly articulates what sustainability means to our business. We have also sought feedback from our stakeholders on the 1995-2005 Corporate Sustainability Report and how it could be improved.

Our strategy also extends to improving the efficiency of our operations so that we can provide more reliable and cost-effective service to our customers. Our vision for sustainability already extends beyond Malaysia.

This is a very exciting time as we reinforce our focus on sustainability and customer satisfaction in all aspects of the business. We are committed to integrating sustainability into how we run the business and to offering sustainable choices for our customers. It is for this reason that this report is published as it reflects both the choices Kualiti Alam makes, as well as the choices we offer our customers to allow them to benefit the environment and society.



OUR COMMITMENT

WE ARE TOTALLY COMMITTED TOWARDS EXCELLENCE AND THE ENVIRONMENT. THIS IS REFLECTED IN OUR FOUR CERTIFICATIONS: OHSAS 18001, ISO/IEC 17025, ISO 14001 AND ISO 9001. WITH THESE ACCREDITATIONS, KUALITI ALAM HOPES TO ESTABLISH ITS POSITION AS SECOND-TO-NONE WITHIN THE INDUSTRY WITH STATE-OF-THE-ART FACILITIES, PROCEDURES AND PRACTICES.

This report is aimed at our diverse audience including the Malaysian Federal and State Government; existing and potential customers, board of directors, parent company, local communities, environmental organisations and the waste industry.

We are reporting because we acknowledge the need to be genuine and transparent about measuring what we do. What gets measured gets managed and, as sustainability is at the core of our business, reporting and integrating sustainability into our planning process helps us to rise to the challenge.

By reporting annually, we are able to benchmark our performance, to ensure that we continue to be a leader in providing sustainable waste management solutions. Reporting on sustainability also has an ethical dimension – it is about not taking short cuts, it is about doing the right things and doing them right!

We take sustainability reporting seriously – Key Sustainability Indicators are being progressively incorporated into Corporate and/or Divisional Business Plans for 2005-2006. We are also looking at ways to further improve our sustainability reporting in the future.



WHY ARE WE REPORTING?

We welcome feedback on our sustainability reporting. If you have any comments or suggestions on how we can improve our reporting in the future, please fill in the form attached or contact below:

WE INVITE YOU TO TAKE A CLOSER LOOK AT HOW KUALITI ALAM IS WORKING WITH STAKEHOLDERS TO IMPROVE OUR SOCIAL, ECONOMIC AND ENVIRONMENTAL PERFORMANCE THROUGH THE OPEN DOOR POLICY WE MAINTAINED SINCE OUR INCEPTION.

CHIEF OPERATING OFFICER
Kualiti Alam Sdn. Bhd.
Tel: 7966 4000
Email: csd@kualitalam.com

NGOs

- Health
- Social
- Environment

Government

- Federal
- State
- Local
- Departments
- Agencies

**Customers
Business Partners
Employees**

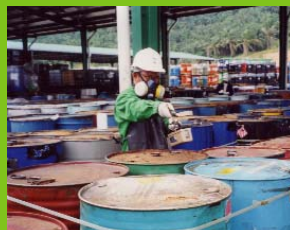


OUR STAKEHOLDERS



WE BELIEVE THE ROAD TO SUSTAINABILITY STARTS WITH SIMPLY LISTENING TO WHAT PEOPLE HAS TO SAY. THROUGH OUR STAKEHOLDERS RELATIONSHIPS WE CONTINUALLY IDENTIFY OPPORTUNITIES TO IMPROVE OUR PERFORMANCE AND DELIVER ON OUR COMMITMENTS. IN THIS REPORT WE DESCRIBE THESE COMMITMENTS AND HOW WE ARE DELIVERING THEM THROUGH OUR SYSTEMS. REPORTING ON THE PERFORMANCE OF THESE SYSTEMS ALLOWS US TO CONTINUALLY IMPROVE OUR PERFORMANCE AND KEEP OUR STAKEHOLDERS INFORMED OF OUR PROGRESS.

KUALITI ALAM TREATS ALL KINDS OF SCHEDULED WASTE IN MALAYSIA AND PROTECTS OUR GROWING NATION THROUGH MINIMISING ENVIRONMENTAL DEGRADATION. WE ARE EXTREMELY PROUD OF THESE ACCOMPLISHMENTS AS WE CONTINUE TO PURSUE SUSTAINABILITY WITH OUR STAKEHOLDERS.

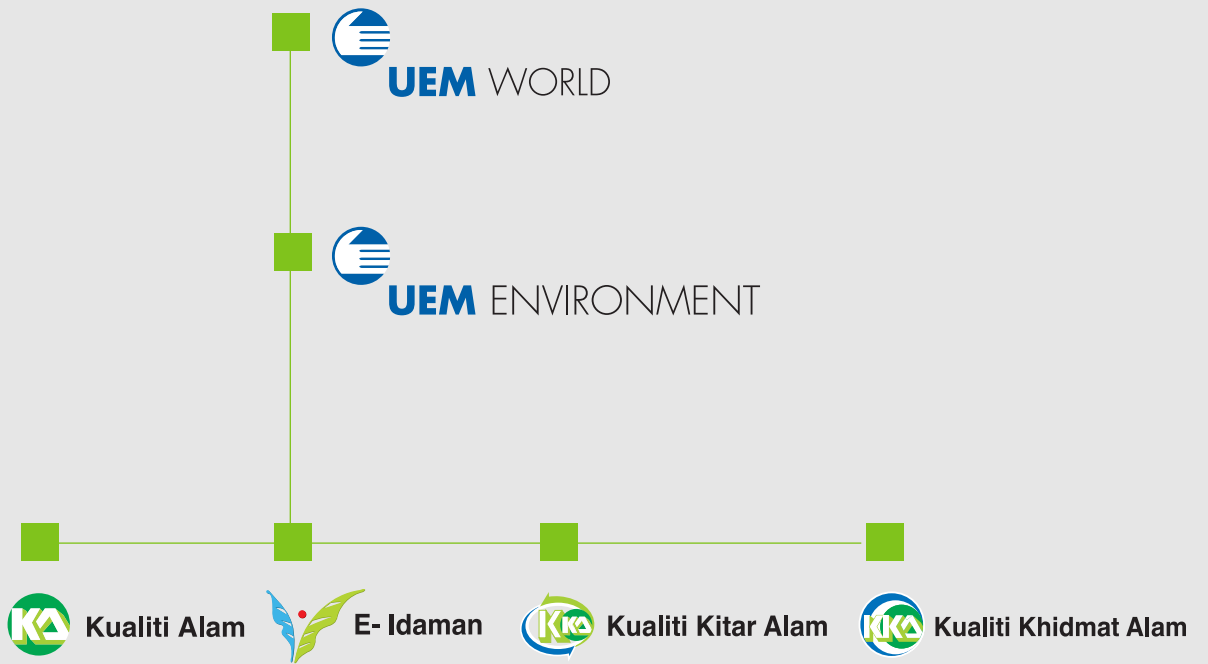


ENVIRONMENTAL COST COMMITMENTS

		2002	2003	2004	2005
Business Area	<ul style="list-style-type: none"> • Compliance • Global Environmental Conservation • Pollution Prevention • Resource Conservation 	RM3.3M	RM3.7M	RM3.1M	RM6.2M
Environmental Management Activities	<ul style="list-style-type: none"> • Training, consultancy • ISO Audits • Area Maintenance 	RM0.9M	RM1.5M	RM1.6M	RM425K
Activities Upstream/ Downstream	<ul style="list-style-type: none"> • Internal Waste Processes • External Waste Processes 	RM4.8M	RM7.5M	RM10.2M	RM3.95M
Social Activities	<ul style="list-style-type: none"> • Social contribution • Information Disclosure 	RM115K	RM118K	RM125K	RM280K
Research & Development	<ul style="list-style-type: none"> • Research & Development 	RM70K	RM90K	RM13K	RM75K



CORPORATE STRUCTURE



WHO WE ARE...

We are proud to inform our readers that we are the first scheduled waste management centre in Malaysia. We were awarded a 15-year exclusivity to operate the waste management system for Peninsular Malaysia on a fully commercial basis in 1995; licensed to provide transportation, analysis, treatment and final disposal of scheduled waste.

Kualiti Alam Sdn. Bhd. is a privately owned company incorporated on 9 December 1991. It is currently fully owned by UEM World Berhad via UEM Environment Sdn Bhd.

From our Waste Management Centre in Bukit Nanas, Negeri Sembilan, Malaysia, we have the capacity and capability to analyse, transport, store, treat and dispose approximately 90,000 tonnes of scheduled waste annually.

Our services prevent indiscriminate dumping of toxic waste and help industries to manage their scheduled wastes in an environmentally responsible manner. Almost all of our customers come from Peninsular Malaysia. However, we do not treat wastes that are radioactive, pathological or explosive, save for TENORM (Technologically Enhanced Naturally Occurring Radioactive Material) waste.

We employ about 200 people within a high performing culture that challenges all employees to meet their full potential. As part of this commitment, our employees strive to better the communities in which we live and work. Our staff has skills and expertise in waste technology, chemicals management, environmental engineering, safety and operations.

We are committed to financial growth through expansions, acquisitions and new developments that provide stakeholders with a secure and growing future.



1979
Formation of National Ad-Hoc Committee on Scheduled Waste Management

1981
Identification of Potential Site for Toxic & Hazardous Waste Disposal Sites

1988
Malaysian Government decide that treatment & disposal facility to be built by private sector

1991
Incorporation of Kualiti Alam to participate in the privatization project.

1992
Kualiti Alam commissioned Detailed EIA for Bukit Nanas.

1995
Kualiti Alam started Phase 1 Construction for Integrated Scheduled Waste Management Facility.

1980

1990

1995



1989

Malaysian Government invite interested parties to build treatment & disposal facility.

Enactment & Enforcement of Environmental Quality (Scheduled Waste) Act

1991

Identification of Bukit Nanas, Negeri Sembilan as potential site for facility.

Kualiti Alam undertakes Preliminary EIA for Bukit Nanas.



1993

Detailed EIA Report for Bukit Nanas approved

1992

Kualiti Alam granted Letter of Undertaking to implement project in Malaysia

1996

Integrated Scheduled Waste Management Centre in Bukit Nanas began the collection of waste.

WHO WE ARE...

1997

Kualiti Alam commenced operations with its first secure landfill cell.

