



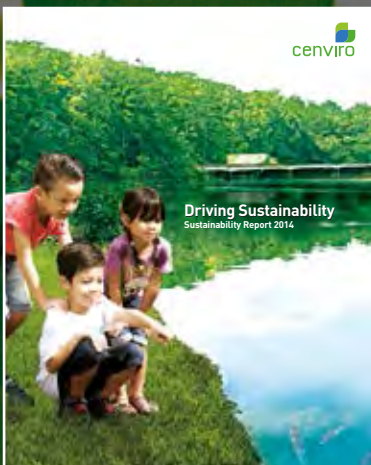
# Driving Sustainability

Sustainability Report 2014



## Cover Rationale

# DRIVING SUSTAINABILITY



Cenviro Sdn Bhd (Cenviro) (formerly known as UEM Environment Sdn Bhd) is leading the way in sustainable development to address the challenges in 3 key areas namely environmental sustainability, community empowerment and economic development. We will continue to drive the nation in a sustainable manner by providing integrated environmental solutions and actively contributing to a greener and cleaner environment.

We are active in innovation and constantly seek solutions while establishing new market benchmarks. Our business sustainability focal points are aligned with emerging trends to meet market demands.

The cover illustrates our role in driving sustainability to create a greener and cleaner environment. A group of our children are playing in one of Malaysia's scenic city parks. Cenviro protects and preserves the environment in all areas that it operates. This symbiosis ensures that the environment can be enjoyed by all Malaysians, now and in the future.



CERTIFIED TO  
ISO 9001:2008  
CERT. NO. : AR 3083



CERTIFIED TO  
ISO 14001:2004  
CERT. NO. : EN 0304



CERTIFIED TO OHSAS  
18001:2007  
CERT. NO. : SR 6122



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



MS ISO/IEC 17025  
TESTING  
SAMM NO. 215



ISO 9001  
ISO 14001  
OHSAS 18001  
MS 1722  
BUREAU VERITAS  
Certification



ISO 9001  
ISO 14001  
OHSAS 18001  
BUREAU VERITAS  
Certification







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# ABOUT THIS REPORT

Cenviro's annual sustainability report (Report) provides a summary of the Group's operating performance including financial and non-financial measures against its sustainability strategy. Detailed information on the scope and criteria used when preparing this Report is presented below.

## SCOPE OF REPORT

**Reporting Period** [G4-28, G4-29]  
1 January to 31 December 2014  
(unless specified)

**Reporting Cycle** [G4-30]  
Annually

**Coverage** [G4-4, G4-9, G4-18, G4-20, G4-21]  
This Report covers Cenviro and its subsidiaries Kualiti Alam Sdn Bhd (KA), Kualiti Khidmat Alam Sdn Bhd (KKA) and Kualiti Kitar Alam Sdn Bhd (KKI). E-Idaman Sdn Bhd (EISB) is a Joint Venture Company (JVC). Environment Idaman Sdn Bhd (ENVI) and Green Resource Recovery Sdn Bhd (GRR) are subsidiaries of EISB.

Subsidiaries are all companies that Cenviro owns or has direct management control. A JVC refers to a contractual agreement between Cenviro and a 3<sup>rd</sup> party company for executing a particular business undertaking. References to 'Cenviro', 'the Cenviro Group', 'the Company', 'the Organisation' and 'we' refer to Cenviro and/or its affiliates and subsidiaries.

## REFERENCES AND GUIDELINES

### Principal Guideline

- Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

### Additional Guidelines

- Bursa Malaysia's Corporate Social Responsibility (CSR) Framework
- Silver Book: The Putrajaya Committee Government-Linked Companies (GLC) Transformation Manual
- Association of Chartered Certified Accountants (ACCA) Malaysia Sustainability Reporting Awards (MaSRA) Guidelines for Malaysian Companies
- International Organization for Standardisation (ISO) 26000:2010 Guidance on Social Responsibility
- Judges feedback from various CSR awards

### Reporting Content

- The content of this Report is based on a multi-stakeholder approach, the GRI G4 requirements and other sustainability ratings and rankings.
- The Report's transparent structure and information discloses Cenviro's initiatives with its stakeholders. It highlights key goals and policies adopted in the value chain to achieve long-term business and societal sustainability.
- 2014 achievements have been compared against those of previous years and 2014 performance forms the benchmark for 2015 targets.

### Reliability and Relevance of Information Disclosed

 [G4-32]

The Report has undergone the GRI Materiality Disclosure Service check. We were guided by the latest GRI G4 framework. In line with the updated framework, we engaged an external consultant to conduct a detailed materiality study with all stakeholder groups and subsequently expanded our disclosure of material issues and their impact on Cenviro. The materiality analysis was a useful exercise as it clarifies matters that are important to stakeholders and allows us to address their concerns in a manner that builds on our strengths and promotes Cenviro as a sustainable company.

### Assurance and Verification

 [G4-33]

The content of this Report has been verified and independently reviewed by Bureau Veritas Certification (M) Sdn Bhd (Bureau Veritas) and the assurance statement can be found on page 121.

### Feedback

This Report is available to all stakeholders in hard copy on request or can be downloaded from our corporate website [www.cenviro.com](http://www.cenviro.com).

For further information, please contact [G4-5, G4-31]:

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Tel No. : +603-2727 6100  
Fax No. : +603-2727 2100  
Email : [csd@cenviro.com](mailto:csd@cenviro.com)



# 2014 SNAPSHOT

# 28

March 2014

## RESTRUCTURING

The restructuring exercise was completed on **28 March 2014** with Khazanah Nasional Berhad (Khazanah) taking over the entire stake of Cenviro.

# 24

October 2014

## REBRANDING

The soft launch of Cenviro brand was held on **24 October 2014** at which the new brand identity, logo and outlook were unveiled.

# 1,985

## WORKFORCE

**1,985** employees consisting of 325 from Cenviro and 1,660 from EISB and growing.

## SERVICES

**One-stop solution services** with the adoption of a **cradle-to-cradle** concept in innovative, sustainable waste management and renewable energy solutions.

## FINANCIAL

- Recorded revenue of **RM151 million**, an increase of **3.33%** from 2013.
- Net profit attributable to shareholder increased by **45.71%** or **RM44 million** in 2014.
- Total assets of **RM291 million**, an increase of **17.68%** in 2014.

## CERTIFICATIONS

### KA

- ISO 9001:2008, ISO 14001:2004, Occupational Health and Safety Advisory Services (OHSAS) 18001:2007, Management Standards (MS) 1722:2011 and MS ISO/IEC 17025

### KKA

- ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and MS 1722:2011

### KKI

- ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007

### ENVI

- ISO 9001:2008 and ISO 14001:2004 (for ENVI's headquarters (HQ) and Sungai Petani service unit)

## TRAINING PROGRAMMES

- Spent **RM461,529** on employee training compared with **RM401,463** in 2013, an increase of **14.96%**, as part of a drive to equip employees with relevant skills.
- Average contractors training hours increased by **9.70%** due to a more efficient allocation of resources than in 2013.

## ENVIRONMENT

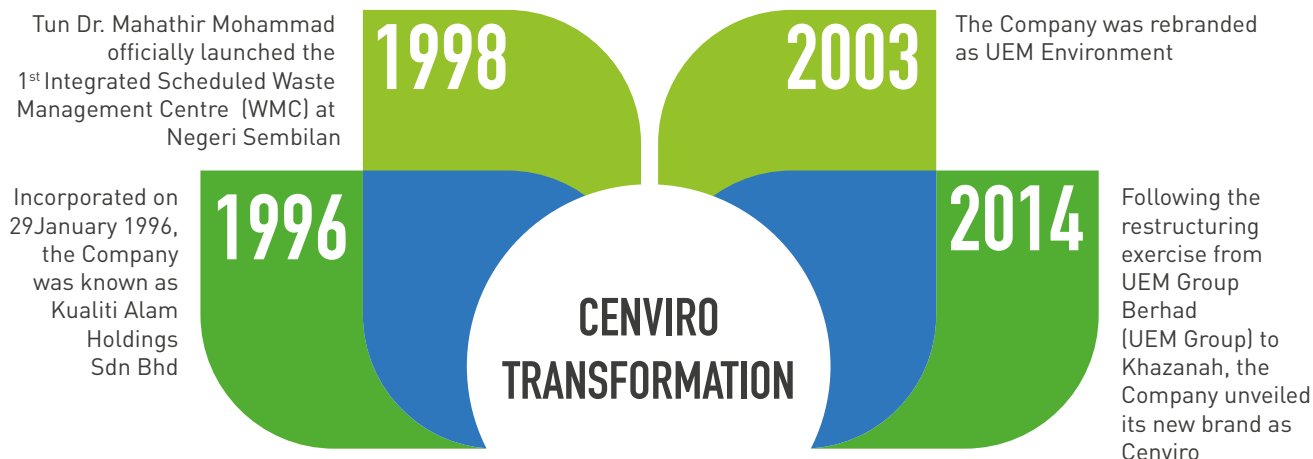
- Monitoring and compliance with Department of Environment (DOE) requirements and Greenhouse Gas (GHG) Protocol for waste, water, energy, noise, emissions and biodiversity.
- ENVI started preserving Pulau Bidan Marine Ecology on **16 September 2014**.
- EISB's recycling rate was 8.0%; the National rate was 10.5% in 2014.

