

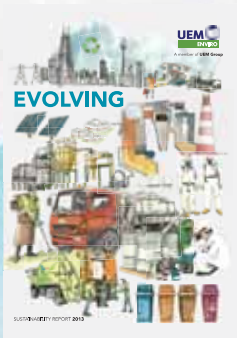


# EVOLVING



# Cover Rationale

## Evolving



The cover of this Sustainability Report 2013 (Report) shows a blend of current and future initiatives as a Trusted Partner in Environmental Solutions. Similar to an artist's sketch, UEM Environment Sdn Bhd (UEME)'s path is still evolving and the possibilities are endless. Hand-drawn illustrations symbolise the planning stage of the Company just as an architect would draw the blueprint of a new building. This internal transformation allows us to showcase products and services as we reach towards new horizons.

UEME strives to achieve business and environmental excellence. This is apparent in our continuous improvement and operational manoeuvrability. UEME transcends traditional waste treatment processes by introducing new innovative ways of managing wastes.

Our fully licensed scheduled waste treatment facilities are equipped to handle all types of hazardous and liquid industrial wastes. Under Khazanah Nasional Berhad's (Khazanah) flagship, the management aims to diversify the business into renewable energy. New business lines include but not limited to Waste to Energy (WTE), solar and handling a wider range of waste streams in addition to the current business. With a long history of expertise, advanced facilities and the nation's trust as the integrated environment Company, UEME hopes to maintain its position as the industry's number 1 in developing sustainable environmental services and renewable energy.



CERTIFIED TO  
ISO 9001:2008  
CERT. NO. : AR 2083



CERTIFIED TO  
ISO 14001:2004  
CERT. NO. : ER 0204



CERTIFIED TO OHSAS  
18001: 2007  
CERT. NO. : SR 0122



CERTIFIED TO  
MS 1722 : 2011  
CERT. NO. : SR 0540



MS ISO/IEC 17025  
TESTING  
SAMM NO. 215



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# ABOUT THIS REPORT

This is the 9<sup>th</sup> Report to be produced by UEME. The transparency of the Company's sustainability reporting has continuously increased. The progress towards goals and any new commitments are disclosed. Going forward, UEME will focus on the Company's performance in these new areas.

Sustainability reporting topics that are most important to our Company and stakeholders are currently being expanded. In this Report, we have increased our discussion and numerous stakeholder engagement sessions are highlighted throughout the year. These sessions include aspects of sustainability and matters related to business operations.

UEME's reporting methodology is structured to prioritise the most material issues. The next step is to improve disclosure of these material sustainability topics. A more formal materiality assessment was recently conducted in conformance to the Global Reporting Initiative (GRI). Additionally, data collection processes for the non-financial performance indicators are continuously being updated.

This Report shares ways in which UEME leverages its business to create social improvements, economic prosperity and environmental stewardship. Sustainability reporting communicates the progress made towards our sustainability goals and Key Performance Indicators (KPI).

In keeping with international best practice, ideas have been adopted from the International Organisation for Standardisation (ISO) 26000 Guidance on Social Responsibility. Feedback from stakeholders, including the GRI and the judging panels of various Corporate Social Responsibility (CSR) awards, has also been considered.

## Scope of Report

**Reporting period:** 1 January to 31 December 2013, unless specified.

**Reporting Cycle:** Annually

**Coverage:** UEME and its subsidiaries Kualiti Alam Sdn Bhd (KA), Kualiti Khidmat Alam Sdn Bhd (KKA), Kualiti Kitar Alam Sdn Bhd (KKI) and Special Builders Sdn Bhd (SBSB). E-Idaman Sdn Bhd (EISB) is a Joint Venture Company (JVC). Environment Idaman Sdn Bhd (ENVI) is a subsidiary of EISB. Subsidiaries refer to all companies in which UEME holds a majority stake or has direct managerial control. A JVC refers to a contractual agreement between UEME and a 3<sup>rd</sup> party company for the purpose of executing a particular business undertaking. References to UEME, the UEME Group, the Company, the Organisation and we refer to UEME and/or its affiliates and subsidiaries.

## Reference and Guidelines

### Principal Guidelines

- GRI-G3.1 Sustainability Reporting Framework

### Additional Guidelines

- Bursa Malaysia's CSR Framework
- Silver Book: The Putrajaya Committee Government-Linked Companies (GLC) Transformation Manual
- ACCA Malaysia Sustainable Reporting Guidelines for Malaysian Companies
- ISO 26000:2010 Guidance on Social Responsibility

## Reliability of Information Disclosed

The content of this Report has been verified and independently reviewed by Bureau Veritas Certification (M) Sdn Bhd and the assurance statement can be found on page 99. It has also been assessed by the GRI for how comprehensively the latest GRI-G3.1 guidelines have been applied to achieve a top application level of A+. The GRI results statement can be found on page 103.

UEME's approach to sustainability is widely endorsed by its stakeholders. This is reflected in the many awards and certifications it has received from respected, independent organisations in the assessment of UEME's performance as disclosed in the Report.

## Feedback

This Report is available to all stakeholders in hard copy on request or can be downloaded from our corporate website at [www.kualitiam.com](http://www.kualitiam.com). Your comments are welcomed. For further enquiries, please contact:

Corporate Communications Department  
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Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
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Tel : +603 2727 6100  
Fax : +603 2727 2100  
Email : [csd@kualitiam.com](mailto:csd@kualitiam.com)

# Our Vision

[ The Trusted Partner in Environmental Solutions ]

# Our Mission

[ To Provide Innovative Services and Value-Added Solutions for Sustainability of the Environment ]

# Core Values

- Professional Ethics
- Teamwork and Togetherness
- Technical and Business Acumen
- Continuous Quality Assurance
- Safety, Health and Environmentally Friendly





## Organisation Structure



↓ 100%



↓ 100%



### Providing Integrated Waste Management Products and Services

- 100% **KUALITI ALAM**



Downstream Hazardous Waste Management involving the Treatment and Final Disposal of Hazardous Waste
- 100% **KUALITI KHIDMAT ALAM**



Upstream Hazardous Waste Management involving the Marketing, Transportation and Packaging of Hazardous Waste
- 100% **KUALITI KITAR ALAM**



Midstream Hazardous Waste Management involving the Recycling and Recovering of Hazardous Waste
- 100% **SPECIAL BUILDERS**



Deregistration of End of Life Vehicles under Systematic and Environmentally Friendly Operations
- 50% **E-IDAMAN**



Integrated Solid Waste Management involving the Collection, Cleansing, Treatment, Recovery and Final Disposal of Solid Waste

At UEME, we provide the complete value chain in Scheduled Waste (SW) management. Our licensed SW treatment facilities are well equipped to handle all types of hazardous and liquid industrial wastes. We are fully committed to excellence and the environment, which is reflected in our certifications namely ISO 9001:2008, ISO 14001:2004, Occupational Health and Safety Advisory Services (OHSAS) 18001:2007, Management System (MS) 1722:2011 and ISO/IEC 17025. With these accreditations, UEME hopes to establish its position as second-to-none within the industry with advanced facilities, procedures and practices.

Our areas of expertise include:

- Hazardous Waste Management
- Waste Recycling and Recovery
- Integrated Logistic Services
- Environmental Management Services (EMS)
- Research and Development in Combustion
- Industrial Cleaning Services (ICS)
- Municipal Solid Waste (MSW) Management
- Clinical Waste (CW) Management

## MESSAGE FROM THE CEO

In early 2014, UEM Group Berhad (UEM Group) transferred its entire stake in UEME to Khazanah. Under Khazanah's flagship, the management hopes to diversify the business into renewable energy. New business lines include but are not limited to WTE, solar and handling a wider range of waste streams in addition to the current business.

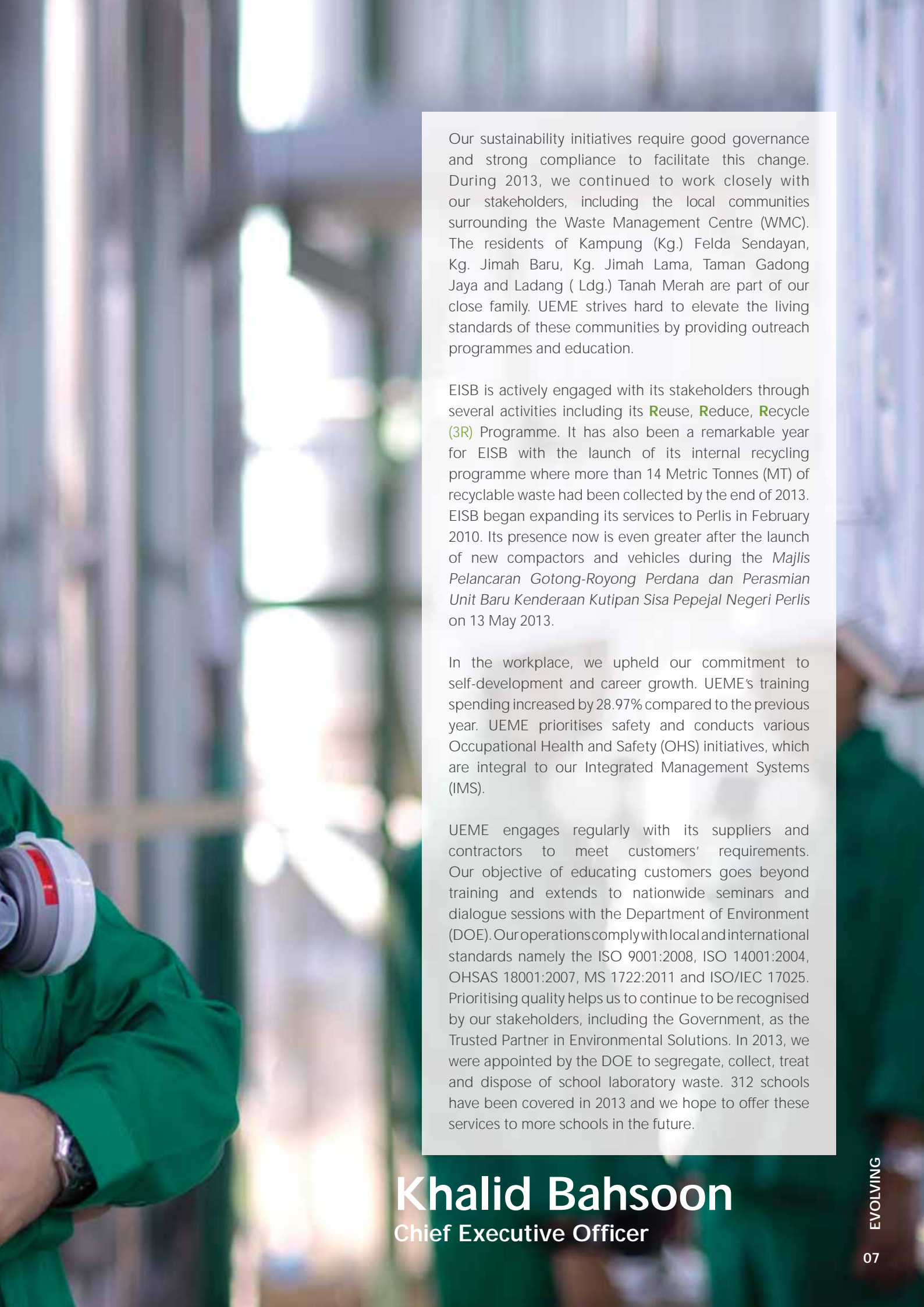
The Company was going through a challenging period and faced intense competition in the industry. Prior to joining UEME on 1 December 2013, I had long discussions about the Company's sustainability with its shareholder, Khazanah. These discussions were ultimately reduced to 3 simple yet important questions:

Can we change? Are we serious about changing? Do we have the right prerequisites, tools and mindset to initiate the change? Based on affirmative answers, I took the challenge to lead UEME.

I truly believe that we can evolve by utilising our knowledge and expertise. Change is always a challenge but progress has been made in some areas of sustainability. There is a long road ahead as we strive to expedite these initiatives to become more sustainable within the next 24 months.







Our sustainability initiatives require good governance and strong compliance to facilitate this change. During 2013, we continued to work closely with our stakeholders, including the local communities surrounding the Waste Management Centre (WMC). The residents of Kampung (Kg.) Felda Sendayan, Kg. Jimah Baru, Kg. Jimah Lama, Taman Gadong Jaya and Ladang ( Ldg.) Tanah Merah are part of our close family. UEME strives hard to elevate the living standards of these communities by providing outreach programmes and education.

EISB is actively engaged with its stakeholders through several activities including its **Reuse, Reduce, Recycle (3R)** Programme. It has also been a remarkable year for EISB with the launch of its internal recycling programme where more than 14 Metric Tonnes (MT) of recyclable waste had been collected by the end of 2013. EISB began expanding its services to Perlis in February 2010. Its presence now is even greater after the launch of new compactors and vehicles during the *Majlis Pelancaran Gotong-Royong Perdana dan Perasmian Unit Baru Kenderaan Kutipan Sisa Pepejal Negeri Perlis* on 13 May 2013.

In the workplace, we upheld our commitment to self-development and career growth. UEME's training spending increased by 28.97% compared to the previous year. UEME prioritises safety and conducts various Occupational Health and Safety (OHS) initiatives, which are integral to our Integrated Management Systems (IMS).

UEME engages regularly with its suppliers and contractors to meet customers' requirements. Our objective of educating customers goes beyond training and extends to nationwide seminars and dialogue sessions with the Department of Environment (DOE). Our operations comply with local and international standards namely the ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, MS 1722:2011 and ISO/IEC 17025. Prioritising quality helps us to continue to be recognised by our stakeholders, including the Government, as the Trusted Partner in Environmental Solutions. In 2013, we were appointed by the DOE to segregate, collect, treat and dispose of school laboratory waste. 312 schools have been covered in 2013 and we hope to offer these services to more schools in the future.

**Khalid Bahsoon**  
Chief Executive Officer



We are assured that businesses, which address both the direct concerns of citizens and the needs of the environment, will prosper in the long term. Therefore, we continue to monitor our environmental performance in relation to emissions, groundwater, surface water and air quality. Our flora and fauna survey confirms that the surroundings remain a healthy, sustainable living ecosystem.

Evolve is the focus from this year and beyond. Business models will secure responsible, equitable growth with the minimum environmental impact and footprint. The process of aligning sustainability within UEME's overall business operations has not always been easy. We focus on integrating our sustainability belief into our companies' business. The last section of this Report is dedicated to recent and upcoming projects as we evolve into a more diverse waste solutions company.

Our Operations and Maintenance (O&M) service has become our key Sewage Treatment Plant (STP) business. We continued upgrading and constructing new STPs and completed 3 STP projects during the year. UEME also established a complete Wastewater Treatment Plant (WWTP) system.

We will work on a number of upgrading projects such as the new WTE and innovative CW treatment facilities, which include shredding and blending capabilities. The Leachate Treatment Plant (LTP), drainage, storm water systems and secured landfill will also be upgraded. KA completed the installation of its first 150kwh solar panel system, which will supply electricity to the grid from 2014.

I would also like to take this opportunity to congratulate EISB, for the ISO 9001:2008 certification of its headquarters (HQ) and Alor Setar Service Unit (ASSU) in July 2013. This award complements the evolving technological innovations such as the Underground System (Badger), Multi-Purpose Arm Roll (MPAR) Truck, home composting and anaerobic digester.

**The evolution of our Company will begin with a rebranding exercise in 2014.** This will realign our corporate identity and guide our employees towards achieving the Company's renewed vision and mission in the future.

On behalf of the Board of Directors (the Board) I would like to extend my personal appreciation to the management, employees and stakeholders of UEME for their continuous support. Your determined commitment to our collective targets helps us to achieve our goal of creating a more sustainable future. However, we should not be complacent even with our targets within reach. Next year, we will review our strategy, with the ultimate aim of achieving aggressive yet sustainable growth. We look forward to many more years of successful and active cooperation.

Change starts now!

**Khalid Bahsoon**  
Chief Executive Officer



# SUSTAINABILITY FOCUS

In fostering a sustainable future, UEME's business strategy includes the concept of the triple-bottom-line: Community, Economic and Environment. Positive relationships are developed with the community; green technologies pioneered to minimise the environmental impact; and the Company works towards a sustainable financial and non-financial future.

Real and measurable value is delivered to stakeholders by leveraging on a unique blend of the following 3 key areas:



Triple-bottom-line Areas	Key Focus	How the Area Creates Value for Our Business
--------------------------	-----------	---

**Community**

- Managing the needs of employees, the surrounding communities and our impact on them
- Fostering clear communication and strong relationships

By sustaining long-term relationships with our employees and local communities, we continue to benefit from the internal and external support we receive, which is crucial for the continuity of the business.

**Economic**

- Continuous business growth for the benefit of stakeholders

Innovation is crucial for our business. We continue to penetrate new markets and areas of expertise. This will bring a higher shareholder return, good branding and better investment opportunities to the Company.

**Environment**

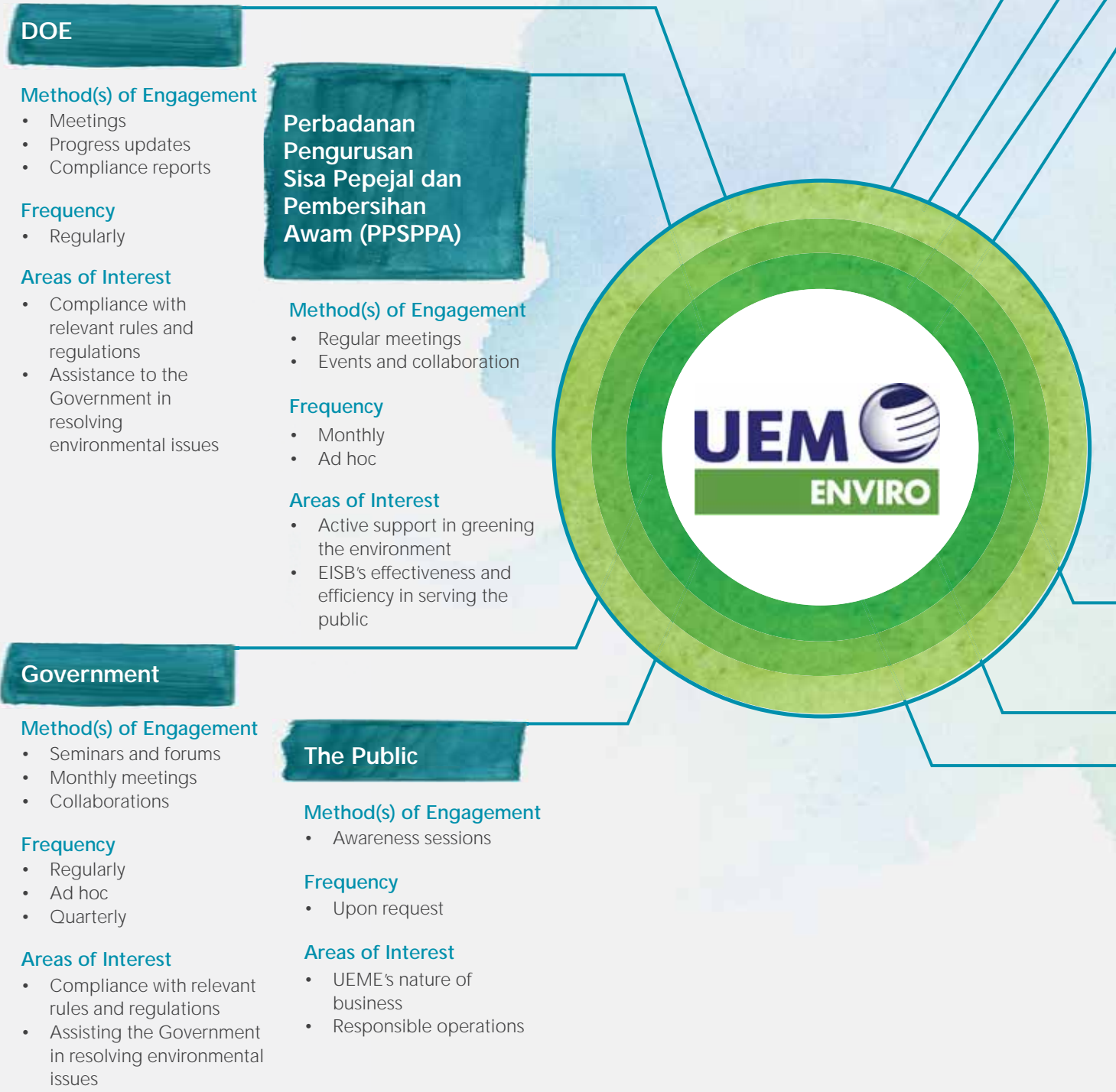
- Reducing environmental impact through waste management, energy efficiency, life-cycle analysis, managing recyclable materials and process development
- Adopting clean technology principles
- The use of sustainable technologies

As the Trusted Partner in Environmental Solutions, we commit to ensuring that our operations have a minimal impact on the environment. Green technologies are more cost effective for the Company in the long term and cause less harm to the environment.

# STAKEHOLDER ENGAGEMENT

UEME is committed to building open and trusting relationships with its stakeholders and aims to carry out meaningful and effective engagement with them. Stakeholder engagement is important as it help us understand their views and needs. This feedback from internal and external stakeholders helps us prioritise relevant areas and is used to formulate our sustainability strategy.

**Continual improvement** is our ultimate goal and this is achieved through **active engagement with local communities, the Government and the public.**





## Customers

### Method(s) of Engagement

- Customer Satisfaction Survey
- Customer Hotline

### Frequency

- Annually
- EISB Active Hotline 8 am-8 pm / 7 days a week

### Areas of Interest

- Fair pricing
- Quality of service
- Credibility of UEME
- Level of assurance when dealing with UEME

## Employees

### Method(s) of Engagement

- Safety briefings
- Employee engagement activities
- Kelab Sukan dan Kebajikan Kualiti Alam (KESUKA)
- UEME Perception of Women at Work and Sustainability Survey 2013 (Sustainability Survey)

### Frequency

- Regularly
- Annually

### Areas of Interest

- Employees benefits and rights
- Career development opportunities
- Work-life balance
- Equal opportunities throughout the workplace
- Gauging the effectiveness of sustainability initiatives
- Workplace safety

## Local Community

### Method(s) of Engagement

- Dialogue sessions
- Local community visits by KA personnel
- Kualiti Alam InTouch
- Buletin Kualiti Alam
- Activities with local communities

### Frequency

- Regularly
- Quarterly

### Areas of Interest

- Impact of operations on the local surroundings
- Responsible operations
- Activities and events which are open to the local community
- Community outreach programmes and education

## Business Associations and Government Agencies

### Method(s) of Engagement

- Committee and members meetings

### Frequency

- Regularly

### Areas of Interest

- UEME's responsible operations
- UEME's current business standing

## Suppliers and Contractors

### Method(s) of Engagement

- Meetings with the Safety, Health and Environment (SHE) and Procurement Departments
- Contractor management programme

### Frequency

- Quarterly

### Areas of Interest

- Fair procurement practices
- Informative tendering process
- Updates on UEME's business standing
- Truck training for EISB drivers

## Visitors to WMC

### Method(s) of Engagement

- Safety briefings

### Frequency

- Each visit

### Areas of Interest

- UEME's nature of business
- Responsible operations

## UEM Group

### Method(s) of Engagement

- Joint activities and engagement

### Frequency

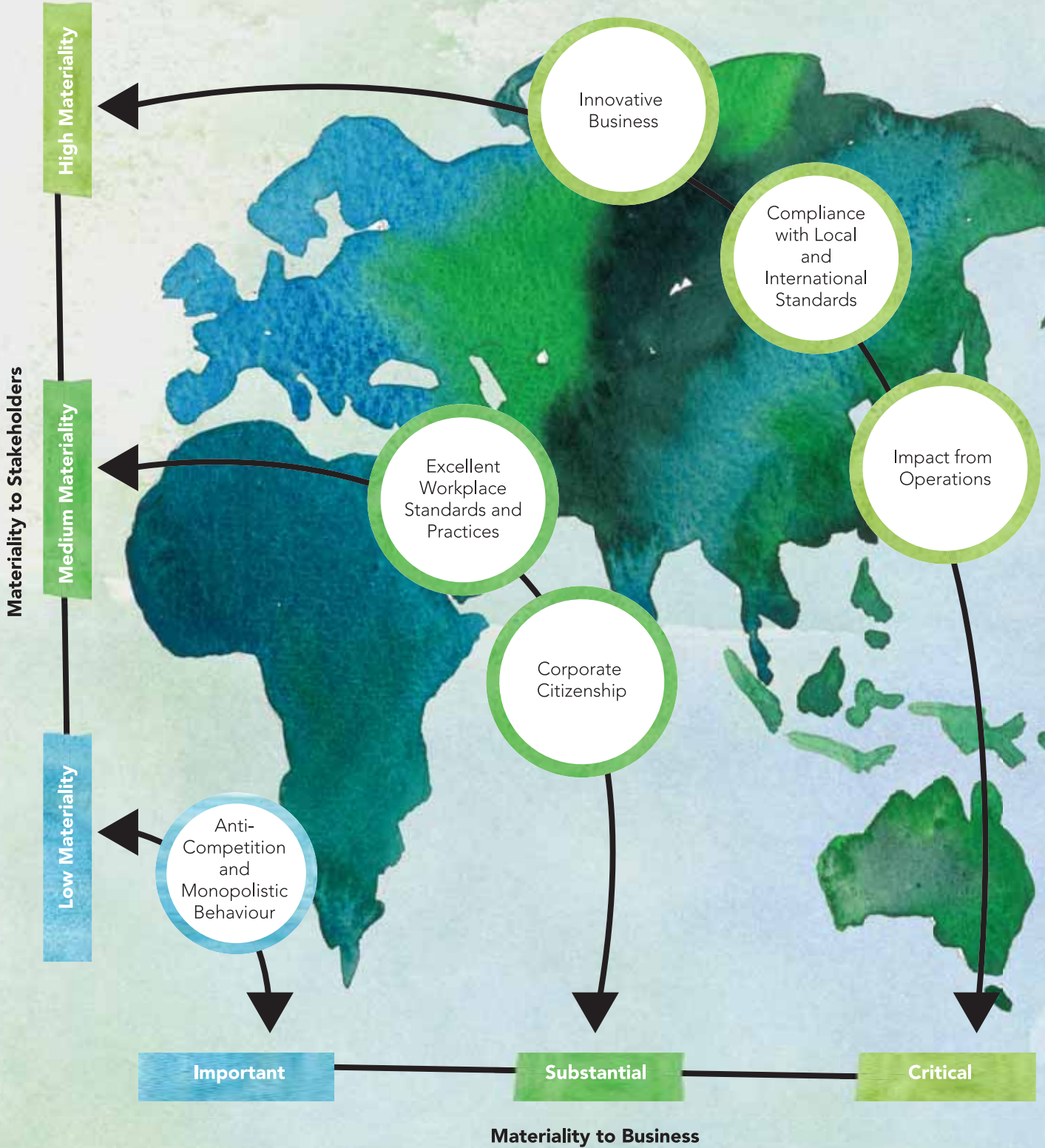
- Regularly

### Areas of Interest

- UEME's activities are aligned with the UEM Group's strategy and actively involved in its Corporate Responsibility (CR) activities

# MATERIALITY MAPPING

Stakeholders' highlighted areas of interest were mapped with topics identified by UEME's top management. This materiality exercise helps prioritise issues requiring attention based on their potential impact on the business and significance to stakeholders. This materiality process also helps decide the Report's content where areas which are deemed to be high material are reported in detail.





## High Materiality / Critical

### Innovative Business

#### Stakeholder Interest

Our stakeholders expect us to deliver the promise of continuous growth.

#### UEME's Response

We continually innovate our systems and processes to drive efficiency and effectiveness. Various projects continued to develop during the year in addition to a number of new projects being introduced.

### Compliance with Local and International Standards

#### Stakeholder Interest

UEME is expected to adhere to all relevant laws and regulations in every aspect of its operations.

#### UEME's Response

We value trust and confidence of our stakeholders. This can be communicated by achieving certifications, awards and recognition from local and international bodies.

### Impact from Operations

#### Stakeholder Interest

Being the Trusted Partner in Environmental Solutions, it is expected that UEME's operations do not adversely affect the environment.

#### UEME's Response

We regularly monitor and report the environmental impact from our operations including waste generated, water usage, energy consumed and emissions released. All monitoring results are reported to the DOE based on the regulations.

*Note: Areas identified as High Materiality consist of those that are of high importance to our stakeholders and impose a high level of impact on our operations. These areas are reported extensively in this Report.*

## Medium Materiality / Substantial

### Excellent Workplace Standards and Practices

#### Stakeholder Interest

Our stakeholders want assurance that UEME is also protecting the welfare of its internal stakeholders such as its employees.

#### UEME's Response

UEME recognises that employees are key to its success. We work together with our employees to develop their career growth. Employees are rewarded accordingly. UEME ensures that benefits meet the industry standard.

### Corporate Citizenship

#### Stakeholder Interest

Stakeholders expect UEME to contribute to society and the nation as well as focusing on financial performance.

#### UEME's Response

We continue to protect the welfare of the community especially those surrounding our operations. Various engagement sessions were held with local representatives to address their concerns.

*Note: Areas identified as Medium Materiality consist of those important to our stakeholders and relevant to the nature of our business.*

## Low Materiality / Important

### Anti-Competition and Monopolistic Behaviour

#### Stakeholder Interest

Anti-competition and monopoly is not significant in UEME's industry.

#### UEME's Response

UEME practices fair competition in the market. Certain areas have already been allocated by the Government. We will continue to innovate ourselves as our business lines evolve for better shareholders' return.

*Note: Low Materiality areas are neither applicable nor directly relevant to our nature of business. The disclosure of these is minimal.*

# SUSTAINABILITY MILESTONES

It is clear that sustainability must be at the heart of our long-term strategy. We want to lead the way in addressing the largest environmental and social concerns facing the industry. The agenda has been clearly defined through our sustainability commitments. Employees will continue to integrate community, economic and environmental aspects into UEME's day-to-day operations.

## Sustainability Areas

### Corporate Governance

#### Sustainability Policy Commitments

Transparent corporate governance practices are upheld, which reflect integrity in-line with the Malaysian Code on Corporate Governance.

#### Achievements In 2013

- Balanced composition of executive and non-executive directors (on page 20)
- 100% Board of Directors' meeting attendance (on page 21)
- The management team comprises a visionary team of talented and experienced leaders with a combination of knowledge, skills and expertise (on page 22-24)

#### Way Forward

Operating within a well-defined governance structure and embedding governance principles and practices into business. These established foundations are the cornerstones of accountability, transparency, fairness and integrity.



### Community

#### Sustainability Policy Commitments

Continuous nation building initiatives are conducted that positively affect the local communities, in particular those surrounding UEME's operations.

#### Achievements In 2013

- More community outreach programmes and education were held among others the Flood Relief Mission, Internal Recycling and English Literacy Programmes (on page 28-34)
- Continued commitment to educating the community on our services. 3 SW management seminars were jointly held with the DOE (on page 35)



#### Way Forward

Developing local communities sustainably by evaluating the social impact of operations and supporting initiatives that create effective and lasting benefits to communities. Programmes that go beyond corporate philanthropy and community partnerships are sought. Employee volunteerism is encouraged to provide long-term community investment.

### Workplace

#### Sustainability Policy Commitments

Employees' contributions are valued as we strive to be an employer of choice. Employees' career development, safety, well-being and human rights are protected.

#### Achievements In 2013

- UEME spent 28.97% more on its employee training programme than the previous year (on page 44)
- UEME spent 81.04% more on contractor training than in 2012 (on page 46)

#### Way Forward

The strategic alignment of policies and procedures ensure that employees are treated fairly and equally. Their rights and interests are protected and work-life balance is addressed. Career development opportunities are provided in a safe working atmosphere.





## Marketplace

### Sustainability Policy Commitments

We value our supply chain partners and customer relationships. 2-way dialogue and engagement with these stakeholders ensures smooth delivery.

### Achievements In 2013

- Engagement with supply chain stakeholders including customer and contractor training programmes and participation in various seminars and exhibitions (on page 35, 46 and 63)
- EISB's Concession Agreement (CA) requires the Company to achieve ISO 9000 within 3 years of its effective date of 1 September 2011. EISB achieved this before the set target and was awarded ISO 9001:2008 on 29 July 2013 (on page 97)
- Implementation of the Personal Data Protection Act 2010 (PDPA) commenced on 15 November 2013 (on page 67)

### Way Forward

Time and resources are dedicated to promoting integrity, transparency and CSR in the marketplace including our supply chain. Services of high quality are offered to the market to meet evolving demands.



## Environment

### Sustainability Policy Commitments

We minimise the impact our operations have on the environment for a cleaner, greener tomorrow. This commitment covers a wide range of environmental parameters including energy, water, plant downtime, waste treated and generated, biodiversity, air quality and noise.

### Achievements In 2013

- UEME continues to monitor and comply with the DOE requirements and Greenhouse Gas (GHG) Protocol on its waste, water, energy and emissions (on page 72-75 and 84-87)
- EISB announced its bold commitment to recycling when it signed a pledge with Kedah State Government on 14 September 2013 to achieve a 50% recycling rate in Kedah by 2018 (on page 32)

### Way Forward

UEME ensures that there is no adverse impact from operations. Going beyond compliance, environmental management practices are continually improved. Measures to minimise waste, increase recycling and reduce energy use and other resources have been introduced. Employees are encouraged to adopt environmentally responsible behaviour and promote environmental protection in business operations.