Operation started at Solidification Plant.

Physical/Chemical Treatment Plant began operations.

2001

Kualiti Alam received the ISO/IEC 17025 & OHSAS18001 Certification



2005

Improve plant efficiency through installation of waste burner system, installation of industrial shredder, improvement in process water and upgrading turbine system. This improvement and upgrades translated to investment costs of approximately RM3 million.

2006

Kualiti Alam won PM Hibiscus Award in notable achievement category for 2004-2005 and the MSOSH OSH Silver Award for its services sector

2000

1998

The Integrated Scheduled Waste Management Centre was officially opened by Tun Dr. Mahathir Mohamad. The WMC launched operations at its Incineration Plant.



2000

Kualiti Alam achieved certification for ISO9002 & ISO14001 simultaneously – 1st for Malaysia

2005

2004

We established a team to pilot towards Six-Sigma to develop and deliver near-perfect services to our customers. Our target was to reduce our incinerator downtime from 16% to 10%.

2006

Launched new look for truck transportation in accordance with new legal requirement coupled with GPS tracking system and mascot, the firefly.





CHAIRMAN

TAN SRI RAZALI ISMAIL

Tan Sri Razali Ismail, retired from government in 1998 after a career in the Malaysian Diplomatic Service over 35 years. In that period Razali Ismail was assigned to various countries including to senior posts as Ambassador to Poland (and German Democratic Republic, Czechoslovakia and Hungary – 1978-1982), Ambassador to India (1982-85), Deputy Secretary-General (Political Affairs at the Ministry – 1985-88), and finally Malaysia’s Ambassador to the United Nations 1988-98. Razali Ismail served in various capacities at the United Nations inter alia as Chairman of the Group of 77 in 1989. Chairman of the Commission on Sustainable Development in 1993 and as President of the United Nations General Assembly 1996-1997 session. Razali Ismail was closely involved in developing positions on issues such as development and sustainability, poverty and marginalisation, political reforms in the United Nations especially the Security Council and the General Assembly and on human rights and the environment. Razali Ismail continues to keep abreast on these subjects at home and abroad. Razali was the UN Secretary-General’s Special Envoy for Myanmar for the last 5 years (April 2000 – December 2005).

In Malaysia Razali Ismail is involved in IT and environmental industries, is the Pro Chancellor of the University Science Malaysia, Chairman of the National Peace Volunteer Corp (Yayasan Salam) and was appointed as the Malaysian Prime Minister’s Special Envoy to facilitate assistance on Tsunami disaster victims in the affected areas. He is a Council member of the Geneva-based Humanitarian Dialogue Centre, and President of World Wildlife Fund in Malaysia.

MANAGING DIRECTOR

AZMANUDDIN HAQ AHMAD

Encik Azmanuddin Haq bin Ahmad, was appointed Managing Director of UEM Environment Sdn Bhd on 1 December 2003. Subsequently, on 22 December 2003, he was appointed as Managing Director of Kualiti Alam Sdn Bhd. Encik Azmanuddin is responsible for the UEM Environment Group’s operations and activities, for both scheduled and non-scheduled waste industries, in achieving its vision in providing The Greener Environmental Solution. In view of UEM Environment Group’s active participation in preserving our nation’s environment, Encik Azmanuddin is currently the Vice-President of Association of Scheduled Waste Recyclers and also a member of the Executive Committee of the Business Council for Sustainable Development Malaysia.



DIRECTOR

DATO' AHMAD PARDAS SENIN

Encik Azmanuddin joined United Engineers (Malaysia) Berhad ("UEM") as Assistant General Manager in the office of Managing Director/Chief Executive Officer ("MD/CEO") on 24 October 2001. Subsequently, he was promoted to General Manager on 24 April 2002. He was made the Special Assistant to the Executive Vice-Chairman of Renong Berhad (now known as UEM Land Sdn Bhd) on 1 November 2002. He was later promoted to the position of Director in the office of the MD/CEO of UEM. He holds directorships in Kualiti Khidmat Alam Sdn Bhd, Kualiti Kitar Alam Sdn Bhd, E-Idaman Sdn Bhd and Environment Idaman Sdn Bhd. Encik Azmanuddin holds a bachelor (Honours) Degree in Accounting and Financial Management from University of Sheffield, United Kingdom. Prior to joining UEM, he was with Aseambankers Malaysia Berhad from July 1995.

Dato' Ahmad Pardas Senin, is a Director of Kualiti Alam Sdn Bhd and Chairman of UEM Environment Sdn Bhd. He is also the Managing Director/Chief Executive Officer of United Engineers (Malaysia) Berhad, UEM World Berhad and Deputy Chairman of PLUS Expressways Berhad, Projek Lebuhraya Utara-Selatan Berhad, UEM Builders Berhad and Constain Group Plc. He is a Fellow of The Chartered Institute of Management Accountants (FCMA), a Chartered Member of the Malaysian Institute of Accountants (MIA) and a Member of the Institute of Internal Auditors, Inc. He is also a member of the Financial Reporting Foundation (FRF). He started his career in the UEM Group as General Manager, Finance in Renong Berhad in 1992 and has been with the UEM Group for more than thirteen years. During the period from April 2003 to June 2004, he was seconded to SilTerra Malaysia Sdn Bhd, a subsidiary of Khazanah Nasional Berhad as Executive Director. At present, he remains a Non-Executive Director of SilTerra Malaysia Sdn. Bhd.

Dato' Ahmad has served in various other positions in the UEM Group. These include as the Managing Director of Time Engineering Berhad and concurrently as Executive Director & CEO of Time dotCom Berhad during 2002-2003. Prior to that he was Group Managing Director of Renong Berhad from June 1999 to August 2002 and Managing Director of Time Telekom Sdn Bhd in 1999. During the period from 1995-1998 he was Chief Operating Officer and subsequently Managing Director of EPE Corporation Berhad (now renamed Ranhill Power Corporation). Prior to joining the UEM Group, Dato' Ahmad had more than 17 years service with the British American Tobacco Group, including a 3-year stint at their holding company in London. He also holds directorships in Opus International Group Plc, UEM Land Sdn Bhd, Expressway Lingkar Tengah Sdn Bhd, Pharmaniaga Berhad and Linkedua (Malaysia) Berhad.





DIRECTOR

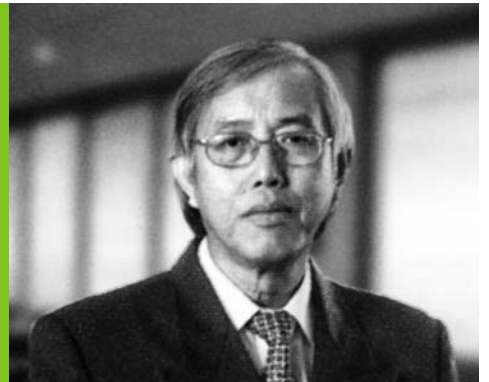
DATO' IKMAL HIJAZ HASHIM

Dato' Ikmal Hijaz Bin Hashim, is a director of UEM Environment Sdn Bhd, Kualiti Alam Sdn Bhd and E-Idaman Sdn Bhd. He holds a Bachelor of Arts (Honours) Degree from University of Malaya and also a Master of Philosophy Degree in Land Management from University of Reading, United Kingdom.

Dato' Ikmal began his career by serving in the Administrative and Diplomatic Service of the Government from 1976 to 1990. He then joined United Engineers (Malaysia) Berhad as the General Manager of the Malaysia-Singapore Second Crossing project. On 1 January 1993, he became the Chief Operating Officer of Projek Lebuhraya Utara-Selatan Berhad and was subsequently appointed as its Managing Director from 1 January 1995 to 30 June 1999. He resigned as Managing Director in 1999 but remained a Director until November 2001.

Dato' Ikmal was appointed the Managing Director of Prolink Development Sdn Bhd ("Prolink") and Acting Chairman of the Supervisory Board, Property Division of Renong Group in July 1999.

In February 2000, he was appointed the President of the Property Division of the Renong Group while maintaining his position as Managing Director of Prolink. He held the position of Managing Director of Renong Berhad (now known as UEM Land Sdn Bhd) from 2002 until October 2003 when he subsequently joined Pos Malaysia Berhad as Chief Executive Officer. He was appointed Managing Director of Pos Malaysia Berhad on 6 December 2003. He was also appointed as Executive Director of Pos Malaysia & Services Holdings Berhad on 19 December 2003 and re-designated as the Group Managing Director/Chief Executive Officer on 13 April 2004.



DIRECTOR

DATO' JIMIN IDRIS

Dato' Jimin Idris, is a director of Kualiti Alam Sdn Bhd. He holds a Bachelor of Arts (Honours) in Sociology from the University of Western Australia, a Post-graduate Diploma in Social Planning from The London School of Economics and Political Science ("LSE"), United Kingdom, a Certificate in Population Studies from The East-West Center, Hawaii, USA and Masters of Philosophy in Development Economics from the University of Cambridge, England. He has been appointed a Justice of Peace ("JP") under Section 98 of the Subordinate Courts Act 1948, within and for the State of Kedah Darul Aman. He currently sits on the board of the National Film Development Corporation ("FINAS"), Malaysia.

He was formerly an officer with the Administrative and Diplomatic Service ("PTD") of Malaysia. He has served in various capacities in several Ministries of the Federal Government. His last placement was with the Ministry of Science, Technology and Environment. Upon retirement from the civil services, he served, for a while, as the Director of Zoo Negara. He is currently a chairman/board member of several private limited companies.

DIRECTOR

DATO' CHEONG KEAP TAI

Dato' Cheong Keap Tai, is a director of Kualiti Alam Sdn Bhd. He is a graduate from the University of Singapore with a Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants (MIA), a Member of the Malaysian Institute of Certified Public Accountants (MICPA) and a Member of the Institute of Chartered Secretaries and Administrators (ICSA). He was the Executive Director and Partner of Coopers & Lybrand and upon its merger with Price Waterhouse, he was Executive Director and Partner of PricewaterhouseCoopers until his retirement in December 2003. He has extensive experience in public accounting practice. Currently, he is a partner of a local accounting practice. He is also a Director of YTL Corporation Berhad, YTL Land & Development Berhad, YTL E-Solutions Berhad (Mesdaq Market), Gromutual Berhad, Cement Industries of Malaysia Berhad and several other private limited companies.