## DRIVING SUSTAINABILITY

- Cenviro launched Malaysia's 1<sup>st</sup> non-incineration Clinical Waste Treatment Centre (CWTC) on **24 November 2014**.
- KA's 150 kWh solar panel system became operational on **20 March 2014** and has generated 154.29 MWh of electricity.



# THE TRANSFORMATION OF CENVIRO



## RESTRUCTURING [64-16]

Khazanah took over the entire stake of Cenviro on 28 March 2014 from UEM Group. This restructuring exercise formed part of Khazanah's sustainable development initiative which was aligned with the 10<sup>th</sup> Malaysia Plan and Economic Transformation Programme.

Cenviro is a vital asset of Khazanah that realises the Government's transformation agenda. It focuses on the environmental industry under the Sustainable Development Programme. Cenviro's 20 years of experience in integrated waste management helps other investee companies gain access to a global network and benefit from knowledge transfer. This symbiotic relationship helps Cenviro expand its core business under Khazanah.

## REBRANDING

2014 was an eventful and exciting year as the Company underwent a rebranding exercise following a corporate restructuring. We held a rebranding prelaunch campaign, 'Value to Win Contest', with employees from 17 to 24 October 2014. This campaign raised brand awareness. It presented Cenviro's identity and core values to employees. All employees were invited to participate in the contest and we received 46 entries. Contestants were encouraged to share their understanding and interpretation of the Company's new core values of **Quality, Teamwork, Accountability, Passion** and **Safety (Q-TAPS)**. The winners received Samsung tablets and smartphones.

The soft launch of Cenviro's brand was held on 24 October 2014 at the WMC, Negeri Sembilan following the approval of its new name on 23 October 2014. Cenviro's Board of Directors (Board) unveiled the new brand identity, logo and outlook. The board members, management and employees were among 200 people to witness yet another milestone.

They were greeted with a gift set themed on Cenviro's brand. Chief Executive Officer (CEO), Khalid Bahsoon reinforced the new brand identity and core values with a teamwork animation video and corporate website [www.cenviro.com](http://www.cenviro.com)



## brand identity

Cenviro is a combination of **Clean** and **Environment** which is also reflected in our 3Cs Brand Promise:

We are **Committed** to  
**Continuously Care**  
for our clean environment.

We care about a more sustainable future that we, our families and other people can live in. The name leverages on the strong brand and reputation we have built since our establishment in 1996. The brand signals our commitment to remaining at the forefront of the industry and creating a greener and cleaner environment, through a passion for excellence, innovation and sustainability.

## brand logo



Our brand logo of overlapping vertical and horizontal leaves depicts the vision and commitment of the Company to always synergise and sustain 3 key elements. The Environment, Community and Economy are represented by 3 different shades of green and blue.

**Environment,**  
**Community** and  
**Economy**

## our vision

The Leader in Integrated Environmental Solutions

## our mission

To Provide Innovative and Sustainable Waste Management and Renewable Energy Solutions

## our positioning statement

The Trusted Partner in Environmental Solutions

## our core values

- **Q**uality
- **T**eamwork
- **A**ccountability
- **P**assion
- **S**afety

**Q-TAPS**



# ORGANISATION STRUCTURE [G4-6, G4-7, G4-8, G4-34]



KHAZANAH  
NASIONAL



**The Leader in Integrated Environmental Solutions**



Cenviro, the **Leader in Integrated Environmental Solutions**, is a subsidiary of Khazanah. We leverage on our established capability of more than 20 years of experience and professionalism to provide innovative and sustainable waste management and renewable energy solutions. We have expertise in scheduled waste management including its treatment and final disposal. We have owned and operated Malaysia's 1<sup>st</sup> integrated scheduled WMC in Negeri Sembilan since 1998. With the adoption of a **cradle-to-cradle** concept in line with DOE policy, we offer one-stop solution services with second to none facilities that meet stringent local and international standards.

Upholding the national agenda of sustainable development, Cenviro continuously drives initiatives that improve quality of life. With a long-term plan to drive sustainable value for a globally competitive Malaysia, we develop and commercialise leading edge technologies in waste management, renewable energy and human capital development.

## Our Area of Expertise



### Hazardous Waste Management

Hazardous waste potentially threatens public health or the environment. Hazardous wastes that may be inflammable, reactive, corrosive or toxic include pesticides, chemicals waste and clinical waste. In Malaysia, hazardous waste is loosely called scheduled waste and the DOE supervises the disposal of this type of waste.

Scheduled wastes fall under the **Environmental Quality (Scheduled Wastes) Regulations 2005 (EQ(SW)R 2005)** and require proper management due to their hazardous characteristics. All scheduled wastes are treated at our WMC in Negeri Sembilan and its final destination is secured landfill. Municipal waste cannot be treated at the WMC.

### Municipal Waste Management

Municipal waste is commonly known as refuse, rubbish, trash and garbage. It consists of everyday items that are discarded by the public. Municipal waste encompasses garden waste, food waste, plastics, metals, rubber, leather, textiles and wood.

EISB collects, cleanses, treats, recovers and finally disposes of municipal waste in Kedah and Perlis. This municipal waste falls under the **Solid Waste Management and Public Cleansing Corporation Act 2007 (Act 673)**. It is under the purview of Solid Waste Corporation (SWCorp) (formerly known as Solid Waste Management and Public Cleansing Corporation). The final destination for this type of waste is sanitary landfill.





**KHALID BAHSOON**  
Chief Executive Officer

# A MESSAGE **FROM THE CEO**

[G4-1, G4-13, G4-22, G4-23]

**Welcome to the Cenviro world of sustainability. Thank you for taking your time to read our sustainability report and your interest in our Company. I hope you find the report interesting and informative.**

It has been a rewarding year. We have grown to become an industry-leading company with a true presence by understanding the unique needs of our stakeholders and the country. During the year, we focused on strengthening our brand and developing our business strategy.

We entered more aggressively into the clinical waste sector, consolidated existing processes while improving efficiency and reducing costs. In 2013, the management made several commitments in a number of key areas. We monitored our progress and have achieved most of our targets.

## Performance Indicators

### Scheduled Waste

[Cenviro, KA, KKA and KKI]







This is the 10<sup>th</sup> consecutive year we have published our sustainability performance and the 1<sup>st</sup> time following the latest GRI G4 framework. We conducted a detailed materiality study involving all related stakeholder groups, senior management and board members. This analysis was extremely important to address stakeholders' concerns in a structured manner in promoting Cenviro as the **Leader in Integrated Environmental Solutions**.

## Our Sustainability Milestones

Our 2014 financial performance recorded a **net profit attributable to shareholder increase of 45.71%** and **return on equity of 7.68% compared to 2013**. It would not have been possible without the commitment and dedication of our employees.

It has been an inspiring year as we underwent a rebranding exercise, changing our name from UEM Environment to Cenviro. This followed a corporate restructuring from being **100% owned by UEM Group to 100% by Khazanah**. We realigned our vision to being the **Leader in Integrated Environmental Solutions**; and our mission to **Provide Innovative and Sustainable Waste Management and Renewable Energy Solutions**. We also emphasised the new core values of **Q-TAPS**.

Corporate citizenship is becoming an increasingly important part of improving corporate performance. We assisted the Government codevelop **Electronic Scheduled Waste Information System (eSWIS)**, an enhanced version of the DOE's current web-based e-Consignment Note (e-CN) system. During the year, Cenviro also disposed of 300 kg of Kuala Lumpur Narcotics Crimes Investigation Department's (NCID) narcotics scheduled waste worth RM1.8 million.

Cenviro's CSR programmes go beyond philanthropic donations. Our 3 main focus areas are **environmental, educational and community initiatives**. We focus on community development and empowerment while improving the well-being of our surrounding communities which include 5 local villages of Kampung (Kg) Felda Sendayan, Kg Jimah Baru, Kg Jimah Lama, Taman Gadong Jaya and Ladang (Ldg) Tanah Merah.

We invest in our employees and allocate the resources they need to grow. Our commitment to developing employees is apparent by a 70.27% increase in the average number of training hours received. This year was important for strengthening and uniting the workforce following our recent rebranding exercise.

## New Technology

2014 was a year of change and transformation as we focused on driving sustainability. I was proud to witness a 150 kWh solar panel system becoming operational on 20 March 2014. This solar system has generated 154.29 MWh of electricity.

On 24 November 2014, Cenviro launched Malaysia's 1<sup>st</sup> non-incineration CWTC using microwave technology Ecostyl. We were honoured to welcome Her Royal Highness Princess Astrid of Belgium, representative of His Majesty the King, to officiate the CWTC.

## Future Sustainability

Our future sustainability commitment focuses on building human capacity, training and developing expertise with the establishment of a COE. This COE is an integrated training centre for both professionals and the public.

## EISB Sustainability Achievements

EISB focused on greening its neighbourhood through various **Reuse, Reduce, Recycle (3R)** initiatives. EISB is working in line with the national commitment of a 22% recycling rate by 2020. Currently, EISB's recycling rate is 8.0%.