# SUSTAINABILITY COST AT A GLANCE

The sustainability cost initiatives are monitored. This data is important and useful for comparisons against the output, should the impact analysis of a particular initiative be conducted in the future.

Department	Activity/Scope	Expenditure (RM '000)		
		2011	2012	2013
Operations	<ul style="list-style-type: none"> <li>Direct Materials Costs</li> </ul>	9,431	6,893	7,147
Maintenance & Engineering	<ul style="list-style-type: none"> <li>Plant Repairs and Maintenance</li> <li>Landscaping</li> <li>Motor Vehicle Maintenance</li> </ul>	8,975	6,060	7,467
EMS	<ul style="list-style-type: none"> <li>Laboratory Facilities Maintenance and Management</li> <li>Pollution Prevention</li> <li>Research and Development</li> <li>Consultancy</li> <li>O&amp;M for PLUS Malaysia Berhad (PLUS) project</li> </ul>	1,017	1,334	6,964*
Corporate Communications	<ul style="list-style-type: none"> <li>Social Contribution</li> <li>Information Disclosure</li> <li>Outreach and Awareness Programmes</li> </ul>	312	391	442
Human Resource & Administration (HRA)	<ul style="list-style-type: none"> <li>Employee Welfare</li> <li>Employee Uniform</li> <li>Personnel Development</li> <li>Employee Amenities</li> </ul>	1,808	1,989	1,858
<b>Total</b>		<b>21,543</b>	<b>16,667</b>	<b>24,148</b>

Note: \*Cost incurred on EMS in 2013 was 5 times greater than the previous year due to the significant expenditures on PLUS O&M.





# ACKNOWLEDGEMENT FROM OUR CUSTOMERS

Customers' feedback is welcomed as it can help improve our services in the future. Some customer comments describing their experience with us are presented below.

We are taking this opportunity to thank you for your contribution in providing SW disposal and associated services to the overall performance of PETRONAS Carigali-Peninsular Malaysia Operations for the period from January to June 2013.

We acknowledge that your contribution has indeed reflected good performance and exceeded the desired quality of product and services.

Based on your overall performance for this period, we are pleased to inform you that your company's performance is rated as excellent.

Effective communication with the contract holder is inevitable to ensure the job is executed as per the contract. We hope that KA is able to sustain the current performance and further strive for excellence in supporting PETRONAS Carigali's operations.

**Saifulizam Yamsara**  
*Head Supply Chain Management  
PETRONAS Carigali  
Peninsular Malaysia Operations*



Keep up with your good services! I am not sure about the sludge prices from your company but they are still low compared to others. I have already recommended your company to others.

**Mohd. Hazwan  
Md. Kamis**  
*R&D Engineer  
Taiki Manufacturing  
(Malaysia) Sdn Bhd*

Always showing that the customer is right and giving advice when necessary. A Customer Service Executive (CSE) entertained the user when required. You can be contacted 24 hours a day. You always give your full effort to solving problems immediately. Continue the good services.

**Md. Yasin Mat Lazim**  
*Senior Technician  
Petronas Penapisan  
(Melaka) Sdn Bhd*

KKA Kuantan is a great team; friendly, helpful, efficient and supportive. Keep up the good work! Your Kuantan team is great! Drivers are good overall, just your price is little high!

**Gayathri Indran**  
*Safety, Health &  
Environmental Manager  
Raub Australian  
Gold Mining Sdn Bhd*



# UEME AS A GOOD CORPORATE CITIZEN

At UEME, we identify and act upon new opportunities to apply our technology and expertise to societal needs. Specific issues related to the community, economic development, environment, education, health, literacy, language and culture are focused on. In 2013, UEME was appointed by the Government to assist them in the segregation, collection, treatment and disposal of school laboratory waste.

## Disposal of School Laboratory Waste

On 17 April 2013, an explosion erupted following a chemical spill at Sekolah Menengah Kebangsaan (SMK) Datok Lokman, Kuala Lumpur. The incident happened when 8 barrels of chemicals that had been used in the school's science laboratories were being packed by a private contractor and transported to KA for disposal.

The Ministry of Education (MOE) appointed UEME to manage the school laboratory waste commencing July 2013. The packaging work was performed on school off days.

UEME completed the packaging work for **312 schools from Peninsular Malaysia in 2013**. We are in the process of obtaining approval from the MOE for more school laboratory waste disposal projects.



# 1

## Chemical Identification and Classification

Prior to the collection, a chemist physically inspects each bottle of laboratory chemical waste. After determining the chemical type, the chemist selects the appropriate hazard class and compatibility from the Environmental Quality (Scheduled Wastes) Regulations 2005 (EQ(SW) R 2005) Third (Regulation 10) and Fourth (Regulation 2) Schedules. The chemical family is also categorised from the Environmental Protection Agency (EPA)'s Chemical Compatibility Chart.

Chemicals are separated according to similar hazardous properties such as flammability, corrosiveness, sensitivity to water or air, oxidation and toxicity. The colour, physical appearance and type of bottle used are also observed. The results are recorded on the bottle.



# 2

## Chemical Packing

The bottle is packed into a secondary container or drum based on hazard classifications. The packing and labelling is conducted in accordance with the Guidelines on the Disposal of Chemical Wastes from Laboratories published by the DOE and EQ(SW)R 2005 under Regulation 10 (Labelling of Scheduled Waste).

Each drum is labelled with the correct safety sticker following KA's instructions.

The empty chemicals bottle is handled as hazardous waste in case there is residue inside the bottle. The bottle is normally classified according to its original class based on chemical name or safety label. It is labelled as unknown if there is insufficient information to categorise.



# 3

## Safety During the Segregation and Packing

Safety is always a priority for the team performing work to avoid accidental exposure to hazardous chemicals. Appropriate Personal Protective Equipment (PPE) is worn and chemicals are placed under designated fume hoods.



# 4

## Handling at WMC

The consignment of chemical waste is transported and stored at the WMC before further handling. A chemist or operation personnel segregates the chemicals according to their best treatment and disposal methods.

# CORPORATE GOVERNANCE

The Board is committed to achieving excellence in corporate governance and acknowledges that the prime responsibility lies with it. This is a fundamental part of creating, protecting and improving the Company's performance in line with Khazanah's goal of creating shareholder value.

## Board of Directors

The Company is led and overseen by an effective Board which independently formulates strategy, performance, resources and standards of conduct. It applies the philosophy, principles, ethics, mission and vision to the key concerns throughout the year.

Our Board consists of individuals who are highly experienced in their respective fields. There is a balanced composition of executive and non-executive directors. No individual or group of individuals can dominate the decision-making powers and processes.

### **Dato' Seri Ismail Shahudin, 62**

Chairman

*Status: Non-Independent Non-Executive Director*

2013 Meeting Attendance: 6/6

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### **Khalid Bahsoon, 44**

Chief Executive Officer (CEO)

*(Appointed w.e.f. 1 December 2013)*

*Status: Non-Independent Executive Director*

2013 Meeting Attendance: 1/1

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### **Shahazwan Mohd Harris, 42**

Director

*Status: Non-Independent Non-Executive Director*

2013 Meeting Attendance: 6/6

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### **Azmir Merican Azmi Merican, 42**

Director

*Status: Non-Independent Non-Executive Director*

2013 Meeting Attendance: 6/6

### **Harman Faiz Habib Muhamad, 40**

Director

*Status: Non-Independent Non-Executive Director*

2013 Meeting Attendance: 6/6

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### **Azmanuddin Haq Ahmad, 44**

Managing Director (MD)

*(Resigned w.e.f. 1 November 2013)*

*Status: Non-Independent Executive Director*

2013 Meeting Attendance: 5/5

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### **Suhaimi Halim, 57**

Director

*(Resigned w.e.f. 30 June 2013)*

*Status: Non-Independent Executive Director*

2013 Meeting Attendance: 4/4

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### **Annuar Marzuki Abdul Aziz, 43**

Director

*(Resigned w.e.f. 15 July 2013)*

*Status: Non-Independent Non-Executive Director*

2013 Meeting Attendance: 4/4







Note: UEME Board in March 2014. To learn more about our Board, visit: [www.kualitiam.com](http://www.kualitiam.com)

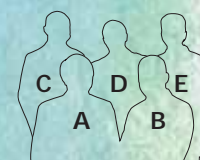
**A**  
**Dato' Seri Ismail Shahudin**  
 Chairman

**B**  
**Khalid Bahsoon**  
 Chief Executive Officer

**C**  
**Harman Faiz Habib Muhamad**  
 Director

**D**  
**Shahazwan Mohd Harris**  
 Director

**E**  
**Azmir Merican Azmi Merican**  
 Director



An ordinary board meeting is scheduled at least once every quarter. Special board meetings are also held to discuss urgent issues as and when necessary. In 2013, 4 ordinary and 2 special board meetings were held, all of which recorded 100% attendance. Details of the meetings are as follows.

**26 February 2013**

Type of Board Meeting:  
**Special**

Attendance: **7/7**

**8 March 2013**

Type of Board Meeting:  
**Ordinary**

Attendance: **7/7**

**27 March 2013**

Type of Board Meeting:  
**Special**

Attendance: **7/7**

**24 April 2013**

Type of Board Meeting:  
**Ordinary**

Attendance: **7/7**

**29 July 2013**

Type of Board Meeting:  
**Ordinary**

Attendance: **5/5**

**6 December 2013**

Type of Board Meeting:  
**Ordinary**

Attendance: **5/5**

## Management Team

UEME's management team comprises a visionary team of talented and experienced leaders. Team members utilise a unique combination of knowledge, skills and expertise for the betterment of the Company.

### UEME Management Team



**A**  
**Jefri Mohd Din**  
Manager  
*Operations (KKI)*

**B**  
**Abd Halim Md Nor**  
Senior Manager  
*Operations (KA)*

**C**  
**Rosman Shaari**  
Senior Manager  
*Maintenance & Engineering*

**D**  
**Khalil Hj Shamsuri**  
Deputy Senior Manager  
*Procurement*

**E**  
**Azura Zailani**  
General Manager  
*Human Resource & Administration*

**F**  
**Siti Nadzriah Abd Hamid**  
Deputy General Manager  
*Environmental Management Services*

**G**  
**Mohd Norsuradi Man**  
General Manager  
*Operations*

**H**  
**Khalid Bahsoon**  
Chief Executive Officer





Note: UEME management team in March 2014. To learn more visit [www.kualitiam.com](http://www.kualitiam.com)

**I**  
**Lim Kwee Yong**  
 Chief Finance Officer

**J**  
**Mohd Zaidi Zakaria**  
 Senior Manager  
*Management Information  
 System*

**K**  
**Abd Halim Shariff**  
 Deputy Senior Manager  
*Customer Account  
 Management*

**L**  
**Zaki Abdul Aziz**  
 Senior General Manager  
*Project & Technical  
 Development*

**M**  
**Amirul Bahri Abdul Malik**  
 Senior Manager  
*Marketing, Environment  
 Support Services &  
 Logistics*

**N**  
**Nurulhuda Faisol**  
 Manager  
*Legal*

EISB Management Team



Note: EISB management team in March 2014. To learn more visit [www.e-idaman.com](http://www.e-idaman.com)

**A**  
**Mhd Saiful Anuar Zainal**  
 Chief Executive Officer

**B**  
**Azmi Amin Sarji**  
 Senior Manager  
 Operations

**C**  
**Sugiman Sabri**  
 Senior Manager  
 Finance & Accounts

**D**  
**Zamzuri Awang**  
 Manager  
 Contract & Procurement

**E**  
**Bun Yin Ai An**  
 Manager  
 Corporate Communication

**F**  
**Amirul Mohd Aminnurdin**  
 Manager  
 Human Resources &  
 Administration

**G**  
**Norhalim Sulaiman**  
 Manager  
 Management  
 Information System

**H**  
**Tunku Abaidah**  
**Tunku Yusoff**  
 Manager  
 Public Relations

**I**  
**Zulkifli Zakaria**  
 Manager  
 Material Recovery Facility  
 (MRF)

**J**  
**Munir Amani Dasheer**  
 Assistant Manager  
 Operations & Planning

**K**  
**Watin Salwani**  
**Abdul Wahid**  
 Assistant Manager  
 Strategic Planning,  
 Risk Management &  
 Administration

**L**  
**Ahmad Rishal Abd. Majid**  
 Manager  
 Quality Improvement &  
 Technical Audit

**M**  
**Azman Shamsuddin**  
 Manager  
 Fleet & Engineering  
 Management

**N**  
**Muhammad Syazwan Azizan**  
 Senior Executive  
 Non Concession Business



## Conflict of Interest

Employees may not engage in any other business or occupation whether as a principal, agent, servant or broker. They are forbidden from engaging in any activity that can harm the interests of the Company.

Employees must refrain from participating in or influencing the purchase of goods and services from any company or person to obtain an interest or benefit. Our whistle-blowing policy provides a mechanism for employees to report instances of unethical behaviour, actual or suspected fraud, dishonesty or violation of the Company's Code of Conduct or Ethics Policy. There were no cases of whistle-blowing reported in 2013.

The Sustainability Survey was conducted to gauge our employees' perception of various sustainability aspects in the workplace. In our Sustainability Survey of 155 employees, 81.01% of respondents felt that the Company's policies and procedures adequately protect whistle-blowers. This is an increase of 1.76% from the previous year of 79.25%.

## FINANCIAL PERFORMANCE

The Company had to deal with intense competition to maintain its market share in financial year 2013. Despite challenging times in 2013, the Company's efforts were reflected by a slight reduction in revenue of 3.55% compared to 2012. Additionally, various cost-saving initiatives were introduced, which helped the UEME Group sustain its profitability.

UEME is a company that values its employees as assets. Employees were rewarded with bonuses and an annual increment that reflects the current market conditions. We sought potential business opportunities to ensure an evolving business model, which leads to financial growth and value added for stakeholders. The UEME Group's financial performance for the past 3 years, which was verified by Messrs. Ernst & Young, is presented in the table below.

Value Added	(RM '000)		
	2011	2012 (Restated)	2013
Revenue	155,079	151,093	145,723
Purchase of goods and services	(65,067)	(63,647)	(59,974)
Specific reversal / (provision) for doubtful debts	20	(72)	(142)
Other income	3,929	4,583	5,113
Admin and sales and marketing	(18,272)	(16,069)	(12,749)
Group (loss after tax) / profit after tax	(12,121)	11,961*	30,387
<b>Value Distributed:</b>			
<b>To Employees</b>			
Salaries and other employee costs	28,123	23,919	24,466
<b>To Government</b>			
Income tax (including deferred tax)	11,245	9,007	8,799
<b>To Communities and Others</b>			
Corporate donations and sponsorships	115	91	141
<b>To Providers of Capital</b>			
Ordinary dividend to shareholders of the Company	8,250	-	18,050
Redemption of preference shares	-	-	44,308
Finance costs	3,743	1,482	1,213
Dividend to preference shareholder of the Company	-	2,215	4,431

Note: \*Prior year adjustments in relation to shares of joint venture profit.

# COMMUNITY

UEME supports communities including but are not limited to in-kind contributions, public education and employee volunteerism. Giving back to local communities is a core principle of the Company's culture. Community members are enriched through community outreach programmes and education.



Grass Cutter

Multi-Purpose Arm Roll (MPAR) Truck



Garbage Bin  
Collection



3R Bins



## Community Outreach

In order to continue business growth, a strong local economy and healthy neighbourhoods are required. Many employees raise their families in areas surrounding WMC operations. These communities are Kg. Felda Sendayan, Kg. Jimah Baru, Kg. Jimah Lama, Taman Gadong Jaya and Ldg. Tanah Merah. We care a great deal about local residents because so many of us call these villages our homes.

The villages received a sum of RM30,000 for various development programmes that among others provide extra tuition for orphans and have helped refurbish 4 mosques surrounding the area namely Masjid Kg. Felda Sendayan, Masjid Kariah Kg. Jimah Lama, Masjid Kariah Kg. Jimah Baru and Masjid Kariah Gadong Jaya.



Surrounding communities attending the UEME Aidilfitri Open House at the WMC

### Details of contributions to the local community

Date	Beneficiaries	Purpose of Contributions	Amount (RM)
15 March 2013	Sekolah Kebangsaan (SK) Jimah Baru	Funding of the <i>Program Kecemerlangan Ujian Penilaian Sekolah Rendah (UPSR) 2013</i>	1,500
21 March 2013	SMK Sendayan	Funding of the <i>Program Panitia Pendidikan Islam 2013</i>	1,550
16 April 2013	SK Chuah	Contributions in conjunction with the <i>Anugerah Pelajar Cemerlang 2013</i>	1,000
1 August 2013	SMK Seri Sendayan	Contribution for <i>Majlis Berbuka Puasa dan Khatam Quran</i>	500
1 August 2013	Pertubuhan Kebajikan Anak-anak Yatim dan Miskin (PEYAKIN)	Contributions for daily necessities for the orphans	1,000
11 October 2013	SK Jimah	Contributions for the Annual Sports Carnival	500



31/7

**EISB Celebrates Breaking of Fast with Orphans**

EISB shared the joy of Ramadhan by breaking fast with 39 orphans from Pusat Jagaan Baitul Mahabbah Al-Hashimi, Kuala Nerang, Kedah. The event was held on 31 July 2013 and attended by 15 EISB employees. Maghrib prayers were performed after breaking fast. Hampers and *duit raya* were also given to the children. Hopefully this blissful event created awareness for Malaysian corporate and private sectors to be generous, give back to the community and instil the value of *sadaqah*.



Orphans from Pusat Jagaan Baitul Mahabbah Al-Hashim celebrating the joy of Ramadhan



13-15/9

**Kejohanan Sukan NRE Dwi Tahunan**

KA participated in the *Kejohanan Sukan NRE Dwi Tahunan* 2013 from 13 to 15 September 2013. The opening ceremony held at Universiti Putra Malaysia, Serdang, Selangor was officiated by Dato' Sri Zol Asha Yusof, Secretary General of Ministry of Natural Resources and Environment (MNRE). KA co-sponsored the event, which was hosted by the DOE. The occasion promoted the spirit of sportsmanship, encouraged team cooperation, fostered positive values and presented an improved image of MNRE. 13 agencies participated in the 23 sporting events.

22/8 & 2/9

**Aidilfitri Open House**

UEME hosted its annual *Aidilfitri* Open House at the WMC on 22 August 2013. Employees, surrounding communities, customers, business associates and local council members attended this celebration. UEME expressed its gratitude to all stakeholders for their strong support over the years.

Dato' Hj Abu Ubaidah Dato' Hj Redza, the Chairman of Negeri Sembilan's Jawatankuasa Bertindak Kemudahan Awam dan Alam Sekitar graced the event. A yearly contribution of RM2,000 was presented to each of the 5 villages surrounding the WMC. Miniature national flags were also distributed in conjunction with *Hari Merdeka*. Contributions were also handed out to the orphans, single mothers and retiring employees.

EISB also celebrated the joyous *Aidilfitri* at the Kedah Royal Club Hall on 2 September 2013. Approximately 500 people attended including VIPs and employees from the HQ and Service Unit. Among the VIPs were Kedah State EXCO Norsabrina Mohd Noor and Dato' Tajul Urus Mat Zain. We were also pleased to welcome the former Minister of Urban Wellbeing, Housing and Local Government, Datuk Seri Chor Chee Heung.



Dato' Hj Abu Ubaidah Dato' Hj Redza presenting the contributions to the orphans



KA receiving the 3<sup>rd</sup> and consolation prizes

## 14/10 & 17/10

### Aidiladha Celebration

On 17 October 2013, KA contributed 2 cows for *Qurban*. 24 members of KA joined the celebration, which was held at the WMC. The *Qurban* was led by Imam Haji Abdullah Haji Omar of Masjid Kg. Felda Sendayan. 170 kg of beef was distributed to all Muslim employees.



Qurban celebration at the WMC

Prior to this event, Abd Halim Md Nor, Senior Manager of Operations gave 4 cows to the surrounding villages of Kg. Felda Sendayan, Kg. Jimah Baru, Kg. Jimah Lama and Taman Gadong Jaya on 14 October 2013 for *Qurban* on behalf of the Company.



Distributing cows to the surrounding villages

### Community Initiatives by EISB

EISB has a long history of hosting and participating in various good causes. Its community programmes expanded even more in 2013, touching more lives through a range of social and environmental initiatives.

## 26-30/3

### 3R Programme

EISB contributes to the Government initiative of achieving 22% recycling by 2020 from the current 5% baseline. Current programmes include *Hari Kitar Semula*, no plastic bags on Saturdays and other initiatives through electronic media and pamphlets. These programmes were improved in 2013 through various initiatives including 3R talks and an internal recycling programme. In 2013, 10 talks were delivered on 3R to schools and private organisations.

A collaboration with Langkawi Development Authority (LADA) and PPSPA helped manage the cleanliness of the Langkawi International Maritime and Aerospace Exhibition (LIMA) 2013, which took place from 26 to 30 March 2013. This helped foster the spirit of recycling.



EISB ensuring the utmost cleanliness of Langkawi island at the LIMA event

## 28/3

### Blood Donation Programme

A Blood Donation Programme was organised with Pusat Darah Hospital Sultanah Bahiyah, Alor Setar, Kedah on 28 March 2013. Donating blood is an active way of helping society. The programme attracted 30 blood donors. EISB was pleased to help the hospital replenish its blood supplies.



Blood Donation Programme together with Pusat Darah Hospital Sultanah Bahiyah, Alor Setar, Kedah





Special Gotong-royong Event



DYTM Tuanku Syed Faizuddin Putra Jamalullail ibni Tuanku Syed Sirajuddin Jamalullail, Raja Muda Perlis gracing the event

ENVI organised a special *gotong-royong* known as *Majlis Pelancaran Gotong-royong Perdana dan Perasmian Unit Baru Kenderaan Kutipan Sisa Pepejal Negeri Perlis* in Kuala Perlis on 13 May 2013. The event was represented by several federal and state government agencies namely Perlis State Secretary Office, Kangar Municipal Council, Perlis State Economic Development Corporation and Lembaga Kemajuan Ikan Malaysia (LKIM). DYTMs Tuanku Syed Faizuddin Putra Jamalullail ibni Tuanku Syed Sirajuddin Jamalullail, Raja Muda Perlis graced the event.

More than 1,000 volunteers consisting of ENVI employees and residents along with federal and state government agencies took part in the event. ENVI provided 3 open tippers, 1 Roll-On-Roll-Off (RORO), 1 backhoe and other tools such as garbage bags, brooms and gloves. Apart from inculcating good hygiene habits, the programme also served as a platform for participants to build the spirit of friendship.

During the event, DYTMs Raja Muda Perlis also launched ENVI's new compactors and vehicles that will be used to collect garbage in Perlis.



3R Awareness and Internal Recycling

On 4 August 2013, a 3R Awareness Campaign was launched internally at Institut Pengurusan dan Integriti Negeri Kedah (INSPIN) Alor Setar, Kedah. This initiative aims to increase EISB employees' awareness of 3R. The ceremony was officiated by EISB's Director, Md Rijaluddin Mohd Salleh, along with Mhd Saiful Anuar Zainal, CEO of EISB. Each Service Unit Manager (SUM) together with the Corporate Communications Department team was presented with weighing scales to kick-start the recycling programme at the respective units. EISB has also launched a song entitled *Lagu Kitar Semula* (on page 110) to encourage public recycling. Hopefully 3R can be implemented successfully in Kedah and Perlis through this programme.



Md Rijaluddin Mohd Salleh launching the 3R Awareness Campaign

The internal recycling programme commenced on 3 December 2013 with full involvement of the HQ and Service Units employees. The average collection anticipated is 15 kg per month. Through this programme, all support employees are required to bring 6 kg of recyclable waste per week and 4 kg per week for operational employees. A total of 14,826.35 kg of wastes had been collected as at 31 December 2013. The breakdown is detailed in the table below.

3R Collection Material	Amount of Waste (kg)
Paper	4,609.50
Box	1,018.10
Plastic/Bottles	6,094.10
Glass	1,429.55
Cans	498.70
Aluminium	266.70
Metal	607.70
Others	302.00

These recyclables were brought to EISB's Green Material Recovery Facility (GMRF) in Tajar Alor Setar, Kedah.

25/8

**Merdeka Celebrations**

In conjunction with the 56<sup>th</sup> Merdeka celebration, EISB organised its own programmes to share the spirit of patriotism. The programme began with an internal initiative on 25 August 2013. The *Jalur Gemilang* was displayed on all its trucks, and raised at its HQ and depots to support the Government's *Kibar Jalur Gemilang* campaign.

33 EISB employees also participated in the state-level Merdeka parade held at Dataran Tunku, Pekan Rabu in Alor Setar, Kedah. Various Government agencies and private sector contingents took part. The celebration was graced by Kedah Council of Regency Chairman YM Tan Sri Tunku Annuar Sultan Badlishah and Menteri Besar YAB Dato' Paduka Haji Mukhriz Tun Dr Mahathir.



The display of *Jalur Gemilang* on all EISB trucks



14/9

**Majlis Pelancaran Kempen Kebersihan Kedah (3K)**

This 3K campaign was organised by Kedah State Government and launched by YAB Dato' Paduka Haji Mukhriz Tun Dr Mahathir, Kedah Menteri Besar on 14 September 2013. EISB also unveiled its new vehicles for collection and public cleansing.

During the programme, we signed the *Surat Aku Janji*. This supported our pledge of helping Kedah meet a 50% recycling collection rate by 2018. This programme was well received by Government agencies, private agencies, Non-Government Organisations (NGO), students and residents.



Signing of *Surat Aku Janji* on 14 September 2013



16/12

**Flood Relief Mission to Pahang**

EISB organised a convoy programme for a flood relief mission to Pahang. The event took place at Wisma Darul Aman, Alor Setar, Kedah on 16 December 2013. A total of 40 employees took part in these flood relief *gotong-royong* activities. The Company has also contributed RM25,000 through the NSTP Disaster Fund Media Prima Berhad. The event was graced by Kedah Menteri Besar YAB Dato' Paduka Haji Mukhriz Tun Dr Mahathir.



EISB contributing to flood victims through NSTP Disaster Fund Media Prima Berhad





## Free Garbage Bins and Toll Free Hotline

EISB is 1 of the 3 MSW privatisation concessionaires appointed by the Federal Government. A total number of 333,393 bins are to be distributed, of which 252,978 or 76% of the allocated bins were distributed to households in 5 municipalities in 2013. The remaining bins will be distributed in 2014 in line with the staggered implementation of the full KPI.

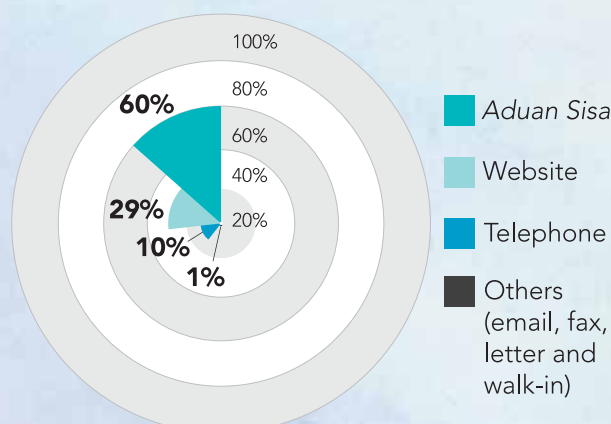
A toll free hotline, 1-800-88-7472, for *Aduan Sisa* initiative was launched in November 2011. This hotline is operated by PPSPPA and was fully operational throughout 2013. The hotline monitors EISB, Alam Flora Sdn Bhd and Southern Waste Management Sdn Bhd.

A total of 1,546 complaints were received in 2013; 47.68% lower than the previous year. Resolving complaints is a fundamental aspect of good customer service. The process has been simplified for employees, which leads to an improved customer experience. Employees are asked to welcome a customer complaint, own it and resolve it.

### Number of Complaint Received by Type

Year	Domestic Waste	Drain Cleansing	Grass Cutting	Road Sweeping	Bulky/ Garden	Illegal Dump Waste	Others	Total
2012	1,345	886	376	40	239	25	44	2,955
2013	567	697	133	11	129	2	7	1,546

### Percentage of Complaints Received by Channel



## Education

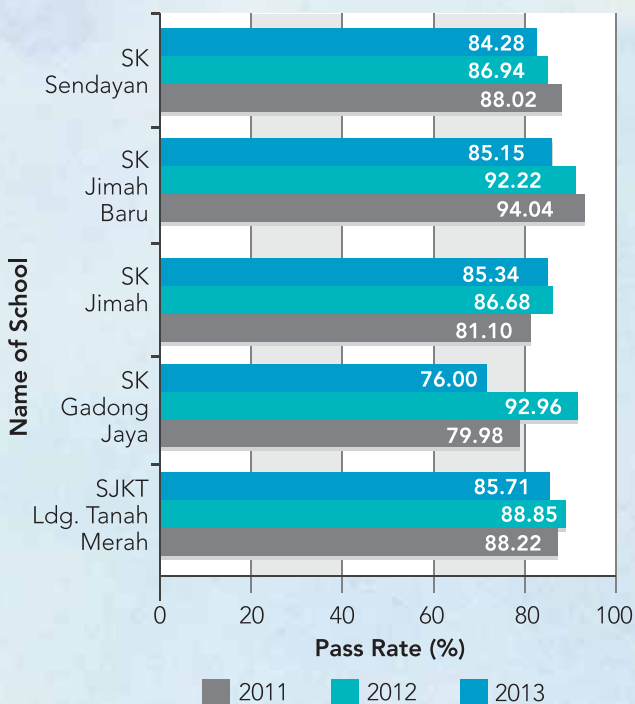
Education is important for the individual, family and community. UEME supports improving the knowledge levels of the local community by contributing to schools surrounding its operations.

### Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR)

PINTAR is a school adoption programme inspired by Khazanah, which stems from the GLC Transformation Programme. The PINTAR Foundation improves socio-economic standards through education. It redefines school adoption programmes in-line with the Government's initiative under the 9<sup>th</sup> Malaysia Plan and 2006 Budget on public-private partnerships for sustainable development. The programme creates awareness of the importance of students from underserved communities achieving the highest standard of education. As a result, these students enjoy a brighter future.

UEME allocated RM6,550 to this programme for schools at Kg. Felda Sendayan, Kg. Jimah Baru, Kg. Jimah Lama, Taman Gadong Jaya and Ldg. Tanah Merah. Teaching, extra classes, learning materials, facility upgrades and enhanced resource centres were provided to these schools.

### Average Pass Rate (%) of UPSR for 5 Schools



All schools maintained a high pass rate in 2013. 4 of these schools' pass rates slightly reduced namely Sekolah Jenis Kebangsaan Tamil (SJKT) Ldg. Tanah Merah by 3.14% to 85.71%; SK Jimah by 1.34% to 85.34%; SK Sendayan by 2.66% to 84.28%; and SK Jimah Baru by 7.07% to 85.15%. SK Gadong Jaya's performance reduced by 16.96% from 92.96% in 2012 to 76% in 2013.

## UEME in Supporting UEM Group's CR Plan

UEME joined the UEM Group in supporting various community activities held throughout the year. Vast expertise is drawn on when contributing to several worthwhile causes.

### UEM Group Berhad English Literacy Programme (UELP)

The UELP aims to improve the quality of English teaching. Students' English comprehension skills are developed over a 3-year period. UEME has fully supported this initiative since 2012. The Company adopted 3 of the 50 schools identified by the MOE namely SK Senawang, SK Gadong Jaya and SK Sg. Buloh in Negeri Sembilan.

The entire 3-year programme costs **RM3,000,000** of which **RM180,000** is contributed by UEME.

The PINTAR Foundation organises, coordinates and monitors the programme with the British Council as the appointed programme partner. The UEME volunteers conducted 3 Learn English Family (LEF) sessions as required, which were held under the guidance of PINTAR Foundation representatives. These 3 sessions are summarised in the table below.



LEF session at SK Senawang, Seremban, Negeri Sembilan



Participants from SK Gadong Jaya, Labu, Negeri Sembilan

LEF Session	Date	Name of School	Participants	Modules
1 <sup>st</sup>	13 April 2013	SK Senawang Seremban, Negeri Sembilan	14 parents and 20 children	<ul style="list-style-type: none"> <li>Sharing rhymes without books</li> <li>Sharing stories without books</li> </ul>
2 <sup>nd</sup>	11 May 2013	SK Gadong Jaya Labu, Negeri Sembilan	16 parents and 10 children	<ul style="list-style-type: none"> <li>Sharing stories with picture books</li> <li>Making resources (story sacks)</li> </ul>
3 <sup>rd</sup>	15 March 2014	SK Sg. Buluh Jelebu, Negeri Sembilan	20 parents and 5 children	<ul style="list-style-type: none"> <li>Helping your child choose books</li> <li>Creating a suitable reading environment</li> </ul>

The informal delivery of the sessions encouraged active participation by the parents. 6 modules were shared with the participants. The LEF volunteers sang rhymes with actions and encouraged parents to sing along. The parents made a story sack; a large recycled bag containing a picture book and materials to encourage children to read at home. Parents also discovered creative ways to make a reading environment that is conducive for learning.