OUR POLICIES

SAFETY, HEALTH, ENVIRONMENT & QUALITY POLICY

We are committed to provide efficient and excellent services to our customers as well as to safe guard the health and safety of employees, contractors, vendors, and visitors and the surrounding environment through:

- **Striving for recognition of quality services that meet customers' expectation.**
- **Ensuring compliance with the applicable legal requirements and other requirements which relates to its health, safety and environmental aspects.**
- **Committing to achieve continuous improvement in SHEQ performance.**
- **Implementing SHEQ objectives and programmes for performance improvement.**
- **Committing to control the quality of air emission and effluent, to prevent land contamination, and to conserve natural resources.**

- **Inculcating the SHEQ management systems to our employees, contractors, and vendors.**
- **Providing training and continual education to employees, contractors, vendors, and visitors.**

We aim to have a reliable and effective SHEQ system that can be proud of, to earn the confidence of our customers, employees, shareholders and stakeholders, and to contribute to sustainable development.

We are committed to ensuring that appropriate systems are in place to protect our employees, communities, customers and the environment because of the sensitive nature of the business we are in.

To achieve the commitment, we conduct every aspect of our business in conformance with applicable laws, regulations and international standards. We manage our impact on the environment by identifying, assessing and responsibly managing our environmental risks and driving performance improvements. We encourage the use of best practices to minimise safety, health, and environmental impacts and address stakeholder expectations.

POLICIES, ORGANISATION & MANAGEMENT SYSTEMS

Our services play a crucial role in assessing, treating and disposing scheduled wastes for waste generators indirectly reducing environmental degradation and minimizing the destruction of habitats. However, we recognize that it is important to manage the treatment and disposal of scheduled wastes responsibly to prevent them from having further negative impact on the environment. We continually evaluate the risks of our activities, looking for opportunities to improve our environmental performance.

EXECUTIVE REMUNERATION

Executive remuneration is based on principles that have served us well and enabled positive growth:

- Competitive remuneration
- Performance base appraisal

These principles have helped us develop and attract executive talent. We develop executives from within, an achievement that we are proud of. In addition, we expect executives to uphold the fundamental principles in our Vision, Mission and Commitment plus the Safety, Health, Environment and Quality (SHEQ) Policy. These principles include integrity, improving our quality of services and continuously improving the safety, health and environmental quality of our services and operations. In upholding these principles, executives not only contribute to their own success but also help ensure the sustainability of our business, employees, shareholders and the communities in which we operate.

GOVERNANCE STRUCTURE

We believe that good governance practices contribute to better results for our holding company. Our objectives are to maintain corporate governance principles and practices that support management and Board of Directors accountability. These are in the best interest of the Company and our holding company and are consistent with Company's Vision, Mission and Commitment.

Governance starts with the Board of Directors, which has general oversight responsibility for the Company's affairs, pursuant to Malaysia's Companies Act, 1965 and the holding company's principles. In exercising its fiduciary duties, the Board of Directors represents and acts on behalf of the holding company. Although the Board of Directors does not have responsibility for the day-to-day management of the Company, it stays informed about the business and provides guidance to management through periodic meetings, site visits and other interactions.

The Board is deeply involved in the Company's strategic planning process, leadership development and succession planning. The Board has approved our Safety, Health, Environment & Quality (SHEQ) Policy as outlined in our reports. This policy applies to all directors, officers and employees and is designed to help to ensure compliance with all applicable standards and laws including those related to sustainable development.



CORPORATE GOVERNANCE AND MANAGEMENT'S RESPONSIBILITY

At Kualiti Alam, we emphasize on doing the right thing and doing it right! Management is responsible for maintaining an effective system of internal controls over our deliverables. The Board of Directors provides oversight and they have appointed Ernst & Young to audit our financial statements, on which they have issued an unqualified opinion.

Our commitment to providing timely, accurate and understandable information encompasses:

Communicating expectations to employees.

Every employee – from senior management on down – is trained on the Company's quality management policy, which sets forth the Company's commitment to conduct business affairs with high standards. Every employee is held personally accountable to compliance and is provided several means of reporting any concerns about violations.

Maintaining a strong internal control

environment. Our system of internal controls includes written policies and procedures, segregation of duties and the careful selection and development of employees. The system is designed to provide reasonable assurance that transactions executed as authorised and appropriately recorded, that assets are safeguarded and that accounting records are sufficiently reliable to permit the preparation of financial statements conforming in all material respects with accounting principles generally accepted in Malaysia. We monitor these internal controls through self-assessment systems. Appropriate actions are taken by management to

correct any identified control deficiencies.

Disclosure Control. We maintain disclosure controls and procedures designed to ensure that information required to be disclosed is recorded, processed, summarised and reported timely and accurately.

Encouraging strong and effective corporate governance from our Board of Directors.

We have an active, capable and diligent Board that meets the required standards for independence. Our Board of Directors comprises of independent directors with significant financial knowledge and experience. We thoroughly review significantly accounting policies, financial reporting and internal control matters with them and encourage their independent discussions with us and encourage their independent discussions with external auditors.

CHILD LABOUR AND WORKER EXPLOITATION POLICY

We do not use child or forced labour in any of our operations and facilities, and we expect our suppliers and contractors to uphold the same standards. More specifically, we will not conduct business with suppliers employing child, prison, indentured or bonded labour or using corporal punishment or other forms of mental or physical coercion as a form of discipline.

Our definition of child labour will be according to the Malaysian Children and Youth (Employment) Act, 1966. According to the act, a child is defined as less than 14 years of age. This minimum-age law conforms to International Labor Organisation (ILO) Convention 138.

POLICIES, ORGANISATION & MANAGEMENT SYSTEMS

PERSONAL INFORMATION PRIVACY

In the Information Age detailed information is easily compiled and shared easily, around the globe. That can be good news for customers and society as a whole.

At the same time, as personal information becomes more accessible, everyone – companies, associations, government agencies, customers – must take precaution against the misuse of information. Several countries already have laws protecting customers from misuse of their personal information and many others are following suit.

We place high priority on safeguarding people's personal information. We have the trust of customers and all others who do business with us, including employees, customers and other stakeholders.

OUR MANAGEMENT SYSTEMS

Our Management Systems ensure that the Company's policies are implemented in a consistent manner. These Management Systems align with the Company's policies and promote a regular flow of information that helps the Company better manage its progress on elements of sustainable development. This section provides an overview of our Management Systems.

SAFETY, HEALTH, ENVIRONMENT AND QUALITY MANAGEMENT SYSTEM

In 2000, we completed the development and rollout of the SHEQ system, and begun full implementation of the corresponding site management systems.

The SHEQ system supports the commitments made in our SHEQ Policy by providing a framework for systematically managing environment, health and safety risks. The SHEQ system is divided into three categories: responsibilities, processes and standards. The responsibilities clearly define the role of corporate and site management in implementing, maintaining and improving the corporate and site management systems.

The processes define the steps required to identify the SHEQ risks associated with our facilities. The standards define the actions that must be taken to consistently manage SHEQ concerns common to all of our facilities.

PERFORMANCE MEASURES

We believe that to achieve continual improvement in environmental performance, we must rigorously monitor the performance of selected leading and lagging key performance indicators. Benchmarking is an important tool for us to assess and maintain our performance. We track a variety of key performance indicators including air emissions, water discharges, spills and other non-compliance events.



SAFETY, HEALTH & ENVIRONMENT AUDITS

To ensure that an appropriate level of corporate governance is being exercised for SH&E, we conduct regular compliance audits of our facilities and track the completion of audit-related action items.

Yearly, we conduct a number of audits including compliance audits required by legislation and our own management systems requirements.

All of these are additional to numerous site inspections and assessments conducted regularly by regulators and our customers. Audit findings are tracked until corrective actions are complete.

ENVIRONMENTAL MONITORING PROGRAMME

Due to the sensitive nature of our business, we were compelled both legally and socially to monitor our environmental performance in various aspects of our operation. As we expanded throughout the 10 years in operation, we have committed to include new aspects in monitoring as we expand while maintaining the frequency of monitoring. Nonetheless, increase in environmental monitoring aspects indicates our positive growth both environmentally and financially indirectly.

ENVIRONMENTAL INCIDENT INDEX

The environmental incident index is made up of the number of incidents that have caused either a reportable quantity release (e.g. spills over certain volume, unscheduled air emissions), non-compliance, or an enforcement action. The index is used as an aggregate measure of how well we operate our facilities.

MEDICAL SYSTEMS

As part of the health management system, the medical systems provides framework for medical surveillance or health screening of our employees. Operational personnel are screened annually and administrative staff every 2 years.

GENERAL SAFETY

We are committed to providing employees, customers and transporters with the information they need to handle scheduled waste safely. This process is managed by our information team, which includes representatives from occupational health and safety, marketing and corporate communications. The team looks after the general safety information for our current and upcoming services. It ensures our employees, distributors and customers handle these materials safely.

To further ensure the safety of scheduled waste handling, we supported the training of our transporters through internal training programmes and distribution of scheduled waste management guide to our customers.

EMPLOYEE HEALTH AND SAFETY

We are committed to the health and safety needs of our workers. Employee safety training is provided through a variety of programmes in support of this commitment. All our treatment facilities have established joint health and safety committees comprised of management and worker representatives. These committees help facilitate an open dialogue on safety matters and a joint resolution of issues.

POLICIES, ORGANISATION & MANAGEMENT SYSTEMS

There are a total of 15 programmes to support of safety management system. The programmes are as follows:

- Improvement of Storage Layout
- Proper Truck Guarding
- Minimum Truck Standard
- 100% Implementation of Permit to Work
- Personnel Radiation Monitoring
- Safe Drivers
- Truck Inspection
- Boilerman Upgrade
- Ventilation Improvement
- PPE Maintenance
- Material Safety Data Sheet (MSDS)
- Scaffolding Competency
- Chemical Health Risk Assessment (CHRA)
- Incident Action Plan for ERP
- Noise Abatement

EMERGENCY RESPONSE

Even the best systems must have the capability to deal with emergencies. All of our treatment facilities have detailed emergency response plans, with appropriately trained and equipped personnel to react to on-site emergencies. We have established a comprehensive emergency programme covering both on and off-site emergency planning. Should a scheduled waste transportation incident occur, we have a emergency response team which is available to support our scheduled waste carrier's response to the incident. The programme is intended to provide a pre-planned response to unexpected events such as fire, spillage, process failure, etc.