## EISB Advancements in Technology

EISB reached another significant milestone with the establishment of an Integrated Solid Waste Management Facility on Pulau Tuba, Langkawi in June 2014 to improve municipal waste disposal.

ENVI's environmental commitment went beyond land with the launch of an Environment Preservation Club (EPIC) to realise its vision of **Preserving Our Environment**. EPIC preserves marine life living on or around coral reefs and Pulau Bidan, Yan, Kedah was selected as the 1<sup>st</sup> island for this pilot project.

In 2014, 7 additional ENVI service units were certified with ISO 9001:2008 by KIWA International Certification Sdn Bhd (KIWA International). ENVI's HQ and Sungai Petani service unit have also been awarded ISO 14001:2004 for their commitment to a green sustainable footprint.

## ENVI Future Sustainability

ENVI began laying the foundations to expand its Perak's future operations by replicating the comprehensive municipal waste services and public cleansing management. This will be the basis for the state's acceptance of privatisation under the **Solid Waste Management and Public Cleansing Corporation Act 2007 (Act 673)**.

## Acknowledgement

On behalf of the Board, I wish to extend my deep gratitude to all our stakeholders who are a continuous source of inspiration. Their feedback, opinions and support help us improve our performance while we invest in a better future for the Organisation and Malaysia.

My sincere appreciation goes to the Board and employees for their continuous trust, dedication, commitment and contributions. Together, we strive for excellence.

I welcome your feedback and look forward to incorporating your views and suggestions to help us accelerate our sustainability journey. Your continued support and inspiration ensures that we remain the **Leader in Integrated Environmental Solutions**.



**KHALID BAHSOON**  
Chief Executive Officer



# ENGAGING WITH OUR STAKEHOLDERS [G4-24, G4-25, G4- 26, G4-27]

True value can be created by nurturing stakeholder relationships based on trust and understanding. Engaging with stakeholders is essential for building a reputation, developing long-term relationships while understanding their concerns and expectations. Stakeholder engagement helps us prioritise the most important areas of focus.

In 2015, we conducted detailed stakeholder and materiality analyses to reassess our materiality focus. This analysis revealed the most relevant impacts and those that significantly influence the assessments and decisions of stakeholders. The most relevant topics for stakeholders and Cenviro’s response to feedback is summarised in the table below.

Stakeholders	Methods of Engagement	Frequency	Areas of Interest
Government	<ul style="list-style-type: none"> <li>Meetings</li> <li>Seminars and Forums</li> <li>Collaboration Programmes</li> </ul>	<ul style="list-style-type: none"> <li>Regularly</li> <li>Ad hoc</li> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Complying with relevant rules and regulations</li> <li>Helping the Government resolve environmental issues</li> <li>Supporting Government efforts to appreciate, conserve and protect the environment</li> <li>Supporting the Government’s initiative to reach 22% recycling by 2020</li> </ul>
Khazanah	<ul style="list-style-type: none"> <li>Board Meeting</li> <li>Meetings</li> <li>Briefings</li> <li>Joint Activities and Engagement</li> <li>Cenviro Group Stakeholder Materiality Survey 2014 (Materiality Survey)</li> </ul>	<ul style="list-style-type: none"> <li>Regularly</li> <li>Regularly</li> <li>Ad hoc</li> <li>Upon request</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Cenviro’s strategic business plans, policies, financial performance, project updates and new initiatives</li> <li>Corporate Responsibility (CR) initiatives</li> </ul>
DOE	<ul style="list-style-type: none"> <li>Meetings</li> <li>Progress Updates</li> <li>Compliance Reports</li> <li>Visits and Inspections</li> <li>Materiality Survey</li> </ul>	<ul style="list-style-type: none"> <li>Regularly</li> <li>Ad hoc</li> <li>Monthly</li> <li>Ad hoc</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Complying with relevant rules and regulations</li> <li>Helping the Government resolve environmental issues</li> </ul>
SWCorp	<ul style="list-style-type: none"> <li>Meetings</li> <li>Progress Updates</li> <li>Compliance Reports</li> <li>Collaboration Programmes</li> <li>Materiality Survey</li> </ul>	<ul style="list-style-type: none"> <li>Monthly</li> <li>Ad hoc</li> <li>Monthly</li> <li>Upon request</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Actively supporting the greening of the environment</li> <li>EISB’s effectiveness and efficiency through municipal waste services and public cleansing management</li> <li>Supporting the Government’s initiative to reach 22% recycling by 2020</li> </ul>
Business Associations and Government Agencies	<ul style="list-style-type: none"> <li>Committee and Members Meetings</li> <li>Seminars, Forums and Workshops</li> <li>Collaboration Programmes</li> <li>Materiality Survey</li> </ul>	<ul style="list-style-type: none"> <li>Regularly</li> <li>Ad hoc</li> <li>Upon request</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Cenviro’s responsible operations and services</li> <li>Cenviro’s current business standing</li> </ul>

Local Community	<ul style="list-style-type: none"> <li>• Dialogue Sessions</li> <li>• Local Community Visits by KA Personnel</li> <li>• Local Community Programmes</li> <li>• Philanthropic Activities</li> <li>• Materiality Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly</li> <li>• Quarterly</li> <li>• Upon request</li> <li>• Ad hoc</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Impact operations have on local surroundings</li> <li>• Responsible operations</li> <li>• Cenviro's nature of business and services</li> <li>• Community outreach programmes</li> <li>• Educational excellence activities</li> </ul>
The Public	<ul style="list-style-type: none"> <li>• Awareness Programmes</li> <li>• Brand Engagement Campaign</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly</li> <li>• Upon request</li> </ul>	<ul style="list-style-type: none"> <li>• Cenviro's nature of business and services</li> <li>• Responsible operations</li> </ul>
Visitors to WMC	<ul style="list-style-type: none"> <li>• Safety Briefing</li> <li>• Corporate Presentations</li> <li>• Products and Services Presentations</li> <li>• Plant Visits</li> <li>• Materiality Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Each visit</li> <li>• Upon request</li> <li>• Upon request</li> <li>• Upon request</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Cenviro's nature of business and services</li> <li>• Responsible operations</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Safety Briefings</li> <li>• Induction Training</li> <li>• Townhall Sessions</li> <li>• Employee Long Service Awards</li> <li>• Scheduled Waste Management Training</li> <li>• Brand Engagement Campaigns</li> <li>• Joint Consultative Committee (JCC)</li> <li>• Kelab Sukan dan Kebajikan Kualiti Alam (KESUKA) Programmes</li> <li>• Cenviro Group Sustainability and Employee Commuting Survey 2014 (Employee Sustainability Survey)</li> <li>• Materiality Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly</li> <li>• Each new employee</li> <li>• Regularly</li> <li>• Annually</li> <li>• Upon request</li> <li>• Regularly</li> <li>• Quarterly</li> <li>• Ad hoc</li> <li>• Annually</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Employees' benefits and rights</li> <li>• Career development opportunities</li> <li>• Work-life balance</li> <li>• Equal workplace opportunities</li> <li>• Gauging the effectiveness of sustainability initiatives</li> <li>• Workplace safety</li> <li>• Cenviro's core values</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Customer Satisfaction Survey</li> <li>• Customer Hotline</li> <li>• Materiality Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• EISB Active Hotline 8am-8pm/ 7 days a week</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Fair pricing</li> <li>• Quality of service</li> <li>• Credibility of Cenviro</li> <li>• Level of assurance when dealing with Cenviro</li> </ul>
Suppliers and Contractors	<ul style="list-style-type: none"> <li>• Meetings with the Safety, Health and Environment (SHE) and Procurement Departments</li> <li>• Contractor Management Programme</li> <li>• e-bidding</li> <li>• Materiality Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Annually</li> <li>• Upon request</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Fair procurement practices</li> <li>• Informative tendering process</li> <li>• Updates on Cenviro's business standing</li> <li>• Vehicle training for contractors</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Media Briefings</li> <li>• Press Releases</li> </ul>	<ul style="list-style-type: none"> <li>• Upon request</li> <li>• Ad hoc</li> <li>• Upon request</li> </ul>	<ul style="list-style-type: none"> <li>• Cenviro's new business and initiatives</li> <li>• Cenviro's significant events</li> </ul>



# MATERIALITY [G4-14, G4-19]

Materiality is becoming increasingly important for Cenviro, particularly with the release of the GRI G4 framework. It helps us report sustainability areas that cause the most significant economic, environmental and social impact. It also helps identify initiatives that are considered most important by our internal and external stakeholders.

The **core ‘in accordance’** options are the essential elements of a sustainability report. Sustainability covers a broad range of areas but Cenviro is particularly interested in those that affect future business success and stakeholders. This materiality analysis was carried out in accordance with the **AA1000 Stakeholder Engagement Standard Guidelines** and has been verified by Bureau Veritas.

## The Methodology

The Materiality Survey was conducted during the 1<sup>st</sup> half of 2015 by an external consultant to ensure impartiality and secure the anonymity of the respondents. Feedback from representatives of the following major stakeholder groups was sought:

- Shareholders (Khazanah);
- Authorities such as Ministry of Natural Resources and Environment (MNRE), DOE, SWCorp and Municipal Council;
- Customers from the Government, GLCs, private companies and multinational corporations;
- Employees from Cenviro Group;
- Suppliers and contractors; and
- Local community members including the public and students.