### UEM Group Raya Celebration

UEME collaborated with PLUS, Cement Industries of Malaysia Berhad (CIMA) and Projek Penyelenggaraan Lebuhraya Berhad (PROPEL) for the UEM Group Raya Open House. The celebration was held on 4 September 2013 at MITC, Ayer Keroh, Melaka. The event celebrated the joyous season of *Aidilfitri* with a variety of delicious local cuisine. Guests were entertained by guest artistes as well as various games and competitions.

The celebration was graced by Haji Abd Hapiz Abdul Samad, Director of DOE Melaka. The highlight was a stall decoration competition in which UEME won 2<sup>nd</sup> place. Each stall was judged based on its creativity and cheerfulness in bringing the *Aidilfitri* spirit to life.



Stall decoration competition at UEM Group Raya Open House



## Producing a Knowledgeable Community

UEME continues to share its know-how with the public by actively participating in seminars and exhibitions. The Company showcases its expertise to current and potential markets while educating the community on the proper handling of waste.

Date	Seminar and Exhibition	Venue
18, 19 and 21 January 2013	Micron Semiconductor Malaysia Sdn Bhd organised a 3-day Environment, Health and Safety Week 2013 to nurture and increase team member awareness of the environment, Occupational, Safety and Health (OSH) and security.	Micron Semiconductor Muar Johor
25 - 26 June 2013	National Institute of Occupational Safety and Health Seminar and Exhibition Empowering Ergonomic in Manufacturing Sectors	Dewan Sri Johor, National Institute of Occupational Safety and Health Pejabat Wilayah Selatan Johor
18 September 2013	Ciba Vision HSE 2013 HSE Awareness Month	Ciba Vision (Johor) Sdn Bhd
27 October 2013	The Malaysian Environment Week 2013 was launched by the MNRE at national and state levels with Smart Partnership Awards Sustainability Environment as the theme.	Putrajaya

### SW Management Seminars

UEME and the DOE jointly organised 3 seminars in 2013. A state-level seminar on SW management was held at the Concorde Hotel, Shah Alam, Selangor on 31 January 2013. The former Head of Marketing KKA, delivered a talk on the role of environmental quality in the management of SW to 290 participants.

A 2<sup>nd</sup> seminar addressed using green technology in waste management at Avillion Legacy Hotel Melaka on 19 March 2013. The seminar was officiated by the Director of DOE Melaka, Haji Abd Hapiz Abdul Samad. Participants from 180 organisations in Melaka attended the seminar. Haji Abd Hapiz Abdul Samad highlighted the factors facing the industry as a whole and called on participants to continue the good efforts in keeping Melaka a green state. Shamsul Ambia Mat Daud from Unit Perancang Ekonomi Negeri Melaka, Mazlan Omar from DOE Melaka and our former Head of Marketing presented papers followed by a question and answer session. KA also showcased an exhibition booth with DOE Melaka.



SW Management Seminar at the Concorde Hotel, Shah Alam

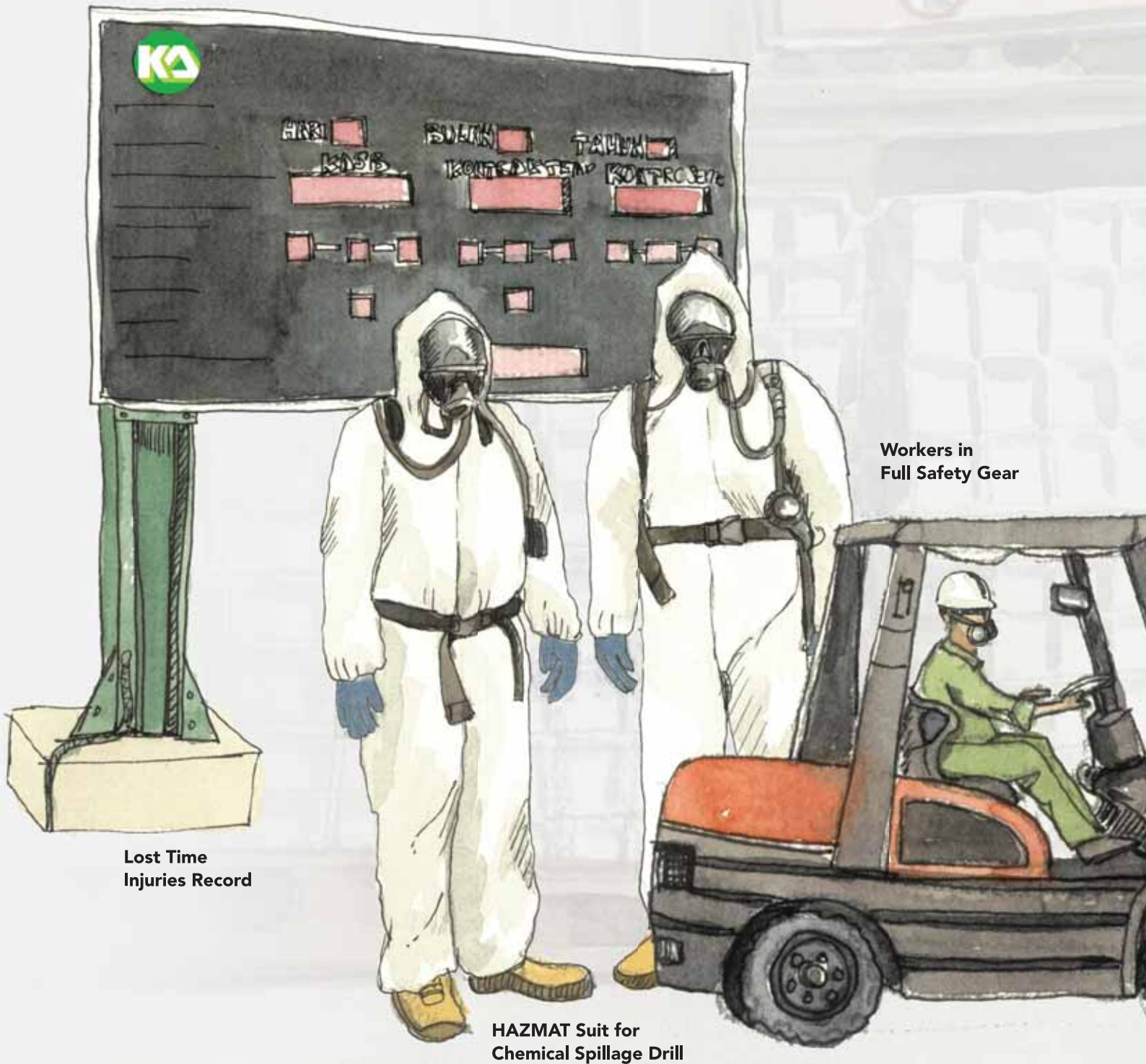
A SW Management and Administration seminar was held at the Park Avenue Hotel, Sg. Petani, Kedah on 25 April 2013. It was officiated by the Deputy Director of DOE Kedah, Mohd Sani Mat Daud and attracted 180 participants from industries across Kedah. Participants were encouraged to use e-consignment notes and were briefed on how they work. UEME and EISB also participated in an exhibition booth with DOE Kedah.

### Anti-Corruption

UEM Group and its subsidiary companies adopted a No Festive Gift Policy. Employees or their immediate family members are not permitted to accept any form of gifts, favours or gratuitous entertainment from contractors, suppliers, customers or any other party having business dealings with UEME.

Corruption is taken very seriously and the new CEO has advised all employees to uphold the integrity of the Company. Any report received on corruption at work by an employee will be investigated immediately. Those found guilty may be dismissed from the Company.

# WORKPLACE



Lost Time  
Injuries Record

Workers in  
Full Safety Gear

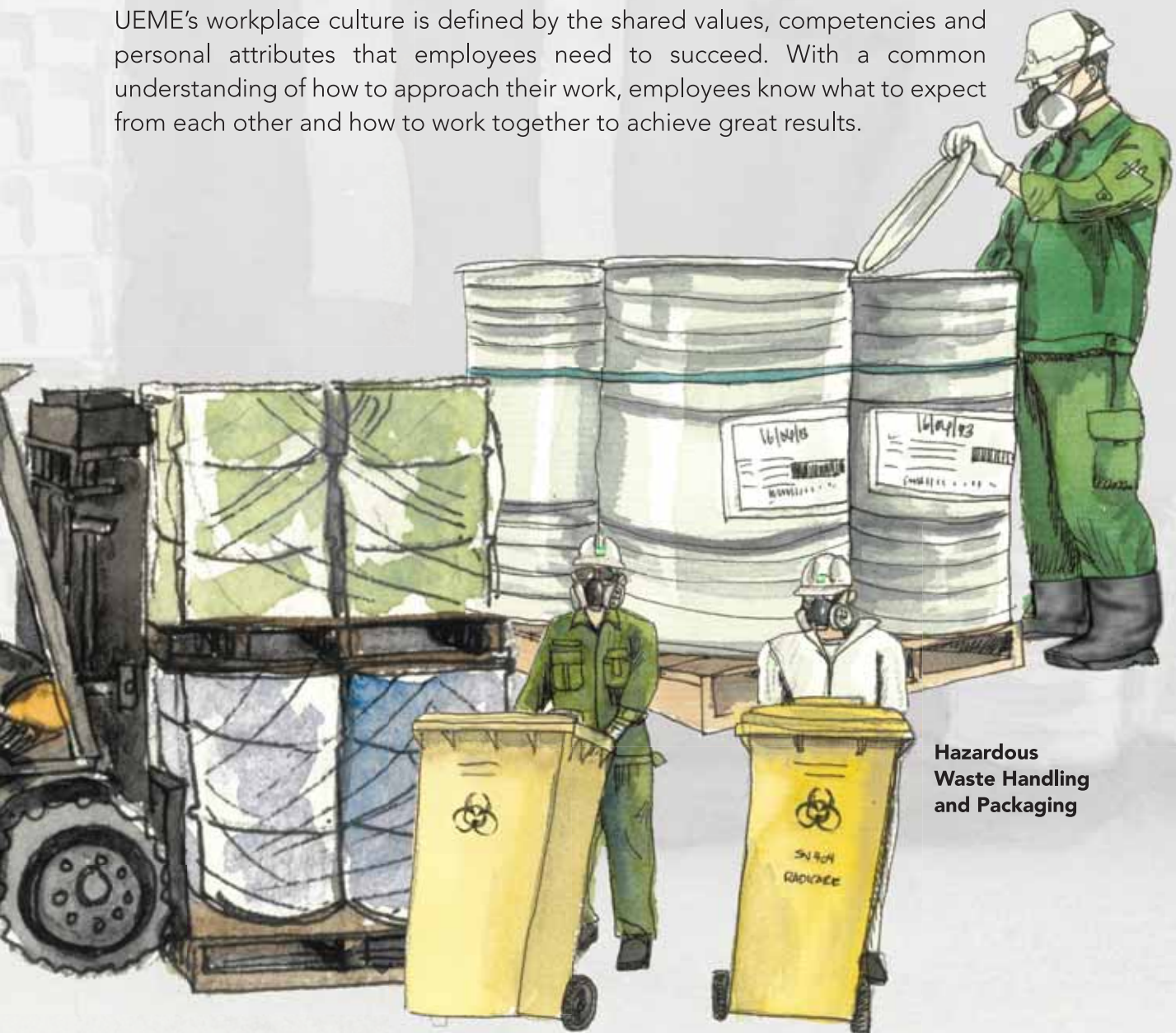
HAZMAT Suit for  
Chemical Spillage Drill



AWAS  
AH TERBAKAR

Providing a great workplace for employees to evolve is central to UEME's objectives. A wide range of training and development opportunities along with a comprehensive compensation and benefits package help employees realise their full potential. The Company strives to create an inclusive and diverse work environment that provides employees with the flexibility to manage their work and personal lives.

UEME's workplace culture is defined by the shared values, competencies and personal attributes that employees need to succeed. With a common understanding of how to approach their work, employees know what to expect from each other and how to work together to achieve great results.



**Hazardous  
Waste Handling  
and Packaging**

## Competitive Benefits

The Company provides market-competitive pay and benefits while incentivising good performance. UEME's compensation package includes incentive pay, such as bonuses and increments, in addition to basic salary. It also includes comprehensive benefits that provide employees with healthcare, income-protection and work-life balance opportunities. This package helps employees plan their finances and retirement.

Salaries are benchmarked against market rates to remain competitive. There is no gender-based discrimination on job designation or salary scale. Comparative salaries between men and women do not exceed the range of -10% and 10% to comply with a ratio of 1:1.

Benefits	Descriptions
<b>Leave</b>	Annual Leave, Medical Leave, Hospitalisation Leave, Prolonged Illness Medical Leave, Maternity Leave, Marriage Leave, Haj Leave, Compassionate Leave, Paternity Leave and Mandatory Rest Days
<b>Insurance and Coverage</b>	Clinical Benefits, Group Personal Accident and Term Life Insurance Schemes, competitive Employees Provident Fund (EPF) and Social Security Organisation (SOCSO)
<b>Allowances</b>	Outstation Allowances, Accommodation, Laundry Expenses, Mileage Claims, Handphone Allowances, Monthly Parking, Relocation Allowances, Moving Expenses, Fuel Card or Fuel Allowances, Maintenance Allowance, Interest Subsidy for Car Loans, Study Loans, Computer Loans and Subsistence Allowance
<b>Operations Uniform</b>	Uniforms are provided for employees especially those who work at the plant
<b>Retirement Plan</b>	Full-time employees may enjoy retirement savings with CIMB Private Retirement Scheme (PRS). PRS is a voluntary scheme for individuals who are 18 years old and above. It is an additional way to boost total retirement savings and complement EPF savings. 24 employees voluntarily enrolled in this programme in 2013

UEME Children Excellence Award recognises employees' children who excel in their examinations. 5 children will receive the award which will be delivered in 2014 for their achievements in 2013.

Retiring employees were also appreciated with the presentation of gifts. There were 5 retiring employees in 2013.



Presenting gifts to retiring employees



At EISB, a standard allowance rate has been introduced for its drivers in 2013. Allowances are directly affected by work performance, which includes vehicle maintenance costs and the number of accidents caused. This encourages them to work diligently and take greater care of their trucks. A minimum wage of RM900 per month is enforced for all employees as directed by the Government.



## Diversity at the Workplace

The workforce is inherently diverse due to being a multi-racial community. Employees from different generations, gender and cultures work together. It is important that UEME establishes policies and practices that build an inclusive and harmonious workplace.

Discrimination is not practised in the workplace although the number of male employees may be higher than females due to the nature of business. The ratio between female and male employees was 1:3.45.

### Workforce Breakdown by Gender



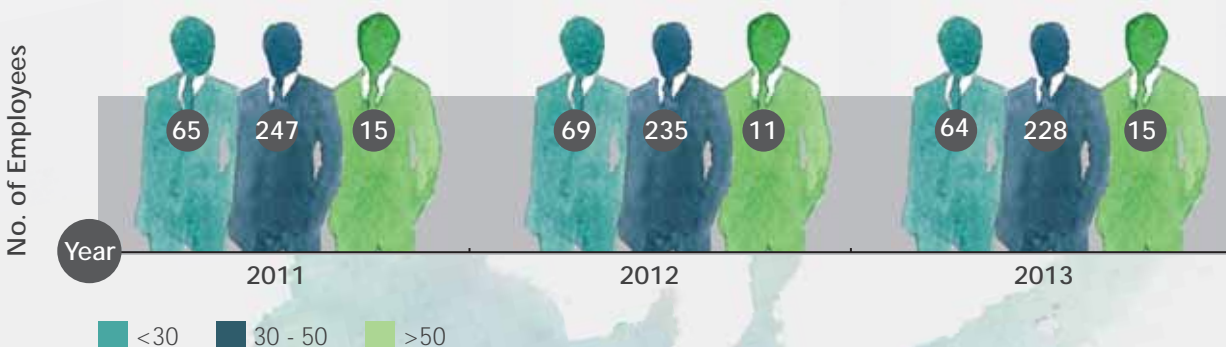
The workforce population in 2013 was diverse with a good representation of each culture and race. The majority is Malay (87.95%) being the highest population in Malaysia. The remainder consists of Indian (6.52%), Chinese (4.23%) and other races (1.30%).

### Workforce Breakdown by Ethnicity



The majority of the workforce falls in the age group of 30 to 50 years old (74.27%). Only 4.88% of employees are aged above 50 years and 20.85% aged below 30 years. At UEME, the retirement age is 55 years old and 5 employees retired in 2013.

### Workforce Breakdown by Age Group



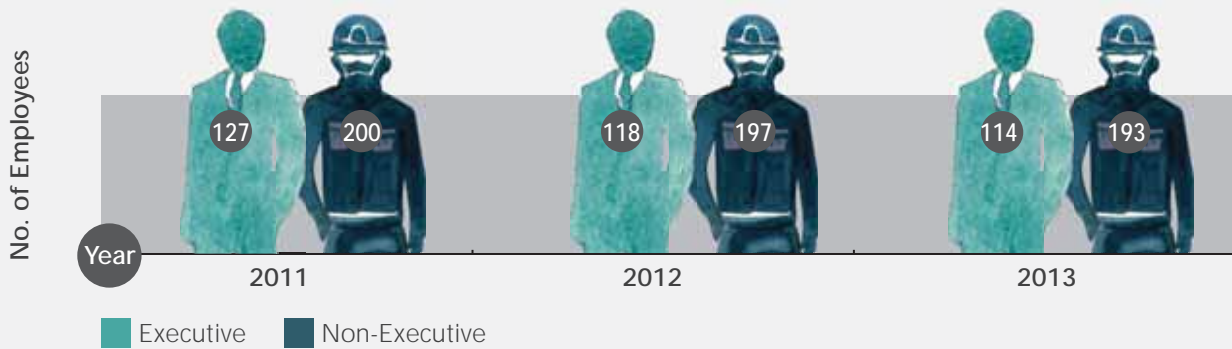
Only 1.63% of employees were non-permanent in 2013 and the remainder permanent.

### Workforce Breakdown by Category



In 2013, the ratio of executive to non-executive employees remained stable at 62.87% non-executive and 37.13% executive which included managers.

### Workforce Breakdown by Designation



Female employees are empowered by developing their career opportunities and providing equal growth in the workplace. The percentages of females in management and top management in 2013 have increased by 0.66% and 0.71% respectively. Management includes managers and executive levels. Top management consists of senior managers, Heads of Department (HOD) and above.

### Workforce Female Breakdown by Designation



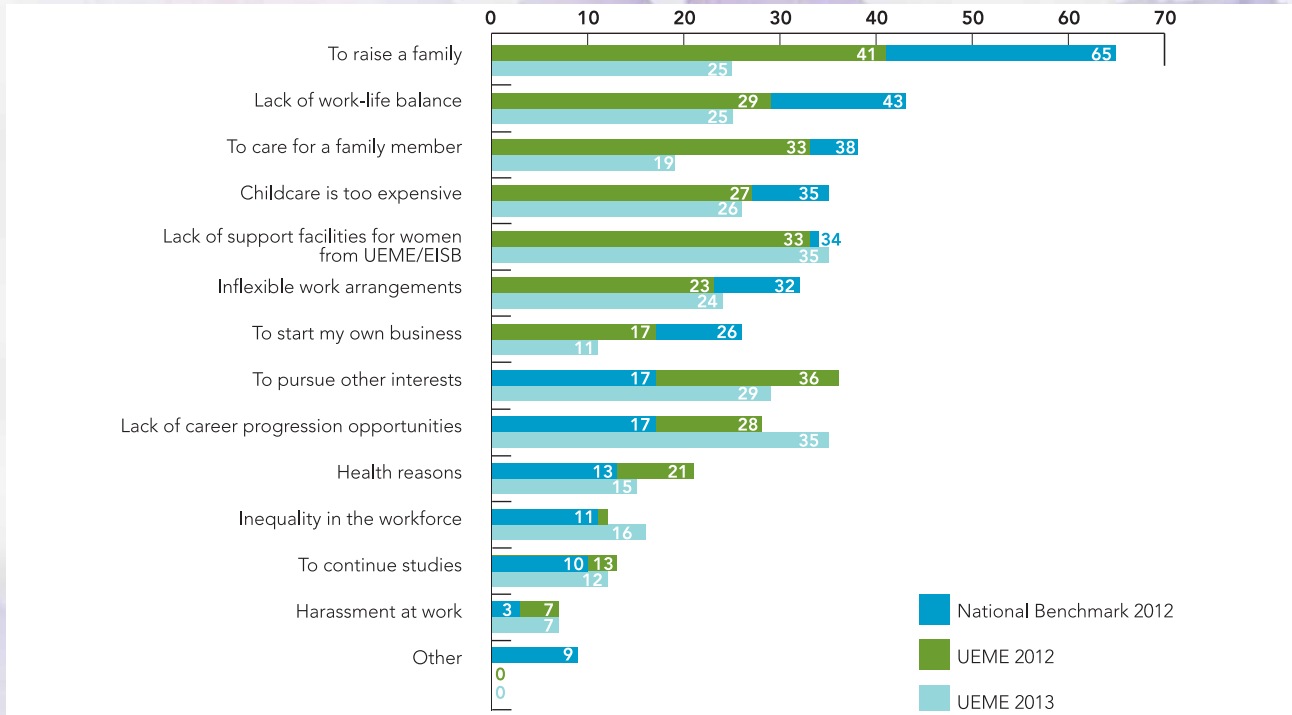


## Diversity and Inclusivity

As part of UEME's responsibility to its employees, the Sustainability Survey also gauges employees' perception of women in the workplace. This survey was conducted anonymously by independent consultants during early 2014. 155 employees responded to the survey.

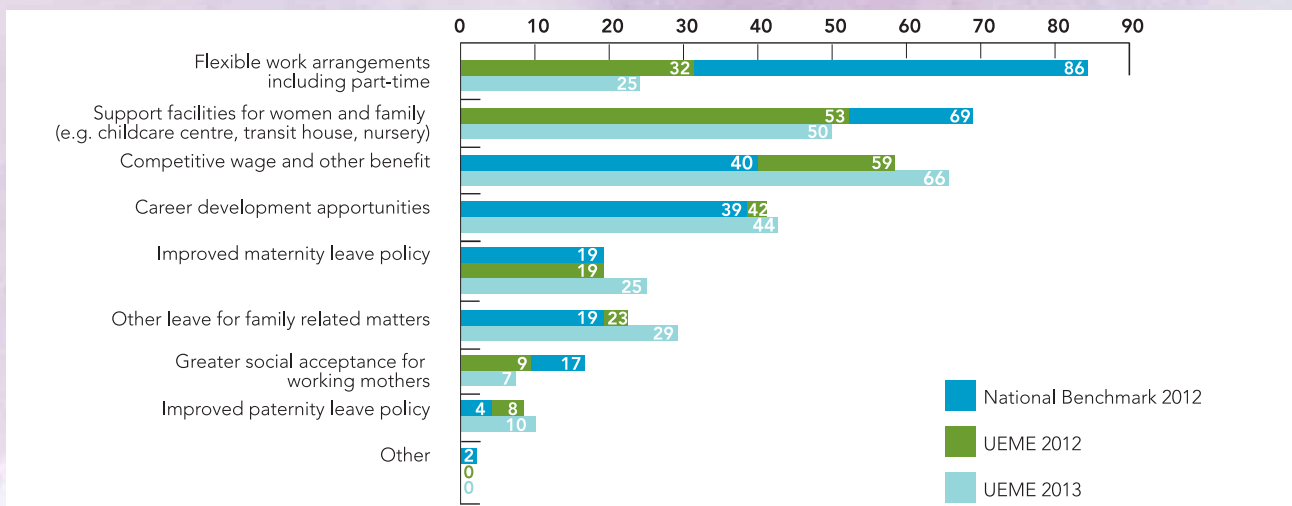
Questions from the TalentCorp-ACCA Malaysia Report on Retaining Women in the Workforce in 2012 were used. This survey is similar to one conducted in early 2013 to allow an easy comparison of UEME with the National Benchmark 2012.

### Q1 What would be the main reasons for you, your female friends, colleagues or female family members leaving?



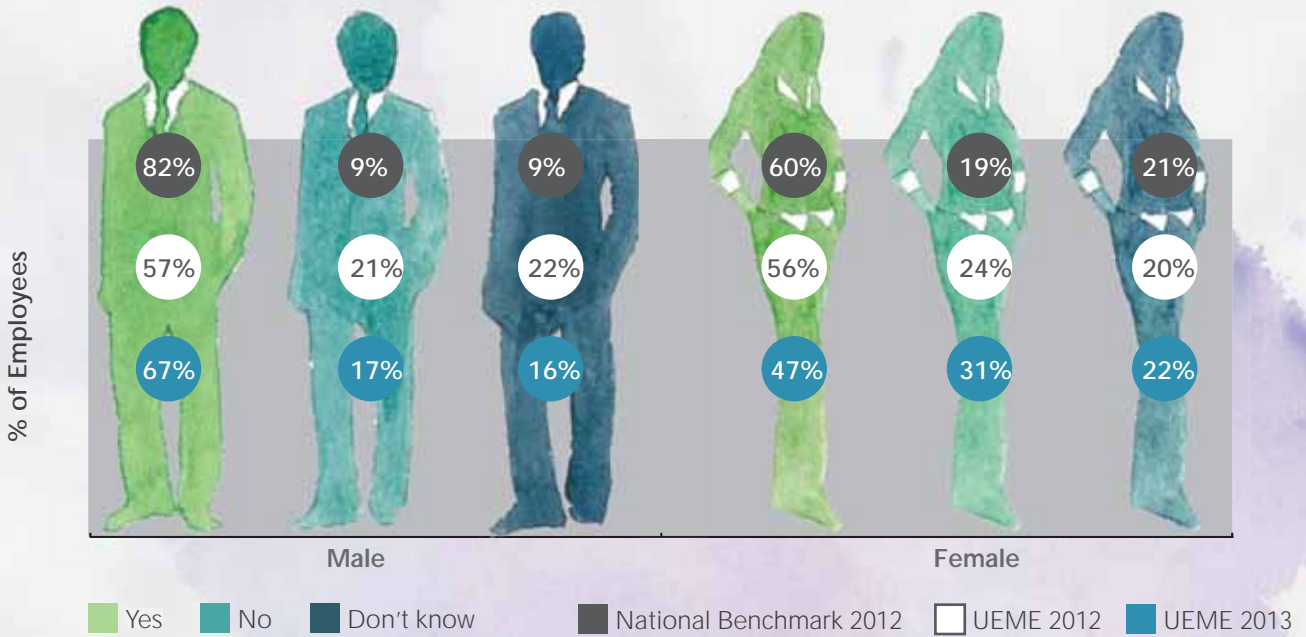
In 2013, there was a 16% decrease in employees considering leaving the Company to raise a family; from 41% in 2012 to 25% in 2013. There was a 14% decrease in employees considering leaving to care for a family member; from 33% in 2012 to 19% in 2013. The highest reason cited was a lack of support facilities for women which remained static at 35%. There was also a 7% increase in employees considering leaving due to a lack of career progression opportunities, from 28% in 2012 to 35% in 2013. The management will introduce the necessary measures to improve career progression opportunities in 2014.

### Q2 What do you think are the 3 most important measures the Company should put in place to help retain women in the workforce?



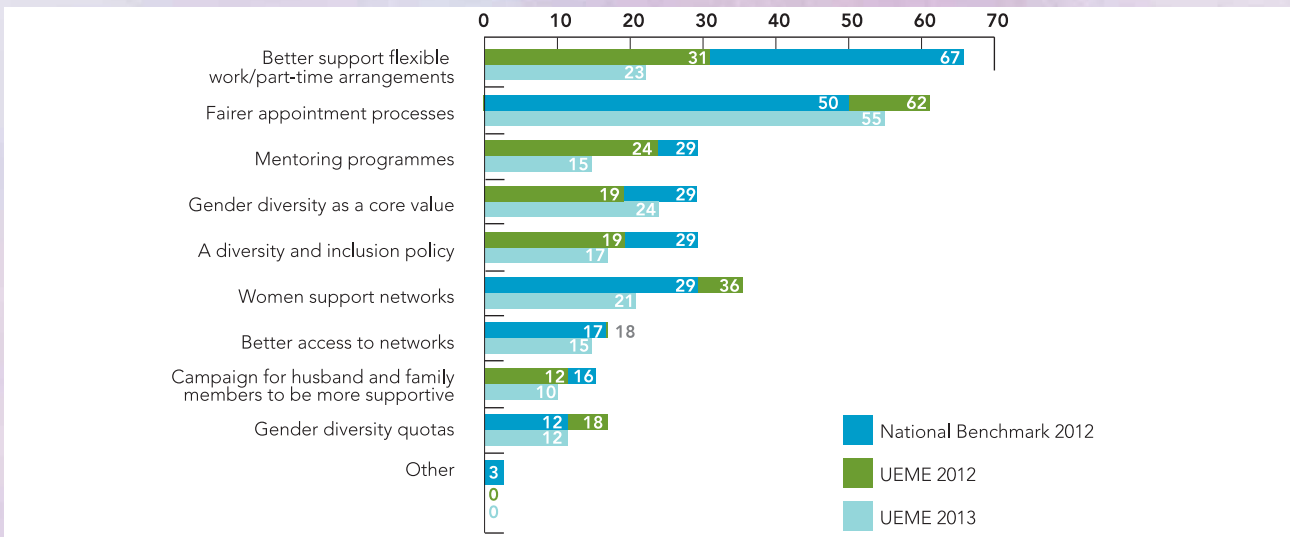
66% of employees felt that a competitive wage and other benefits would help retain women in 2013, a 7% increase from 59% in 2012. In 2013, 50% thought better support facilities for women and family would help retain employees, a 3% reduction from the 53% in 2012. There is a greater acceptance of working mothers and in 2013 only 7% considered this of importance; 2% less than 9% in 2012.

**Q3** In your opinion, does your organisation practise a culture where women and men have equal opportunity in career progression?



67% of men and 47% of women agree that UEME is practising equal opportunity in career progression, representing a 10% improvement and 9% decrease compared with 57% and 56% for men and women in 2012 respectively. Attention is required as the percentage falls below the national benchmark and hence the rate needs to be improved in this area. In 2014, the management will employ more women in senior positions. Equal opportunities will be given to internal candidates for career progression.

**Q4** What 3 measures do you think companies should put in place to enable more women to occupy senior decision-making positions?



55% of respondents felt fairer appointment processes would help women to occupy senior decision-making positions in 2013. This was a 7% decrease from 2012. There was a 5% increase in employees who consider gender diversity a core value from 19% in 2012 to 24% in 2013. The management will take all necessary steps to allow more women to occupy senior decision-making positions in 2014. Better planning and implementation of programmes and policies will result in more opportunities being available to them.



## Turnover Rate

The turnover rate decreased by 1.60% to 6.80% in 2013 compared to the previous year of 8.40%. This improvement shows that the Company has made good progress in providing good working conditions for its employees.

	2011	2012	2013
Turnover Rate (%)	7.80	8.40	6.8

## Training and Development

Employees are provided with an opportunity to expand their knowledge and talents to witness ideas coming to life. Talent development and succession management are prioritised. Individual and corporate goal alignment safeguards the sustainability of the workforce. This emphasis drives a high-performing culture.

At UEME, career development is a combination of various elements as illustrated in the diagram below.

### The Key Elements of Success at UEME



SW management training has been conducted for employees by the Logistics Department since 2011. This training complies fully with the EQ(SW)R 2005 under Regulation 15 (Conduct of Training). It is compulsory for all employees involved in the identification, handling, labelling, transportation, storage, spillage and discharge of waste to attend.



## Employee Training Programmes

UEME spent RM401,463 on employee training in 2013 compared to RM311,279 in 2012. This represents an increase of 28.97%. The increase is part of our active commitment to equip employees with the necessary skills and knowledge to carry out their tasks effectively. Each employee received an average of 3.33 hours of training in 2013 compared to 2.82 hours in 2012.

### Comparison of Training Conducted

Year	No. of Employees*	Training Cost (RM)	Average Training Cost Per Employee (RM)	Training Hours	Average Training Hours Per Employee
2011	327	415,278	1,270	1,270	3.88
2012	324	311,279	960	915	2.82
2013	305	401,463	1,316	1,015	3.33

\*Note: As at last day of training

### Breakdown of Employees Training Sessions by Type

The breakdown of employees' training sessions by type is presented below. Technical training accounted for 50% of total training and 25% consisted of functional training.

Types of Training	Percentage (%)		
	2011	2012	2013
Functional	15.25	26	25
Organisational	2.27	3.20	7
Leadership	7.34	9.80	6
Technical	64.41	46.30	50
Accounting	3.95	4.90	3
SHE	6.78	9.80	9
<b>Total</b>	100	100	100

The Marketing, Environment Support Services & Logistics personnel continue to develop as they are provided with the necessary skills to perform their work more effectively. Marketing personnel participated in a number of training programmes aimed at improving their sales and marketing skills. During this training, they were briefed on various operational processes including waste processing, customer service and the transportation of waste. A list of training programmes conducted in 2013 is summarised in the table below.