Over the last few years, we have conducted on-site and off-site mock drills with the cooperation of relevant government agencies such as the Fire and Rescue Department, the Department of Environment, the Police and the Ambulance units. These drills, covering different scenarios, have served to strengthen and improve our contingency planning such as the chain of command between the various emergency units. These mock drills will continue to be an important feature of our emergency preparedness in the future.

SECURITY

We recognised the importance of securing our facilities and services. We continue to work with industry associations, law enforcement and government agencies to ensure that our facilities and services security requirements are identified and addressed. Our facilities have established tiered security measures which can be implemented in response to real or perceived security threats. Security assessments had been carried out at our treatment facilities and security plans had been developed to address the identified risks.



QUALITY MANAGEMENT

We concurrently received the certification of our Quality Management System together with Environmental Management System and became the 1st company in Malaysia to obtain dual certification. The QMS provided a systematic framework to guide our actions and assisted us in delivering on our commitments to our customers in aspects such as logistics, efficiency and level of our service.

FIRE, SAFETY AND EMERGENCY RESPONSE DRILL

Although we have maintained a clean record for fire and other major incidents, we are committed to conduct mock drills as a refresher course for emergency preparedness.

The mock drills are conducted with the cooperation of the Seremban and Port Dickson Fire and Rescue Services Department. In 2001, a mock drill was carried out for waste spillage at WMC. The objective of the exercise was to test our in-house Fire Fighting Team and the Emergency Response Team. Both teams responded well and excelled in the test.

In the "accident", a few drums of solvent waste fell off the transport pallet thus triggering a fire at the storage area and injured a forklift driver in the process. The Fire and Rescue Services Department simulated their response at WMC as well.

We will continue to hold such drills and exercises to test and to maintain the alertness of our various emergency response teams and operation staff.

HUMAN RESOURCES

Human resources ensure that we have the right employees, organisational design and work culture to deliver business productivity and to continually improve consumer, employee and company value. Our employees bring a wide variety of skills and dedication to our business. They are the backbone of our operations and they define our culture through their actions. We encourage diversity within our workforce by ensuring equality of opportunity and equitable treatment for all employees.

With the exception of identified bona fide occupational requirement, discrimination is prohibited on the grounds of age, sex, race, colour, national origin, religion, creed, pregnancy/childbirth, disability, political belief, citizenship, language, marital status, family status, veteran status or any other prohibited grounds of discrimination.

We strive for open communications with employees regarding business plans that directly affect them. In response to economic conditions, such as service demand, we may increase, reduce or temporarily curtail services at one or more of our facilities.

POLICIES, ORGANISATION & MANAGEMENT SYSTEMS

These decisions and their impact on employees are communicated to site leaders who work with affected employees to manage the change. This information is communicated through one-on-one sessions and staff meetings and is supplemented with print and web notifications.

EMPLOYEE PRIVACY

We respect employee's privacy and dignity, and only collect and retain personal information from employees that is required for the effective operation of the Company and as required by law. We keep this information confidential and release it only to those who have a legitimate right to know.

ANTI-HARASSMENT

We strive to provide a harassment-free work environment. This is the right thing to do not only from a social perspective but also from a business perspective. It enables our work force to contribute to their highest potential. We will not tolerate harassment of anyone by anyone – including employees, suppliers, customers, contractors and agencies. Every employee is expected to be proactive in ensuring that the work environment is free from harassment of any kind. Managers are responsible for setting clear expectations for acceptable behaviour in the workplace.

INSURANCE SYSTEM

Our corporate insurance programme sees that we are protected from potential public liability that is often associated with the nature of business that we are in.



COMMUNITIES

WMC has site specific activities to build constructive relationships with local authorities, local industry associations, neighbours, local action groups and news media. This can range from regular official meetings during which new information is shared or questions are answered, to more informal meetings. There could be, for example, a reception for the immediate neighbours, where information on the past year and plans for the new year are discussed. We ensure continuity in community interaction by meeting regularly with local authorities to update them on plant news. In the neighbourhoods of our operation, the Company cooperates with and sponsors local events, so the communities can benefit from the presence of us.

We recognise the importance of improving the quality of life in our local communities, and we support local initiatives and encourage employee involvement. The most valuable community support we provide usually involves not only in donations but also taking advantage of the intellectual capabilities and energy of our people.

Whenever there is a need, we will do our utmost to make a significant contribution. Our focus is on education and health, with special emphasis on youth and children. We also believe in building alliances with strategic partners to achieve a better result than what we could do on our own.

We lend a hand to those in need. We pitch in when disaster strikes. We invest our resources and ourselves by giving freely our time and effort.

AUTHORITIES: LOCAL – NATIONAL

We communicate with local and national authorities directly, as an individual company, as well through industry organisations. This is done via meetings and dialogues with the authorities. Activities like these can be very important to ensure the Company's needs are understood and considered when decisions are being made that can influence our business. We also work closely with authorities to provide assistance for a variety of programmes around Malaysia.



STAKEHOLDER INTERACTION

PHILANTHROPIC CONTRIBUTIONS

We have a long-standing commitment to being good neighbours in places where we do business in Malaysia. We show our commitment through both financial support and volunteerism.

CUSTOMERS

At Kualiti Alam, we value our customers highly. We are committed to meeting the needs of our customers by providing services. We thoroughly screen our services to ensure safety and compliance with all relevant legal requirements. Our commitment to our customers does not stop there. When we have provided our services, we want to hear what customers have to tell us about their experiences. We listen carefully to customer's views on important topics about our services. In summary, we want to delight our customers.

STAKEHOLDER DIALOGUES

We hold workshops, inviting customers, regulators and NGOs to come together to discuss specific issues and in an attempt to reach a common understanding. We gain invaluable experience from these types of interactions.



OUR COMMITMENT TO EXEMPLARY PERFORMANCE IN CORPORATE GOVERNANCE TRANSLATES INTO A FOCUS ON THE PRINCIPLES OF ACCOUNTABILITY, HONESTY AND RESPECT.

GOVERNANCE - THE FOUNDATION FOR SUSTAINABILITY

Our commitment to exemplary performance in corporate governance translates into a focus on the principles of accountability, integrity, honesty and respect. We embrace the trend toward increased accountability and improved governance. We feel that these values have always been a part of our foundation.

The stewardship of the organisation is the responsibility of the Board of Directors and Management Committee. Various personnel throughout our corporate and operational unit functions are responsible for the implementation and monitoring of our policies related to sustainability.

Our corporate communications group provides facilitation teams with tools for stakeholder engagement and works with an executive committee to determine community contributions.

We believe that good corporate governance practices provide an important framework for a timely response to situations that may affect shareholder value or stakeholder relations. Our governance policies and practices establish the proper checks and balances, and create the mechanisms for achieving accountability among the Board, shareholders, management and employees. Our long standing policies embody the day-to-day standards of ethical conduct by which the Board, our management and employees abide by.

CREATING MECHANISMS FOR ACHIEVING ACCOUNTABILITY



BOARD OF DIRECTORS

In addition to the responsibilities of the Board mandated by law, the Board considers and approves our annual capital and operating budgets. They also consider and approve any significant changes to those budgets and major acquisitions, dispositions and financing transactions. The Board has specifically assumed responsibility for the stewardship of the strategic planning and succession planning processes and regularly considers the principal risks associated with our business and how these risks are managed.

COMMITTEES

Audit – oversees our accounting and financial reporting processes, the quality and integrity of our financial statements, the effectiveness of our internal controls and is directly responsible for the retention and oversight of the work of our external auditors.

Human Resources & Compensation – reviews and recommends comprehensive principles and strategies for executive compensation, approves material changes in our employee benefits plan and reviews our management resources and plans to ensure appropriate succession plans for executives.

Corporate Governance & Nominating – assists the Board in developing our corporate governance system, reviews and recommends compensation for Board and Committee service, assesses overall performance of the Board, identifies Board candidates and ensures the Board functions independently of management.

Safety, Health & Environment & Quality – approves our SHE&Q policy, reviews our SHE&Q strategies and programmes, industry standards and applicable legislation and monitors safety, health, environment and quality performance. In addition, we have a Corporate Safety, Health & Environment committee comprised of senior management; and representatives of employees of different levels and departments which are responsible for ensuring that we conduct our activities and operate our facilities in an environmentally responsible manner and maintain the integrity of our SHE&Q policies.



PERFORMANCE



We measure operational performance to drive continuous improvement. A comprehensive system of measuring performance has been developed under the implementation of the ISO systems. However additional approaches have been and will be undertaken in future to report data that was not covered in the existing systems.

Our actions are progress-driven, to ensure a better quality of service for everyone and for better quality of life for now and for generations to come. The production of this report also helps us identify ways we can best address sustainability.

PROCESS FOR DATA COLLECTION

We have been collecting data since the implementation of our ISO systems. They were designed to be simple enough so that our people can use the tools regardless of background. Each unit is responsible for accuracy and consistency of its data. Prior to the implementation of the ISO management systems, we recognised that some of our records have not been appropriately documented and we are pleased to announce that we have rectified this by introducing and implementing the ISO management systems. We are proud to be the only waste treatment facility in Malaysia that holds four ISO certifications concurrently.

In order to achieve consistency and to ensure a common understanding throughout the organisation, employees are trained in how to report and document data. Metric units and English are used as the business language.