A total of 153 complete responses were obtained and analysed to prioritise the views of stakeholders. We believe the survey provides a reasonably accurate representation of stakeholders’ opinions. Respondents were asked to rate the importance they placed on the following 37 areas.

### Sustainability Areas Assessed in the Materiality Study

<b>Economic</b>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Corporate governance</li> <li>• Nation building</li> </ul>	<ul style="list-style-type: none"> <li>• Market presence</li> <li>• Business ethics</li> </ul>
<b>Workplace</b>	<ul style="list-style-type: none"> <li>• Employment benefits</li> <li>• Diversity &amp; equal opportunity</li> <li>• Internal engagement</li> <li>• Employee training &amp; career development</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; safety</li> <li>• Equal remuneration for women &amp; men</li> <li>• CSR volunteerism</li> </ul>
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>• Respecting human rights standards</li> <li>• Forced Labour</li> <li>• Rights of local community</li> </ul>	<ul style="list-style-type: none"> <li>• Non-discrimination</li> <li>• Protecting employees’ rights including security</li> <li>• Child Labour</li> </ul>
<b>Marketplace</b>	<ul style="list-style-type: none"> <li>• Sustainability in procurement</li> <li>• Quality management</li> <li>• Customers privacy</li> <li>• Provision of information</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain training</li> <li>• Customer satisfaction</li> <li>• Anti-corruption</li> <li>• Marketing &amp; communications</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Local community engagement</li> <li>• Relationships with authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Operational impact on local surroundings</li> <li>• Anti-competition</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Energy consumption</li> <li>• Water management</li> <li>• Environmental compliance</li> <li>• Managing environmental cost</li> </ul>	<ul style="list-style-type: none"> <li>• Materials management</li> <li>• Emissions management</li> <li>• Environmental impact from transportation</li> </ul>

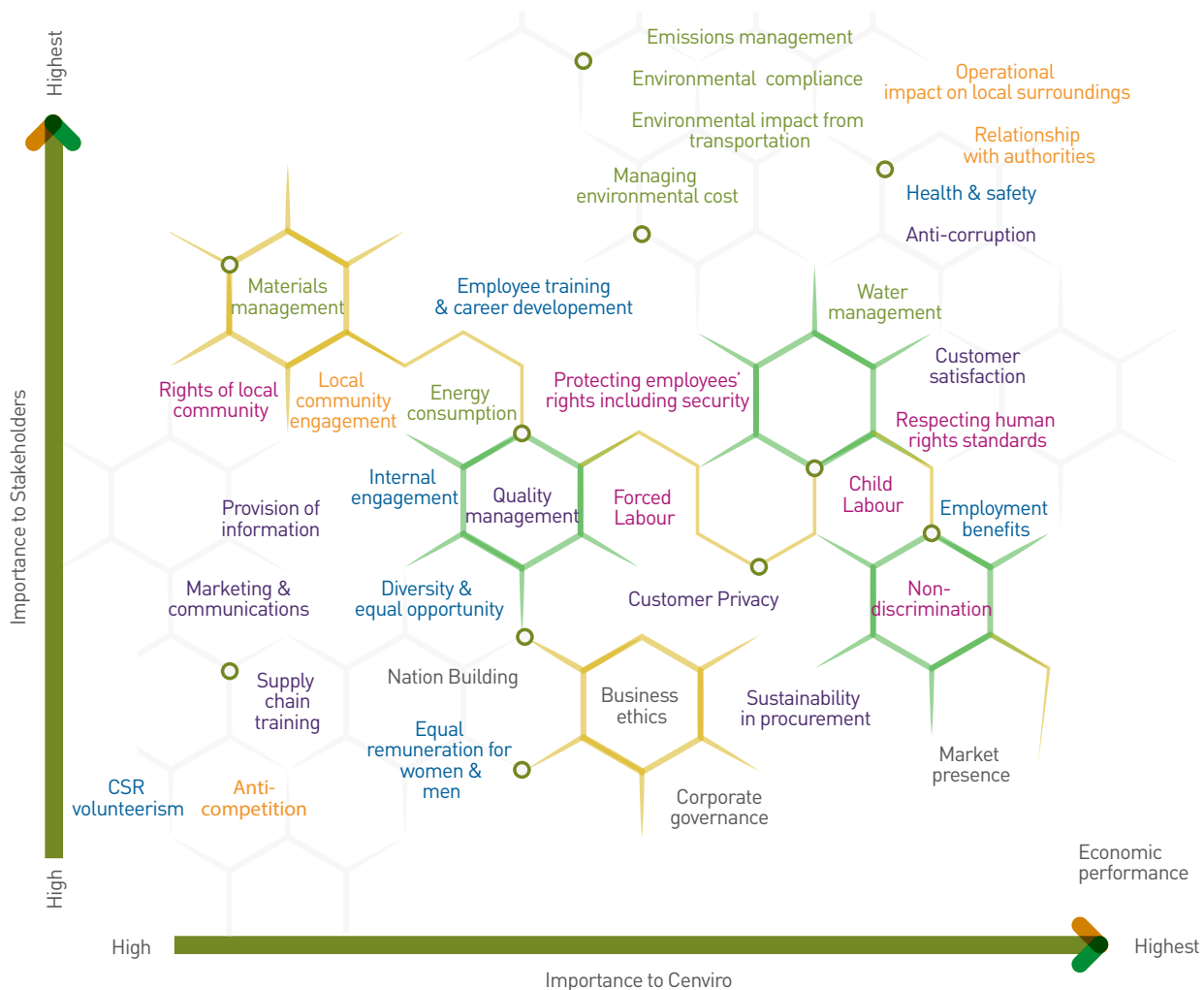
Respondents were asked to indicate how important each criterion was, from a scale of 'very unimportant' (1) to 'very important' (5). A 5-point Likert Symmetric Scale was chosen so respondents could specify their level of agreement with (3) being neutral. The Materiality Survey could be completed in either English or Bahasa Malaysia.

There was a natural skew in the results and stakeholder groups were not represented equally. The highest responses were received from employees while the authorities stakeholder group received the lowest response. A separate average score was calculated for the 37 areas within each stakeholder group to rectify the sample imbalance. An average rating from all 6 stakeholder groups was then obtained.

The same survey was completed by 18 members of the Board and senior management which represented the views of Cenviro.






## The Results

Scores over 3 were considered above average. Our stakeholder scores ranged from 3.95 to 4.63 and Cenviro's scores varied from 3.89 to 4.67. This indicates that all issues were important to a larger or lesser degree. A scale from high to highest was adopted as even the lowest scores fell into the important category. The matrix is presented in the following diagram.



# SUSTAINABILITY COST AT A GLANCE

We observe the cost of our sustainability initiatives. This data is useful for comparisons with the operational review in the future.

Department and Scope		Expenditure (RM '000)			Change from 2013 (%)
		2012	2013	2014	
<b>Operations</b>	 Scope • Direct Materials Costs	6,893	7,147	9,263	^ 29.61
<b>Maintenance and Engineering</b>		 Scope • Plant Repairs and Maintenance • Landscaping • Motor Vehicle Maintenance	6,060	7,467	8,706
<b>Environmental Management Services (EMS)</b>	 Scope • Laboratory Facilities Maintenance and Management • Pollution Prevention • Research & Development • Consultancy • Operation & Maintenance (O&M) for PLUS Malaysia Berhad (PLUS) project		1,334	6,964*	4,345
<b>Corporate Communications</b>		 Scope • Social Contribution • Information Disclosure • Outreach and Awareness Programmes	391	442	551
<b>Human Resources &amp; Administration (HRA)</b>	 Scope • Employee Welfare • Employee Uniform • Personnel Development • Employee Amenities		1,989	1,858	2,417
<b>Total</b>			16,667	23,878	25,282

Note:

\* EMS costs incurred in 2013 were 5 times those of the previous year due to significant PLUS O&M expenditure.



# ACKNOWLEDGEMENT FROM OUR CUSTOMERS

We welcome customer feedback as it helps improve services, gauge customer satisfaction and provide actionable insight to create a better customer experience. This primary data helps us retain customers and guide us in making better business decisions. Customer feedback and experiences with us are presented below.

I would like to thank EISB for the great work on the cleaning and clearing of drains which was conducted recently. We are pleased with the excellent work done in clearing all blockages and we can now see that water is flowing smoothly.

We hope that this will prevent floods from reoccurring in the future. Thank you for your quick action in resolving the issue in a short period of time.

**Ruslan Shariff**  
Alor Setar, Kedah

We would like to thank you for your genuine care in addressing our expectations with professionalism. Your company has always handled our business relationship with a noticeable degree of competence, humility, integrity and sincerity. Thank you for the outstanding work and we wish KA continued success.

**Ng Yoke Beng**  
Administration & Finance  
Manager  
JTS Engineering Sdn Bhd

I made a complaint yesterday morning about my garden waste which had not been collected for many days. That afternoon I noticed that the waste had been cleared from my house and the whole neighbourhood. I would like to thank you for your prompt action and response to your customers' feedback. I am impressed with your good service.