Date	Training Programme	No. of Participants
29 - 30 April 2013	Road Safety Video Seminar	17
2 - 3 July 2013	Road Transport Act and Road Safety Quadrant	18
23 August 2013	Customer Service Training (Module 1)	10
13 November 2013	IMS and Solid Waste Refresher Training	15
21 - 22 November 2013	Customer Service Training (Module 2)	18
16 December 2013	Defensive and Safety Driving Training	15



## Training Programmes at EISB

### SUM Retreat Programme



SUM retreat programme at Royal Belum State Park, Perak



In-house training programmes were conducted for SUMs from 25 to 27 June 2013. 23 managers attended a retreat at Royal Belum State Park, Perak. This programme enhanced working relationships between SUMs and HODs. The vision, mission and business plan for the year were shared at this event.

The programme was very effective and successful. SUMs and HODs gave their opinions and provided suggestions on how to overcome their weaknesses and problems. Solutions were shared for improving skills to achieve the Company mission and objectives.



Newspaper Bridge Challenge

### Leadership Skills Training

EISB recognises that effective leadership requires commitment and perseverance. Proper planning and motivational qualities are also important to improve people management skills. On 23 October 2013, a programme to improve leadership skills was delivered to 27 employees at Sentosa Regency Hotel, Alor Setar, Kedah. The training programme covered leadership types, delegation techniques and categories of employees.

### Time Management Skills Course

Time management is important to gain extra productive hours; improve efficiency and productively; and assert greater control over managers' working lives.

On 24 October 2013, a course to improve time management skills was delivered to 28 employees at Sentosa Regency Hotel, Alor Setar, Kedah. This soft skills training has positively affected the management level of the Company. It helped improve their knowledge and management skills to discharge their daily responsibilities more effectively. Topics addressed during this training programme include the power of change, smart time management, setting a routine, getting organised, managing work load and effective delegation.

### Truck Drivers' Training Courses

EISB conducts regular training programmes for its truck drivers. The importance of safe driving is constantly reiterated and drivers learned Compactor Unit (CU) skills. The training sessions conducted for truck drivers in 2013 are as follows:

Date	Training Programme	No. of Participants
<b>At Every Induction Session</b>	Operating of MPAR	15
<b>17 - 18 April and 30 May 2013</b>	Driving Skills	45
<b>25 - 26 September 2013</b>	Road Sweeper Handling Course	42
<b>29 May - 2 December 2013</b>	Driving and Care of Vehicles	57

## Contractors Training Programmes



KA's truck drivers attending first aid training



KA's truck drivers attending annual refresher training

UEME works closely with its contractors in order to align processes and achieve zero injuries. A rigorous contractor review and qualification process is conducted at UEME. This ensures contractors' programmes, practices and management systems meet or surpass regulatory requirements and support the type of work they perform. Mandatory training programmes are delivered to contractors operating forklift trucks, working at heights or in confined spaces. All KA drivers must attend annual training so they conform to the latest safety requirements. Safety areas consist of KA operation procedures; defensive driving training;

emergency response training; mock fire drills, spillage and accident procedures; first aid training; driver safety talks and fatigue management.

The amount spent on training contractors increased by 81.04% compared to 2012. This has resulted in a 94.23% increase in the average training hours per contractor from 2.60 hours in 2012 to 5.05 hours in 2013. Most contractor training sessions in 2012 were delivered free of charge; the training sessions in 2013 were chargeable. This explains the increase in training cost despite the reduced number of contractors.

Year	No. of Contractors	Training Cost (RM)	Average Training Cost Per Contractor (RM)	Training Hours	Average Training Hours Per Contractor
2011	183	10,468	57	499	2.70
2012	251	2,648	11	653	2.60
2013	182	4,794	26	920	5.05

### Breakdown of Contractor Training by Type

There are 3 major types of training being attended by UEME contractors: Functional training is conducted once in every 2 years. SHE accounted for 67% of

the total training. This is evidence of the Company's commitment to extend its health and safety precautions to its contractors.

Training Type	Objective	No. of Sessions
Functional	A classified skill and knowledge required for personnel to perform their daily duties	-
Technical	Required for employees to accomplish a specific task	1
SHE	A set of skills and knowledge that promote the SHE of people engaged in work or employment to foster a safe and healthy work environment	2



## UEME in Supporting Government's Initiatives

UEME supported the Government's initiative of producing knowledgeable individuals with its continued support for the High-End Industry Graduate Internship Programme (HEIGIP). This initiative by Kementerian Pengajian Tinggi, Malaysia aims to reduce the unemployment rate in the country.

High-end industry is advanced and high impact within the various industrial sectors. UEME, which falls under this category of industry, shows that the Government recognises the business for having a high investment cost, advanced technology as well as a sophisticated and innovative approach. HEIGIP provides graduates with on-the-job, high-end industrial training in a supervised work setting. This programme:

- Developed strategic and creative thinking skills whilst building confidence, self-esteem and leadership qualities
- Built specific areas of expertise based on mutual interest for both individuals and the industry

2 of a total 20 HEIGIP candidates from Chemical Engineering School of Universiti Teknologi Mara (UiTM) joined UEME in this structured internship programme in 2013. It was rewarding to witness the progress of these individuals.

UEME will continue to encourage sustainable development programmes that transfer academic learning in specific disciplines to the work environment and vice versa.

## Enriching Socially through Human Capital Development

CR is integrated into the management of the workforce. This is to ensure that workplace practices are mutually beneficial for both employees and the Company. Some of the programmes include Employment Value Proposition (EVP) and Manpower Rationalisation Programme. EVP is the balance of rewards and benefits that employees receive for their workplace performance. The Manpower Rationalisation Programme focused on improving employees' competencies and performing competency assessments on all executives.

## Employee Engagement and Communications

Employees are important for keeping the business alive. The Company updates them of news and events, which are an essential component of the effective operations of any business. Business strategies and new developments are routinely shared with them. Their constructive feedback is encouraged and ways to apply their ideas are sought to enhance the business.

UEME's Joint Consultative Committee (JCC) was formed at the end of 2012. The JCC assists the HRA in obtaining feedback from employees on work-related aspects including their concerns, benefits, job flexibility and work safety. The JCC is represented by 17 employees from various departments as listed below.

Workforce Breakdown by Designation



3 JCC meetings were held on 27 August, 1 October and 14 November 2013. Concerns raised during these meetings included:

- Requesting overtime to start at 5:30pm
- Suggesting that the food served in the cafeteria be improved
- Providing slippers to those who have removed their safety boots upon entering the cafeteria
- Informing cleaners that locker rooms are not for their occupation during breaks
- Informing security that all vehicles at the plant must obey the speed limit
- Conducting safety inspections at areas prone to accidents in the plant

JCC has submitted these concerns for management review. Employees will be updated following the formalisation of new workplace policies and practices.

A Meet the MD session was held on 29 March 2013 as an informal get-together between employees, the former MD and other senior management. This session serves as a platform to promote greater understanding of the Company's vision and mission while inspiring a collective sense of working towards the Company's aspirations. It also provides opportunities for employees at all levels to interact in an informal atmosphere and share their views on matters related to Company business. This type of engagement is effective in boosting employees' morale.

A farewell session was held for our former MD on 31 October 2013 to show our appreciation for his many years of great leadership. Following this, a welcome session was held on 5 December 2013 where employees were formally introduced to the new CEO.



Group photo during farewell lunch with the former MD

### Performance Appraisal

UEME is committed to objectively and transparently evaluating employee performance. Employees receive appropriate rewards and recognitions for their contribution and are assisted to realise their personal and professional potential. UEME measures KPIs, which are pertinent in the balanced scorecard. KPIs agreed beforehand are assessed quantifiably and objectively to measure employees' progress towards meeting their targets. Financial and non-financial performance targets are quantified and HODs monitor the KPIs periodically. Any variances are addressed appropriately. This process is important as employees' achievements affect the Company's aggregate scorecard. Biannual performance appraisals are conducted in the middle and end of each year. 100% of employees were formally appraised in 2013.

A similar matrix system has been in operation at EISB since 2011. A trial run of this KPI matrix system was performed for each of its grass cutters in 2012. The trial reflected that workers were encouraged to outperform their assigned area allocation and the initiative was deemed a success with each worker finishing each allocated area 1.5 days faster than the previous 4 days. The KPI matrix system is now being conducted annually and it forms the basis for measuring performance and remuneration.



## Occupational Safety and Health (OSH)

Providing employees with a healthy and safe working environment is important. Excellence is pursued relentlessly and the Company is committed to continuous improvement. This approach is reflected in UEME's values and is cascaded throughout the business through policies and regular 2-way communication processes. The health and safety management approach is constantly reviewed to accurately reflect the demands of evolving legislation and standards, customers' needs and industry best practice. UEME's Safety, Health, Environmental Management System complies with the requirements of ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, MS 1722:2011 and ISO/IEC 17025 certifications. 1 major aspect of these requirements is conducting a workplace-related risk assessment in all workplaces. It also stipulates the documentation and evaluation of all potential risks.

Several initiatives have been introduced to improve safety risk awareness and take precautionary measures for employees. Each operating unit conducted safety and health training programmes. Hazard risk training programmes were introduced including a Chemical Health Risk Assessment (CHRA). The effectiveness of these programmes was evaluated regularly.

A Hazard Identification, Risk Assessment and Determine Control (HIRADC) identifies hazards, assesses risks and determines the control process for each work activity. PPE and vehicle inspections are conducted as part of the Workplace Inspection Programme.

UEME's transport personnel also receive comprehensive technical and safety training that is tailored to logistics. Areas covered include:

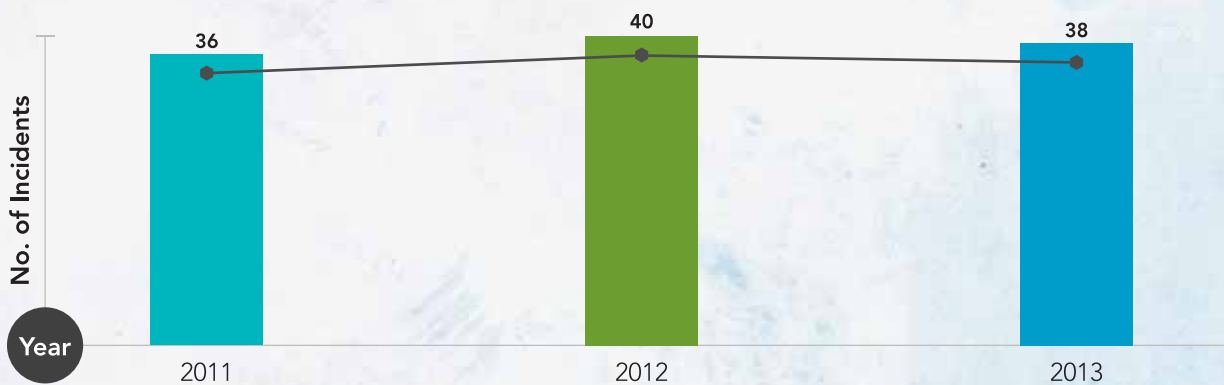
- Quality Management System (QMS) refresh training for all the drivers and supervisors
- Emergency responses and mock drills
- Legal and safety training
- First aid training
- Road safety video seminar
- Defensive driving training
- Global Positioning System (GPS) training

In our Sustainability Survey, 76.47% of employees felt that the Company takes a very proactive approach to safety and health and received adequate training in this area. This is 13.26% more than 63.21% of respondents in 2012.

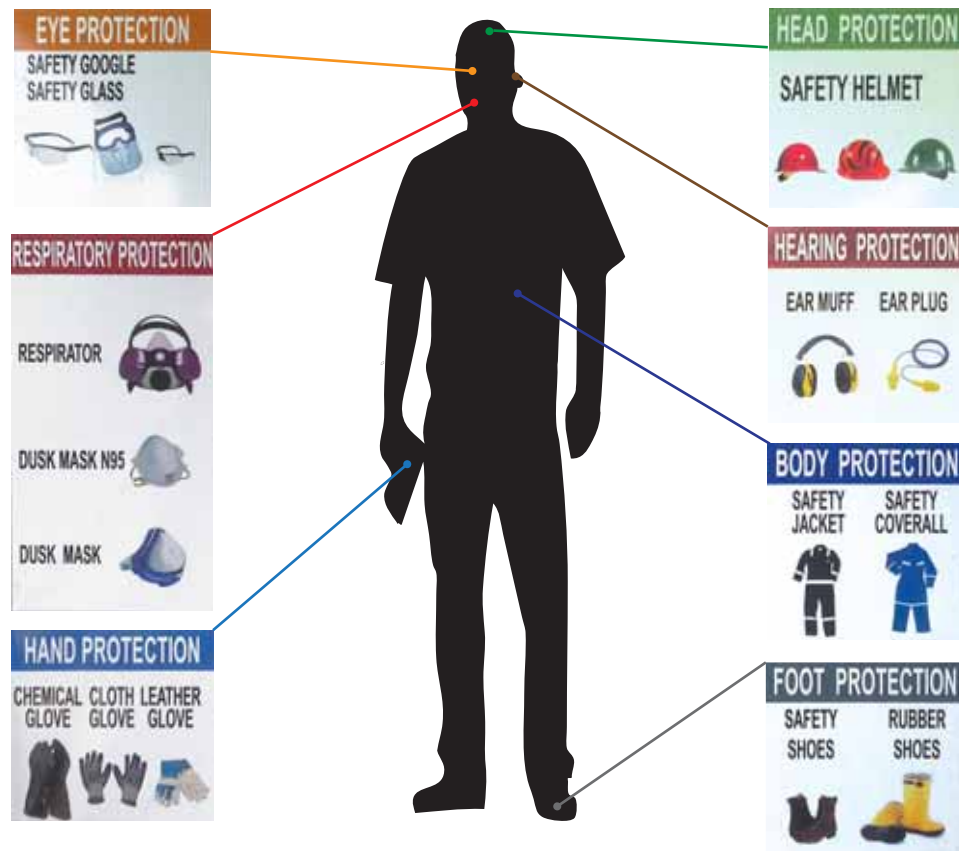
### OSH Committee

The Safety and Health Committee (SHC) comprised 24 members who represent 7.82% of the total workforce as at 31 December 2013. Committee members comprised 1 chairman, 1 alternate chairman, 1 SHE representative, 11 management representatives and 11 employee representatives. It is chaired by the Head of Operations. Members communicate the safety concerns of employees. It is responsible for the continuous improvement of safety performance. This is achieved by extending safety and health culture to all employees, contractors and vendors. SHC meetings were held on 22 March, 3 July and 18 November 2013.

### Incident Rate Statistics



# APPROVE PERSONAL PROTECTIVE EQUIPMENT



The number of incidents reported decreased from 40 in 2012 to 38 in 2013. Minor incidents were the most frequent and accounted for 31.58% in 2013. The 2<sup>nd</sup> highest type of incident was first aid, which represented 26.32% of total incidents. This 23.82% increase is of concern and the cause of each incident was studied. There were 8 cases of company property damage and this type of incident was common in 2013. The remaining incidents comprised medical treatment, a fatality, a near miss and others.

A SHC meeting with contractors was also conducted on 18 November 2013. Health and safety matters such as the issuance of PPE were discussed. They were updated on the Company's safety requirements.

## OSH-related Initiatives

- 10 portable multi and 40 portable single gas detectors were purchased for employees who are working at the plants. These detectors give warnings when hazardous gases are detected
- 5 Life Oxygen Pacs for emergency oxygen were purchased. This superior portable emergency oxygen is wall-mounted. It acts as an oxygen inhalator for a breathing casualty and a resuscitator adjunct for a non-breathing casualty
- A revised chemical register was introduced on 1 November 2013
- A mass contractor briefing was held on 27 March 2013 to outline evacuation procedures to contractors. They were briefed on safety and PPE requirements while being on the premises



Gas detectors that give warnings when hazardous gases are detected



The following initiatives to minimise workplace accidents and incidents were conducted in 2013 as part of the IMS Management Programme:

- OHS doctor consultation visits were conducted on 25 January, 15 February, 5 April, 29 May, 28 June, 6 September, 4 October and 22 November 2013
- A medical health surveillance programme was held from 25 November to 17 December 2013 and attended by 264 employees. The programme tested anthropometry, colour vision, visual acuity, respiratory system, audiometric, lung function, blood and hepatitis B
- Personnel exposure monitoring of chemical hazardous to health such as asbestos and other fibres was conducted at the acetylene cylinder recycling facility throughout the recycling work period from 12 to 13 June 2013
- Areas and workplaces were inspected monthly by SHE personnel especially at the secured landfill, logistics, SHE, laboratory, administration buildings, store, drum press and plastic crusher facilities
- A blood donation campaign was organised by Hospital Tuanku Ja'afar, Seremban, Negeri Sembilan and UEME on 21 March 2013. 49 employees voluntarily donated their blood

### Million Man-Hours with Zero Lost Time Injuries (LTI)

The man-hour calculations recorded 264,647 from 5 December 2012 to 24 March 2013. This was reset due to incidents recorded on 25 March 2013. Total man-hours of 727,018 were recorded with zero LTI as of 31 December 2013.

The number of LTIs decreased from 3 incidents in 2012 to 1 incident in 2013. On 25 March 2013, there was a fatality accident at Physical Chemical Treatment (PCT) Plant.

### Corrective Action Taken to Prevent Future Incidents

Guided Factors	Descriptions
<b>System Evaluation</b>	<ul style="list-style-type: none"> <li>• Improved the way hazard and risk information, material safety data sheets and other related information are gathered from the Waste Generator (WG)</li> <li>• Enhanced hazard communication system implemented to disseminate hazard and risk information to the relevant employee</li> <li>• Extended regular system monitoring to include workplace inspections to process and identify operational hazards</li> <li>• Evaluation of Compliance (EOC) with loss control system standards to enhance the current auditing system</li> </ul>
<b>Engineering and Change Management</b>	<ul style="list-style-type: none"> <li>• Reviewed and updated HIRADC</li> <li>• Reviewed and enhanced current change management system</li> <li>• Reviewed and revised existing work instructions with emphasis on associated hazard and risks</li> </ul>
<b>Critical Task Analysis and Procedures</b>	<ul style="list-style-type: none"> <li>• High risk critical tasks were identified and communicated to relevant parties</li> </ul>
<b>Knowledge and Skill Training</b>	<ul style="list-style-type: none"> <li>• Included hazard and risk elements in existing Training Needs Analysis (TNA)</li> </ul>

## KESUKA

KESUKA is UEME's sports and charity club and its objective is to encourage a healthy lifestyle through sports, welfare and recreational activities. KESUKA's activities are also designed to strengthen ties between employees and the surrounding communities. The club recorded a membership of 307 on 31 December 2013. A list of activities held and supported by the club in 2013 are summarised below.



A flood relief in Kuantan, Pahang



Employees participating in an Al-Quran class



A family taking part in the UEM Family Day

Date	Activity
24 January 2013	UEME together with UEM Group participated in the National 1434H/2013M <i>Maulidul Rasul</i> celebration. Approximately 85 representatives took part in the event which was held at Putra Mosque in Putrajaya. The highlight of the celebration was the presentation of the 1434H <i>Maulidul Rasul</i> National Awards to 9 recipients who have contributed to the nation through innovation, welfare and religion.
1 February 2013	An open bowling tournament hosted by Melaka Town and Rural Planning Department was held in MIBC Ayer Keroh, Melaka. 8 players represented UEME. Although the team did not win, its exposure to state level players was beneficial.
23 February 2013	Employees participated in the bowling tournament hosted by Columbia Asia Seremban at U-Bowl AEON (Jusco) in Seremban, Negeri Sembilan.
27 February 2013	Employees took part in the bowling tournament hosted by PLUS Club Seksyen C5, Bangi, Selangor. UEME's female representatives were named winners for most strikes.
15 March 2013	An aerobic session was held at WMC's futsal field and led by a professional trainer. Employees and some residents from Taman Mantau Indah, Seremban, Negeri Sembilan joined the event. A healthy body was promoted and relationships strengthened with the surrounding community.
18 March 2013	A weekly Al-Quran class was delivered by Imam Haji Abdullah Haji Omar of Masjid Kg. Felda Sendayan, Negeri Sembilan.
6 April 2013	Employees from each department of UEME participated in a bowling open tournament at Dream Bowl @ Airport Complex, Nilai, Negeri Sembilan.
18 April 2013	Jefri Mohd Din from Operations led <i>Solat Asar, Tahlil</i> and <i>Doa Selamat</i> at the Engineering Office <i>Surau</i> .
16 May 2013	<i>A Solat Asar, Tahlil</i> and <i>Doa Selamat</i> were held in the Engineering Office <i>Surau</i> . Imam Haji Abdullah Haji Omar of Masjid Kg. Felda Sendayan, Negeri Sembilan led the prayers.
14 June 2013	Mohamed Azahari Johdi, from Maintenance & Engineering, led a <i>Solat Asar, Tahlil</i> and <i>Doa Selamat</i> at the Engineering Office <i>Surau</i> .
22 June 2013	A national Labour Day gathering was held in conjunction with the national Labour Day at the Bukit Jalil Stadium, Kuala Lumpur. The event was officiated by the Prime Minister, YAB Dato' Seri Mohd Najib Tun Haji Abd Abdul Razak. Government agencies also attended the event.
5 July 2013	<i>A Solat Asar, Tahlil</i> and <i>Doa Selamat</i> were held at the Engineering Office <i>Surau</i> and led by Mohamed Azahari Johdi.
22 September 2013	A bowling tournament organised by Liga Industries Negeri Sembilan was held at the Ampang Superbowl Seremban Parade, Negeri Sembilan. 50 teams from various industry sectors competed in the tournament.



Date	Activity
<b>19 - 20 October 2013</b>	More than 21,000 employees and their family members across the UEM Group attended the UEM Family Day 2013 at Sunway Lagoon. It was a perfect opportunity to foster closer relationships with one another.
<b>17 November 2013</b>	A bowling tournament hosted by Pusat Zakat Negeri Sembilan was held at Ampang Superbowl Seremban Parade, Negeri Sembilan. Our team finished in 9 <sup>th</sup> place out of 26.
<b>26 November 2013</b>	A bowling tournament hosted by Kelab Sukan, Rekreasi dan Kebajikan PLUS Seksyen 6 (ELITE) was held at Summit USJ, Subang, Selangor. Our representatives won the tournament's Open Invitation category.
<b>11 December 2013</b>	A flood relief in Kuantan, Pahang helped 2 UEME employees who were badly affected by the flood. 10 volunteers were involved in this mission. Donations from employees were given to them to ease their burden. Employees also gave their time and effort to clean the houses.

## Notice Period for Operational Change

Any operational changes occurring that may affect employees are communicated throughout the Company. The HRA informs the relevant personnel affected by the change and manages the necessary training and induction programmes. The notice period varies according to the job grade and is subject to a decision by top management. Employees' rights are respected by guidelines based on Malaysia's Industrial Relations Act 1967.

The current SHE Risk Assessment Procedure and Management of Change Procedure is employed to manage the introduction of new business and new or different machinery to be used at our operations. Other changes are discussed collectively and action plans are devised by the IMS committee once it has convened. Meetings and subsequent action taken are communicated and eventually implemented across the organisation by various IMS committee representatives.

## Employees' Rights at Work

UEME acknowledges its responsibilities to respect employees' rights in accordance with the Government's Declaration of Human Rights. All forms of harassment and discrimination are unacceptable in the workplace. Any level of workplace violence is not tolerated.

It also protects its supply-chain personnel and people in the local communities. The Human Resources Policy recognises that while governments have the primary responsibility to protect human rights, company activities potentially impact the human rights of individuals. All operations:

- Provide a safe and healthy workplace for our associates
- Do not use child labour
- Do not use forced, prison, indentured, bonded or involuntary labour
- Prohibit discrimination in the hiring and employment practices
- Forbid actual and threats of physical abuse and harassment of associates
- Support freedom of association and the rights of workers and employers to bargain collectively

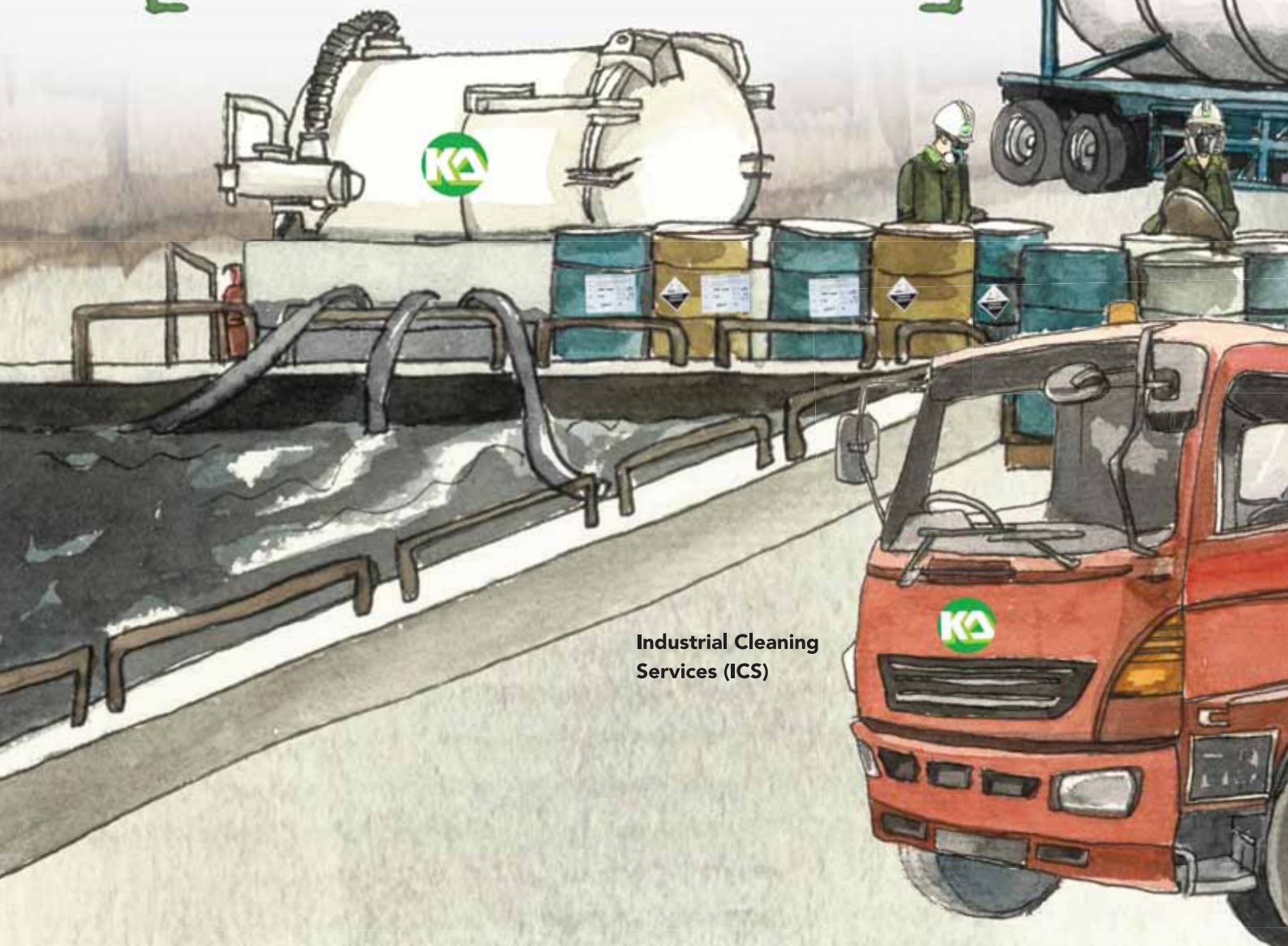
Everyone should be treated with dignity and respect. UEME is committed to conducting its business in a manner consistent with this principle. All applicable employment and human rights laws and regulations are complied with wherever operations are based. Suppliers are expected to do the same. All employees, including security personnel, are issued with an Employee Handbook and Code of Conduct. These documents clearly define the scope of UEME's ethical responsibilities.

UEME complies with the Children and Young Persons (Employment) Act 1966. Individuals below the age of 18 years are not employed as required by the Malaysian Employment Act 1955. No incidents of discrimination or risk to freedom of association and collective bargaining have occurred. There have been no reported incidents of risks of child, forced or compulsory labour. No violations of human rights involving the rights of indigenous people have occurred at any time in the Company's history.

# MARKETPLACE

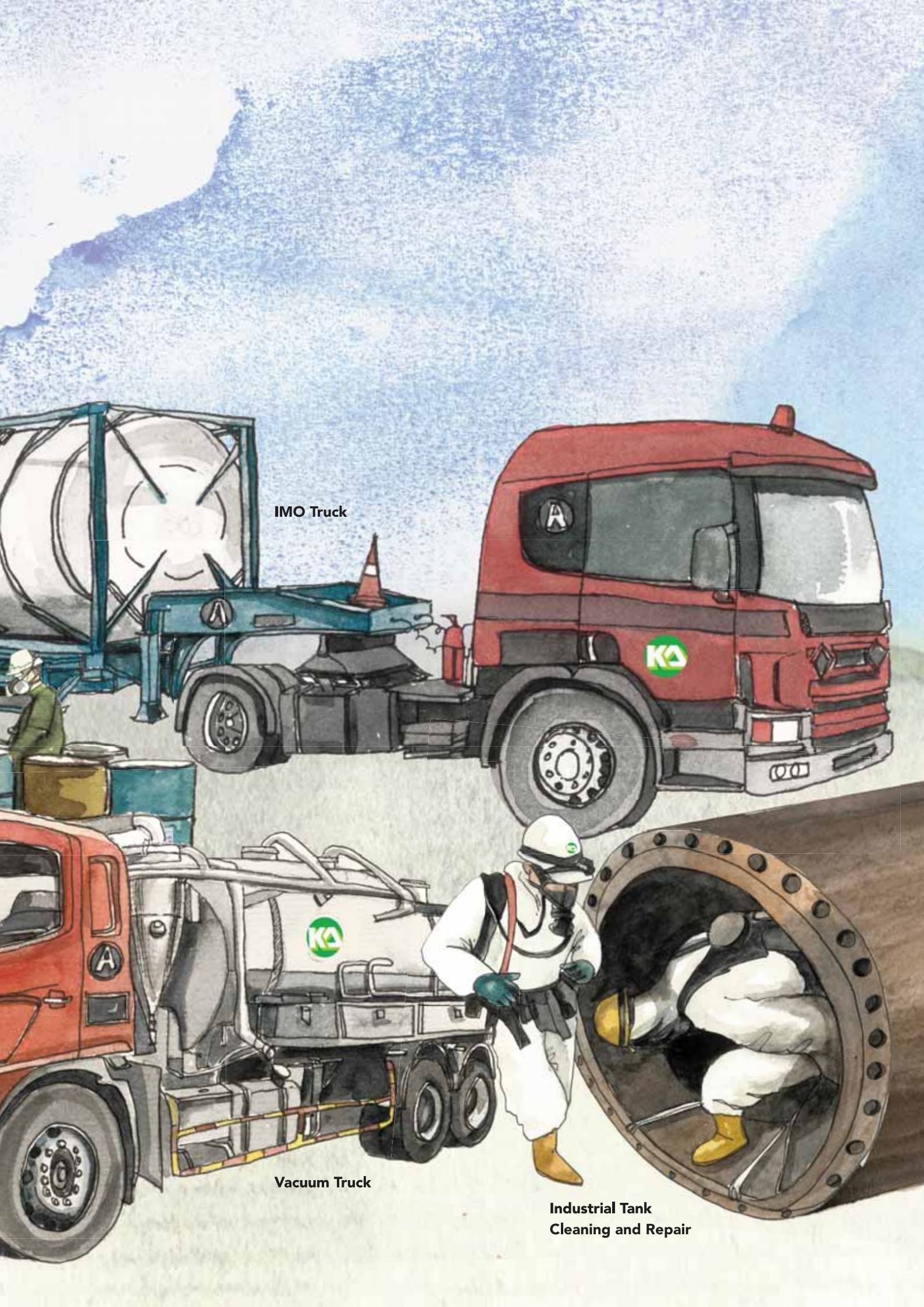
The impact of procurement activities is clearly assessed and understood. UEME is committed to the responsible management of its supply chain and its economic, environmental and social aspects. Suppliers are asked to share company values and meet high standards in order to deliver efficient, innovative and sustainable solutions. In return, UEME is committed to supporting and engaging with its supply chain. This approach ensures compliance, continual improvement and the achievement of mutual goals. Customers' needs are a central focus of our business. The aim is to provide sustainable, innovative solutions and the highest standards of service to customers. We constantly strive to improve business performance and actively seek feedback from our customers through regular customer satisfaction surveys to rate the Company's performance.