To ensure the standard collection of data, Kualiti Alam has the following work process in place:

- Key terms defined
- The data to be collected are identified
- Flow sheets are agreed upon regarding who collects data and on what systems

- Technically sound methods are used by facilities to estimate data and validate year-to-year results
- Personnel are trained on the work process, as appropriate
- Use of IT as a medium

MAJOR OPPORTUNITIES AND IMPACTS ASSOCIATED WITH SERVICES

Environmental Protection

- Resource Use
- Water
- Emissions

Social Responsibility

- Health
- Employee & Customer Relations
- Stakeholders Engagement

Economic Development

- Employment
- Taxes, Fees, and Contributions

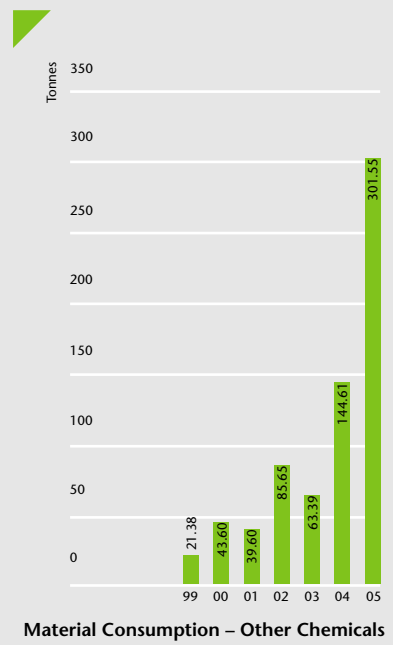
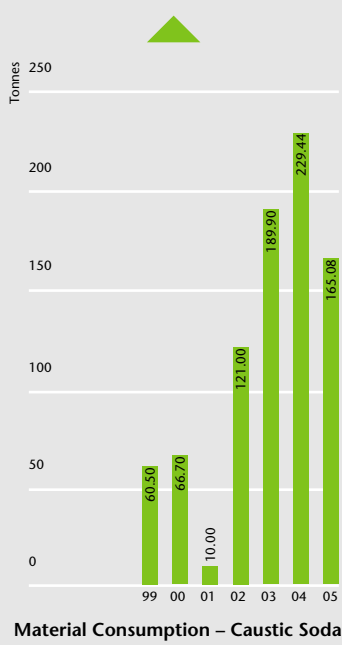
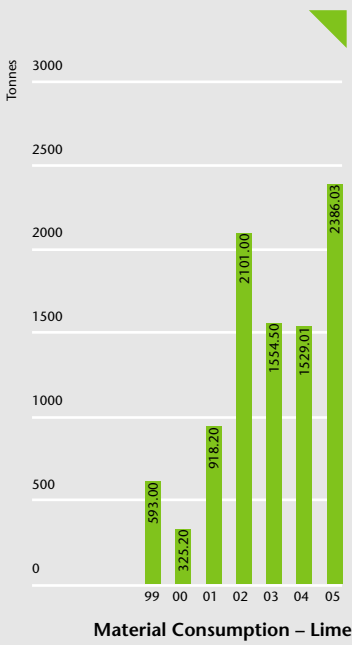
The very nature of scheduled waste treatment and disposal generates a lot of concerns and possible risks. Kualiti Alam is committed, through its Safety, Health, Environment and Quality Policy, to reducing or preventing this whenever possible.

With services that are effective and reliable, we aim to provide social and economic benefits that improve the environmental performance of our customers and livelihood of our stakeholders. We do this via:

- Generating employment in the communities in which we do business
- Supporting local and national economies through taxes, contributions, and purchases
- Increasing company value
- Improving the general environment through our services of proper scheduled waste treatment and disposal

ENVIRONMENTAL

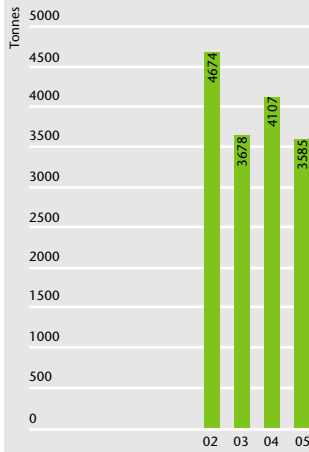
We are trying to use our material resources efficiently and have implemented programmes in place to reduce the use of such resources since 2000. The vast majority of the materials were used to treat and convert hazardous waste generated by the industries into inert and less environmentally damaging waste. However, most of our materials resources consumed are directly linked to the quantity of wastes treated. That is why there was an increase in consumption for 2004.



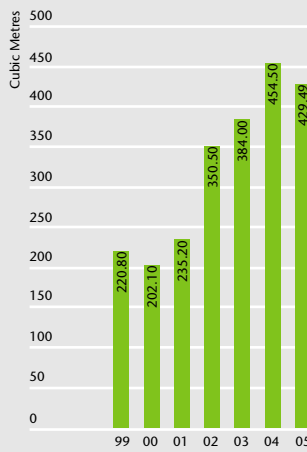
MATERIALS CONSUMPTION

CEMENT, SAND, LIME, CAUSTIC SODA AND CHEMICALS

Apart from electricity and water, we also consume a lot of cement, sand, lime, caustic soda, nitrogen gas and a wide range of chemicals to provide our scheduled waste treatment services. These materials are consumed at our incineration plant, solidification plant, physical-chemical treatment plant and also our leachate treatment plant. Basically the consumption of these materials varies depending on the type of scheduled waste that was treated. Therefore, what we have here is an uneven trend of material consumption over a period of 7 years beginning 1999. Prior to 1999, no data was available as we were still in the development phase despite having started offering our services to our customers. Materials such as cement and sand were not consumed before 2002 because the solidification plant was still in construction.



Material Consumption – Cement



Material Consumption – Nitrogen



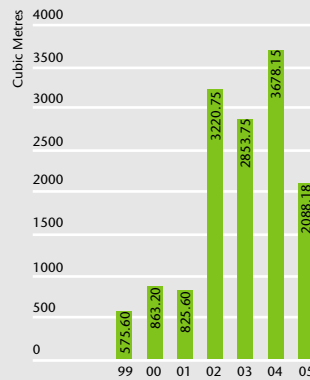
Material Consumption – Sand

Besides that, WMC also consumes a significant amount of diesel especially for incineration plant where diesel is used as burning fuel for the incinerator. However since 2004, we have explored options to use waste oil or reconstituted oil to replace diesel as burning fuel and finally in 2005 we invested RM 1.2 million to upgrade our main incinerator to run on reconstituted oil. This is inclusive of one new burner and waste fuel mixing system. This new burner system can run on 100% diesel, 100% fuel from waste and can run on mix proportion between those two.

Our new burner is currently running on reconstituted oil and fuel derived from waste. The reconstituted oil used is formulated to our control specifications and can directly replace diesel. This upgrade has resulted in reductions in diesel consumption of more than 95% in 2005 for our main incinerator.

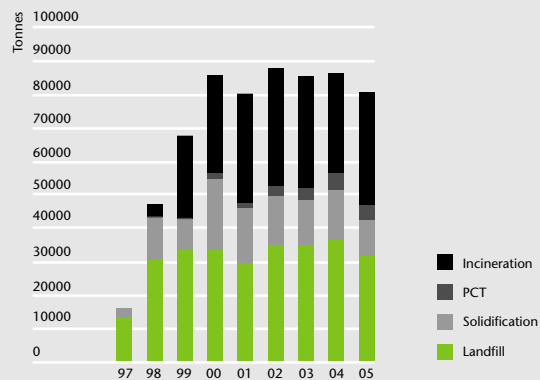
We are currently studying ways to replace the diesel burners of the other two smaller incinerators with a similar waste burner.

The major savings achieved from the new burner project is that it uses actual liquid energetic waste from waste generators as a fuel rather than the normal diesel and reconstituted oil, representing savings both financially and environmentally.



Material Consumption – Diesel

Reduction of diesel consumption in 2005 is due to our RM1.2M investment to upgrade our incinerator to run on reconstituted oil.



Scheduled Waste Treated According to Treatment



Energy

In recognition of the necessity to increase energy efficiency and to minimise energy loss, Kualiti Alam has been using a heat recovery system in the incineration plant since being operational. The heat recovery system provides energy to our stack exhaust fan. In monetary terms, this exercise managed to save about RM25,000 in electricity bill monthly.

Our actual energy usage showed steady increment from 2002 to 2004 due to increasing treatment activities. In 2005, we saw a reduction in PCT treatment demand and upgraded our turbines. This helped us to reduce our energy use by 17% to 11,390,000 KWh.

WE SAVE AND PRODUCE OWN ENERGY

We continuously search for opportunities to reduce energy consumption in our treatment plant. Although our emissions might not be significant, we seek to contribute towards the United Nation's efforts to reducing impacts on climate change through our heat recovery system at the incineration plant. Since WMC started operations, the incineration plant recycles heat from the incinerator for utilisation to generate electricity for the stack exhaust fan.

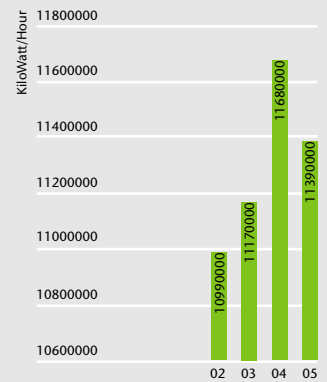
We upgraded our turbine system to higher efficiency turbines with better energy consumption. As a result of this system upgrade, we significantly reduced our energy consumption in 2005, as reflected in the Energy Consumption chart.

Water

From 2002 to 2004, our water usage increased by the same magnitude as our solidification treatment and PCT method activities. Due to a reduction in the demand of water for PCT treatment, we recorded a reduction of water consumption of about 73,000 m³ in 2005.

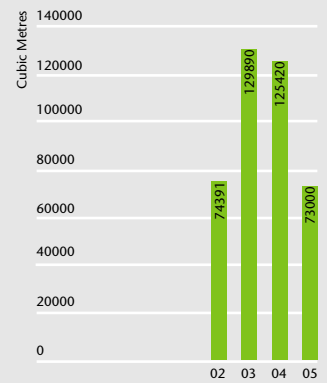
We operate Malaysia's first leachate treatment plant (LTP) with state-of-the-art technology. The leachate is treated and recirculated in the LTP without any discharges into the waterways. The installation of the LTP not only enabled us to save significant amount of water used for scheduled waste treatment, but more importantly, helps us to conserve natural resources.

In our continuous effort to reduce our site water usage, we developed a stormwater collection and treatment system in 2005. In this, we were able to use treated stormwater at our various treatment facilities to significantly reduce our water usage at the WMC in 2005 as compared to 2004.



Energy Consumption

Energy consumption reduced in 2005 was due to the reduction in PCT treatment demand and the upgrade to higher efficiency turbines.



Water Consumption

Reduction of water consumption in 2005 is due to the use of treated stormwater for our scheduled waste treatment processes.

Pictures of wildlife surrounding our facilities



Land Management

We would like to report that we do not own or operate on land located in biodiversity rich habitat. Prior to acquiring land, we have undergone a series of stringent environmental impact assessment processes. The WMC site was formerly an oil palm plantation, purchased by us in 1996. It covers 140.7 acres in Bukit Nanas, Seremban, Negeri Sembilan. We are committed to manage our land base in a manner that minimises the impact during our operations and return the land to productive capacity as quickly as possible. We have developed plans for landscaping and beautification programmes that include monitoring and special plantings to add some plant diversity and habitat for fauna in the surrounding area.