**Mazuardi Haidor**  
Kulim, Kedah

KA sales representatives always come to the plant to advise on waste packaging. This is very helpful for us to ensure the packaging meets KA's requirements. We hope that KA will continue this good practice.

**Pusparajan Thoriappa**  
Head of Engineering  
Department  
Bard Sdn Bhd (Kedah)

The maintenance services and efforts by KA to ensure PLUS meets the DOE's effluent standards have finally shown a big leap from 50% in 2011 to 96% in 2014. All these were due to a dedicated and committed team of maintenance people that endlessly strived to build what PLUS has achieved today.

The knowledge, advice, persistency, experience and skills have indeed surpassed our expectations and we wish the team and Company continued success and keep up the good work.

**Norazhwan Kanaseelan Abdullah**  
Senior Executive  
PLUS Berhad

# CENVIRO AS AN EXEMPLARY CORPORATE CITIZEN

[G4-DMA, G4-EC7, G4-EC8]

Cenviro acknowledges the importance of being an exemplary corporate citizen. We conduct business in an ethical, socially responsible and environmentally friendly manner. Our corporate citizenship objective is to be an economic and social asset to all communities surrounding operations.

## 01 eSWIS

eSWIS is an enhanced version of the current DOE's web-based e-CN system. eSWIS forms part of our sustainability project with the DOE and responds to the pressing need to migrate from a reporting tool to a single multi-function monitoring platform. KA codeveloped this new system with the DOE as part of its joint CSR programme. This migration is in line with the DOE's vision for sound environmental management.

New features include barcoding all scheduled waste packaging and standardised waste acceptance criteria for each waste code. The proposed solutions are important to ascertain environmental pollution. They help discover potential illegal dumping and its sources while providing the best prevention and control options.

### Objectives of eSWIS

- Ensuring proper treatment of waste by reducing unscrupulous recoveries, recyclers and illegal dumping;
- Equipping DOE with an enhanced online system to conduct monitoring and enforcement from cradle-to-cradle;
- Enabling better waste tracking from point of declaration to the final destination for treatment and disposal;
- Tracking by-products from recovery activities to minimise illegal scheduled waste disposal; and
- With the implementation of a minimum waste characterisation analysis requirement, a 'finger print' helps future waste tracking and identification.

### The Phase of eSWIS

#### PHASE 01

- Rectified Inventory and Consignment Issues
- Barcoding Ability with Security
- Monitoring and Reporting

**Ready to go live**

#### PHASE 02

- Reclarification of Waste Acceptance Criteria
- Mobile Device for Waste DNA
- Management Dashboard for DOE

**Roll-Out Nationwide**

(Target in January 2015 to May 2015)

#### PHASE 03

- Mass Balance Tracking of Recycled Scheduled Waste
- Waste Transfer Trend and Analysis

(Target in June 2015 to December 2015)

## 02 Educating the Community on the Proper Disposal of Narcotics Scheduled Waste

KA disposed of 300 kg of Kuala Lumpur NCID's narcotics scheduled waste worth RM1.8 million. It was handed over at the WMC on 20 August 2014 in the presence of Kuala Lumpur Police Chief, Senior DCP Dato' Tajudin Md Isa and the media.

The narcotic-related case exhibits were incinerated in KA. The incinerator (INC) is a rotary kiln type with an efficient flue-gas-cleaning system. The plant ensures a thermal destruction efficiency of more than 99.99% and meets all DOE licensing conditions on incineration emissions.

The handover of the case exhibits from Kuala Lumpur NCID was a good platform for NCID and KA to raise awareness and educate related waste generators on the proper disposal procedures for this type of scheduled waste.



Handing over narcotics for incineration

## 03 ENVI Cleans-up Illegal Dumping at Bukit Keteri, Perlis

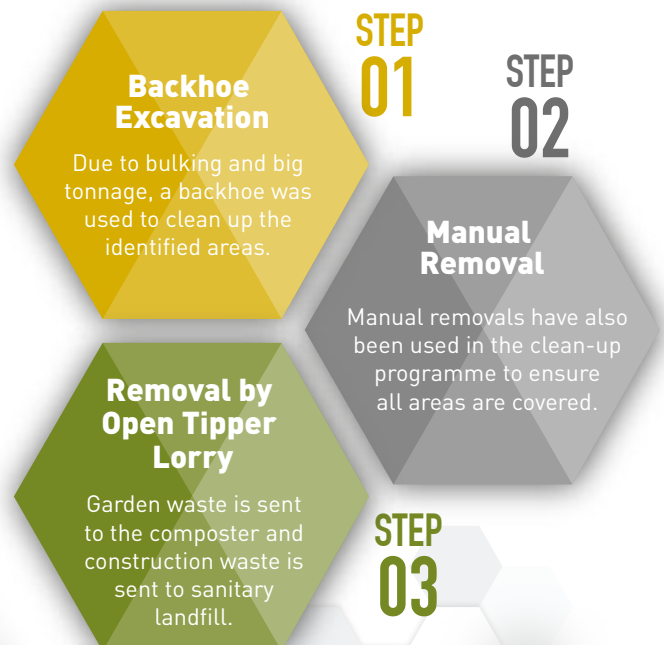
Illegal dumping is unsightly and reduces the biodiversity value. It degrades plant and animal habitats. Run off from dump sites contaminates lakes, creeks and drinking water supplies.

On 5 February 2014, Bukit Keteri was polluted with more than 65 MT of waste and has been gazetted as an illegal dumping hotspot. This location is remote and falls under ENVI's grey area. ENVI removed this municipal and bulky waste from the construction area. It took a week to transform this hotspot into a free-waste zone.

Warning signs are now displayed that explain the site is being monitored. Anyone violating the law by dumping rubbish will be prosecuted. Preventive action by EISB to prevent future illegal dumping includes:

- Site maintenance and controls such as the clean-up effort;
- Community programmes and awareness sessions on environmental damage resulting from illegal dumping; and
- Law enforcement and penalties issued by the authorities to those violating the law.

### Clean-up Process





# FINANCIAL PERFORMANCE [G4-17]

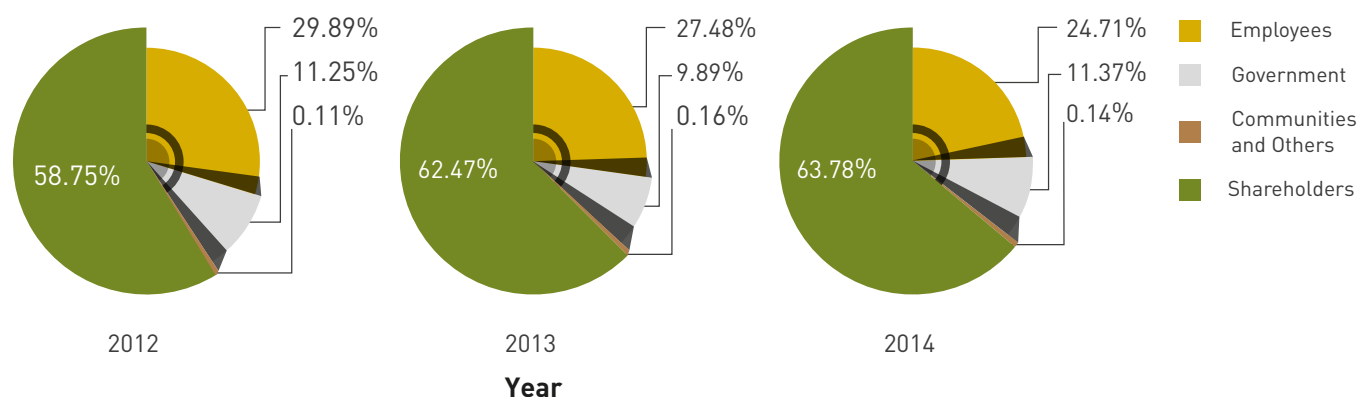
Cenviro drives sustainable services that will generate a good revenue and profit stream for years to come. It recorded a good top and bottom line growth with a revenue increase of 3.33% from RM145.72 million in 2013 to RM150.58 million in 2014. Net profit attributable to shareholders increased by 45.71% from RM30.39 million in 2013 to RM44.28 million in 2014.

The Company generates wealth responsibly with operations that are critical to the community and its quality of life. We contribute our experience of managing human resources and value-creating materials. We value our employees as assets.