[ In the recent Sustainability Survey, employees were asked if UEME offers quality services and fair prices. Only 5.81% of employees disagreed with this statement, a 0.99% decrease from the 6.80% in 2012. ]



**Industrial Cleaning  
Services (ICS)**





IMO Truck

Vacuum Truck

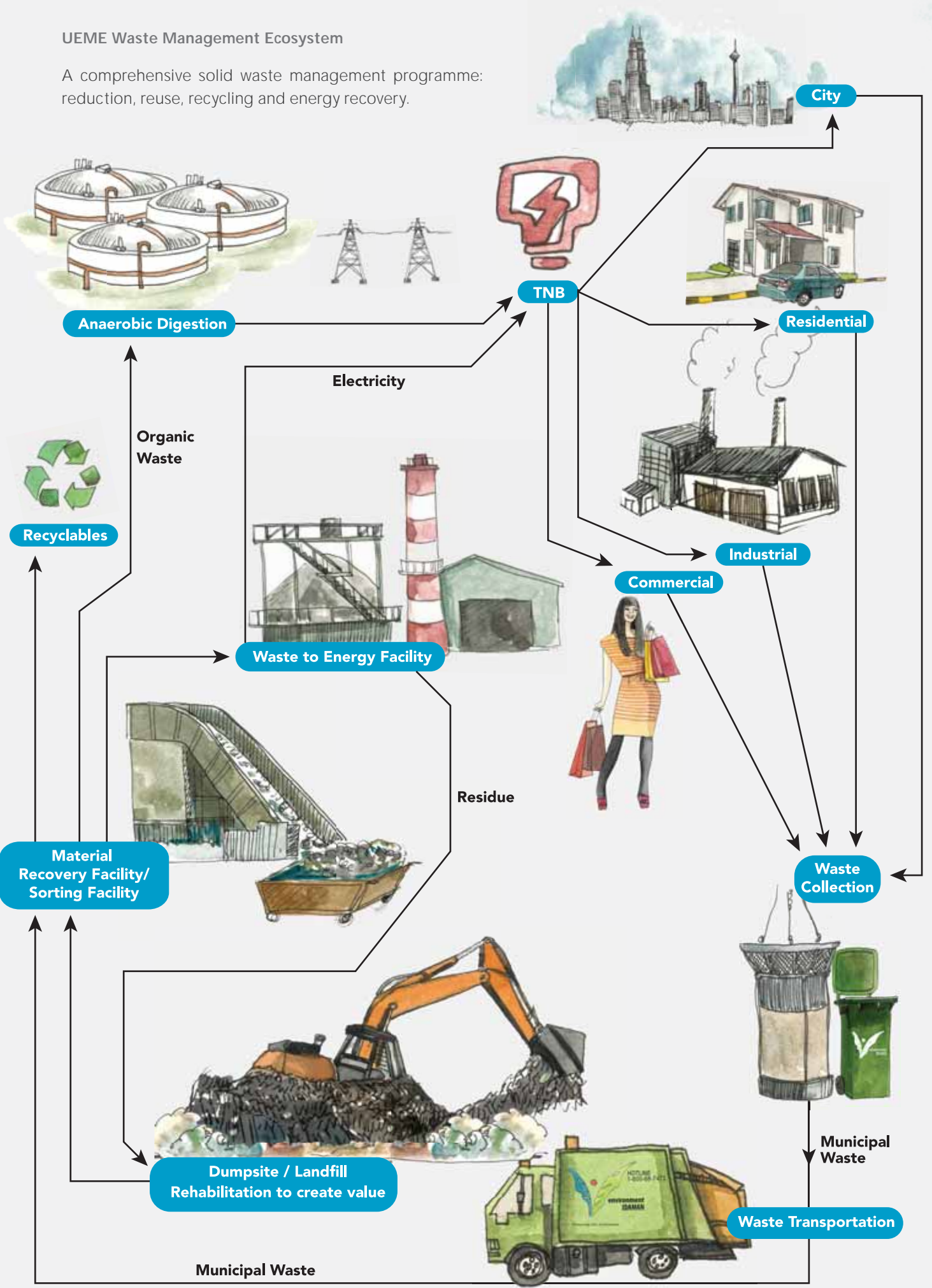
Industrial Tank  
Cleaning and Repair



# WTE Process Cycle

UEME Waste Management Ecosystem

A comprehensive solid waste management programme: reduction, reuse, recycling and energy recovery.





Over 33,000 MT of MSW is produced daily in Malaysia. The amount of MSW generated continues to increase due to population and economic growth. Currently, less than 10% of MSW is being recycled. To address this, UEME envisages its future involvement in the waste management ecosystem.

The process flow of UEME Waste Management Ecosystem has the following 3 components.

- 1 Collection:** The functional element of collection not only covers the gathering of MSW and recyclable materials but also the transportation of these wastes to the MRF / sorting facility.
- 2 Sorting and Separation:** Recyclable materials are segregated from other waste at the MRF before being marketed to end-user manufacturers.
- 3 Disposal and Energy Generation:** The non-recyclable materials can be used to generate energy. Several technologies have been developed that make the processing of MSW for energy generation cleaner and more economical. The electricity generated is then used for residential and industrial purposes.

### Cleaner Energy than Ever Before

While older waste incinerators (INCs) emitted high levels of pollutants, recent regulatory changes and new technologies have significantly reduced this concern. United States EPA regulations in 1995 and 2000 under the Clean Air Act have reduced dioxins emitted by WTE facilities by more than 99% compared to 1990 levels. Mercury emissions have also reduced by over 90%. The EPA noted these improvements in 2003, citing WTE as a power source with less environmental impact than almost any other source of electricity.



4<sup>th</sup> Annual Public Private Partner Conference 2013

In 2012, the Government of Malaysia announced that 3 INCs with a capacity of between 500 and 800 MT each are planned to be built via open tenders. The INCs would be built in Melaka, Johor and Kuala Lumpur. This would reduce dependency on traditional landfills. UEME is currently bidding with its Japanese partners for the KL WTE project.

UEME sponsored the 4<sup>th</sup> Annual Public Private Partnership (PPP) Conference 2013 with its Japanese partners on 29 and 30 October 2013. The event, which was organised by Unit Kerjasama Awam Swasta (UKAS), Jabatan Perdana Menteri, was held at Berjaya Times Square Hotel and Convention Centre, Kuala Lumpur. It provided updates on global and regional trends with a special sectorial focus on renewable energy development. The event was attended by more than 180 international and local delegates including a delegation of Government officials, investors, suppliers and PPP players from various countries. The 2-day conference ended with a site visit to our WMC.

## Quality Services

At UEME, an annual internal audit is required and it was conducted from 1 to 11 October 2013. Internal auditors are responsible for monitoring all IMS Procedures and Operation Control Procedures. They attended the internal audit training and ensured compliance with the Company's IMS, customer expectations, regulators and guidelines as specified in ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, MS 1722:2011, ISO/IEC 17025 and relevant SHE legal requirements.

An IMS management review meeting was conducted on 21 October 2013. The meeting was chaired by the Head of Operations and attended by representatives from Production 1 and 2, Landfill, Procurement, Logistics, Laboratory, LTP, EMS, HRA and SHE.



[ The meeting once again recorded a **100% attendance rate**. This reflects UEME's full commitment to improving its performance and service delivery. ]

Items discussed during this meeting included:

- The suitability, adequacy and effectiveness of IMS and Safety, Health, Environment and Quality (SHEQ) programmes
- EMS and OSH performance results
- Results of internal and external audits
- Customer feedback and results of customer satisfaction surveys
- Communication updates from internal, external and other interested parties
- Status on EOC with legal and other requirements
- Results of participation and consultations of employees in IMS programmes

UEME introduced various initiatives in 2013 to improve the quality of its services including:

- Participating in the Prime Minister's Hibiscus Award 2012/2013 to assess the overall commitment to environmental management practices
- Revising procedures for operation activities at PCT plant, sampling and security
- Conducting EOCs in accordance with legal requirements
- Amending collection transportation instructions forms to improve security checks at the WMC and safety precautions before collecting waste at the WG site
- Conducting annual driver training and SHE safety briefings for all truck drivers

## Sustainable Procurement

UEME's sustainable procurement meets its needs for raw materials, goods and services in a way that achieves value for money. Benefits are experienced by the Company, society and the economy while minimising environmental damage. Every procurement decision made has an impact on the environment and society. These impacts are considered when making procurement decisions.

The goal is to develop a CSR procurement strategy that builds long-term partnerships with companies that support UEME's CSR initiatives. Our procurement

practices adhere to the requirements of the Red Book: Procurement Guidelines and Best Practice adopted by GLCs. In principle, these guidelines outline 3 key national development objectives related to GLC procurement:

- Promoting the use of competitive local sourcing
- Ensuring Bumiputera equity share in the nation's economic growth, with fair and equitable distribution of national wealth
- Developing Bumiputera vendors' capabilities



The diagram below outlines areas that are assessed for companies to qualify as suppliers. Various characteristics of suppliers and contractors are verified by the Procurement Department such as financial stability, capability and shareholding status. The price and suppliers' record of previous projects are also reviewed along with the terms and conditions.

### Supplier Evaluation Assessment Areas



UEME's procurement practices support local industry by prioritising local suppliers. 30% Bumiputera participation is targeted by enhancing the skill sets of Bumiputera communities. To qualify as a local supplier, a minimum of 51% of shares must be held by Malaysians. UEME's suppliers' breakdown as at 31 December 2013 was as follows.

Item	Local	Foreigner	Total
<b>No. of Suppliers</b>	387	10	397
<b>Percentage (%)</b>	97.48	2.52	100

An e-assessment system has helped monitor suppliers' performance and highlight delivery gaps since August 2011. This encourages 2-way engagement with suppliers and contractors. In addition, we are currently developing an e-procurement system to provide potential suppliers with fair and equal opportunities to offer their products and services. This system should make the bidding process more competitive and transparent.

Long-term supplier relationships are formed for strategically important products under the Strategic Supplier Programme. These relationships stabilise supply and help UEME procure high quality products at superior prices. Strategic suppliers are measured against mutually defined, contractually set performance targets in return for a contract with penalties for non-performance.

At EISB, monthly meetings are held with sub contractors to obtain performance feedback. This opportunity updates them with any new relevant regulations and practices.

### Socio-Environment in Procurement

Our sustainability commitment is extended to suppliers and other external stakeholders. Sustainability procurement practices are designed to positively influence the supply chain. Vendor evaluation assesses aspects such as environmental, health and safety commitments. An OSH system, certifications, recycling activities and other social compliance are covered. This evaluation process helps the Company make informed procurement choices. Understanding more about how purchased products and services are made improves awareness of their environmental impact.



As a part of ENVI's green procurement initiative, 22 employees participated in the 4<sup>th</sup> International Conference on Green Procurement held from 18 to 20 September 2013 at Sunway Resort Hotel and Spa Subang Jaya, Selangor. The event was officiated by the Deputy Minister Energy, Green Technology and Water, Dato' Seri Mahadzir Khalid and attended by 450 participants from Government agencies and various industries from Asia, European Union (EU) and United States of America.

The 3-day conference achieved its main objective which was to gather inputs and information to move forward with the full implementation of the government green procurement process. There were also showcases of successful businesses from experienced practitioners of green procurement.

Supplier Management	Rating (%)		
	2011	2012	2013
Performance of Suppliers Relative to Environmental Components of Programmes and Procedures	65.12	67	61

Although there was a slight reduction in suppliers' performance relative to the environment, UEME has maintained a rating of above 60%.

## Engagement with Suppliers


There is regular engagement with suppliers and contractors particularly when concerns are highlighted. UEME and 75 other exhibitors participated in the Malaysian Marine and Heavy Engineering (MMHE) Vendors Dialogue Programme on 8 July 2013. This event was held at the Renaissance Hotel Johor Bahru, Johor and officiated by a representative from the Menteri Besar's office. Vendors were provided with a platform to become acquainted with each other, develop capabilities and adapt to the latest industry landscape. Participants learned of the implementation of several policies relevant to transparent and honest procurement practices including the No Festive Gift Policy, Whistle Blowing Policy and Data Protection Policy.

## Safety and Quality

KKA continued auditing its trucks as part of its safety programme throughout 2013. All drivers underwent an annual 1 hour uninformed live audit by an independent auditor on normal roads and expressways for a minimum speed of 80 km/hour for a truck or town road. The truck is followed from a safe distance to avoid visual contact with the driver. The criteria to be observed includes but is not limited to:

Behavioural	Procedural Checks	GPS Data
<ul style="list-style-type: none"> <li>Traffic lights compliance</li> <li>Indicating right when overtaking</li> <li>Indicating left when returning to slow lane</li> <li>Indicating left/right at junctions</li> <li>Stopping completely at junctions</li> <li>Safe following distance between vehicles (dry and wet road)</li> <li>Lane changing manoeuvres</li> <li>Uphill/slow moving lane usage</li> <li>Use of mobile phone during driving</li> <li>Response to public complaint during passage</li> <li>Behaviour in heavy traffic</li> <li>Speeding on city/town roads with speed restrictions</li> <li>Parking in no parking zones</li> <li>Undertaking</li> <li>Behaviour in traffic jam</li> <li>Roundabout entry/exit</li> </ul>	<ul style="list-style-type: none"> <li>Headlights switched on</li> <li>3<sup>rd</sup> braking light functioning</li> <li>Beacon functioning</li> <li>Brake lights functioning</li> <li>Side curtain secured well</li> <li>Stopping location (safely away from road/traffic)</li> <li>Use of chokes provided on board</li> <li>Use of hazard lights when parked</li> <li>Use of lights when parked</li> <li>Use of seat belts</li> </ul>	<ul style="list-style-type: none"> <li>Maximum speed</li> <li>Rested 2 hourly or 4 hourly as required</li> <li>Minimum rest period met</li> </ul>

Criteria  
 Sub-criteria



1 live audit was conducted from 5 August to 2 October 2013, which involved 15 trucks. During the audit, objective evidence was documented and presented for discussion at management meetings. The drivers and vehicles involved are being monitored more closely.



Since 2011, GPS units have been installed in all KA trucks. The movement and behaviour of each vehicle is closely monitored online. The benefits of GPS operations include:

- Daily Collection Scheduling: The GPS online system allows the exact location of each truck to be pinpointed. This data indicates the availability of the trucks for the following day's collection
- Permitted Driving Hours: Drivers may only drive between the hours of 5.30am and 12am. Driving outside the permitted hours sends alerts to the mobile phones of the respective operation team so that immediate action can be taken
- Speed Violation: The maximum speed limit is 90 km/hour. The driver will hear the 1<sup>st</sup> warning buzzer when a speed of 80 km/hour is reached. A continuous buzzer is sounded when the truck travels above 85 km/hour. Any violation incidents alert the operation team's mobile phones for further action
- Stop and Parking Area: Drivers may only park KA trucks at Rest and Service Areas (RSA)s or other designated parking yards. Parking outside of these permitted areas will send immediate notifications to the operations team
- Unauthorised route: Geo-fencing has been created in the GPS system to enforce the avoidance of some routes that have been restricted by KA. Any encroachment into the restricted areas will immediately alert the operation team's mobile phone
- Fleet Management System: The GPS's Fleet Management System sends alerts to the operations team if the driver license, permit or road taxes are overdue

The 2013 audit results are summarised in the table below. The final results are obtained based on the average scores of all areas being assessed.



Truck No.	Date	Time	GPS Data	Max Speed (km/hour)	Major Violations	Distance (km)
NBD 8249	5 August 2013	5.29pm	Available	90.74	N/A	80
JML 6139	18 August 2013	6.21am	Available	85.19	N/A	80
JEN 5093	19 August 2013	9.11am	Available	72.22	N/A	80
JML 9470	24 August 2013	9.05am	Available	87.04	N/A	80
NBR 3215	25 September 2013	7.51am	Available	87.04	Failure to stop at red light	80
BKP 1887	25 September 2013	4.28pm	Available	83.33	N/A	80
BHG 2207	25 September 2013	8.05am	Available	87.04	Driving recklessly and poor lane discipline	80
JJF 1839	25 September 2013	9.00am	Available	79.63	N/A	80
BJW 3011	25 September 2013	10.11am	Available	98.15	N/A	80
JML 6139	25 September 2013	11.21am	Available	87.04	N/A	80
NBK 4413	25 September 2013	12.50pm	Available	87.04	N/A	80
JEN 5169	2 October 2013	10.13am	Available	83.33	N/A	80
JJF 1839	2 October 2013	10.39am	Available	81.48	N/A	80
BHT 4919	2 October 2013	12.05pm	Available	90.74	N/A	80
JML 1841	2 October 2013	1.11pm	GPS System Error			80

3 non-compliance cases were recorded throughout the audit process. 2 cases were related to drivers' road behaviour and 1 to system error. There were no major incidents (waste spillage) or accidents reported. The total distance travelled accident free in 2013 was 3,384,118 km. Refresher training is scheduled in April and May 2014 at which the audit findings pertaining to drivers' road behaviour will be highlighted. In addition, UEME's transporter has implemented a penalty system for its drivers. Each incident of non-compliance leads to a deduction of points which may affect their bonuses. This transporter has also shared its plan to upgrade the GPS systems by March 2014. This should overcome the occurrence of system errors on their current GPS.

## Responsible Marketing

UEME engages with its stakeholders by establishing good lines of communication with various stakeholders. Constructive relationships are maintained by listening and responding to their views. There is a wide range of reasons for contacting stakeholders from highlighting business achievements to disseminating new product information.

[ At all times, we effectively promote the business; convey a professional, consistent image; and present the brand positively to stakeholders. ]

The marketing team made various visits to customers throughout 2013 to seek new business opportunities and maintain good business relationships with them. Tank cleaning, waste disposal and other related services offered by KA and KKI were promoted during these visits. Current and potential customers were exposed to the Integrated Waste Management System and educated on proper waste handling process. They were invited to register for a SW management training programme to explore the benefits of this world-class waste management system.

UEME conducts market intelligence initiatives as part of its future strategic marketing plan. Potential market information is sourced from data gathered by the regional and state marketing teams. This information helps us position services to niche markets while focusing on high potential waste streams and market segmentation.

Transportation and treatment fees for all wastes have been determined after due consultation by the Cabinet since 1996. Our list price has not been raised since then. UEME complies with the consulted Government rates to promote transparent and fair trade. However, a 5% rebate is provided to all ISO 14001 certified customers to encourage social and environmental awareness. There were 41 customers that fell into this category in 2013. Special rates are also offered to 20 platinum customers who dispose of high volumes of waste.

## Customer Relationship Management

UEME is passionate about delivering a positive customer experience which leads to customer loyalty and generates new business. Customers' experience and satisfaction are continuously enhanced. Their lifetime value is also expanded to improve business dealings. Customers can learn more about our services, which helps address their needs.

### Producing a Knowledgeable Customers Platform



Training sessions on SW management



A competency training programme on SW management is delivered to customers in compliance with EQ(SW)R 2005 under Regulation 15 (Conduct of Training). All processes involved in SW management are highlighted to customers in this programme.

Our mission to educate customers goes beyond training and extends to nationwide seminars and dialogue sessions with the DOE. Exhibitions, website information, brochures and open dialogue with surrounding communities are also covered. Training sessions cover waste collection, transportation, packaging, storing, e-waste guidelines, Special Waste Management Guideline, EQ(SW)R 2005 and other relevant regulations.



2013

2012

**33** training sessions were delivered in 2013, which is **3** times the previous year (11 sessions). 758 attended the sessions. This is part of our initiatives to reach out to a wider stakeholder group and geographical areas.

#### Customer Training Sessions

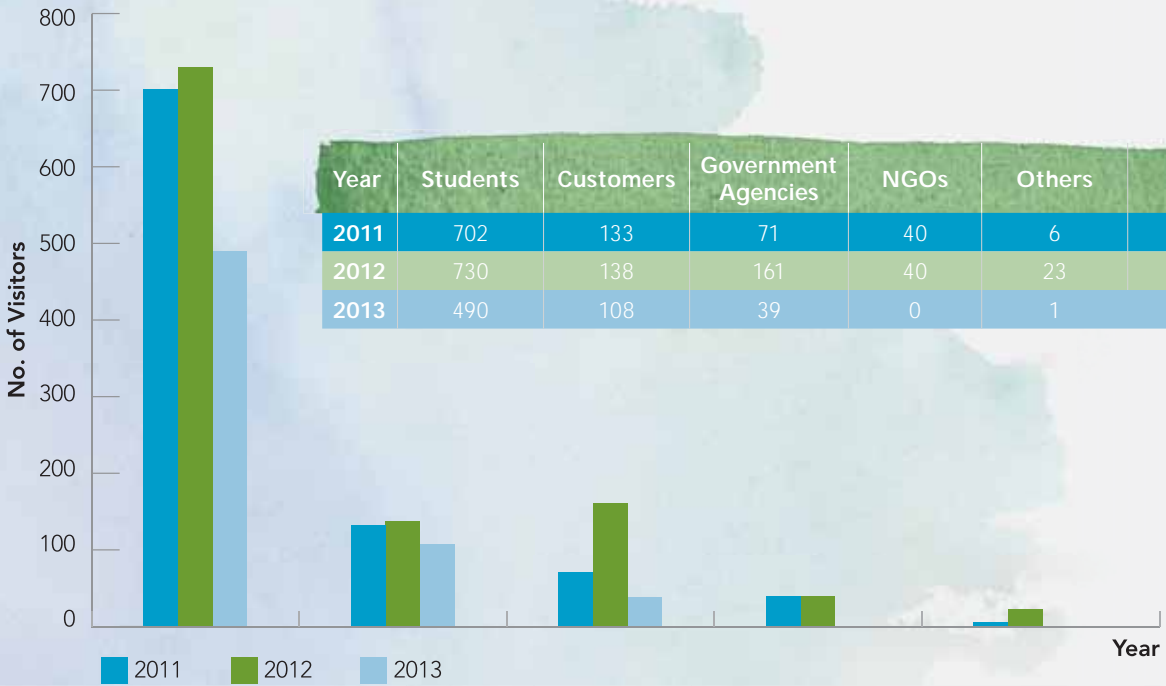
Date	Name of Customer	Venue	No. of Participants
8 and 11 January 2013	Top Glove Bhd (Factory 12)	Meru Klang, Selangor	23
15 - 16 January 2013	Public Course Kuantan (1)	Vistana Hotel Kuantan, Pahang	22
28 - 29 January 2013	Bahru Stainless Sdn Bhd	Pasir Gudang, Johor	24
5 - 6 February 2013	Public Course Kuantan (2)	Vistana Hotel Kuantan, Pahang	18
25 - 26 February 2013	Talisman Malaysia Ltd	Kemaman Supply Base, Kemaman Terengganu	25
27 - 28 February 2013	CR Asia Malaysia Sdn Bhd	Telok Kalong, Kemaman Terengganu	17
6 - 8 March 2013	Rohm - Wako Electronics (Malaysia) Sdn Bhd (1 <sup>st</sup> Session)	Pengkalan Chepa, Kelantan	54
11 - 12 March 2013	Hess Exploration & Production Malaysia BV	Hess Office Tower 3, KLCC Kuala Lumpur	8
3 - 4 April 2013	Tanjung Langsat Port Sdn Bhd	Terminal Room, Tanjung Langsat Port, Johor	18
23 - 25 April 2013	Faber Medi-Serve Sdn Bhd (HQ)	FMS Training Room, 14 <sup>th</sup> Floor Faber Towers and WMC Negeri Sembilan	19
8 - 10 May 2013	Rohm - Wako Electronics (Malaysia) Sdn Bhd (1 <sup>st</sup> Session)	Pengkalan Chepa, Kelantan	37
3 - 4 June 2013	Agro Bio Technology Institute Bangi	MARDI Bangi, Selangor	24
10 - 11 June 2013	Faber Medi-Serve Sdn Bhd, Sabah	Hyatt Hotel, Kota Kinabalu, Sabah	26
17 - 18 June 2013	Public Course Johor Bahru	Grand Paragon Hotel, Johor	28
20 - 21 June 2013	Faber Medi-Serve Sdn Bhd, Sarawak	Harbour View Hotel Kuching, Sarawak	26
26 - 28 June 2013	PROPEL	WMC, Negeri Sembilan	22
27 - 29 August 2013	PROPEL	WMC, Negeri Sembilan	21
3 - 4 September 2013	Faber Medi-Serve Sdn Bhd, Kedah	FMS Office, Alor Setar, Kedah	15
17 September 2013	KA (1 <sup>st</sup> Batch)	WMC, Negeri Sembilan	19
18 - 19 September 2013	SC Johnson (M) Sdn Bhd	Tampoi, Johor	17
20 September 2013	KA (2 <sup>nd</sup> Batch)	WMC, Negeri Sembilan	18
24 - 25 September 2013	Faber Medi-Serve Sdn Bhd, Perak	Tower Regency Hotel, Ipoh, Perak	12
26 - 27 September 2013	KA (2 <sup>nd</sup> Batch)	WMC, Negeri Sembilan	20
1 - 2 October 2013	Tioxide (M) Sdn Bhd	Awana Kijal Kemaman, Terengganu	25
3 - 4 October 2013	KA (1 <sup>st</sup> Batch)	WMC, Negeri Sembilan	18
7 - 8 October 2013	Multimedia University (MMU Melaka)	MMU, Melaka	24
16 - 17 October 2013	Makmal Kesihatan & Kualiti Makanan Selangor	Klang, Selangor	20
21 - 22 October 2013	Public Course Penang	Sunway Hotel, Georgetown Pulau Pinang	19
29 October 2013	KA	WMC, Negeri Sembilan	22
11 - 12 November 2013	FMC Wellhead Sdn Bhd	Gelang Patah, Johor	12
20 - 22 November 2013	Faber Medi-Serve Sdn Bhd	FMS Training Room, Faber Towers Kuala Lumpur	22
5 - 6 December 2013	Panasonic Appliance Air-Conditioning Sdn Bhd	Shah Alam, Selangor	21
8 - 13 December 2013	Husky Enviro Services Sdn Bhd	WMC, Negeri Sembilan	62



Training session on SW management at the WMC

Students, customers, Government agencies, NGOs and other stakeholders were welcomed to the WMC. The number of visitors reduced by 41.58% compared to the previous year. This was due to the WMC's closure from 26 March to 6 December 2013 following instructions from the Department of Occupational, Safety and Health (DOSH).

Breakdown of WMC Visitors



Visit by University of Sumatera Utara





A delegation from DOE Putrajaya visiting the WMC



### DOE Putrajaya Visits WMC

A delegation from DOE Putrajaya, headed by Dr Zulkifli Abdul Rahman, Deputy Director General of Operation, visited the WMC on 31 January 2013. He was accompanied by Datin Paduka Che Asmah Ibrahim, Director of Hazardous Materials and Datin Hanili Ghazali, Deputy Director General of Hazardous Materials.

The visit commenced with a safety briefing by Najmul Watan from the SHE Department. This was followed by a corporate presentation on the wide range of services offered. The delegates then toured the facility, which covered the laboratory, INC, PCT and Solidification (SOLI) plants.

### Managing Customers Satisfaction

UEME understands that its success is dependent on more than merely delivering its products and services. The more the Company helps its customers thrive, the stronger its partnerships become.

At KA, a customer satisfaction survey is posted to its customers or delivered by hand in the last quarter of each year. An electronic version of the survey was introduced in February 2013 and will be fully operational next year. This method provides customers with a quick, cost-effective, transparent and flexible way to give feedback.

These surveys help create statistical data that can be scientifically analysed. The results are compiled and presented to the management at the end of the year.

Improvement plans are introduced if the results are unsatisfactory. Corrective actions and improvements are monitored by HODs based on the comments received. Since its implementation, the response rate has increased compared to the previous year. 53% of the 87% of respondents submitted their feedback online.



Survey Indicator	Rating (%)			Our Approaches	Our Commitment
	2011	2012	2013		
<b>Customer Service Executive</b>	98	95	98.60	<ul style="list-style-type: none"> <li>• Make regular visits and communicate frequently with customers</li> <li>• Educate customers on proper waste handling</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain good customer relations and high levels of customer satisfaction</li> <li>• To be the 1<sup>st</sup> company to be called for Hazardous Waste solutions</li> </ul>
<b>Truck Drivers</b>	97.40	98	96.80	<ul style="list-style-type: none"> <li>• QMS refresher training for all drivers and supervisors</li> <li>• Emergency responses and mock drills</li> <li>• Legal and safety training</li> <li>• First aid training</li> <li>• Road safety video seminar comprising safety measures while driving</li> <li>• Defensive driving training</li> <li>• Overview of GPS system</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of drivers' movements through GPS</li> </ul>
<b>Support Services</b>	94.70	91.05	93.30	<ul style="list-style-type: none"> <li>• Attention to details when dealing with customers' enquiries appropriately</li> <li>• Treating comments and complaints as areas for improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Attend to customer concerns promptly and accurately</li> </ul>
<b>Ability to Meet Need and Expectation</b>	97.90	96	96.10	<ul style="list-style-type: none"> <li>• Frequent communication by making courtesy calls and conducting regular visits to understand customers' concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance customer service by understanding customers' needs and developing action plans to implement customer friendly processes</li> </ul>

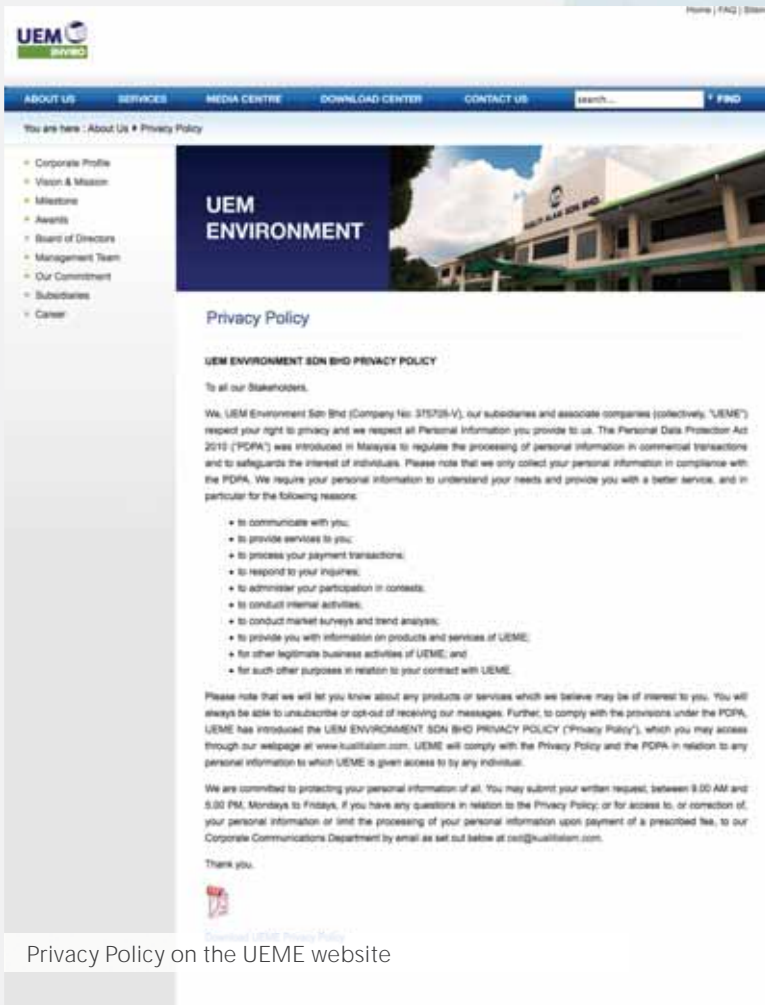
Customers were given an option to give a rating of between 1 and 4 for each area of service. The proportion of customers providing each score is summarised in the table below.

#### Breakdown of Customer Satisfaction Rating by Service Area

Service Area	Rating (%) by classification				Non-Rating Responses
	Poor Expectation (1)	Below Expectation (2)	Meet Expectation (3)	Exceed Expectation (4)	
<b>Customer Service Executive</b>	0.20	1	75.30	23.30	0.20
<b>Truck Drivers</b>	0	2.80	80.50	16.20	0.50
<b>Supporting Services</b>	0.80	5.30	77.90	15.40	0.60
<b>Ability to Meet Your Needs/Expectation</b>	0.40	2.80	79.70	16.40	0.70



# Privacy



Privacy Policy on the UEME website

Note: To learn more about our PDPA, visit: [www.kualitiam.com](http://www.kualitiam.com)

The PDPA regulates the processing of personal data with commercial transactions. It was implemented on 15 November 2013 and a 3-month transitional period has been granted which expires on 15 February 2014. Data users must comply with these provisions in respect of existing personal data being processed. Immediate compliance is also required for all new personal data.

UEME is not categorised as a data user, which requires registration with the Personal Data Protection Commissioner. Nonetheless, UEME is still required to comply. Ever since its implementation in November 2013, UEME has been complying with the PDPA by adopting a Privacy Policy among other initiatives.

[ In our Sustainability Survey, 87.64% of our employees felt that the Company does everything in its power to protect the personal data of its stakeholders and is fully prepared for the PDPA. This is an increase of 5.29% compared with the 82.35% of employees who agreed with this statement in 2012. ]

## Anti-Competition

UEME supports competition in the marketplace as it encourages efficiency, innovation and entrepreneurship. Competitive markets promote reduced prices, improvements in the quality of products and services and wider choices for customers.

UEME is careful to conduct business in a way that promotes competition. UEME adopted the Competition Act as a guideline throughout the Company since it came into force on 1 January 2012. It is now in the stage of reviewing all agreements signed by UEME. The findings are being reviewed by the appointed solicitors who periodically advise the Company on any anti-competitive behaviour.

# ENVIRONMENT

Sustainability is a shared responsibility at UEME. As a company in the environmental management industry, it is imperative that the environmental impact is minimised. Our sustainability programmes aim to protect the environment and conserve natural resources by engaging employees, customers, suppliers and communities.