Biodiversity Monitoring

Our concern for the environment extends beyond the borders of our site at the WMC. Although, not known to be biodiversity rich, we were determined to ascertain the biodiversity status of the area for our knowledge. In November and December 2005, we undertook a terrestrial fauna and avifauna study around the WMC. The study conducted research to determine the diversity of the various species of birds, mammals, snakes and insects. The findings identified with 2 areas rich in species diversity, where a total of 59 species from 31 families of avifauna were observed. We also found a protected species of butterfly, the Birdwing Butterfly (*Troides Helena Cerberus*), as well as the observation of a leopard cat at one of the monitoring station. Arising from this study, we will be continuing our biodiversity study to ensure the continued monitoring and preservation of these precious animals.

EMISSIONS, EFFLUENTS AND WASTES

Greenhouse Gases

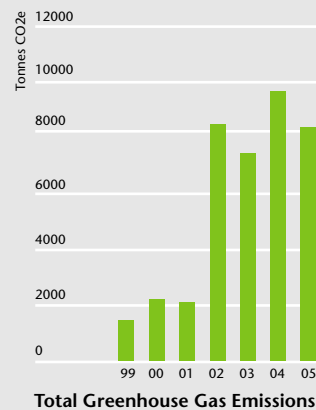
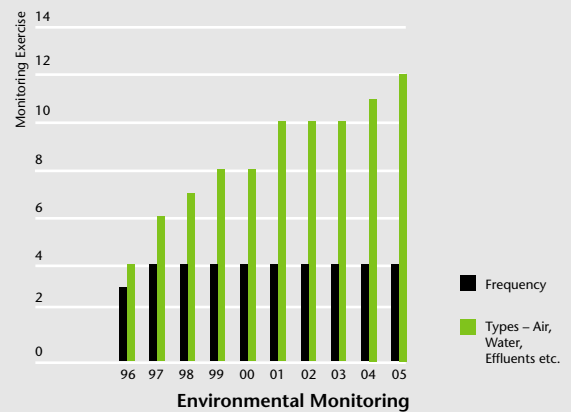
As we are a moderately energy intensive company dealing and treating scheduled wastes, we try to manage our greenhouse gas emissions. We progressively implement energy-efficient and alternative-energy programmes voluntarily despite the costs.

We have implemented a comprehensive environmental monitoring programme (EMP) since commencing operations. Our emissions are monitored on a quarterly basis against the national standard.

Although we have not yet determined the total quantity of greenhouse gases emissions, we are pleased to be able to report some data on our greenhouse gas emissions through our consumption of energy and fossil fuels in our plant operation.

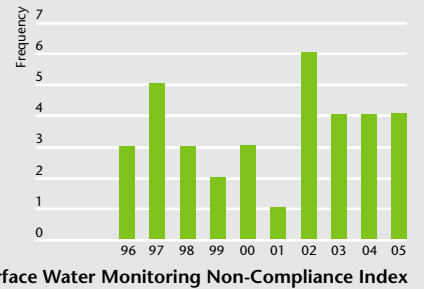
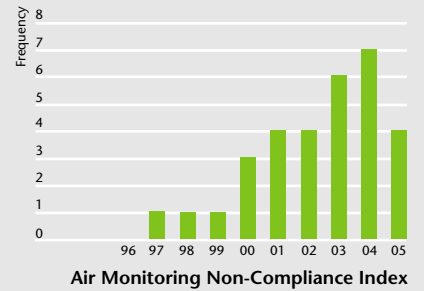
Absolute emissions will be slightly higher but we believe our energy and fuel consumption make up the huge proportion of our greenhouse gas emissions.

Our total greenhouse gas emissions in CO₂ equivalent has increased over the years since 1999 because of several expansion projects undertaken to provide more and better treatment options to our clients coupled with influx of higher demand for our treatment services as the market began to be aware of our presence. The significant spike in 2002 also indicated the year where we treated the highest quantity of scheduled waste since inception



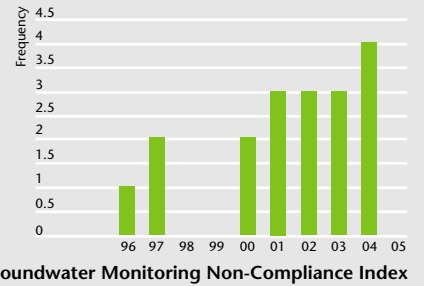
Air emissions

Under our EMP, we have established a number of monitoring stations for ambient air and also emissions from our plant stacks. We monitor air emissions from our incineration plant, solidification plant, physical-chemical plant, containerised mini incinerators and also the ambient air. Each air monitoring site monitors total suspended particulates, volatile organic compounds (VOCs), carbon monoxide (CO), nitrogen oxides (NOx), sulphur oxides (SOx) and a number of other parameters. For our stack monitoring stations, we monitor a number of hazardous gaseous substances that may be the result from the incineration of scheduled waste that we handle. This includes dioxin and furans. The Air Monitoring Non-Compliance Index is made up by aggregated non-compliances recorded in the Environmental Monitoring Programme for the all the monitoring points each year.

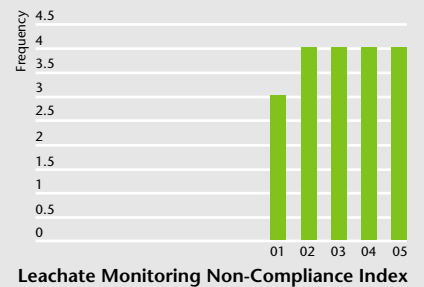


Water Monitoring

Our EMP encompasses surface water, ground water and effluent monitoring with a number of monitoring stations placed at strategic location to detect any incidences of pollution from our activities.

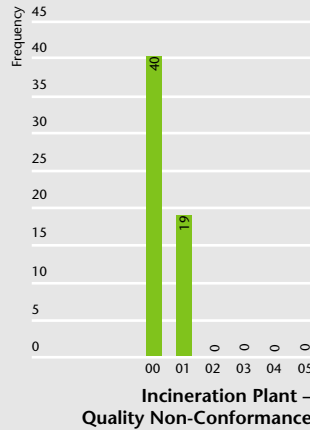
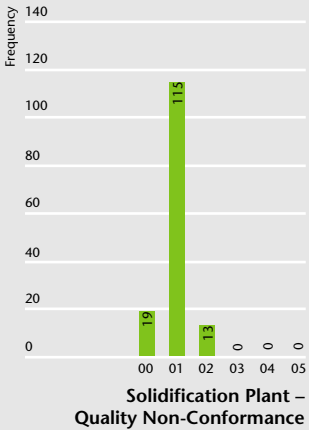


At WMC, we only discharge sewage effluents. Other effluents arising from the treatment of scheduled waste are not discharge from our facilities but are treated in Malaysia’s most advanced leachate treatment plant that was commissioned in 2001. The leachate is treated and recirculated in the leachate treatment plant where state-of-the-art technology and monitoring programmes were implemented. We are pleased to report that we have not recorded and any incidences of non-compliance of groundwater monitoring for the year of 2005.



Scheduled Waste Treatment Quality Control

There were complications in ensuring compliance with the necessary standards during the initial operations of our incineration and solidification plants from 2000 to 2003. We faced problems with ensuring the quality of waste after treatment. These records were captured internally by our QMS and duly mitigated. However, we have been able to maintain a clean record since 2003 for the solidification plant and since 2002 for the incineration plant. We have Monthly Management Meetings as well as Daily Plant Operations Meeting to ensure quality control. The following charts lists data on environmental violations tracked:



AUDIT PROGRAMMES

Our internal, safety, health, environmental and quality (SHE&Q) standards go beyond legal compliance. The fundamental philosophy is to have an internationally accepted standards, implemented by trained professionals at all plants and audited each year using a consistent, comprehensive approach. The metrics used are consistent with that philosophy.

Our SHE&Q audit programmes were designed to ensure compliance with national, state and local regulatory requirements as well as corporate environmental standards and procedures. It has been tailored to meet customer requirements as well. Audit findings are reported promptly to the appropriate management teams, who must address and correct all issues in a timely manner.

Kualiti Alam reviews its sites on an annual basis. We also received over 50 client audits a year, since 2000. This rigorous audit process helps keep us on our toes in ensuring appropriate SHE&Q management.

Audits measure performance against a mandatory set of standards outlined in our objectives. The targeted performance is reported together with underlying objective(s).



KUALITI ALAM CLOSELY MONITORS SECURITY DEVELOPMENTS THROUGH INDUSTRY ASSOCIATIONS AND GOVERNMENT AGENCIES, AND MAKE CHANGES THAT SECURE OUR FACILITIES AND SERVICES.



Compliance with Laws and Regulations

There are numerous health, safety and environmental requirements we are subjected to. Plants are subjected to emission and discharge limits, and operating requirements embodied in these statutes, regulations, laws and permits. It has been our intent to comply with all the requirements. Identified compliance issues are treated seriously and all non-compliance matters are resolved as expeditiously as possible.

We acknowledge that we had contravened the environmental regulations once in our ten years of operations. In 1999 our collection services were suspended by the Department of Environment (DOE). In our fully operational year, 1999, we were overwhelmed by market demand and the authorities were concerned with our ability to handle such a huge amount of hazardous waste stored in our plant. Nevertheless, we have been able to resolve the concern and permitted to commence operation soon after the suspension.

Environmental Liabilities

Due to the sensitive nature of our business, we are fully aware that we are subjected to environmental liabilities. We are also subjected to contingencies pursuant to environmental laws and regulations that in the future may require us to take action to correct the effects on the environment of waste disposal practices.

However, bearing this in mind constantly, we strive to ensure that our environmental liabilities are minimal by complying with the environmental requirements of the country and through managing our business in a way that continuously improves our environmental performance.

WE MANAGE OUR IMPACT ON THE ENVIRONMENT BY IDENTIFYING, ASSESSING AND RESPONSIBLY MANAGING OUR ENVIRONMENTAL RISKS AND DRIVING PERFORMANCE IMPROVEMENTS KNOWING THAT WE DO IT NOT ONLY FOR OURSELVES BUT FOR OUR CUSTOMERS AS WELL.