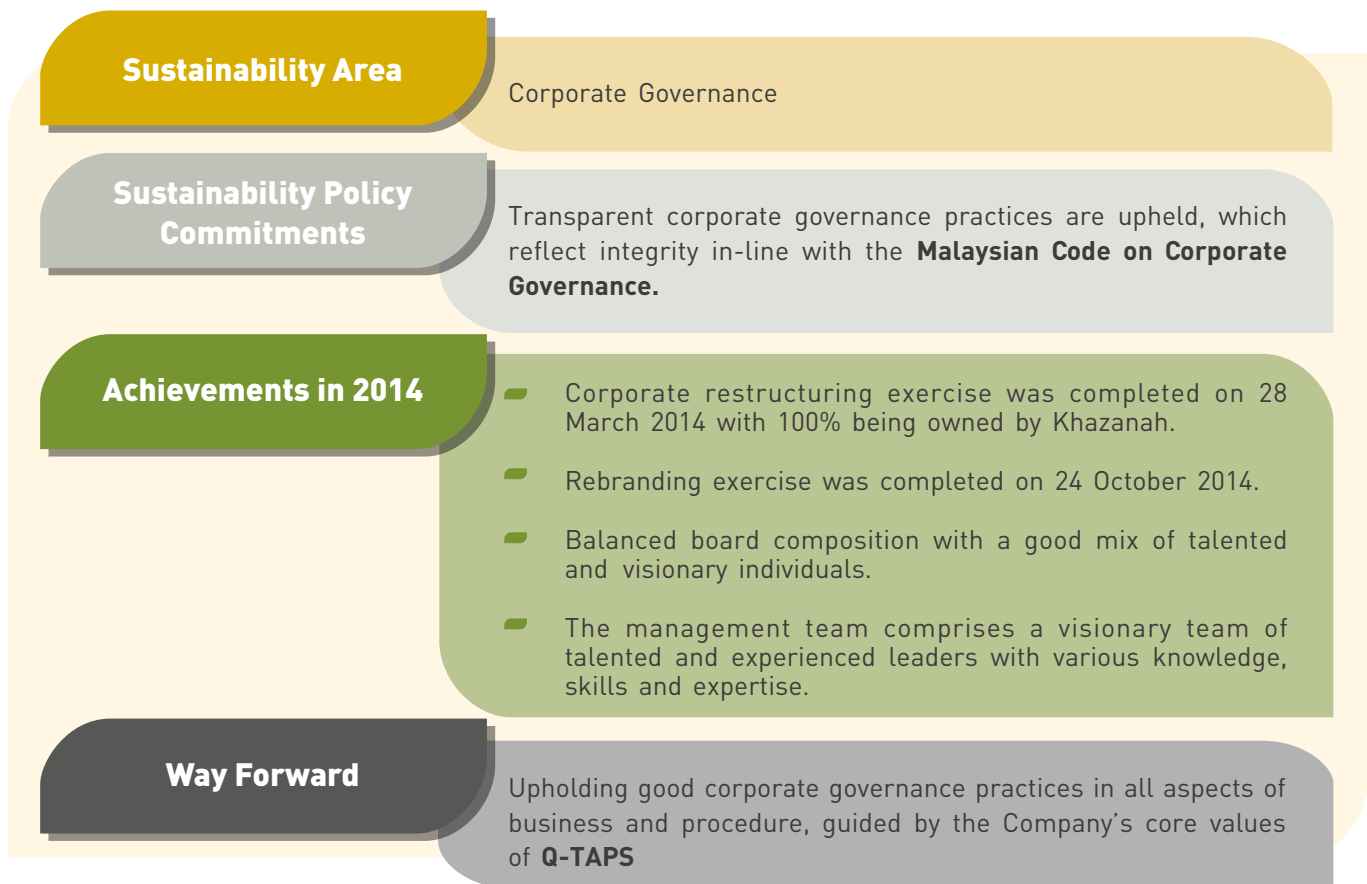
Consolidating a growing, more diverse organisation, while adhering to set CSR criteria, is challenging. We seek opportunities to enhance our capacity for growth, not only from an economic perspective, but also creating intangible value and value added for stakeholders.

Value Added	(RM'000)		
	2012	2013	2014
Revenue	151,093	145,723	150,579
Earnings Before Interest, Tax, Depreciation and Amortisation	47,877	48,623	57,382
Profit Before Taxation	20,968	39,186	55,785
Net Profit Attributable to Shareholder	11,961	30,387	44,277
Total Assets	281,361	247,476	291,219
Shareholder's Equity	186,575	149,977	194,041
<b>Key Financial Ratios</b>			
Return on Equity	6.59%	18.06%	25.74%
Debt/Equity Ratio	0.15	0.15	0.08

## Value Distributed (%) to the Recipient



# CORPORATE GOVERNANCE



Cenviro's Board recognises that good corporate governance is fundamental to business success. Establishing good corporate governance improves the Company's credibility and corporate reputation. It increases shareholder value, strengthens customers' trust in the businesses and improves the Group's overall competitive positioning

## The Board

The Company is led and overseen by an effective Board which is responsible for governing its business and affairs. The Board also exercises all powers pursuant to the Company's Articles of Association. While carrying out its duties and responsibilities, the Board ensures that the highest corporate governance standards are adhered to. The Board's overall principal responsibilities are:

- Providing strategic leadership;
- Reviewing, approving and monitoring the implementation of strategic business plans and policies;
- Ensuring an effective system of internal controls is maintained;
- Identifying and managing principal risks resulting from efficiencies in operations and a stable operations environment;
- Acting as a guardian of corporate values and ethical principles while enhancing shareholder value;
- Monitoring and evaluating management performance; and
- Formulating succession plans for long-term business continuity.



**Ahmad Farouk  
Mohamed**

**Khalid Bahsoon**

**Loh Tzu Anne**

**Dato' Seri  
Ismail Shahudin**

**Shahazwan  
Mohd Harris**

*Note: Cenviro Board in May 2015, to learn more visit [www.cenviro.com](http://www.cenviro.com)*

The Board consists of individuals who are highly experienced in their respective fields. No individuals or group of individuals can dominate the decision-making powers and processes.

### Board Composition

#### CHAIRMAN

##### **Dato' Seri Ismail Shahudin**

**Age** : 63  
**Attendance** : 6/6  
**Status** : Non-Independent  
 Non-Executive Director

#### CHIEF EXECUTIVE OFFICER

##### **Khalid Bahsoon**

**Age** : 45  
**Attendance** : 6/6  
**Status** : Non-Independent  
 Executive Director

#### DIRECTORS

##### **Shahazwan Mohd Harris**

**Age** : 43  
**Attendance** : 4/6  
**Status** : Non-Independent  
 Non-Executive Director

##### **Loh Tzu Anne**

*(Appointed w.e.f. 24 April 2014)*

**Age** : 39  
**Attendance** : 4/4  
**Status** : Non-Independent  
 Non-Executive Director



**Ahmad Farouk Mohamed**

*(Appointed w.e.f 14 January 2015)*

**Age** : 42  
**Attendance** : N/A  
**Status** : Non-Independent  
 Non-Executive Director

**Azmir Merican Azmi Merican**

*(Resigned w.e.f. 30 October 2014)*

**Age** : 43  
**Attendance** : 4/4  
**Status** : Non-Independent  
 Non-Executive Director

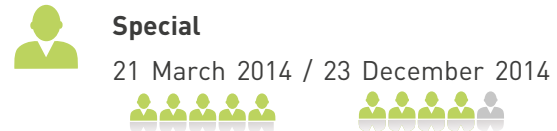
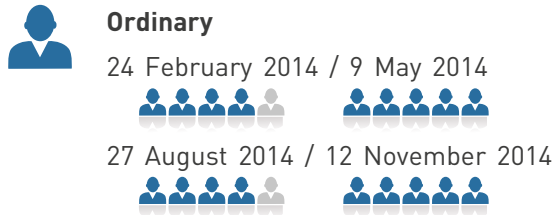
**Harman Faiz Habib Muhamad**

*(Resigned w.e.f. 15 April 2015)*

**Age** : 41  
**Attendance** : 1/2  
**Status** : Non-Independent  
 Non-Executive Director

Ordinary board meetings are scheduled at least once every quarter. Special board meetings are held if expeditious direction or decisions are required from the Board between ordinary meetings. In 2014, 4 ordinary and 2 special board meetings were held. The details of these meetings and directors' attendance are presented below.

**Board Meetings and Attendance**



**Conflict of Interest** [G4-56]

Employees are not permitted to engage in any activity that can be detrimental to Cenviro interests. They may hold shares in quoted public companies. However, permission must be sought from the management before substantial shareholdings are acquired or directorships held.

Upon receipt of the **Employee Code of Conduct** when joining the company, all employees must declare all interests. Employees must not participate in or influence the purchase of goods and services from any party that they stand to obtain a direct or indirect interest or benefit.

**Whistle-blowing Policy**

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 2014.

In our Employee Sustainability Survey of 195 employees, 11.79% of respondents felt that the Company's policies and procedures did not adequately protect whistle-blowers. This is a decrease of 7.20% from the previous year of 18.99%.

# CENVIRO MANAGEMENT TEAM

Cenviro's management team comprises talented professionals with decades of experience and impressive track records of success across the waste industry.



**Faridah Ab Ghani**

Senior Manager  
Human Resource  
& Administration

**Intan Hyriatee  
Mohd Zawai**

Senior Manager  
Corporate  
Communications

**Johari Pawanchik**

Deputy General  
Manager  
Operations

**Zaki Abdul Aziz**

Senior General  
Manager  
Project  
Development

**Lim Kwee Yong**

Chief Finance  
Officer



Reporting to the Board, it defines and disseminates the Company's vision for future growth and success. Team members utilise a unique combination of knowledge, skills and expertise for the betterment of the Company.