We concentrate on minimising GHG emissions, reducing and recycling waste, conserving water, the efficient use of energy, sustainable product design, environmentally sound supply chain and environmental stewardship.

UEME's environmental programmes are governed by robust policies, practices and certification including a Safety, Health and Environmental Management System, which is based on ISO 14001. These policies describe management leadership, roles and responsibilities, audit requirements, hazards training, employee participation, KPI tracking and continuous improvement. It also covers investigation and corrective action.

[ In the recent Sustainability Survey, employees were asked if UEME is environmentally responsible and a green company. Only 6.45% of employees disagreed with this statement, 1.32% fewer than 7.77% in 2012. ]



**Tree Growth  
Monitoring**

**Ambient Air  
Quality Monitoring**





Surface Water  
Quality Monitoring



## Environmental Conservation

Environmental conservation is important to minimise GHG emissions, which have a direct impact on climate change. It also helps to reduce pollutants from affecting the air and nearby waterways. Employees are welcome to share any environmentally friendly ideas with the management. Current green practices being continued from the previous years include:

- Prioritising the procurement of environmentally friendly products
- Positioning copiers at a few strategic locations and performing network scanning to save printing costs as fewer toners are required
- Encouraging the use of electronic communications and soft copy documents whenever possible to reduce printing
- Checking and immediately repairing underground water pipes to minimise water loss
- Displaying posters throughout the office to create electricity saving awareness
- Strategically placing recycling bins in office buildings

## Identifying Environmental Impacts from KKA Operations

Several processes in marketing and transportation operations adversely affect the environment. All possible methods are researched and implemented to mitigate these impacts as summarised below.



### Packaging

- Hazardous chemicals exposure
- Spillage while packaging drums or containers
- Strict waste labelling and packaging controls



- Potential Impacts
- Approaches in Mitigating Impact



### Collection

- Spillage during collection
- Drums or bags must be secured on a stable pallet to minimise spillage risks during transportation



### Transportation of Scheduled Waste to the WMC

- Truck breakdown by road side
- Emission of black smoke
- Fatigue and long driving hours may cause road accidents and spillage
- Incompatibilities may lead to explosions or uncontrolled reactions causing waste to ignite
- Electronic Integrated Waste Information System (EIWIS) covers cradle-to-grave including GPS, barcode labelling and finger printing
- Driver fatigue management

### Clean Up Job during Illegal Dump Cases

- Exposure to hazardous chemicals
- Contractors must be approved by KKA prior to commencing work and attend training on hazardous waste handling and management
- Contractors must always adhere to KA and KKA's safety requirements

### Driving

- Smoke emissions from vehicles
- Smoke monitoring system





## Materials Consumption

The 3 main materials used in our scheduled waste treatment services are hydrated lime, activated carbon and caustic soda.

Materials used in Waste Treatment Service	Quantity (MT)		
	2011	2012	2013
Hydrated Lime	1,700	1,693	1,450
Activated Carbon	16	18	15
Caustic Soda	120	18	45

Hydrated lime and activated carbon injection neutralises acid gases and absorbs heavy metals. Dioxins and furans are also removed during incineration. Our wet scrubber system uses caustic soda when the polluted gas stream makes contact with the scrubbing liquid. This usually occurs by spraying the gas with the liquid or forcing the gas through a pool of liquid. This process removes the pollutants from a furnace flue gas or from other gas streams.



Pumping waste oil to the processing tank at KKI

Significant amounts of diesel are also used at the WMC mainly as fuel for incineration. Since 2004, options have been explored to replace diesel with waste oil or Reconstituted Oil (RO). This RO is blended and produced in-house at KKI and is being used at INC1 and INC4 for waste burning. Any excess will be sold as a commodity. RM1.20 million was invested to upgrade the INC to run on RO. This new burner system can run on 100% diesel, 100% fuel from waste or a combination of both.

### Comparison of RO and Diesel Consumption

Year	Quantity (MT)		
	RO	Diesel	Ratio
2011	1,609	369	1:4
2012	3,287	660	1:5
2013	2,645	857	1:3

Various factors influence the consumption of RO and diesel including the waste's characteristics. The low calorific value of waste results in a higher consumption of fuel. The ratio of diesel and RO consumption in 2013 has dropped due to a higher downtime, which was 4,985 hours compared to 4,466 in 2012. Higher plant downtime leads to more frequent plant start-ups, which result in higher diesel consumption.



Pumping solvent waste to storage tanks

## Energy Management

In September 2013, UEME started an energy saving initiative by replacing conventional lighting with LED equivalents. A total of 85 LED lights had been installed as at 31 December 2013. This resulted in 1.53 Kilowatt (kW) of energy savings.



Replacing a normal fluorescent tube with an LED equivalent



### Comparisons of LED and conventional lighting

Location	Unit	Installation Date	Conventional	LED	Savings (kW)
Parking Lot	39	6 September 2013	1.44	0.74	0.70
AHU Room Administration Ground Floor	6	1 October 2013	0.22	0.11	0.11
Syarikat Air Negeri Sembilan (SAINS) Water pump house	5	10 October 2013	0.18	0.09	0.09
LTP Filter Press	1	16 October 2013	0.04	0.02	0.02
Unit 2 LV Room	5	27 October 2013	0.18	0.10	0.09
Unit 6	6	12 November 2013	0.22	0.11	0.11
Store	23	9 December 2013	0.85	0.44	0.41
<b>Total</b>	<b>85</b>		<b>3.13</b>	<b>1.61</b>	<b>1.53</b>

### INC4 Heat Reduction and Recovery



INC4 Air Preheater Unit

INC4's air pre-heater is an effective heat reduction and recovery system that recovers heat from hot streams with potential high energy content. This system uses:

- Preheated combustion air that reduces fuel consumption
- An effective spraying system that rapidly cools flue gas, minimising the formation of dioxins and furans
- A cylindrical design to prevent the accumulation of waste in dead zones, improving efficiency and reducing stress on the cleaning process



## Water Management

SAINS supplies municipal water to the WMC. The summary of water usage by location is presented below.

Location	Volume (m <sup>3</sup> )		
	2011	2012	2013
ADKA	94	26	-
EISB and Service Unit Office	2,555	5,881*	9,455
KKA Regional Office and Faber Towers	327	195	120
SBSB	615	1,455	-
UEME Corporate HQ	170	170 **	170 **
WMC	114,875	95,157	126,568
<b>Total</b>	<b>118,636</b>	<b>102,884</b>	<b>136,313</b>

Note:

\*Figure includes Head Office and all depots, except Kangar.

\*\*Figure is based on estimation (total bills for the whole building over the number of floors occupied)

Total water consumed by EISB and its Service Unit Offices has increased by 60.77% in 2013 due to business expansion. Some Service Unit depots, such as Sg. Petani, have been relocated to the HQ and EISB is now responsible for the water utilities. Previously, some Service Units' water bills were included in the rental agreement. These Service Units now have separate water bills, which contribute to the increased water usage during the year.

There was a 33.01% increase in water consumption by the WMC in 2013. This may be due to the higher operations reflected in the additional 17% of waste treated in 2013 compared to the previous year.

## Emissions and Effluents

Emissions are constantly monitored to understand the environmental footprint resulting from our operations.

### INC4 Air Pollution Control

INC4 deals with municipal, medical and hazardous waste, which helps curb environmental pollution by:

- Utilising a dry system that meets EU emissions standards and uses less chemical scrubbing agent
- Injecting hydrated lime and activated carbon to neutralise acid gases and remove heavy metals
- Pre-filtering larger particles with a multi cyclone before entering the bag house to extend the life span of the fabric filter
- Arranging the 2 bag houses in series to provide additional protection to overcome peak condition of pollutants and extra filtration, guaranteeing compliance of emission limits even during worst case conditions
- Using a latest design air pollution control system that is able to meet stringent emission limits set by EU standards

### Air Quality Monitoring

Air quality and emissions from our INCs, PCT and SOLI are monitored and recorded at a number of stations. Each station monitors total suspended particulates, Volatile Organic Compound (VOC), Carbon Monoxide (CO), Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and a number of other parameters. Hazardous gaseous substances including dioxins and furans are recorded by our stack monitoring stations.



Air Quality Monitoring Station

## Domestic Waste Management

Landfill is the final destination for UEME's non-recyclable and organic domestic waste. Paper, carton boxes and plastic bottles are segregated and sent to a recycler. Empty cartridges are collected by a 3<sup>rd</sup> party vendor for refilling or recycling.



Distributing weighing scales to Service Unit Managers



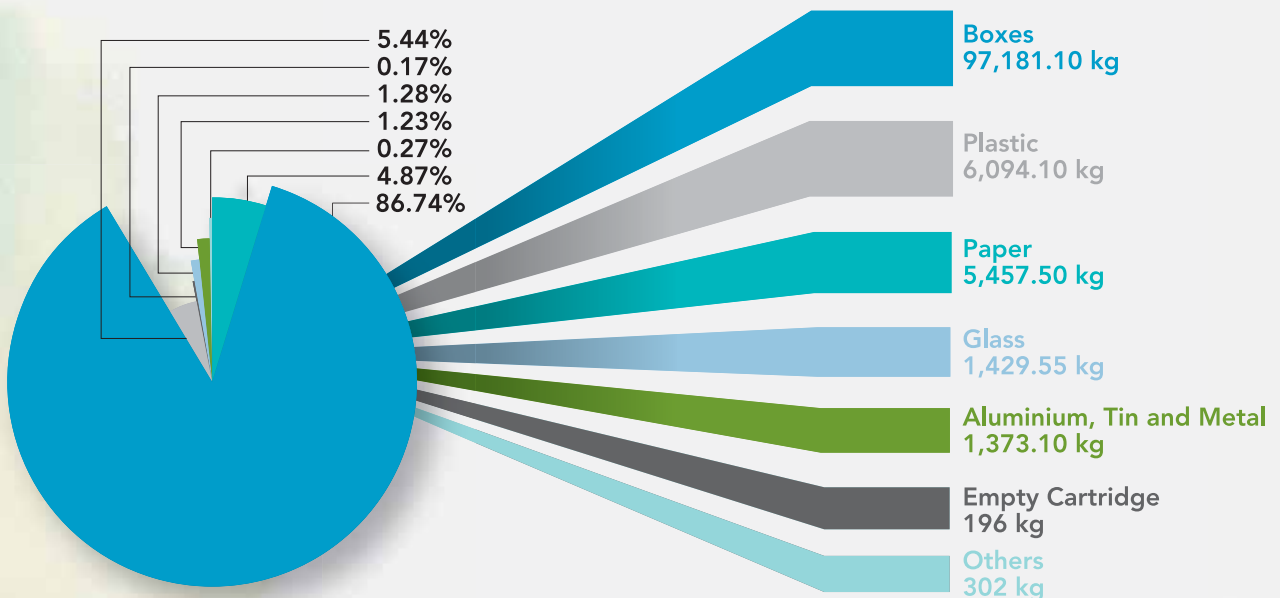
3R activity with the community

An internal recycling programme is conducted at our offices.

**112.03 MT** of recyclable waste was collected in 2013 compared to 6.60 MT in 2012.

The huge increase resulted from EISB's internal recycling programme which was launched on 4 August 2013. During the year, recyclable wastes were also collected from INCs. The detailed breakdown of this waste is as follows.

### Breakdown of Internal Recycling





## Internal Waste Treated and Generated



Incoming and outgoing trucks are weighed on the weighbridge

Larger quantities of waste, especially liquid waste, were collected in 2013. This explains the significant increase of waste treated at INC1 and INC4 in 2013. INC2 and INC3 ceased operations in February 2011, partly due to a reduction in sludge type waste collection. It was also to fully utilise INC1 and INC4 operations. Suitable wastes once treated by INC2 and INC3 were channelled to the Sludge Destabilisation System (SDS) Plant, which has lower treatment costs.

In 2013, waste treated at the SOLI plant increased by 30.60% compared to the previous year. This increase resulted from the treatment of contaminated soil. Due to the issuance of a Notice of Prohibition (NOP), the PCT plant was not operating for more than 8 months.

486 MT of moderately contaminated industrial effluent waste was treated at the PCT Effluent Treatment Plant (ETP) in 2013. This type of waste was not received in 2012.

### Waste Treated and Internal Waste Generated from Operations

Facilities	Quantity (MT)					
	2011		2012		2013	
	Waste Treated	Internal Waste Generated	Waste Treated	Internal Waste Generated	Waste Treated	Internal Waste Generated
INC1	24,158	6,659	24,316	10,793.90	30,877	10,163
INC2	46	12	Plant ceased operations in 2011			
INC3	97	15				
INC4	4,455	1,677	6,597	1,184.45	7,486	1,207
SOLI	11,160	131.41	8,313	188.35	10,857	169.05
PCT	10,607	12.77	4,329	0.06	1,262	0.04
PCT ETP	1,424	-	-	37.01	486	32.81
<b>Total</b>	<b>51,947</b>	<b>8,507.18</b>	<b>43,555</b>	<b>12,203.77</b>	<b>50,968</b>	<b>11,572</b>

## Plant Downtime

The downtime of INC1 decreased from 2,318 hours in 2012 to 2,147 in 2013. Regular internal inspections were also conducted throughout the year at INC4, which explains the slight increase in downtime.

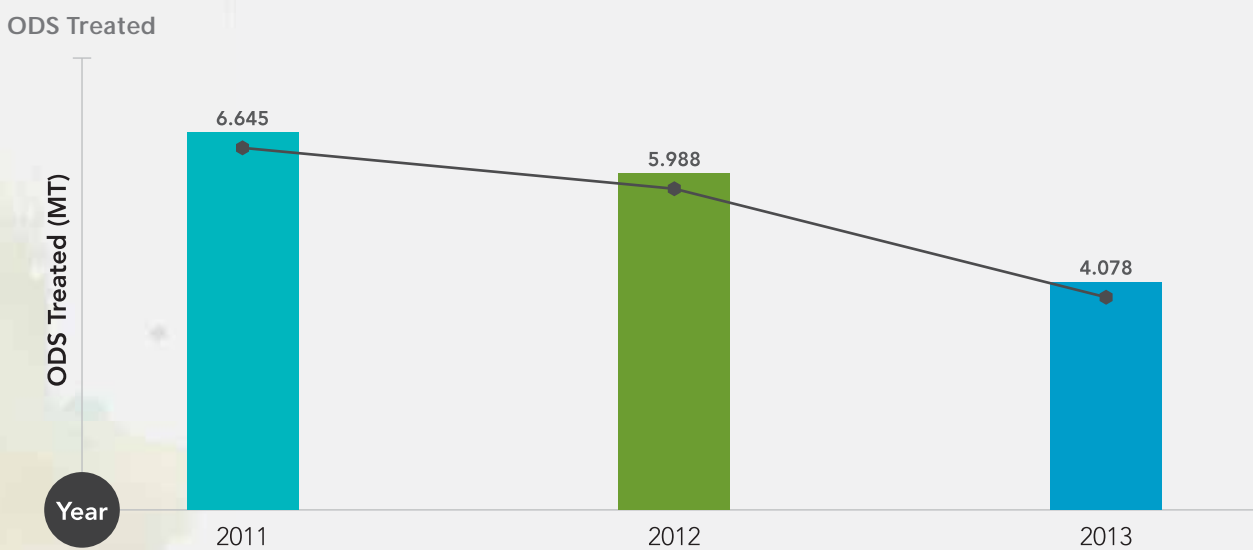
Facilities	Downtime (Hours)		
	2011	2012	2013
INC1	1,249	2,318	2,147
INC2	8,601	Plant ceased operations in 2011	
INC3	8,483		
INC4	2,599	2,148	2,838
SOLI	349	372	1,475
PCT	658	542	2,045

The number of hours of SOLI plant downtime increased by 296.50% compared to 2012. This was due to machine and vehicle breakdown as well as waste availability. The PCT plant also experienced a significant increase in downtime due to the plant closing for 8 months. There will be a major repair work for SOLI in 2014.

## Ozone Depleting Substances (ODS)

UEME supports the Malaysian Government's commitment to implementing the Montreal Protocol on Substances that Deplete the Ozone Layer. This protocol demands freezing the consumption and production of HCFCs in 2013. The parties also agreed to reduce their consumption and production by 2015.

UEME has been treating ODSs to help the Government in this effort. ODS incinerated over the past 3 years are summarised below.



We are pleased that the quantity of ODS treated has fallen year-on-year as the consumption of ODS are phased out.



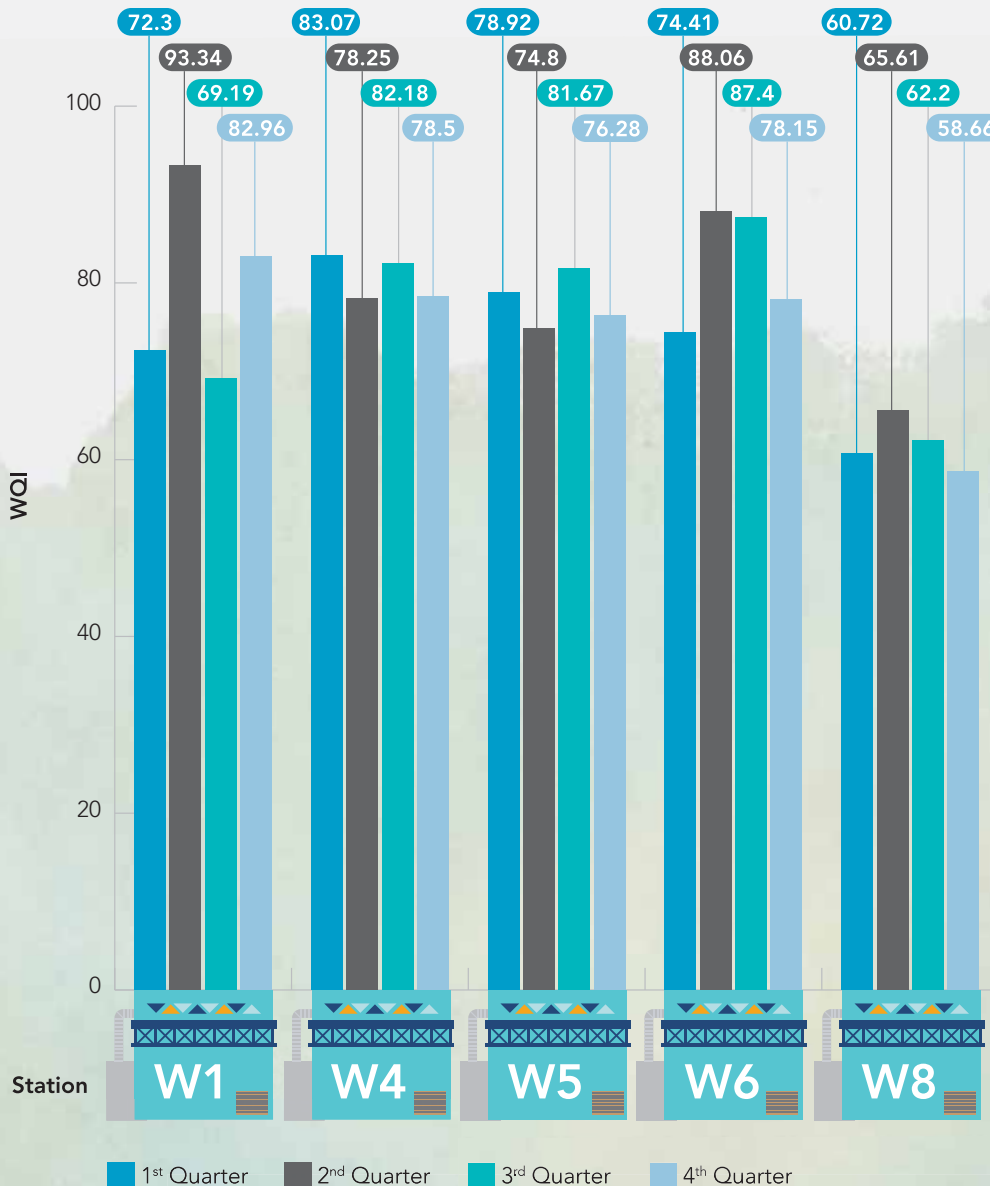
## Environmental Performance

We monitor and measure our environmental performance across every category. This is to ensure that we are on the right track towards maintaining a sustainable environment. Our performance is benchmarked against local and international guidelines.

### Surface Water Quality

Surface water quality monitoring is conducted at 7 river streams. The stations are W1, W4, W5, W6 and W8. These stations are approximately a 1 km to 4 km radius from the WMC. The aim is to determine the state of water quality, identify changes and potential pollution sources to preserve the quality of river water. National Water Quality Standards (NWQS) for Malaysia was used to classify the water quality based on the calculated Water Quality Index (WQI).

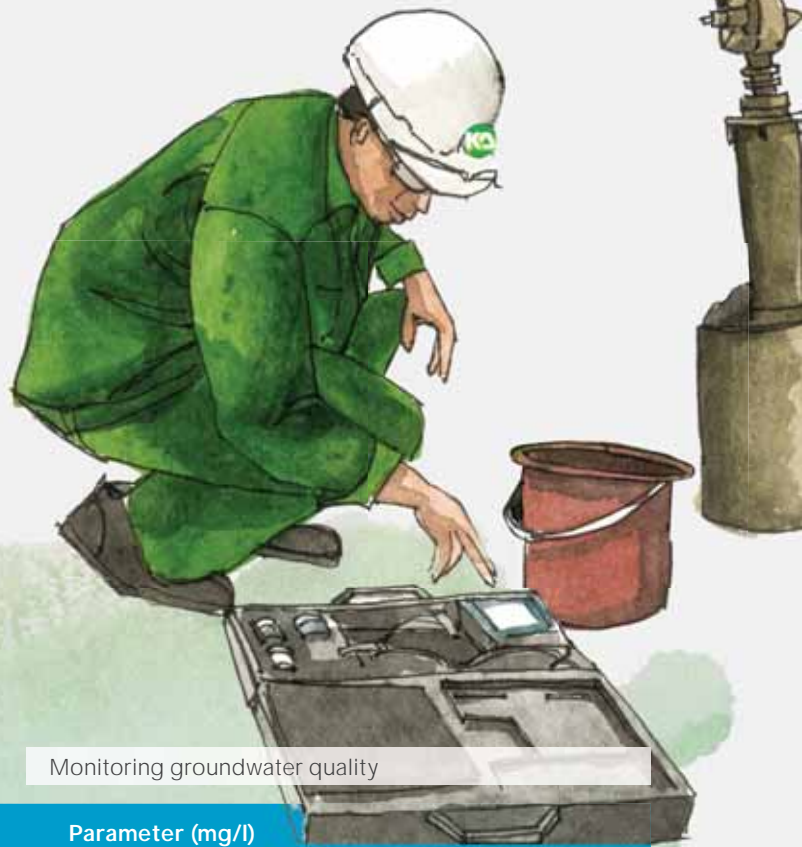
Silt Trap Discharge from W2 and W3 is the flow of storm water during raining periods. Comparing W2 and W3 with the WQI is inappropriate since it represents readings from the middle of the river rather than at the discharge point. Currently, W2 and W3 are compared with Standard B, Environment Quality (Industrial Effluent) Regulations 2009. This is the best comparison as it takes readings from the discharge point. The average WQI for stations W1, W4, W5 and W6 were within range of Class II of Environmental Quality Act. For station W8, which is located 4 km radius away from WMC, the WQI average falls under Class III. This is due to the high organic content from the new nearby development. Nevertheless, the overall average WQI for all monitored stations is 76.33, which is categorised as clean water under Class II.



## Groundwater Quality

Groundwater quality has been monitored at 7 stations since 1996. The stations are WW2, WW3, WW4, WW5, WW6, WW7 and Kg. Jimah Lama (KJL). Stations WW6 and WW7 are located near the WMC and the remaining at KJL. The results were compared to National Guidelines for Raw Drinking Water Quality (NGRDWQ) since there is no specific groundwater quality standard.

Copper and zinc are naturally occurring minerals. The concentration of these minerals may vary due to geology and climate reactions.



Monitoring groundwater quality

Stations		Parameter (mg/l)				
		pH	Mercury (Hg)	Copper (Cu)	Zinc (Zn)	Cyanide (CN)
WW2	Min	4.8	<0.001	<0.01	0.05	<0.01
	Max	5.45	<0.001	0.19	0.35	<0.04
WW3	Min	4.19	<0.001	<0.01	0.04	<0.01
	Max	5.1	<0.001	1.78	1.23	<0.04
WW4	Min	4.3	<0.001	<0.01	0.01	<0.01
	Max	6.11	<0.001	0.01	0.02	<0.04
WW5	Min	5.7	<0.001	<0.01	<0.01	<0.01
	Max	6.1	<0.001	0.01	0.05	<0.04
WW6	Min	5.37	<0.001	<0.01	0.03	<0.01
	Max	5.75	<0.001	0.69	0.11	0.02
WW7	Min	5.71	<0.001	0.01	<0.01	<0.01
	Max	5.9	<0.001	0.04	0.12	<0.04
KJL	Min	5.5	<0.001	0.08	0.01	<0.01
	Max	6.32	<0.001	1	0.42	<0.04
NGRDWQ Standard		-	0.001	1	3	0.007



## Air Quality

### KA

The air quality monitoring was carried out quarterly at KA as stipulated in the Environmental Monitoring Plan (EMP). There are 3 monitoring sites located within (A1, A5 and A6) and another 3 outside the WMC compound (A2, A3 and A4). The overall ambient air quality was considered as good with all the pollutant parameters being well within DOE limits.

[ UEME will change A1 & A5 monitoring stations so that the results, especially Total Suspended Particulate (TSP), are not affected by increasing vehicle movement at the existing site. ]

Parameter (mg/Nm <sup>3</sup> )	A1		A2		A3		A4		A5		A6		DOE Limit
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	
TSP	82	397	27	87	30	79	10	66	35	286	76	123	260
Ozone (O <sub>3</sub> )	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	200
Hydrogen Chloride	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2	<2	32
SOx	<0.10	<0.10	<0.10	<0.10	<0.10	<0.10	<0.10	<0.10	<0.10	<0.10	<0.10	<0.10	350
CO	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	35
NOx	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	320
Cadmium (Cd)	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	2
Lead (Pb)	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	1.50
Arsenic (As)	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0.30
Zn	0.29	1.37	0.02	1.09	0.02	1.30	0.10	1.63	0.17	0.92	<0.01	0.87	120
Cu	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	50
Chromium	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	1.50
Nickel (Ni)	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	320
Iron (Fe)	0.01	0.42	0.02	0.11	0.03	0.09	0.01	0.02	<0.01	0.09	0.02	0.16	4
Manganese	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	2.50

Note: We are currently reviewing the locations of the monitoring stations as advised by the DOE due to high traffic at the existing site.

## KKI

The ambient air quality at 2 sites was monitored quarterly at KKI. Site A1 is located at an open space near to the storage area and A2 is located near to the recovery plant. The results for KKI ambient air quality are presented below. The results show that the ambient air quality surrounding KKI was good in 2013 with all parameters being within DOE limits.

Parameter (mg/Nm <sup>3</sup> )	A1		A2		DOE Limit
	Min	Max	Min	Max	
TSP	37	75	24	77	260
Particulate Matter	28	66	19	69	150
Sulphur Dioxide (SO <sub>2</sub> )	0.73	1	0.73	1	105
CO	1	1	1	1	35
Nitrogen Dioxide (NO <sub>2</sub> )	1	1	1	1	320
Ozone	0.01	0.01	0.01	0.01	200
Pb	0.01	0.02	0.01	0.07	0.5
As	0.01	0.13	0.01	0.02	0.3
Cd	0.01	0.01	0.01	0.01	0.025
Cu	0.02	0.26	0.01	0.62	50
Antimony (Sb)	0.01	0.01	0.01	0.01	25
Zn	0.01	13.75	0.38	15.25	120
Hg	0.01	0.01	0.01	0.01	2

## Stack Emissions Monitoring

We continue to comply with the DOE Licensing Conditions for all parameters. The results of stack emissions monitoring for INC1 and INC4 are presented below. We complied with DOE licensing conditions.

Parameter (mg/Nm <sup>3</sup> )	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter		3 <sup>rd</sup> Quarter		4 <sup>th</sup> Quarter		DOE Limit
	INC1	INC4	INC1	INC4	INC1	INC4	INC1	INC4	
Smoke Density (Ringelmann)	0	0	0	0	0	0	0	0	1
NO <sub>2</sub>	51.40	82.70	47.60	52.70	57	245	2	1	400
SO <sub>2</sub>	<3.0	6.70	3.30	5.50	<0.30	<3.0	<3.0	<3.0	200
CO	21.3	53.90	74.60	56.8	<1.0	22.90	20	6.0	125
Chlorine	0.22	0.16	0.03	<0.01	<0.01	0.03	0.01	0.04	200
As and its Compounds	<0.03	0.05	0.02	0.11	0.78	<0.02	<0.02	<0.02	25
Cd and its Compounds	<0.03	0.06	0.72	6.13	7.62	<0.02	<0.02	<0.02	15
Chromium and its compounds	<0.03	0.20	2.71	2.01	0.04	0.11	1.72	<0.02	50
Pb and its Compounds	0.08	0.11	0.14	0.94	1.92	0.09	0.07	<0.02	20
Hg and its Compounds	<0.02	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	0
Cu and its Compounds	<0.03	0.31	0.02	0.75	0.74	0.08	0.07	<0.01	100



## Noise Monitoring

Noise level monitoring was carried at 4 different locations namely N1, N2, N3 and N4 as listed in the table below. The monitoring is performed every 6 months. UEME is pleased to report that its noise exposure continues to comply with DOE guidelines.

Location	Period	LAeq dB (A)		DOE Limits
		1 <sup>st</sup> Half	2 <sup>nd</sup> Half	
N1	Day time	59.2	61.3	<65 dB(A) for day time <55 dB(A) for night time
	Night time	48.4	49.3	
N2	Day time	58.3	57.3	
	Night time	48.9	47.6	
N3	Day time	59.8	60.6	
	Night time	47.9	48.3	
N4	Day time	60.3	59.9	
	Night time	49.3	48.5	

Note:

N1: At the waste storage

N2: At the landfill area

N3: Near the LTP

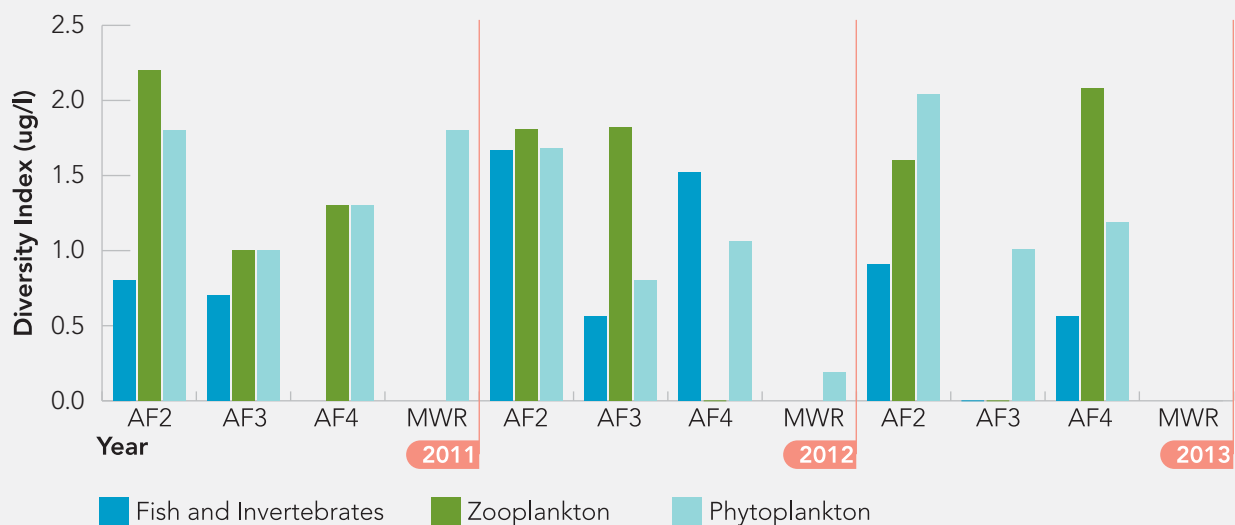
N4: Near the weighbridge

## Preserving Biodiversity

Biologically diverse ecosystems help to preserve their component species, reducing the need for future conservation efforts to protect endangered species. For this reason, UEME closely monitors the impact its operations have on the biodiversity and conservation of the surrounding areas.

### Bio-aquatic Monitoring

Bio-aquatic monitoring consists of taking random samples of microorganisms in aquatic areas. Shannon's H and E was employed to develop a diversity index. This index is used to calculate the biological community structure and ascertain the rarity and abundance of a species in a community or area. Station AF2 was the most diverse with species of fish and invertebrates, zooplankton and phytoplankton. The bio-aquatic monitoring summary results as of 31 December 2013 are presented below.



Note:

AF2: Small stream from tributaries of Sg. Unyai after main culvert near to Tanah Merah post guard.

AF3: Small stream from tributaries of Sg. Kulai near to landfill areas.

AF4: Small stream from tributaries of Sg. Unyai after the Gabion Dam near to the Main Water Reservoir (MWR)

MWR: Inside main water reservoir

The water qualities of the stations were assessed using the *Chlorophyll a* concentration. The concentration of *Chlorophyll a* at the MWR was higher than other stations. *Chlorophyll a* increases as it thrives from the input of nutrients. This reduces the water quality.