ENVIRONMENTAL

TRANSPORT

In August 1996, a reputable licensed transporter was appointed the sole transporter for us in Peninsular Malaysia. The company was entrusted with the complete task of waste collection, including transportation from waste generators' premises to the Waste Management Centre, with daily waste collection within the peninsular.

The service began with two 12-tonne curtainsided lorries with the historic maiden load on 18 October 1996.

In September 2006, we launched a new look for our transportation fleet which is in accordance with the new guidelines by the Department of Environment (DOE). Being the pioneer in complying with the regulations, we have fitted our fleet with a GPS system and new mascot, the firefly.

Today, there is a fleet of dedicated vehicles in operation. They comprise of 1, 3, 8, 12, 20 tonne lorries and IMO tanks. The trucks are painted in the company's corporate colours besides the mandatory colour requirement by DOE.

The trucks are specially designed to meet European standards and are approved by the Malaysian DOE. All vehicles are equipped with the necessary safety and communication equipment to ensure that scheduled wastes are safely transported from waste generators' premises to the WMC.

We have not as yet required our contractor to monitor the environmental impacts of the transportation fleet; however, we do place a premium on transportation and driver safety. We are planning to include a monitoring programme for our transporter in the near future.

We are pleased to report that the clean record of scheduled waste transportation is testament to the high priority placed by both waste generators and transporter on this aspect of the scheduled waste management system.

1999



2006



2006





BUILDING VALUE WITH OUR SHAREHOLDERS...

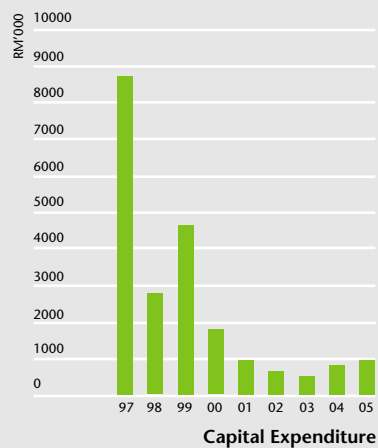
We are committed to creating a strong long-term return on investment for its shareholders. We strive to accomplish this while never losing sight of our social and environmental commitments.

For our stakeholders to judge us fairly, our actions must be transparent. We are committed to timely, factual and broad-based disclosure of complete, accurate and balanced information about us to our holding company and the general public.

We will continue to inform our stakeholders and the general public of our overall performance and plans through our future annual corporate sustainability report, newsletters, exhibitions and web-site.

RESPONSIBLE GROWTH

A key measure of our economic performance is our growth and ability to create value for our holding company. We continue to increase the value of the organisation through the disciplined implementation of our corporate strategies. The implementation of these strategies allowed us to create value for our customers and shareholders in a sustainable manner.



WE ARE COMMITTED TO CREATING AND PROTECTING SHAREHOLDER VALUE BY CONDUCTING OUR AFFAIRS IN A SUSTAINABLE MANNER.



CONSUMABLES

RM'000	1997	1998	1999
Water & Electricity	236	1,023	1,783
Fuel – Diesel etc.	11	93	1,878
WMC Transport	13	221	486
Laboratory Supply	60	212	275
Plant Maintenance	18	169	407
Cement	-	1,055	606
Sand	-	99	123
Lime & Chemicals	214	553	333
TOTAL	552	3,425	5,891

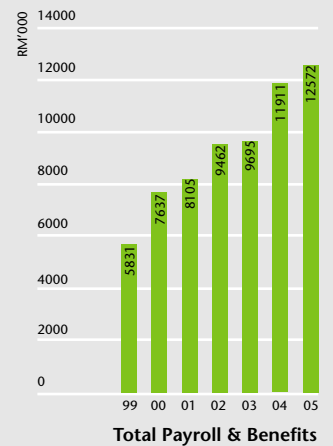
2000	2001	2002	2003	2004	2005
2,234	2,301	1,987	2,265	2,682	2,342
3,608	1,970	2,238	2,078	4,670	4,778
1,437	1,525	1,868	2,258	2,443	2,493
444	453	480	645	715	889
4,277	3,540	6,770	8,123	6,730	8,213
816	892	987	712	1,176	697
269	165	139	126	135	127
1,018	917	1,228	2,553	2,818	2,070
14,103	11,763	15,667	18,760	21,369	21,609



Suppliers

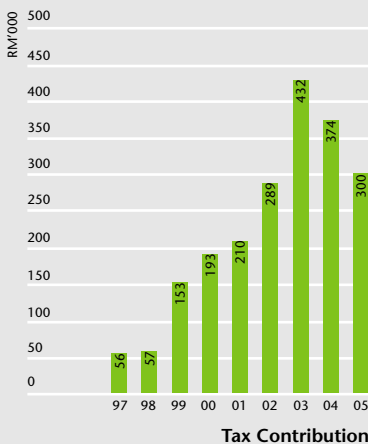
WMC requires a number of materials in order to provide constant and reliable scheduled waste treatment to our customers. Suppliers are key to our success and we spend a significant amount of time working with them to establish best practices and partnerships to reduce resource usage and improve safety. We also provide health and safety training to onsite contractors prior to engaging them.

Since 1997, our purchases had been increasing at a rate in line with our rapid expansion to include more alternative waste treatment technologies such as Solidification and Physical-Chemical Treatment. These technologies require a number of raw materials to properly treat and render the scheduled waste fit for disposal at our secure landfill. From 2002 onwards, when we achieved our full capability, the volume of raw material consumption began to stabilise at annual rate in the excess of RM 20 million.



Tax Contribution

We contribute to the growth of the country in the form of tax payment. Although we have received tax exemption on capital investment as the pioneer in integrated scheduled waste treatment facility, we do in fact pay the taxes due for the services acquired from our vendors and contractors. We would like to take this opportunity to express our gratitude to the Malaysian Government to award us a concession for 15 years for scheduled waste treatment and disposal as the pioneer in this field.



ECONOMIC CONTRIBUTION TO COMMUNITIES THROUGH OPERATIONS

We gain extensively through our interactions with communities. The communities in which we operated provide employees, infrastructure and services for our business. Moreover, they granted us our social license to operate. Our relationships with communities are mutually beneficial. Beyond our community investment programmes, Kualiti Alam contributes to local and broader communities through purchasing goods and services, taxes and salaries.

WE WISH TO PROVIDE OUR EMPLOYEES WITH MEANINGFUL WORK, COMPETITIVE TOTAL REMUNERATION AND OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT.

Social Contribution

As part of our Corporate Social Responsibility, we do from time to time provide some form of donation either in cash or in kind to the surrounding community we operate in and also in the form of sponsoring events. During the tsunami episode in 2005, we organised an aid team to assist those affected by the tsunami in the northern region. We collected donations internally and contributed ourselves towards the fund to help the victims.



Although we do not have a specific social programme with proper budget for every year, we still contribute as necessary as a community investment.

We are planning to include in our future programme a specific monitoring programme for our social contributions in order to show our commitment to community engagement. Performance Index has to be set up nonetheless.

SOCIAL

Workforce Strength

Our workforce is broken down into 2 major categories: executive and non-executive employees. We consider them as the pinnacle of our growth since they are the heart of Kualiti Alam. Our workforce has been growing steadily since 1997 to cater to our rapid expansion where personnel are required to operate our plants and administer our daily operations.

Wages

We pay our employees a competitive wage, as benchmarked against the current market rate. Consistent with our principle of valuing personal mastery, we reward employees for improving their skills and capabilities.

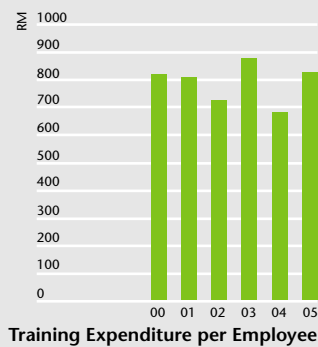
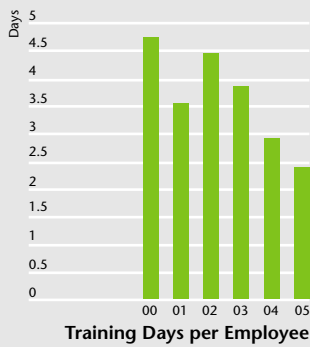
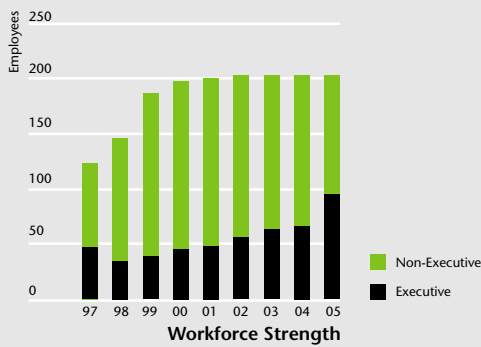
Benefits

We believe in providing employee benefits. The Company's benefits have been developed to help protect the financial security of employees. These benefits other than Social Security and EPF include comprehensive coverage for health care, group insurance coverage for both personal accident and term life, generous vacation and holiday time and other work benefits including maternity leave etc.

Employee Skills Improvement Training

To promote staff development and as part of our QMS, we have set a target of average 2 training days per employee. Appropriate trainings are matched with the needs of our employee. We are proud to report that we have been able to achieve the minimum target of 2 days per employee since 2000 for all categories of employees.

For our employee development and improvement training, we have spent at least RM 650 per employee since 2000 and maintained the rate to ensure proper skills development among our employees.



TSUNAMI AID MISSION

When the tsunami hit the northern shorelines of Malaysia, Kualiti Alam immediately source for donations internally through individuals and we contributed RM10,000 ourselves. Although the amount of donation collected might be not be significant, it was hoped that the contribution would be able to alleviate the burden of the tsunami victims. Besides monetary contribution, Kualiti Alam also provided manpower to assist the victims.

As the national and international attention was more focused to more seriously affected areas such as Aceh and Sri Lanka, the plight of our own folks was somehow marginalised. With the cooperation from Mercy Malaysian and Aman Malaysia, a lightning brigade was organised by four Kualiti Alam staff to provide physical assistance on the ground.

During the massive flooding of December 2005 in Kedah, Kualiti Alam's aid team was on-hand to assist with the relief operations.



LABOUR RELATIONS

Not being a large organisation, we do not have an independent trade union organisation or bona fide employee representatives. This does not mean that our employees were or will be ill treated in any manner as we abide to the Malaysian Employment Act of 1955 as the main legislation on labour matters in Malaysia. In fact, we strive to be one of the choice employers as we offer competitive remunerations and benefits above market rate. Our employees are fairly rewarded based on their performance.