**Khalid Bahsoon**  
Chief Executive  
Officer

**Yee Hui Min**  
Company  
Secretary

**Amirul Bahri  
Abdul Malik**  
Deputy General  
Manager  
Marketing,  
Environment  
Support Service  
& Logistics

**Nurulhuda  
Faisol**  
Manager  
Legal

**Shukri  
Mohamed Rabu  
& Mohamed  
Habeb**  
Senior Manager  
Safety, Health &  
Environment

**Mogens Straarup**  
Chief Technical  
Officer



# EISB MANAGEMENT TEAM

**Nur Azam Ahmad Zainy**  
Senior Manager  
Operations Perak

**Watin Salwani Abdul Wahid**  
Assistant Manager  
Contract & Procurement

**Ahmad Sharafi Mohd Saad**  
Manager  
Operations

**Mokhtarrudin Mohd Salleh**  
Senior Manager  
Human Resources & Administration

**Norhalim Sulaiman**  
Manager  
Management Information  
System

**Mhd Saiful Anuar Zainal**  
Chief Executive Officer

**Munir Amani Dasheer**  
Manager  
Quality Improvement &  
Technical Audit





**Azmi Amin Sarji**  
General Manager  
Operations

**Ahmad Rishal Abdul Majid**  
Senior Manager  
Operation Planning

**Noor Harlina Ismail**  
Senior Manager  
Finance & Accounts

**YM Tunku Abaidah Tunku Yusoff**  
Public Relation Officer  
CEO Office

**Erni Nerina Awang Salleh**  
Assistant Manager  
Corporate Communications

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

*Note: EISB Management Team in May 2015, to learn more visit [www.e-idaman.com](http://www.e-idaman.com)*







QUALITY PROGRAMME FOR THE  
**COMMU**





Cenviro not only builds its business, but also strengthens trust and relationships with stakeholders by giving back to the community. We are dedicated to community involvement in corporate citizenship, philanthropy, community outreach and education. Our goal is building strong and vibrant communities surrounding business operations.

Giving back to communities is part of our everyday culture and has been since the Company's inception, by being a responsible neighbour and trusted community partner.

# NITY

# COMMUNITY [G4-DMA]



Cenviro's strategic community investment programme improves the quality of life of local communities through sustainable community activities and partnerships. Focus areas reflect the positive differences we make to these communities. We are a caring company that supports effective involvement in sustainable community engagement initiatives. We address specific societal issues related to the environment, community, education, health, welfare and economic development. These areas are in urgent need of support.

In our Employee Sustainability Survey, only 6.67% of employees felt that Cenviro does not give back to society and help people. This is 2.80% more than 3.87% of respondents in 2013. We aim to improve the effectiveness of our future programmes.

## Community Outreach [G4-S01, G4-S02]

We are committed to driving environmental, social and economic sustainability through partnerships. We extend philanthropic support to communities, especially those surrounding our business operations.

A strong local economy and healthy neighbourhoods help us sustain continuous business growth. Many employees raise their families in areas surrounding the WMC namely Kg Felde 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 their homes.



## Earth Day with DOE Malaysia

Cenviro joined millions of people around the world to support Earth Day on 22 April 2014. Our employees care about the environment and are proud to work for a company that is committed to environmental conservation. Earth Day is a great way to raise awareness and offers employees a meaningful way to drive sustainability.

We celebrated Earth Day at Dewan Universiti Putra Malaysia (UPM), Serdang, Selangor with 1,000 DOE representatives, employees and UPM students. We presented our role of nation-building through environmental preservation.



Customer briefing on our range of services

## Breaking of Fast in Conjunction with Ramadhan

On 16 July 2014, employees broke fast with 200 local community members from 5 surrounding villages. They brought joy to single mothers and underprivileged children by handing them goodie bags. Cenviro also donated a total of RM10,000 to 4 mosques in Kg Felda Sendayan, Kg Jimah Baru, Kg Jimah Lama and Taman Gadong Jaya.

Subsequently on 19 July 2014, EISB treated 18 orphans from Anak Yatim & Miskin Baitul Ehsan, Perik, Kuala Nerang, Kedah to new attire for a *Hari Raya* celebration at Pacific Alor Setar Mall. EISB also gave the orphans *duit raya*.



Breaking fast with employees

## Aidilfitri Gathering

We held a Aidifitri gathering in the WMC canteen on 27 August 2014. This casual event promoted bilateral engagement. Personal interaction with employees strengthens employer-employee relationships. We distributed cash and goodies to all employees as a token of appreciation for their hard work and commitment throughout the year.

EISB celebrated Eid Mubarak and shared the joy of the holy month of Syawal with employees, customers, supplies, local authorities and other stakeholders. The events took place on 13 August and 19 August 2014 in Kedah and Perlis respectively.

Almost 700 guests joined the event in Kedah including Kedah State Executive Committee (EXCO) Dato' Norsabrina Mohd Noor, Dato' Haji Tajul Urus Mat Zain, a representative of Dato' Haji Badrol Hisham Hashim and several Yang Dipertua (YDP) and Ahli Dewan Undangan Negeri (ADUN)s.



Employees enjoying various dishes

Perlis Menteri Besar, YAB Dato' Seri Azlan Man; Perlis State EXCO of Local Government, Water Supply, Water Resources and Energy, Housing, Human Development, Haji Mat Haji Hassan; and several YDPs and ADUNs were among 300 guests attending the event in Perlis.

## Aidiladha Ceremony

We held Qurban ceremonies on 3 October and 7 October 2014 that were attended by employees and local community members. We gave a cow to each of the 4 villages of Kg Felda Sendayan, Kg Jimah Baru, Kg Jimah Lama and Taman Gadong Jaya. We also butchered another 2 cows and shared their meat with employees. This is part of our annual commitment to strengthening relationships with local communities and our employees.

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Cenviro contributed a cow  
to each of the

# 4 villages

of Kg Felda Sendayan, Kg Jimah  
Baru, Kg Jimah Lama and  
Taman Gadong Jaya.

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Distributing Qurban meat to employees

## Dialogue with the Local Community

Cenviro has always developed relationships with the local community through regular engagement sessions. On 17 December 2014, Cenviro conducted a dialogue session with 50 villagers surrounding the WMC and updated them on the Company's operations and plans moving forward. We listened to their feedback to ensure our operations do not negatively affect their living conditions. A total of RM10,000 was donated to support the development of the 5 villages.



Briefing on Cenviro's operations and future plans



Engaging with the local community at the WMC



## Cenviro's Approaches to Philanthropy

Giving back to the community is a part of our corporate culture. We embrace CR through philanthropic investments within and outside our industry.



Attending a dinner to strengthen industry presence

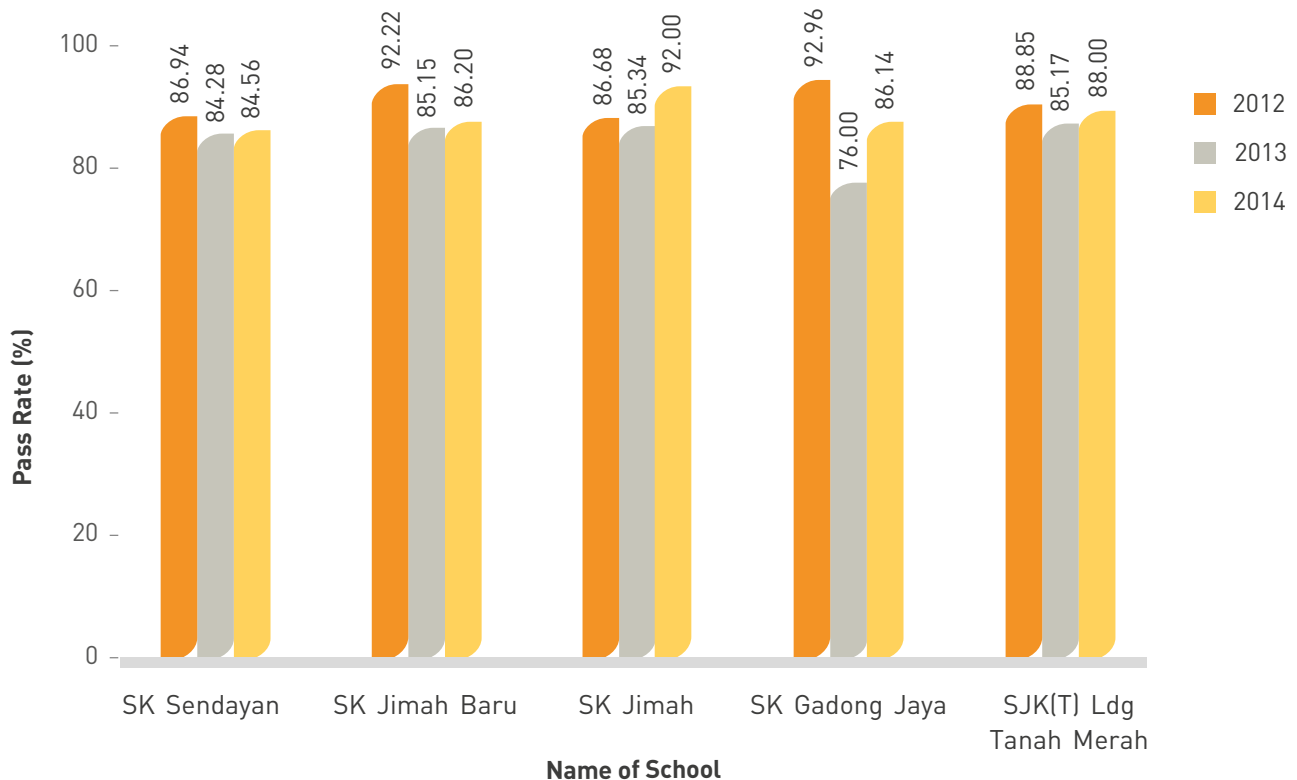
Date (2014)	Beneficiary	Purpose of Contributions	Amount (RM)
15 October	Federation of Malaysian Manufacturers	The donation strengthened our industry presence and created brand awareness for current and future customers.	1,500
12 November	Sierra Leone Ebola Fund	The contribution helped West African countries respond to the Ebola crisis. The Ebola virus causes an acute, serious illness which is often fatal if untreated. In the latest Ebola outbreak, the first cases were reported in March 2014. Worryingly, this is the largest and most complex Ebola outbreak since the virus was first discovered in 1976.	50,000
12 November	Outward Bound Malaysia	Outward Bound is a non-profit educational organisation and expedition school that serves people of all ages and backgrounds. The donation helps fund active learning expeditions that inspire character development, self-discovery and service both in and out of the classroom.	20,000
<b>Total</b>			<b>71,500</b>