Photoreceptor / Station	Concentration (ug/l)											
	2011				2012				2013			
	AF2	AF3	AF4	MWR	AF2	AF3	AF4	MWR	AF2	AF3	AF4	MWR
<b>Chlorophyll a</b>	21.52	1.84	3.15	13.35	0.01	0.003	0.005	0.192	3.50	4.80	7.20	58.90

## Bioassay Testing

Our bioassay testing monitors the mortality rate of various aquatic species in a laboratory setting. 3 main species were used namely *Chlorella Vulgaris*, *Tilapia sp.* and *Moina Micrura*.

### *Chlorella Vulgaris* Growth Rate

The overall growth rate of *Chlorella Vulgaris* at stations AF2 and AF3 reduced in 2013. The most significant reduction was recorded during the 96<sup>th</sup> hour at station AF3. Conversely, station AF4 has shown an improvement in the growth rate compared to previous years.

Hour	Growth Rate (%)								
	2011			2012			2013		
	AF2	AF3	AF4	AF2	AF3	AF4	AF2	AF3	AF4
<b>0</b>	100	100	100	100	100	100	100	100	100
<b>24<sup>th</sup></b>	98	92	92	95	93.50	92.50	91	85.50	96.50
<b>48<sup>th</sup></b>	88	88	81	89	91.50	80.50	88	81	95
<b>72<sup>th</sup></b>	89	79	81	90	80.50	81	88	78	90
<b>96<sup>th</sup></b>	92	83	76	94	83	75.50	88	63.5	85

### *Tilapia sp.* Bioassay 96<sup>th</sup> Hour Test Result

The experiment for the *Tilapia sp* species was done at 3 stations under laboratory conditions. 10 adult and healthy *Tilapias sp* were grown and fed in 2 replicate tanks for a week with the 100% sample concentration. The total number of *Tilapia sp* deaths in 2013 was 7 compared with 16 in 2012.

Station	Water Sample (%)	No. of Deaths				
		0	24 <sup>th</sup>	48 <sup>th</sup>	72 <sup>nd</sup>	96 <sup>th</sup>
AF2	100	0	2	0	0	0
AF3	100	0	1	1	0	1
AF4	100	0	1	0	1	0

### *Moina Micrura* Mortality Rate

*Moina Micrura* is a species of zooplankton that is commonly used in bioassay testing to gauge toxicity levels. The mortality results in December 2013 are presented below. There is a slight decrease in mortality rates compared to the previous year.

Hour	Mortality Rate (%)								
	2011			2012			2013		
	AF2	AF3	AF4	AF2	AF3	AF4	AF2	AF3	AF4
<b>Mean Mortality Rate of <i>Moina Micrura</i> on 48<sup>th</sup> Hour</b>	40.20	42	40	50	70	80	50	45	50



## Flora and Fauna Survey

UEME continuously enhances its flora and fauna index. The flora and fauna surveys conducted in 2013 discovered 85 flora and 68 fauna species compared to 86 flora and 72 fauna species in 2012. The varieties of these species including those protected by the International Union for Conservation of Nature (IUCN) are as below.

### Flora Species

Type of Species	Total Species	Listed under IUCN		Listed under CITES	Listed under Malaysian Wildlife Protection Act of 1972
		Total Species Listed	Status of Living of IUCN		
Woody Trees Species	27	8	1 sp. Vulnerable, 5 sp. Least Concern, 2 sp. Critically Endangered	-	-
Shrubs and Herbaceous Species	36	8	2 sp. Vulnerable, 5 sp. Least Concern, 1 sp. Endangered	-	-
Ferns and Ferns Allies	19	1	1 sp. Least Concern	-	-
Palms	3	-	-	-	-



### Fauna species

Type of Species	Total Species	Listed under IUCN		Listed under CITES	Listed under Malaysian Wildlife Protection Act of 1972
		Total Species Listed	Status of Living of IUCN		
Frogs	8	4	4 sp. Least Concern	-	-
Mammals	12	5	5 sp. Least Concern	2 sp. Long-tailed Macaque and common Treeshrew	1 sp. Musang Tenggalong
Birds	36	26	26 sp. Least Concern	-	-
Reptiles	3	-	-	-	-
Insects	9	-	-	-	-

## GHG Emissions

A company-wide GHG emission study was conducted in 2006. UEME has adopted the internationally-recognised GHG Protocol established by the World Business Council for Sustainable Development and World Resources Institute (WRI). Emissions accounting is based on the GHG Protocol classification of direct and indirect emissions.

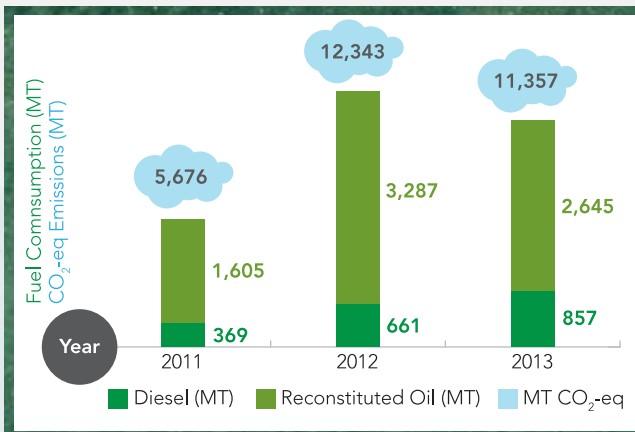
Scope	Category	Indicators Measured
1	Direct GHG Emissions	<ul style="list-style-type: none"> <li>Fuel consumption in our incineration process</li> <li>Company owned vehicles</li> </ul>
2	Indirect GHG Emissions	<ul style="list-style-type: none"> <li>Electricity consumption</li> </ul>
3	Other indirect GHG Emissions	<ul style="list-style-type: none"> <li>Employee owned vehicles</li> <li>Contractor owned vehicles</li> <li>Air travel</li> </ul>

### Scope 1: Direct GHG Emissions

#### Plant Operations

The majority of waste is incinerated and the remaining slag is sent to secured landfill. Running the INCs for extended periods of time consumes large amounts of energy.

#### Fuel Consumption and Carbon Dioxide (CO<sub>2</sub>) Emissions from INC Plants



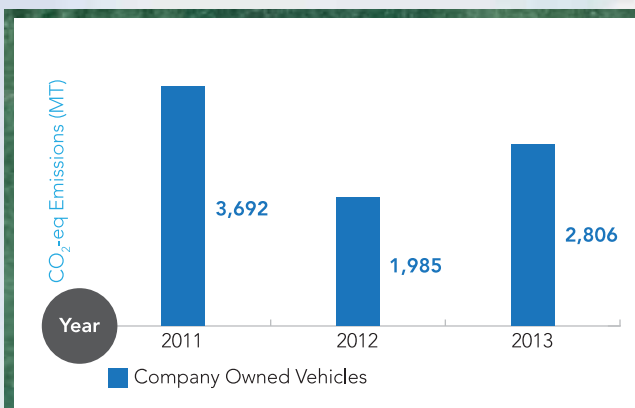
The combined fuel consumption decreased by 11.30%, from 3,948 MT in 2012 to 3,502 MT in 2013. There was a 29.65% increase in diesel consumption from 661 MT to 857 MT. RO consumption decreased by 19.53% from 3,287 MT to 2,645 MT. The increased amount of diesel in the fuel mix was due to a higher downtime in 2013. Starting the plant requires a higher concentration of diesel.

As a result of the decrease of combined fuel consumed at the INCs, GHG emissions reduced by 7.99% from 12,343 MT in 2012 to 11,357 MT in 2013.

#### Company Owned Vehicles

GHG emissions from all company owned vehicles are calculated based on consumption of fuel derived from purchases for cars, motorcycles, 4-wheel drives, vans, trucks and other heavy industrial vehicles. The CO<sub>2</sub> emissions for the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National GHG Inventories.

#### CO<sub>2</sub> Emissions from Company Owned Vehicles

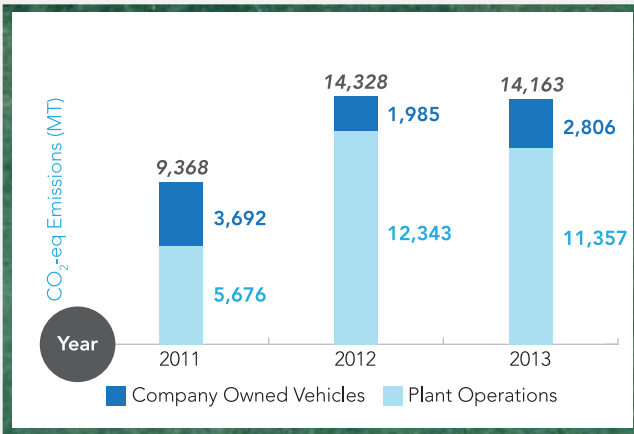


There was a 41.36% increase in emissions from 1,985 MT in 2012 to 2,806 MT in 2013. The increase was partly due to EISB recently introducing new compactors and vehicles. These vehicles are used to meet the increased demand of garbage collection in Perlis.

2 additional 4-wheel drive vehicles were used in 2013 at the WMC. The usage of these vehicles for the STP maintenance contract with PLUS was significant and contributed to the increased emissions.



### Summary of Scope 1 Emissions



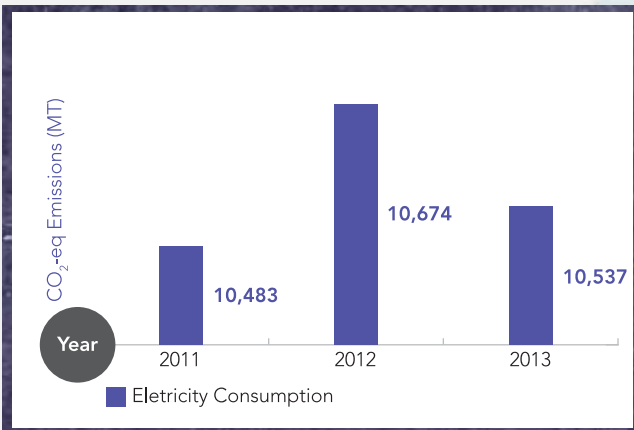
Although the amount of fuel used by company owned vehicles increased, the fuel consumed at INCs reduced. The overall Scope 1 GHG emissions were 1.15% less than the figures reported in 2012.

### Scope 2: Indirect GHG Emissions

#### Electricity Consumption

Indirect GHG emissions are produced as a consequence of our activities, but occur at sources owned or controlled by another entity. UEME's scope 2 emissions are in the form of purchased electricity. The CO<sub>2</sub> emissions from the use of electricity were derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular grid.

#### CO<sub>2</sub> Emissions from Electricity Consumption



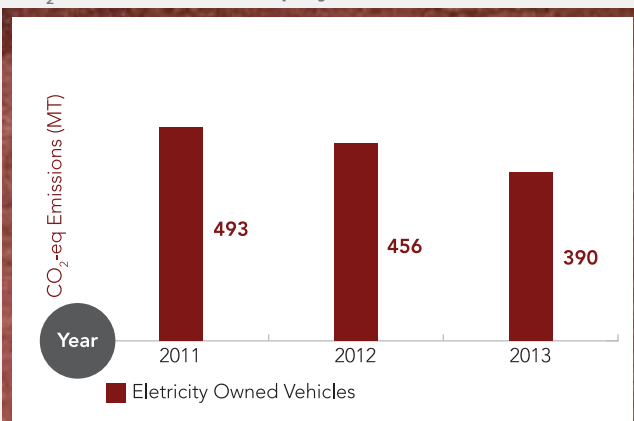
In total, 15,426,954 kWh of electricity was consumed with 93.72% being used by the WMC. The emissions produced from electricity consumption decreased slightly by 1.28% from 10,674 MT in 2012 to 10,537 MT in 2013. All reasonable steps will continue to be taken to keep electricity usage to a minimum.

### Scope 3: Other Indirect GHG Emissions

#### Employee Owned Vehicles

CO<sub>2</sub> emissions from the consumption of fuel for employee owned vehicles were derived from the emission factor published by the IPCC Guidelines for National GHG Inventories.

#### CO<sub>2</sub> Emissions from Employee Owned Vehicles



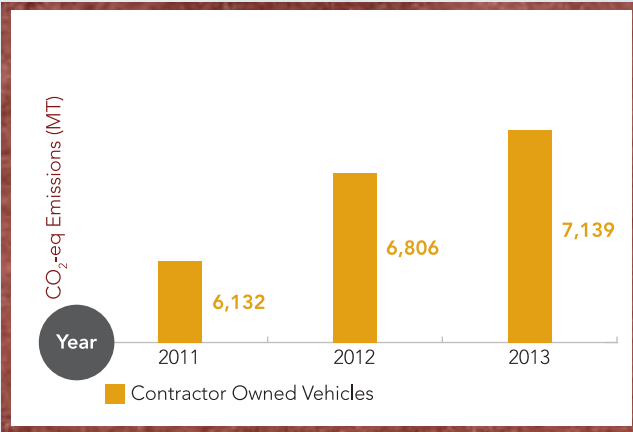
Employee owned vehicles emissions reduced by 14.47% from 456 MT in 2012 to 390 MT in 2013.

### Contractor Owned Vehicles

CO<sub>2</sub> emissions from the consumption of fuel for contractor owned vehicles were also derived from the emission factor published by the IPCC Guidelines for National GHG Inventories.

Contractor owned vehicles consist of heavy industrial transporters, waste collection vehicles and landfill CUs listed under KA, KKA, KKI and EISB.

#### CO<sub>2</sub> Emissions from Contractor Owned Vehicles



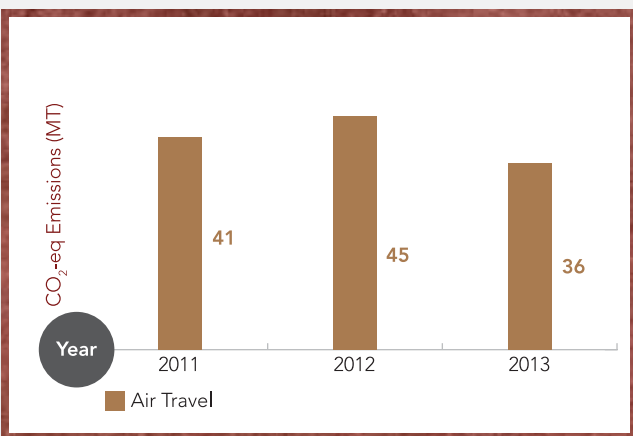
GHG emissions from contractor owned vehicles increased by 4.89%. Emissions increased from 6,806 MT in 2012 to 7,139 MT in 2013.

### Air Travel

GHG emissions resulting from air travel were measured from origin to destination including the number of employees on board, distance and flight class. All short and long-haul flights were included in the GHG calculation.

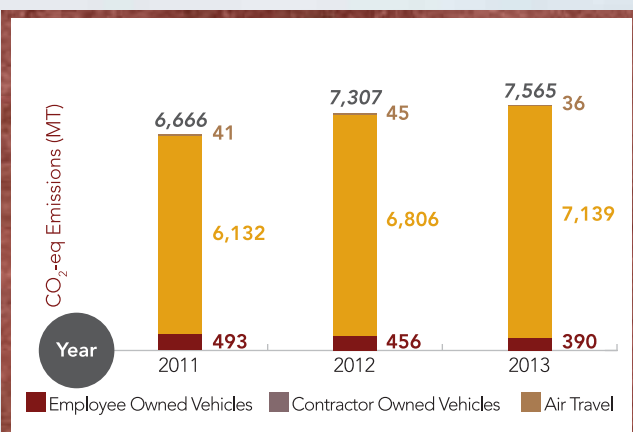
Online tools derived from the WRI GHG Protocol have been used to calculate the CO<sub>2</sub> emissions from air travel.

#### CO<sub>2</sub> Emissions from Air Travel



Emissions from business air travel decreased by 20% from 45 MT in 2012 to 36 MT in 2013. This is partly due to fewer long haul flights being taken to the Middle East.

#### Summary of Scope 3 Emissions



This diagram summarises the total Scope 3 emissions for the year 2013 which represents a slight increase of 3.53% from 7,307 MT in 2012 to 7,565 MT in 2013.



## Total Emissions

The following table provides the full breakdown of emissions and their sources:

Scope	Emission Source	CO <sub>2</sub> -eq Emissions (MT)		
		2011	2012	2013
1	Plant Operations	5,676	12,343	11,357
	Company Owned Vehicles	3,692	1,985	2,806
	<b>Subtotal</b>	<b>9,368</b>	<b>14,328</b>	<b>14,163</b>
2	Electricity Consumption	10,483	10,674	10,537
	<b>Subtotal</b>	<b>10,483</b>	<b>10,674</b>	<b>10,537</b>
3	Employee Owned Vehicles	493	456	390
	Contractor Owned Vehicles	6,132	6,806	7,139
	Air Travel	41	45	36
	<b>Subtotal</b>	<b>6,666</b>	<b>7,307</b>	<b>7,565</b>
	<b>Total</b>	<b>26,517</b>	<b>32,309</b>	<b>32,265</b>

This table above lists all UEME emissions resulting from all 3 scopes from 2011 to 2013. The total GHG emissions in 2013 were 32,265 MT, approximately 0.15% less than the previous year.

Year	Total Waste Treated (MT)	Total CO <sub>2</sub> Emissions (MT CO <sub>2</sub> -eq)	CO <sub>2</sub> Emissions per MT of Waste Treated (MT CO <sub>2</sub> -eq/ MT waste treated)
2011	51,947	26,517	0.5105
2012	43,555	32,309	0.7418
2013	50,968	32,265	0.6330

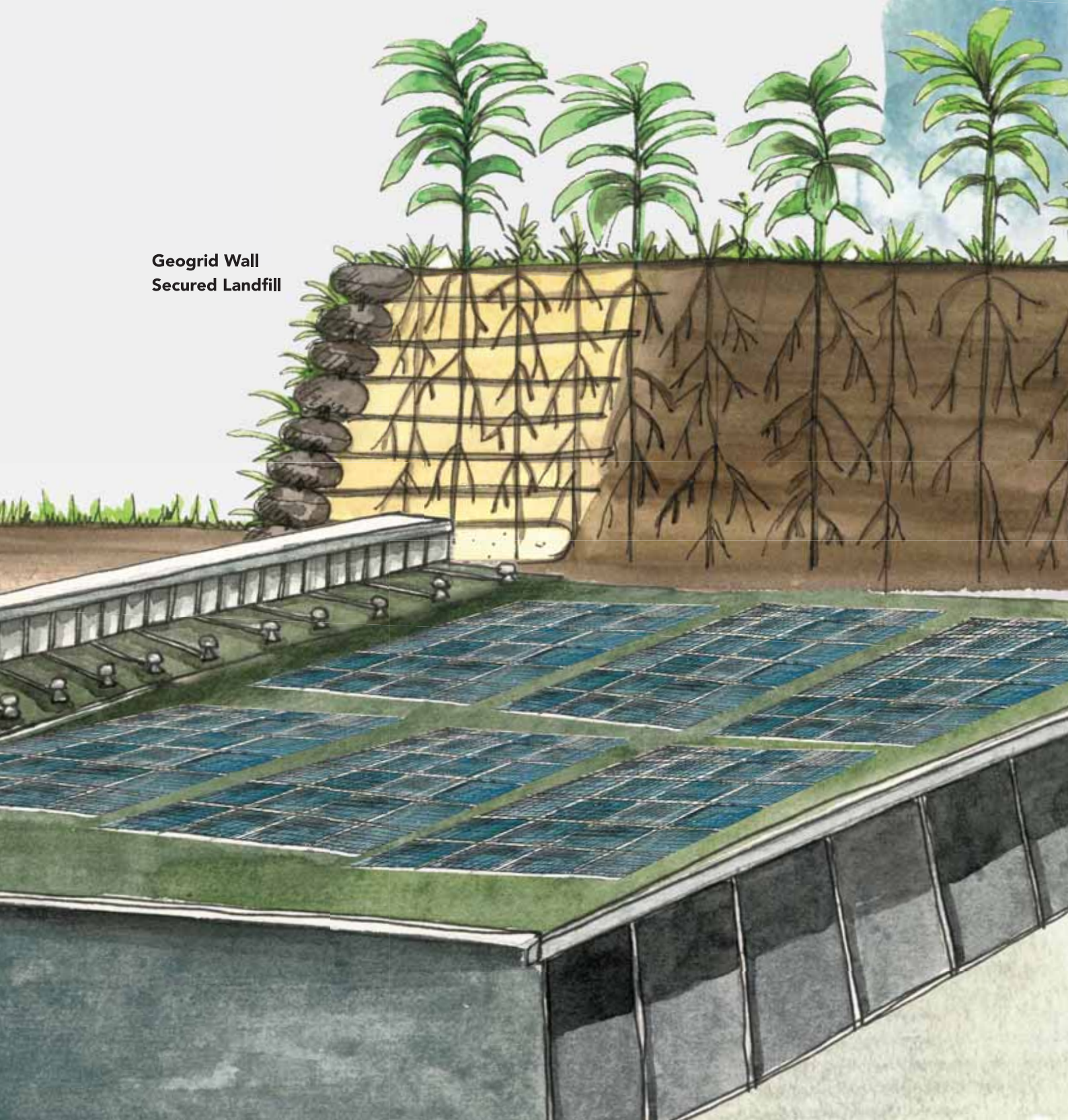
The table above compares the total waste treated with the total CO<sub>2</sub> emissions. This indicates the fuel efficiency of UEME's waste treatment processes for each year. In 2013, the fuel efficiency increased by 14.67% compared with 2012. However, many factors influence the fuel efficiency such as the type of waste treated.



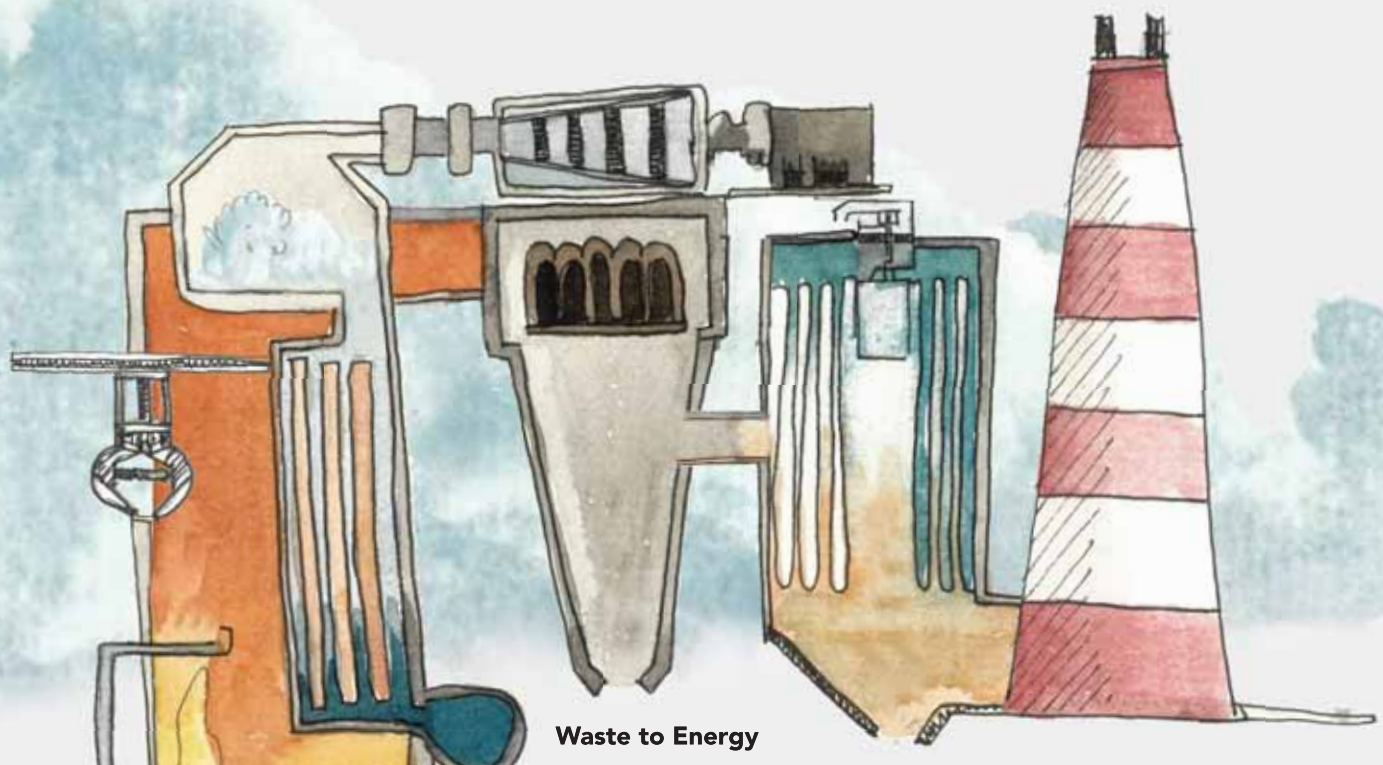
# EVOLVING

UEME continues to innovate and venture into new areas of business to expand its reach. Various achievements have been made as new projects commenced and progress was made on existing projects. UEME's involvement in 2013 is highlighted in this section.

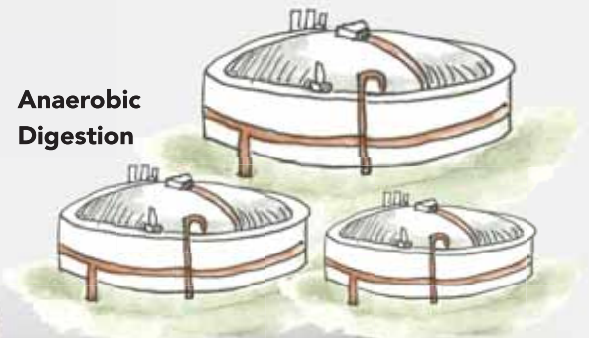
**Geogrid Wall  
Secured Landfill**



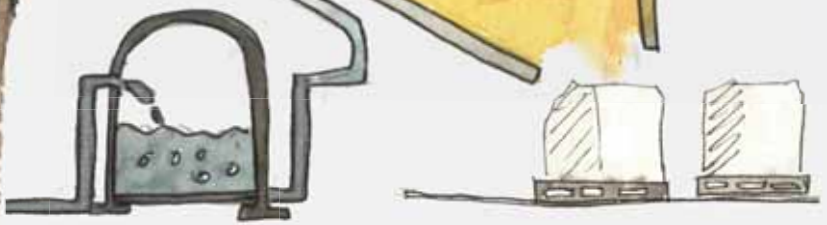




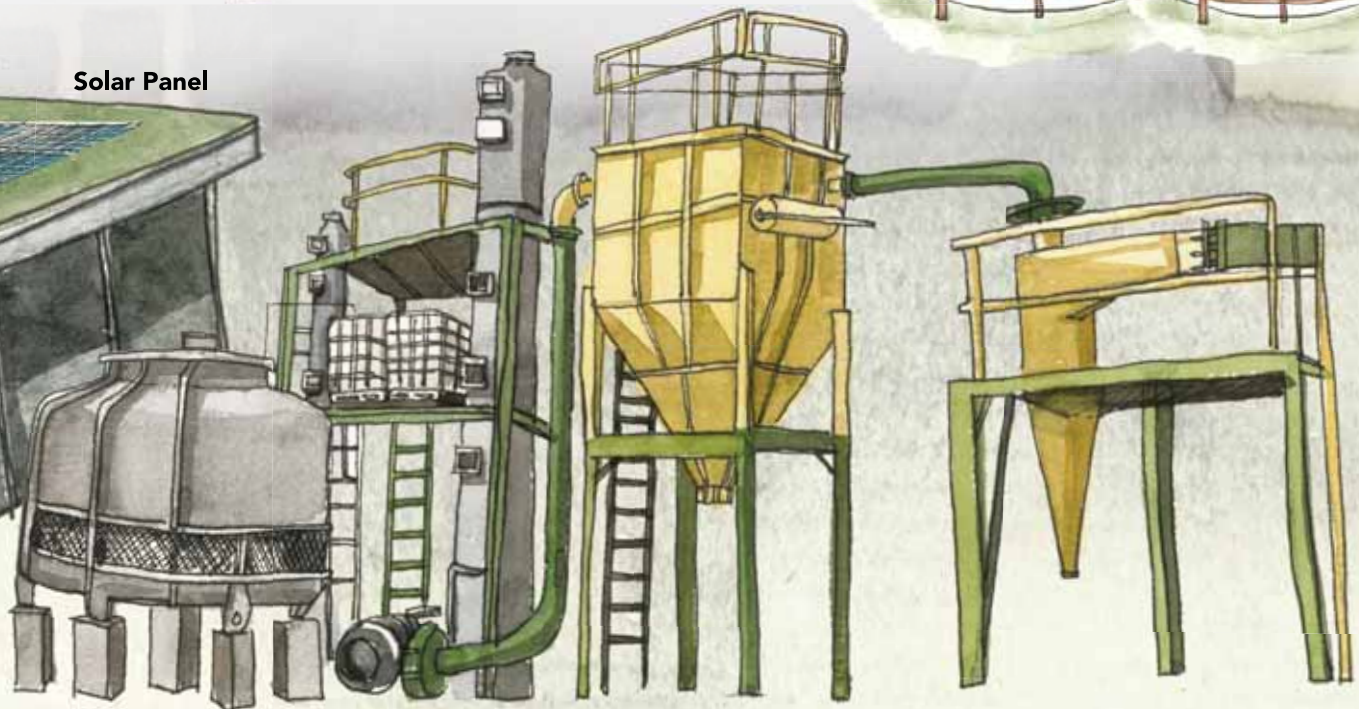
Waste to Energy



Anaerobic Digestion



Solar Panel



Syngas Plant



## Continuous Improvement Projects

UEME's continuous improvement projects are aligned with the Company's goals. We have mapped the achievements and challenges faced in each project. We remain focused to ensure these projects materialise in the coming years.



INC4 slag conveyor

### INC4 - Slag Conveyor Downtime Improvement

**Objective:** To minimise the downtime of INC4's slag conveyor.

**Challenge Faced:** The slag conveyor always trips or jams because of equipment parts such as a scrapper, flooring or a chain.

**Project Progress in 2013:** Improvements were made to the scrapper, flooring plate, chain and chain guide rail.



Existing waste used as bund for secured landfill

### Utilisation of Existing Waste as Landfill Bund instead of using Imported Soil

**Objective:** To minimise the use of soil in making the bunding.

**Challenge Faced:** Soil is usually used to make the bund.

**Project Progress in 2013:** Selected bags (with waste) are laid out to form the bund.



KKI treating wastewater at the ETP

### Treatment of Residual Water from KKI

**Objective:** To treat KKI residual water and reuse it as process water.

**Challenge Faced:** KKI generates residual water during recycling and recovery. This residual water requires treatment.

**Project Progress in 2013:** The residual water is now treated at the LTP and reused as process water in the facility.



Recovering acetone at the acetylene plant

### Recovery of Acetone

**Objective:** To further distil the recovered acetone from the acetylene processing plant at KKI.

**Challenge Faced:** Acetone is extracted during the cylinder treatment. This acetone needs to be incinerated.

**Project Progress in 2013:** The acetone is purified and blended in the fuel oil production. The fuel will be used for combustion at the INCs. This saves disposal costs.

### Enhancement of Wet Scrubber Pump Cooling System

**Objective:** To prevent the pump's impeller and mechanical seal from frequently breaking.

**Challenge Faced:** Frequent breakages led to wet scrubber system downtime. The repair costs were substantial and only lasted a few weeks.

**Project Progress in 2013:** A cooling system was installed and the mechanical seal replaced with a more robust alternative that is able to withstand extreme heat.



## UEME's Achievements

We are proud to report the milestones reached during the year. We have made significant progress in these areas. The Company is evolving through innovation and expansion as highlighted below.

### WWTP System



WWTP system at the WMC

UEME has established a complete WWTP system. Wastewater generated from treatment activities or contaminated rainwater can be treated or reused at the treatment plant. The ETP processes wastewater that has been industrially or commercially contaminated before releasing it into the process water tank. The leachate from landfill is channelled to the LTP for treatment before being reused at the INC plant. The storm water drains to the old LTP for further treatment. The WGs' wastewater is transported to the WMC for offsite treatment at the ETP or PCT.

There were no contracts to design and build WWTPs secured in 2013. Currently, ways are being researched to provide services to another client in Pasir Gudang, Johor, which allows treated water to be reused in production.

### STP

UEME signed a 3-year agreement with PLUS, Elite, Linkedua and KLBK for the O&M of STPs along PLUS Highways. The agreement was signed on 28 December 2010. These companies plan to continue our services for another 2 years. The scope of work consists of:

- O&M of STPs including the treatment of sewage, desludging, planned preventive maintenance and analysis of effluent
- Rectification, repair and upgrading works to improve the STP efficiency

Other work was secured such as the construction of new STPs, upgrading and repair work from PLUS

There are currently 222 STPs: 83 in Central, 65 in Northern and 74 in the Southern Regions. This translates to the total Population Equivalent (PE) of 70,290.