We are committed to providing employees with meaningful work, competitive total remuneration and opportunities for professional development.

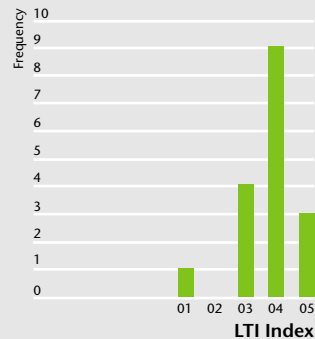
This is accomplished within a high performance culture that continually challenges employees to improve individual and Company performance. Our Formula for Success provides the foundation for our culture. Integrating the formula within all Human Resources programmes and employee actions ensures that Company activities are focused on our people, their performance and our results.

While efforts to improve our competitiveness and financial performance are important, we also strive to create a work environment that is fair, healthy and open. We have put in place policies on numerous subjects to guide our actions and assist us in delivering on our commitments to employees. Among other issues, our policies relate to: privacy, diversity, drug and alcohol use and workplace violence and harassment.



INDUSTRIAL HEALTH & SAFETY

The health and safety of Kualiti Alam's employees are vital to our operation. We track and report worker's safety based on the total incidents in our LTI Index under the Health & Safety Management System. LTI Index includes all cases that result in loss of workdays, restriction of work motion or medical treatment beyond first aid. We are aiming to achieve zero LTI Index throughout our operation. To achieve this, programmes to address employee safety such as safe behaviours, ergonomics and confined space entry have been implemented.



**GROWING OUR PEOPLE,
PERFORMANCE, RESULTS...**

In 2001, we started to record our employee injury rate. We are fortunate that in our 10 years of operation, we have not recorded any tragic or fatal incident in our facility or during the transportation of scheduled waste from our customer's premises.

However, there were some workplace accidents during this reporting period. The incidents were duly recorded and investigated by us and steps were immediately taken to address the cause of these incidents. The findings from the investigations have been widely communicated throughout our operations to help ensure that a similar incident does not occur at our facilities again.

Our notification process quickly shares incident learning across the company so that we can all learn from these experiences and prevent future occurrences.

COMMUNITY ENGAGEMENT

In our development phase, we had major objections from the surrounding community at Bukit Nanas on the establishment of WMC. We want to demonstrate that we have considered the concerns and information needs of our stakeholders paramount to guiding our success. We use the term stakeholder throughout this report to identify individuals or groups of people who could be affect our business. But just how do we identify and engage stakeholders on sustainability issues? There is no magic formula for this except to identify the major groupings of people whom we interact and to begin parallel dialogues.

Our general approach to engagement is to treat our stakeholders as partners in success. We try to understand what they consider as success factors and realize that when they are successful we are too. We strive to have one-on-one dialogues with our stakeholders to ensure personal attention.

When this is not possible we use "open house" and roundtable discussions to further engage community groups and others. In the past 10 years, we hosted a number of community outreach sessions, conferences, seminars, dialogues and countless visits by customers, suppliers and government officials.

The following table outlines how we interacted with its stakeholders through the variety of activities for the past 10 years. We explain these activities in greater detail later in this report. Our interaction with non-governmental organisations (NGO) primarily occurs through participation in seminars and conferences to share our best practices, policies and principles.

We work with governments at all levels to establish the best practices, principles and policies that govern our stewardship activities.

WE ENGAGE OUR STAKEHOLDERS IN A NUMBER OF WAYS INCLUDING PRINT, PUBLIC MEETINGS, THE WEB AND COMMUNITY GROUP MEETINGS.



MAJOR ENGAGEMENT ACTIVITIES BY STAKEHOLDER

We interacted with stakeholders in a variety of ways as outlined in the table below. The level of engagement aligns with the magnitude and impact of our operations on each stakeholder.

YEAR	1997	1998	1999	2000	2001	2002	2003	2004	2005
ENGAGEMENT ACTIVITIES									
WMC Visits / Seminars	29	76	47	67	101	92	85	102	84
Exhibitions / Dialogue	6	11	16	16	11	7	16	19	24
Talks	2	3	1	0	1	15	6	7	4

CUSTOMER RELATION

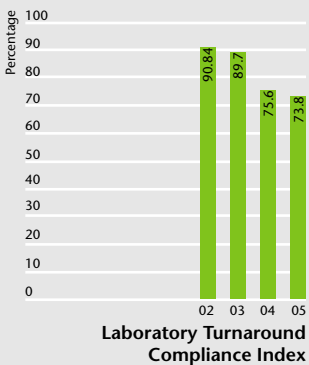
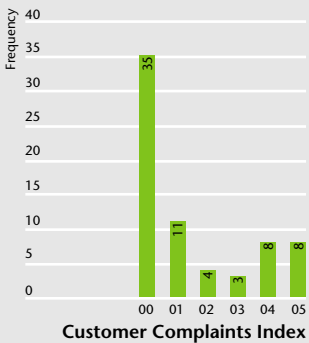
We are committed to creating value for our customers by providing services with the right balance of reliability and quality. We started the process of meeting this commitment by listening. We then adjusted our systems to meet customer needs whenever possible. In order to achieve this, we have developed a proper procedure under our QMS to address potential issues and we have set some objectives and targets for ourselves. We strive to achieve a target of less than 10 complaints annually and we are proud to report that we managed to achieve it since 2002.

In addition, we also have obtained ISO/IEC 17025 Certification to improve the quality of our lab testing services to our customers. We tried to achieve a maximum turnaround time of 5 days on 90% of our scheduled waste testing for our customers. This was carried out to improve customer satisfaction towards our laboratory services. The high percentage we imposed on ourselves is to demonstrate our level of service that we are offering. However, in the last 2 years we were not able to achieve this target due to some internal difficulties.

BUILDING COMMUNITY PARTNERSHIPS...

We are as committed to nurturing communities as we are to safe, efficient waste treatment. We work in partnership throughout Malaysia to help communities reach their full potential. Kualiti Alam's investments are focused on maximising the value of existing programmes that contribute to the civic, health, youth development and environmental well being of the communities in which we operate.

We also provide information to our customers to assist them in the safe and proper handling of scheduled wastes. We work with customers to encourage the adoption of Best Management Practices (BMPs) that maximises the benefits of waste minimisation while reducing their impact on the environment.



SUPERIOR CUSTOMER SERVICE

To ensure public safety, Emergency Response Plans, Scheduled Waste Handling Sheets and labels are provided to all shippers and customers for the services they requested, in accordance with legal requirements. Via our website, customers can securely access a variety of information, including account information. Our customer service and sales representatives are also available to answer customer questions.

Our publications, such as "InTouch", provide customers with insight into the waste management industry and ongoing operations. Keeping our customers informed ensures awareness of the wider environment we operate in and the possible impact on our customers' own businesses.

QUALITY SERVICES

We seek customer feedback on product quality to ensure our facilities provide services in a consistent manner and high quality.

We employ engineers committed to the development and implementation of Best Management Practices (BMPs). Our certified engineers and other waste management professionals share these practices with customers, to maximise the value from our services and protect the environment.

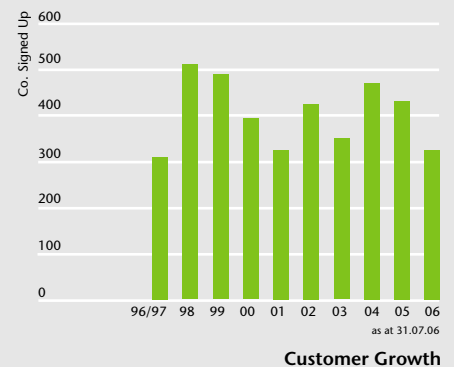
We continue to work with research organisations to develop new technologies that improve our services and BMPs.

RELIABLE SERVICES

Once our services extend beyond our treatment facilities, close contact with transportation providers ensures that service quality is maintained throughout the supply chain.

From day one, Kualiti Alam Sdn Bhd actively promoted its services to the industry and the number of companies which signed up to engage its services steadily grew over the years.

In fact, a full-fledged marketing team was set up in 1998 and by 2002, there were 10 regional offices established throughout the country including Sabah and Sarawak.



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2.3	Operational structure	12
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2.5	Countries where operations are located	13
2.6	Nature of ownership	13
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2.8	Scale of reporting organisations	13
2.9	List of stakeholders	9
	REPORT SCOPE	
2.10	Contact person	9
2.11	Reporting period	5
2.12	Date of most recent report	N/A
2.13	Boundaries of report (countries/regions, product/services, divisions/facilities/joint ventures/ subsidiaries) and specific limitations of scope	13
2.14	Significant changes in size, structure, ownership, or products/ services that have occurred since the previous report	N/A
2.15	Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, comparability outsourced operations and other situations that can significantly affect from period to period.	N/A
2.16	Explanation of the nature and effect of any restatements of information provided in earlier reports	N/A
2.17	Decisions not to apply GRI	N/A
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GRI#	Index Listing	Page(s)
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EC6	Distribution to providers of capital broken down by interest on debt and borrowings and dividends on all classes	Privately Owned
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GRI#	Index Listing	Page(s)
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EN14	Significant environmental impacts of principal products and services	
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SO4	Awards received relevant to social, ethical and environmental performance	N/A
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YOUR FEEDBACK

(please tick where appropriate)

- Can we post your view/s on our website? YES NO
- Can we include your name/organisation with your comment/s on our website? YES NO
- Would you like us to continue to mail materials on the social reporting process or any other information pertaining to the Company in general to you? YES NO
- Would you like to participate in our future dialogue session? YES NO

Please state reason if you answered "no"

(for disclosure purpose, if any information from absent stakeholders is intended for public disclosure as part of the social reporting process, the above reasons can be used to state why your organisation has chosen not to participate in the dialogue session)

Signature

Your name and address (optional):

Organisation:

Telephone number (home/office):

Email address:

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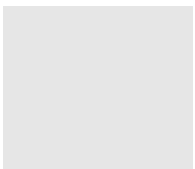
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1996-2005 Sustainability Report

The report team wishes to thank all the individuals throughout the organization who contributed information, stories and data to this report. Special thanks to the core contributors that have been helpful in contributing towards the successful publication of this inaugural report.

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