STP upgrading at Pagoh RSA (South Bound)

The table below shows sewage discharge compliance with the Environmental Quality (Sewage) Regulation 2009 of the STPs by region. The compliance levels at all regions have increased significantly compared to previous years.

Region	Compliance (%)		
	2011	2012	2013
Northern	69	80	85
Central	85	90	97
Southern	74	80	89

The small proportion of non-compliance is mainly due to the original design of some of the older STPs. We aim for 100% compliance when these STPs are upgraded and operated within our specifications.

O&M service becomes our core STP business. We are also involved in the upgrading and construction of new STPs for PLUS. 3 STP projects were completed in 2013.



Construction of a new STP at Sg. Buaya Toll Plaza



Construction of a pump sump basement slab



Installation of an FRP Aeration Tank

The 1<sup>st</sup> project was to build an STP that treats sewage from public and employee toilets at the toll plaza office in Sg. Buaya New Interchange. The design of this challenging project is based on an 8 metre pump sump depth. It was a Fibre Reinforced Plastic (FRP) STP plant with a capacity of 225 PE. The project was delayed for several months due to pump sump issues and construction hiccups. However, the STP was completed in December 2013.

The 2<sup>nd</sup> project involved upgrading an STP tank at Pagoh RSA (South Bound) from 300 PE to 1,500 PE. The project commenced on 15 August 2012 and was completed on 3 May 2013.

The 3<sup>rd</sup> STP project was to build an STP at Bukit Gambir New Interchange. This STP treats sewage from public and employee toilets at the toll plaza office. The capacity of the STP is 250 PE and the project was completed on 21 November 2013.

### ICS - Basin Cleaning

UEME began a project to propose technology for the effective desludging of floating sludge at T-6606 Remote Impounding Basin in 2012. The contract was secured with Petronas Penapisan Melaka on 25 February 2013. The removal of floating sludge was limited to 3,000 m<sup>3</sup> and covered a total surface area of approximately 20,750 m<sup>2</sup>. The sludge from desludging was treated on site through 3 phase separation: recovering the oil, removing the water and minimising the sludge waste. UEME has a proven track record for desludging, tank cleaning and oil recovery projects and it possess all necessary Petronas registration and licences. We have been awarded phase 2 of this project.

### Desludging, Cleaning and Waste Disposal Crude Oil Tank

UEME secured a project with Shell Refining Company (FOM) Bhd after proposing technology for the cleaning of a crude oil tank T-1109 on 6 February 2013. The tank was cleaned up to the inspection/hot work standards. The hydrocarbon sludge generated by the cleaning process was treated onsite. Any recoverable oil was extracted to reduce the volume of sludge to be disposed of. Process water and washings were separated before being discharged directly.

A separate project was secured on 1 July 2013. Technology was proposed for the cleaning of the crude oil tank T-1107. The work was performed to the same specifications as the crude oil tank T-1109.



## Treatment and Disposal of CW

KA has been fully licensed to process CW at INC4 since 1 May 2012. CW consists of biomedical waste and plastic containers. We have been awarded 3 contracts to treat and dispose of CW.

A total of **11,072.34 MT** of CW was received from 2011 to 2013 for treatment and disposal. UEME has secured a long-term contract for CW in December 2013 and it is expecting a total collection of 5,400 MT commencing January 2014.

## Green Initiatives by EISB

EISB began its aggressive evolution in 2011 with the introduction of new technologies including its Badger and Integrated Green Composting Facility. The positive impact resulting from these technologies is significant. EISB continued to evolve in 2013. The Company now manages 14 Badgers. All of the Badgers' lids, which were previously constructed from fibre, have been replaced with metal alternatives. This is stronger and better suited for its robust operations and waste overflow. ASSU has carried out recyclable sorting at the transfer station since December 2013, which has been using the Badger system. Dry inorganic waste is separated as part of its internal recycling programme and it forms 20% of the total recyclable collection by ASSU. ASSU obtained approximately 40 kg per week from this activity.

## MPAR



Compactor Units equipped with bin lifters

EISB and Syarikat Perkhidmatan dan Pembekalan Lezan invented MPAR trucks which lead the way in waste management technology.

28

trucks were fully operational for MSW collection in residential and commercial areas in 2013.

This is more than double the 11 trucks we had in 2012.

We have replicated the usage of MPAR in Alor Setar, Kulim, Langkawi, Kangar and Sg. Petani. MPAR technology improves the process and efficiency of each task as 3 MT of waste can be loaded at any 1 time and can cover approximately 700 houses a day. Mobile Garbage Bin (MGB) 120L is deployed in residential areas whereas the MGB 240L caters for the commercial areas.

The MPAR uses a mechatronic and hydraulic power automation system. It is capable of transforming its mode of operation from a CU to an open RORO system depending on the requirement. Fitted closed-circuit television allows its operations to be monitored and raw data can be retrieved easily using a USB drive. This ensures that work is done properly and efficiently. EISB's MPAR is the 1<sup>st</sup> of its kind in the market.

EISB continues its support of equal opportunities, non-discrimination and women empowerment. This is reflected in the increased number of female drivers of its MPAR trucks from 3 in 2012 to 7 in 2013.



## CU with Bin Lifter

All new CUs are equipped with bin lifters and comply with European Standard EN 1501-1 as stipulated in the CA. MGBs with capacities of 120L to 1100L can be lifted. ENVI purchased an additional 32 CUs in 2013 to bring the total to 57.

## GMRF

There are 2 types of GMRF: clean and dirty. A clean GMRF accepts recyclable co-mingled materials that have already been separated at source; dirty GMRF accepts a mixed MSW stream which mechanically and manually separates designated recyclable materials.

GMRF operations accept plastic, paper, metal, glass, aluminium and polystyrene. The minimum capacity for this facility is 50 MT per day. EISB aims to contribute to a minimum recycling rate of 22% through this clean GMRF. This is aligned with the target of the Federal Government. GMRF commenced operations on 1 November 2013.



Manually separating and sorting the waste of GMRF

## Future Initiatives

Our long-term goals are ambitious and present challenges that are substantial, complex and systemic. Our evolving initiatives all have sustainability at their cores.

### Waste Minimisation Activities at WG Site

UEME provides a sludge processing solution including pre-treatment and centrifugation. A decanter centrifuge machine is being used to treat oily sludge and it can separate liquids and solids properly.

3 phase centrifugation separates oily sludge into water, oil and solid cake. Good quality recovered oil can be separated and reused at the refinery process. Water removed can be treated by the refinery's effluent treatment system. The solids produced can be stored in 200 litre steel drums prior to disposal.

The objective is to recover as much oil as possible and to dispose of the other components efficiently. Generally oily sludge reduction will range from 60% to 90% depending on the sludge characteristics.



## Centre of Excellence for Waste Management

UEME is in the process of developing a centre of excellence. The centre aims to develop national and institutional knowledge in sustainability opportunities. It will also create innovative waste management solutions. Hopefully, this centre will help to create awareness and advocacy of climate change issues in Malaysia.



### Home Composting

Malaysia generates 33,000 MT of MSW a day which consists of food waste, plastic, paper and iron. Approximately 95% to 97% of waste collected is disposed of in landfill. Home composting was introduced as an alternative to minimise wastage. 2 methods are chosen, anaerobic and aerobic composting, using a different Indigenous Micro Organism. Currently, a pilot project aims to identify the easiest and most effective method of home composting for Malaysian food waste. Our goal is to evaluate convenient odourless techniques for fermenting food waste with the shortest cycle time that do not attract maggots or flies.

### Development of New Anaerobic Digester

On 28 February 2013, the Economic Planning Unit initiated a meeting with LADA, EISB and other related agencies on the service quality improvement programme in Langkawi. Major improvement plans discussed include MSW collection and public cleansing activities on Pulau Tuba. Transportation to the disposal site via a barge system was also suggested. Currently, Pulau Tuba is outside of EISB's scope of work since the area is managed by LADA.

The management demonstrated the integrated MSW Cradle to Grave concept to complement the collection and cleansing proposal in Pulau Tuba.

A composting and biogas facility was proposed for Pulau Tuba to treat organic waste from 5,000 residents and surrounding areas that generate approximately

1.3 MT of MSW daily. The location of the facility is being considered on a 1 acre piece of land. It is expected to commence on 1 April 2014.

### Clean Renewable Energy (Biogas)

The anaerobic digestion optimises organic waste composition for improved methane yields. Biogas provides a source of clean renewable energy that can be used instead of depleting fossil fuels. It can be burnt in biogas stoves, biogas lamps or in biogas generators to produce electricity.

### EISB in Spreading the Spirit of Recycling

EISB is in discussion with Tabung Haji to open saving accounts for school students at a cost of RM2 per student. The programme requires students to bring at least 2 kg of recyclable items every fortnight. EISB purchases these items and the money is transferred into their saving accounts. We hope to have the programme running in April 2014. The programme will involve an estimated 155,673 students from Kedah and Perlis.

EISB also encourages the homeless to collect household waste in exchange for food. In 2013, the Company also held discussions with Jawatankuasa Kemajuan dan Keselamatan Kampung on a win-win agreement: EISB will provide services such as landscaping, security or tuition classes for students in exchange for recyclable waste from the village. EISB also had discussions with supermarkets including TESCO Mergong, Kedah to offer redeemable coupons as a reward for households that recycle.

# AWARDS AND RECOGNITION

## 14 May 2013

### Royal Society for the Prevention of Accidents (RoSPA) Award

KA and KKA won the Gold Medal at the RoSPA Occupational, Health and Safety Awards for the 6<sup>th</sup> and 5<sup>th</sup> consecutive years respectively. The award presentation ceremony was held on 14 May 2013. KKA was also the recipient of RoSPA's Gold Award for Managing Occupational Road Risk (MORR), a recognition it has received for the 3<sup>rd</sup> consecutive year since 2011.

David Rawlins, awards manager at the RoSPA, said: "RoSPA firmly believes that organisations that demonstrate commitment to continuous improvement in accident and ill health prevention deserve recognition. Kualiti Alam and Kualiti Khidmat Alam have shown that it is committed to striving for such continuous improvement and we are delighted to honour it through the presentation of an award".



## 5 June 2013

### UEME signed an Memorandum of Understanding (MoU) with the DOE



Tree planting at Awana Genting Longhouse, Genting Highlands as a symbol of the agreement

UEM Group signed a collaboration note and MoU with the DOE on 5 June 2013 together with its subsidiaries namely PLUS, CIMA and KA. We will work closely with the DOE to implement nationwide awareness and environmental education programmes in addition to encouraging Rakan Alam Sekitar membership. UEME's former MD represented the Company in the signing ceremony that was witnessed by Datuk Dr James Dawos Mamit, Deputy Minister of MNRE. The event was followed by the planting of trees at Awana Genting Longhouse, Genting Highlands as a symbol of our pledge to this initiative and to the environment.





## 2 September 2013

EISB is now certified with ISO 9001



ISO certification award presentation ceremony



EISB received the ISO 9001:2008 certification which was presented by KIWA International Certification Sdn Bhd during the *Aldilfitri* Open House on 2 September 2013. This certified the operations at EISB's HQ and ASSU for Provision of Management of Solid Waste Collection and Public Cleansing Services. EISB hopes to replicate the certifications for Service Units at Sg. Petani, Kulim, Langkawi, Kangar, Yan, Padang Terap and Kubang Pasu. EISB's aims to become fully certified to ISO 9001:2008 standards for the Service Unit by 2014.

## 11 September 2013

Malaysian Society for Occupational Safety and Health (MSOSH) Award

The MSOSH has once again bestowed KKA with A Very Good OSH record performance for 2012. The recognition conferred, MSOSH OSH Gold Class I Award under the category of Services Sectors, has been won by KKA for the 6<sup>th</sup> consecutive year since its participation in 2007. The award ceremony was held on 11 September 2013.

The MSOSH annual safety and health performance awards gives due recognition to its members for achieving commendable safety and health records and have shown improvement in occupational safety and health processes through sound safety and health management systems.

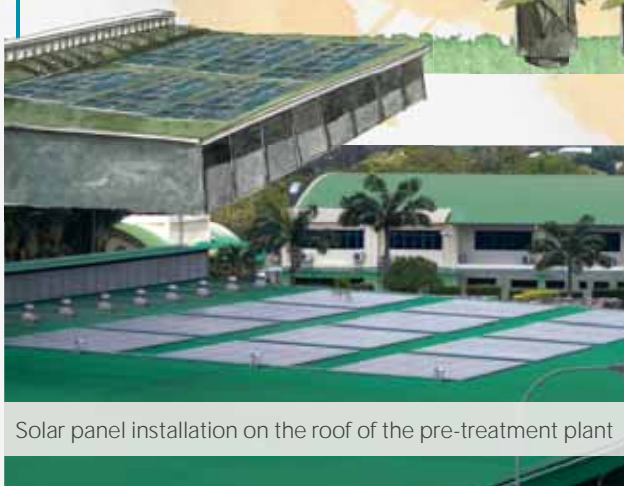


Chee Yoke Choy receiving an award from Datuk K Selvarajah, CEO of SOCSO on behalf of the Company

## 19 November 2013

Solar

KA has managed to complete the installation of its first 150kwh solar panel system. The system is placed on the roof of the existing pre-treatment facility. The installation started on 19 November 2013 and was completed on 9 January 2014. The supply of electricity to the grid will commence in 2014. The system includes 600 solar panels from CSUN60 High-Efficiency Solar Cell and 6 Steca 23kW 3 phase solar grid inverter.



Solar panel installation on the roof of the pre-treatment plant

# GLOSSARY

Abreviation	Definition
3R	Reuse, Reduce, Recycle
3K	Kempen Kebersihan Kedah
ASSU	Alor Setar Service Unit
Badger	Underground Bin System
CA	Concession Agreement
CEO	Chief Executive Officer
CIMA	Cement Industries of Malaysia Berhad
CSR	Corporate Social Responsibility
CU	Compactor Unit
CW	Clinical Waste
DOE	Department of Environment
EISB	E-Idaman Sdn Bhd
EMS	Environmental Management Services
EOC	Evaluation of Compliance
EPA	Environmental Protection Agency
EPF	Employees Provident Fund
EQ(SW) R 2005	Environmental Quality (Scheduled Waste) Regulations 2005
ETP	Effluent Treatment Plant
EU	European Union
EVP	Employment Value Proposition
ENVI	Environment Idaman Sdn Bhd
FRP	Fibre Reinforced Plastic
GHG	Greenhouse Gas
GLC	Government-Linked Companies
GMRF	Green Material Recovery Facility
GPS	Global Positioning System
GRI	Global Reporting Initiative
HEIGIP	High-End Industry Graduate Internship Programme
HIRADC	Hazard Identification, Risk Assessment and Determine Control
HOD	Heads of Department
HQ	Headquarters
HRA	Human Resource & Administration
ICS	Industrial Cleaning Services
IMS	Integrated Management System
INC	Incinerator
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature
JCC	Joint Consultative Committee
JVC	Joint Venture Company
KA	Kualiti Alam Sdn Bhd
KESUKA	Kelab Sukan dan Kebajikan Kualiti Alam
Kg.	Kampung
Khazanah	Khazanah Nasional Berhad

Abreviation	Definition
KJL	Kg. Jimah Lama
KKA	Kualiti Khidmat Alam Sdn Bhd
KKI	Kualiti Kitar Alam Sdn Bhd
KPI	Key Performance Indicators
Kw	Kilowatt
LADA	Langkawi Development Authority
Ldg.	Ladang
LEF	Learn English Family
LTI	Lost Time Injury
LTP	Leachate Treatment Plant
MD	Managing Director
MGB	Mobile Garbage Bin
MNRE	Ministry of Natural Resources and Environment
MOE	Ministry of Education
MPAR	Multi-Purpose Arm Roll
MRF	Material Recovery Facility
MS	Management System
MSOSH	Malaysian Society for Occupational Safety and Health
MSW	Municipal Solid Waste
MT	Metric Tonnes
MWR	Main Water Reservoir
NGO	Non-Government Organisation
NGRDWQ	National Guidelines for Raw Drinking Water Quality
O&M	Operations and Maintenance
ODS	Ozone Depleting Substance
OHS	Occupational Health and Safety
OHSAS	Occupational Health and Safety Advisory Services
OSH	Occupational, Safety and Health
PCT	Physical Chemical Treatment
PDPA	Personal Data Protection Act 2010
PE	Population Equivalent
PINTAR	Promoting Intelligence, Nurturing Talent and Advocating Responsibility
PLUS	PLUS Malaysia Berhad
PPE	Personal Protective Equipment
PPP	Public Private Partnership
PPSPPA	Perbadanan Pengurusan Sisa Pepejal dan Pembersihan Awam
PROPEL	Projek Penyelenggaraan Lebuh raya Berhad
PRS	Private Retirement Scheme
QMS	Quality Management System
Report	Sustainability Report 2013
RM	Ringgit Malaysia
RO	Reconstituted Oil

Abreviation	Definition
RORO	Roll-On-Roll-Off
ROSPA	Royal Society for the Preventive of Accidents
RSAs	Rest and Service Area
SAINS	Syarikat Air Negeri Sembilan
SBSB	Special Builders Sdn Bhd
Sg.	Sungai
SHC	Safety and Health Committee
SHE	Safety, Health and Environment
SJKT	Sekolah Jenis Kebangsaan Tamil
SK	Sekolah Kebangsaan
SMK	Sekolah Menengah Kebangsaan
SOLI	Solidification
STP	Sewage Treatment Plant
SUM	Service Unit Manager
Sustainability Survey	Sustainability Survey 2013
SW	Scheduled Waste
The Board	Board of Directors
UELP	UEM Group Berhad English Literacy Programme
UEM Group	UEM Group Berhad
UEME	UEM Environment Sdn Bhd
UPSR	Ujian Penilaian Sekolah Rendah
WG	Waste Generator
WMC	Waste Management Centre
WQI	Water Quality Index
WRI	World Resources Institute
WTE	Waste to Energy
WWTP	Wastewater Treatment Plants



# ASSURANCE STATEMENT

**BUREAU VERITAS**  
Certification



## INDEPENDENT VERIFICATION STATEMENT

To: The Stakeholders of UEM Environment Sdn Bhd

### Introduction and objectives of work

Bureau Veritas has been appointed by UEM Environment Sdn Bhd to conduct an independent verification of its Sustainability Report 2013. This Verification Statement applies to the related information included within the scope of work described below.

This information and its presentation in the Sustainability Report 2013 are the sole responsibility of the management of UEM Environment Sdn Bhd. Bureau Veritas was not involved in the drafting of the report. Our sole responsibility was to provide independent verification on the accuracy and assurance of information included. This is the 6<sup>th</sup> year in which we have provided verification over UEM Environment Sdn Bhd Sustainability Report.

### Scope of work

UEM Environment Sdn Bhd requested Bureau Veritas to verify the accuracy of the following:

- Data and information included in the Sustainability Report 2013

### Methodology

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

1. Interviews with relevant personnel and Head of Departments of UEM Environment Sdn Bhd including E-Idaman Sdn Bhd.
2. Review of documentary evidence produced by UEM Environment Sdn Bhd including E-Idaman Sdn Bhd.
3. Audit performance data, a 100% sample of which back to source;
4. Review of UEM Environment Sdn Bhd systems for qualitative and quantitative data aggregation and analysis.





5. Site verification at Sekolah Kebangsaan Sungai Buloh, Kampung Sungai Buluh, Simpang Durian, Negeri Sembilan, for the educational community engagement program for the "Promoting Intelligence, Nurturing Talent and Advocating Responsibility" or PINTAR.
6. Site verification and review at 3 different locations, namely UEM Environment Sdn Bhd at Mercu UEM in Kuala Lumpur; Waste Management Centre in Seremban and also E-Idaman Sdn Bhd in Alor Star. Documentation review was conducted at all 3 locations while plant and system observation was conducted at the Waste Management Centre and E-Idaman Sdn Bhd as well as meeting on-site workers.
7. Our work was conducted against Bureau Veritas' standard procedures and against the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines, at the A+ application level for external verification of Sustainability Reports, based on current best practice in independent assurance.

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

#### **Our findings**

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated.
- It is our opinion that UEM Environment Sdn Bhd and E-Idaman Sdn Bhd have established appropriate systems for the collection, aggregation and analysis of qualitative and quantitative data such as key performance indicators and continuous improvement data.
- Substantial community initiatives by E-Idaman Sdn Bhd have been taken, addressing social and environmental issues among local communities with promising data for the next years.
- The supporting evidence to be properly compiled for easy retrieval from respective departments during the verification.







- Since E-Idaman Sdn Bhd may contribute significantly in the company's turnover, other GRI indicators should be applied to E-Idaman Sdn Bhd as well.

**Limitations and Exclusions**

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Positional statements (expressions of opinion, belief, aim of future intention by UEM Environment Sdn Bhd) and statements of future commitment;
- Data identified by the client for non-inclusion, geographical operations/activities excluded, subsidiaries/joint ventures, etc.

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

**Statement of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental managements with almost 180 years history in providing independent assurance services, and an annual turnover in 2013 of 3.9 billion Euros.

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

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



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

Bureau Veritas  
Kuala Lumpur, Malaysia  
21<sup>st</sup> March 2014

Lead Verifier,

Wan Hisham Balkiah Wan Hassan







## Statement GRI Application Level Check

GRI hereby states that **UEM Environment Sdn Bhd** has presented its report "UEM Environment Sdn Bhd Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 7 April 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir  
Director Services  
Global Reporting Initiative



The "+" has been added to this Application Level because UEM Environment Sdn Bhd has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

*Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 31 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.*

# GRI G3.1 CONTENT INDEX

UEME adopted the GRI G3.1 guidelines, a comprehensive set of indicators covering all dimensions of sustainable development. The GRI provides a framework against which we can track and report our economic, environmental and social performance. This approach allows for greater transparency and accountability, as well as benchmarking against previous years' performance.

The GRI guidelines help ensure UEME covers relevant topics, identified by a broader range of stakeholders. This Sustainability Report has achieved the GRI application level check A+. For indicators that we have not reported, we have provided detail on why we have not included certain information in our report where appropriate.

The following table provides an overview of how we have applied the GRI guidelines to define the report content, integrate the reporting principles for defining quality, and report on the GRI standard disclosures. We believe that these guidelines offer us the best way to present our most important sustainability information in a fully transparent and reliable way.

● Fully Disclosed   □ Partially Disclosed   ✕ Not Disclosed

G3.1 Content Index				
STANDARD DISCLOSURES PART : Profile Disclosures				
1. Strategy and Analysis				
Profile Disclosure	Description	Status	Cross-reference	Reason for Omission and Explanation
1.1	Statement from the most senior decision-maker of the organisation	●	6-8	
1.2	Description of key impacts, risks, and opportunities	●	6-8	
2. Organisational Profile				
Profile Disclosure	Description	Status	Cross-reference	Reason for Omission and Explanation
2.1	Name of the organisation	●	Front Cover, 3, 5, Back Cover	
2.2	Primary brands, products, and/or services	●	5	
2.3	Operational structure of the organisation	●	5	
2.4	Location of organisation's headquarters.	●	3, Back Cover	
2.5	Number of countries where the organisation operates	●	3, Back Cover	
2.6	Nature of ownership and legal form	●	5	
2.7	Markets served	●	5	
2.8	Scale of the reporting organisation	●	3, 5	
2.9	Significant changes during the reporting period	●	6-8	
2.10	Awards received in the reporting period	●	96-97	
3. Report Parameters				
Profile Disclosure	Description	Status	Cross-reference	Reason for Omission and Explanation
3.1	Reporting period	●	3	
3.2	Date of most recent previous report	●	3	
3.3	Reporting cycle	●	3	
3.4	Contact point for questions regarding the report or its contents	●	3	
3.5	Process for defining report content	●	3, 9-15	
3.6	Boundary of the report	●	3, 9-15	
3.7	Specific limitations on the scope or boundary of the report	●	3	
3.8	Basis for reporting on joint ventures, subsidiaries, etc	●	3, 5-8	
3.9	Data measurement techniques and the bases of calculations	●	84-87	
3.10	Explanation of the effect of any re-statements of information	●	6-8	
3.11	Significant changes from previous reporting period	●	6-8, 14-15	



3.12	Table identifying the location of the Standard Disclosures	●	GRI G3.1 Content Index	
3.13	Policy and current practice with regard to seeking external assurance for the report	●	Assurance Statement by Bureau Veritas	
<b>4. Governance, Commitments and Engagement</b>				
Profile Disclosure	Description	Status	Cross-reference	Reason for Omission and Explanation
4.1	Governance structure of the organisation	●	20	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	20-21	
4.3	Independent and/or non-executive members of the Board	●	20	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	20	
4.5	Linkage between compensation and the organisation's performance	●	25, 38	
4.6	Processes in place to ensure conflicts of interest are avoided	●	25	
4.7	Qualifications and expertise of the Board	●	20-21	
4.8	Internally developed statements of mission or values, codes of conduct, and principles	●	4, 25, 35, 53, 67	
4.9	Identification and management of economic, environmental, and social performance, conduct, and principles	●	9, 12-15, 58	
4.10	Processes for evaluating the highest governance body's own performance	●	12-13, 48	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	●	12-13	
4.12	Externally developed economic, environmental, and social charters, principles	●	49	
4.13	Memberships in associations	●	97	
4.14	List of stakeholder groups engaged by the organisation	●	10-11	
4.15	Basis for identification and selection of stakeholders with whom to engage	●	10	
4.16	Approaches to stakeholder engagement	●	10-11	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics	●	10-11	

STANDARD DISCLOSURES: Performance Indicators					
Economic					
Performance Indicator	Description	Status	Cross-reference	Reason for Omission and Explanation	To be Reported in
<b>Economic Performance</b>					
EC1	Direct economic value generated and distributed	●	25		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	●	84-87		
EC3	Coverage of the organisation's defined benefit plan obligations	●	38		
EC4	Significant financial assistance received from government	●	18-19	We did not receive any financial assistance from the Government. However, UEME continues to support the Government's initiatives by applying its expertise.	
<b>Market Presence</b>					
EC5	Standard entry level wage vs. local minimum wage	●	38		
EC6	Policy, practices, and proportion of spending on locally-based suppliers	●	59		
EC7	Procedures for local hiring	●	59		
<b>Indirect Economic Impacts</b>					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	●	34		
EC9	Understanding and describing significant indirect economic impacts	●	33-35		

Environmental					
Performance Indicator	Description	Status	Cross-reference	Reason for Omission and Explanation	To be Reported in
<b>Materials</b>					
EN1	Materials used by weight or volume	•	71		
EN2	Percentage of materials used that are recycled input materials	•	71		
<b>Energy</b>					
EN3	Direct energy consumption by primary energy source	•	72		
EN4	Indirect energy consumption by primary source	•	72		
EN5	Energy saved due to conservation and efficiency improvements	•	72		
EN6	Initiatives to provide energy-efficient or renewable energy	•	72, 97		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	•	72		
<b>Water</b>					
EN8	Total water withdrawal by source	•	73		
EN9	Significant impact of withdrawal of water	•	73		
EN10	Percentage and total volume of water recycled and reused	•	73	All water at our operations is 100% recycled	
<b>Biodiversity</b>					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas	•	81-83		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas	•	81-83		
EN13	Habitats protected or restored	•	81-83		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	•	81-83		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	•	81-83		
<b>Emissions, Effluents and Waste</b>					
EN16	Total direct and indirect greenhouse gas emissions by weight	•	84-87		
EN17	Other relevant indirect greenhouse gas emissions by weight	•	84-87		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	•	57, 72-73		
EN19	Emissions of ozone-depleting substances by weight	•	76		
EN20	NOx, SOx, and other significant air emissions by type and weight	•	73, 79		
EN21	Total water discharge by quality and destination.	•	73		
EN22	Total weight of waste by type and disposal method	•	74-75		
EN23	Total number and volume of significant spills	•	61		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous	X	-	Not Applicable. UEME's business license does not allow it to import or export waste.	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	•	73		
<b>Products and Services</b>					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	•	77-81		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	X	-	Our packaging includes plastic drums and steel drums which are being recycled by respective vendors	
<b>Compliance</b>					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	•	67		



Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	•	70		
Overall					
EN30	Total environmental protection expenditures and investments by type.	•	16		
Social: Labour Practices and Decent Work					
Performance Indicator	Description	Status	Cross-reference	Reason for Omission and Explanation	To be Reported in
Employment					
LA1	Total workforce by employment type, employment contract, and region	•	39-40		
LA2	Total number and rate of employee turnover by age group, gender, and region	•	43		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	•	38		
LA15	Return to work and retention rates after parental leave, by gender.	•	-	Our workforce history has recorded a full retention	
Labour/Management Relations					
LA4	Percentage of employees covered by collective bargaining agreements	X	-	Not Applicable	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	•	53		
Occupational Health and Safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	•	49		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	•	50		
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	•	50-51		
LA9	Health and safety topics covered in formal agreements with trade unions.	X	-	Not Applicable	
Training and Education					
LA10	Average hours of training per year per employee by employee category	•	43-45		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	•	43-45		
LA12	Percentage of employees receiving regular performance and career development reviews	•	48		
Diversity and Equal Opportunity					
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	•	39-40		
Equal Remuneration for Women and Men					
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	•	-	UEME rewards its employees equally regardless of gender (1:1).	
Social: Human Rights					
Performance Indicator	Description	Status	Cross-reference	Reason for Omission and Explanation	To be Reported in
Diversity and Equal Opportunity					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	•	53		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	•	53		

HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	□	53	Employees are educated on human rights topic through our Code of Ethics. There is no specific training programmes designed for this topic.	As and when it is applicable.
<b>Non-Discrimination</b>					
HR4	Total number of incidents of discrimination and actions taken	●	53		
<b>Freedom of Association and Collective Bargaining</b>					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	□	-	UEME does not have an in-house union but the Company does not restrict its employees from joining any union of their choice.	-
<b>Child Labour</b>					
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	●	53		
<b>Forced and Compulsory Labour</b>					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	●	53		
<b>Security Practices</b>					
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	●	53	Security personnel are educated on human rights topic through our Code of Ethics.	-
<b>Indigenous Rights</b>					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	●	53		
<b>Assessment</b>					
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	●	53		
<b>Remediation</b>					
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	●	-	There has been no record of grievances related to violations of human rights in the workplace	-
<b>Social: Society</b>					
Performance Indicator	Description	Status	Cross-reference	Reason for Omission and Explanation	To be Reported in
<b>Community</b>					
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	●	35		
SO9	Operations with significant potential or actual negative impacts on local communities	●	28-35		
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	●	28-35		
<b>Corruption</b>					
SO2	Percentage and total number of business units analysed for risks related to corruption.	□	35	There is no activity pertaining to this indicator. Somehow, an action will be taken prior to any misconduct or suspicious report by any parties.	-
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	●	35		
SO4	Actions taken in response to incidents of corruption	●	35	There is no activity pertaining to this indicator. Somehow, an action will be taken prior to any misconduct or suspicious report by any parties.	
<b>Public Policy</b>					
SO5	Public policy positions and participation in public policy development and lobbying	●	18	UEME maintains its good relationship with the authorities by supporting the Government's initiatives and applying its expertise to societal needs.	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	X	-	UEME did not make any financial and in-kind contributions to political parties, politicians and related institutions.	-



Anti-competitive Behaviour					
Performance Indicator	Description	Status	Cross-reference	Reason for Omission and Explanation	To be Reported in
<b>Anti-competitive Behaviour</b>					
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	•	67		
<b>Compliance</b>					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	•	67		
<b>Social: Product Responsibility</b>					
<b>Customer Health and Safety</b>					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	•	56-57		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	•	56-57		
<b>Product and Service Labelling</b>					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	•	19, 70		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	•	19, 70		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	•	65-66		
<b>Marketing Communications</b>					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	•	62		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	•	62		
<b>Customer Privacy</b>					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	•	67		
<b>Compliance</b>					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	•	58		



The background is a vibrant, hand-drawn illustration of a park. A winding path leads through green grass and trees. On the left, a large tree has a bird's nest. On the right, a squirrel sits on a rock near a small pond. The sky is bright with a yellow sun. The title 'Lagu Kitar Semula' is written in large, stylized letters at the top.

# Lagu Kitar Semula

Kebersihan alam sekitar kita,  
Menjaganya tanggungjawab bersama,  
Kita lindung dan kita jaga,  
Dengan amalkan kitar semula,  
Sayang alam ini kurniaan Ilahi,  
Jangan dinodai,  
Kelak kita kan sesali,  
Semaikan sikap cintakan kebersihan,  
Mulakan ia didalam diri kita,  
Pengasingan dipunca kunci utama,  
Kurangkan pembaziran, gunakan semula  
ooh..ohh..

C/O:

Sisa makanan jadikan baja,  
Kertas, botol dan plastik,  
Logam juga tin,  
Dikumpul dan dibersih, diproses semula,  
ohh..ohh..

Amalan budaya kitar semula,  
(Mari amalkan kitar semula),

Ulang C/O:

Kurangkan sisa, guna semula,  
Kitar semula, amalan mulia,  
Jadikan ia satu budaya,  
Sayangi alam sekitar kita.



## Corporate Directory

### **UEM Environment Sdn Bhd**

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### **Kualiti Alam Sdn Bhd**

Waste Management Centre

Ladang Tanah Merah A3 Division

71960 Bukit Pelandok, P.O.Box 126

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## The Trusted Partner in Environmental Solutions

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