## Education

Education is vital for the social and economic wellbeing of a country. High levels of unemployment, particularly in young people, threaten the success of society. We adopted a multi-focused approach to education and skills development. Inclusive growth and capacity building underpins our efforts. In the future, we envisage supporting quality education by creating knowledgeable communities especially those surrounding our operations.

Year	Programme	Description	Amount (RM)
2014	Education Excellence Programme 2014	Contribution to schools surrounding the WMC namely Sekolah Menengah (SM) Kebangsaan Seri Sendayan, Sekolah Kebangsaan (SK) Jimah Baru, SK Jimah, SK Gadong Jaya, Sekolah Jenis Kebangsaan Tamil (SJK(T)) Ldg Tanah Merah and SM Rendah Agama Chuah. Most of the contributions were used to purchase educational materials and fund extra classes to prepare these students for examinations. We hope these contributions strengthened our brand presence in local society while helping younger generations pursue their studies.	10,500

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



The pass rates increased for all schools in 2014. SK Gadong Jaya improved by 10.14% and SK Jimah by 6.66%. SJK(T) Ldg Tanah Merah, SK Jimah Baru and SK Sendayan improved marginally by 2.29%, 1.05% and 0.28% respectively.

## Producing a Knowledgeable Community

We presented our products, services and facilities in integrated scheduled waste management to potential customers and members of the public.

### Events and Seminars

Date (2014)	Programme	Organiser	Venue	No. of Participants
13 March	Quality Environment Safety and Health Week 2014	Sime Darby Kempas Sdn Bhd	Tapak Pameran Sime Darby Kempas, Johor	150
26 June	Waste Management Seminar	DOE Pulau Pinang	Penang Golf Resort Pulau Pinang	800
8 to 10 September	Health, Safety, Environmental and Quality Week	Petronas Chemicals MTBE Sdn Bhd	Ibnu Sina Hall, Lot 111 Kawasan Perindustrian Gebeng, Kuantan, Pahang	100
13 October	Health, Safety and Environment Week	Synthomer Sdn Bhd	Synthomer Office, Batu Pahat Johor	150
13 November	Air Pollution Seminar Programme, Clean Air Regulations in 2014	DOE Pulau Pinang	Sunway Hotel Seberang Jaya Pulau Pinang	700
22 November	'Yes! For a Sustainable Lifestyle programme' in conjunction with Environment Week 2014	DOE Pulau Pinang	Tempat Letak Kereta Masjid Daerah Balik Pulau Pulau Pinang	5,000

## Community Initiatives by EISB

EISB has a long history of helping and bringing hope to the communities it serves. Since its incorporation, EISB has helped its neighbours and each other.

### Hari Penyayang Yayasan Sultanah Bahiyah

This annual event is organised by Yayasan Sultanah Bahiyah (YSB) at Stadium Darul Aman, Alor Setar, Kedah. EISB ran a booth at the exhibition on 30 and 31 May 2014. This programme is a collaboration between YSB, government bodies and private agencies. EISB raised recycling awareness with 6 recycling cage bins and also launched its organic fertiliser to the public.

YSB organised Karnival Amal Hari Penyayang at the same venue. The Company continues to participate in community events to remain relevant to local society.



Exhibition to raise recycling awareness



## Flood Relief Drive

The East Coast of Peninsular Malaysia was hit by some of the worst flooding in decades that resulted in many casualties. The northern states of Kedah, Perlis and Perak were also affected by heavy rain, strong winds and floods.

Approximately 70 houses in Kg Pinang, Pedu, Kedah suffered extensive damage during a storm in March 2014. The strong winds blew off parts of the roof and some houses were damaged after being hit by uprooted trees. EISB and DUN Kuala Nerang, Dato' Haji Badrol Hisham Hashim helped the victims. On 3 April 2014, ENVI donated 70 sets containing basic necessities to the flood victims. 10 employees participated in this programme.



Donating basic necessities to flood victims

EISB also conducted a flood relief drive on 3 December 2014. Dato' Nor Sabrina Mohd Noor, Kedah Science, Innovation, Information Technology, Communications and High-Technology Committee chairman presented donations to 100 affected residents of Kg Batu 16, Bandar Baharu, Kedah on behalf of EISB. A total of 15 employees participated in this programme and distributed basic food.

## Kitar Semula Untukmu GAZA

EISB promoted a fund-raising programme at Stadium Darul Aman, Alor Setar, Kedah from 24 July to 10 August 2014 to ease the burden of people in Gaza. The programme was launched by the EXCO of Local Government, Water Supply, Water Resources and Energy, Housing, Human Development, Dato' Haji Badrol Hisham Hashim.

*Kitar Semula Untukmu GAZA* invited the public with varying income levels to recycle. The proceeds were channelled to 'Fund for Gaza'. This programme encourages community members from Alor Setar and other parts of Kedah to help the victims of Gaza without spending their own money.



Fund raising for the people of GAZA

The programme was conducted at several other locations namely Amanjaya Mall, Sungai Petani; Giant Superstore, Kulim; and Pantai Cenang, Langkawi. Employees from the HQ and service units participated in this programme and donated recycled items. The public also helped raise a total of RM30,000.

## Preparing Malaysians for Mandatory Separation of Waste at Source

The 2014 Recycle Day celebration was held at Taman Tasik Seri Serdang, Selangor on 15 November 2014. The Ministry of Urban Wellbeing, Housing and Local Government represented by its Chief Secretary Dato' Seri Arpah Abdul Razak announced that the Government will introduce a mandatory separation of waste at source in stages from September 2015. This regulation forms part of the **Solid Waste Management and Public Cleansing Management Corporation Act 2007 (Act 673)** and hopes to boost the nation's recycling rate.

Generally, this involves separating plastic, paper, glass, metal, food, bulk and garden waste. The collection of separated wastes will be implemented according to a schedule fixed by the concession companies of ENVI, Alam Flora Sdn Bhd and SWM Environment Sdn Bhd. In the 2+1 collection concept, there are 2 municipal waste collections and 1 for bulky and recyclable items each week.

This concept has been fully implemented in the Federal Territories of Kuala Lumpur and Putrajaya, Pahang, Johor, Melaka, Negeri Sembilan, Perlis and Kedah.

The Malaysian Environmental Non-Governmental Organisations (MENGO) organised an urban environment-themed treasure hunt race. The MENGO hunt focused on sustainable living concepts in line with this year's theme 'Recycling is the Responsibility of All'. It educated the public about recycling, 3R and the importance of a low ecological footprint. EISB joined approximately 200 participants from the public, corporate organisations and government agencies for the MENGO hunt.

Each team was required to bring at least 4 kg of recyclables as part of the registration. More than 300 kg of newspapers, cans, e-waste, old cloths and other recyclables were collected. Malaysians produce 33,000 MT of municipal waste a year according to recent statistics. Only 10.5% of this waste is being recycled into value-added products.



Collecting recyclables during the MENGO hunt

More than  
**300 kg**  
of newspapers,  
cans, e-waste, old  
cloths and other  
recyclables were  
collected.

In the  
**2+1**  
collection concept,  
there are 2  
municipal waste  
collections and 1  
for bulky and  
recyclable items  
each week.

## EISB Philanthropy

Date (2014)	Sponsorship	Purpose of Contributions	Amount (RM)
19 January	Advertising billboard in conjunction with Keputeraan Kebawah DYMM Tuanku Sultan Kedah	A mark of respect and celebrating the event	10,000
19 January	Commemorated Keputeraan Kebawah DYMM Tuanku Sultan Kedah	A mark of respect and celebrating the event (Sinar Harian)	4,036
27 March	Charity dinner event with Kumpulan Generasi Harapan	CSR initiative to help the orphanage	1,000
27 April	Sponsored Anugerah Bintang Popular Berita Harian	Raise public awareness of waste management, sanitation and the environment in line with the theme, 'Love of the Environment'	53,000
17 May	Commemorated Keputeraan Kebawah DYMM Tuanku Raja Perlis	A mark of respect and celebrating the event (Sinar Harian)	4,613
4 June	Sponsored ANSARA Kedah for Blood Donation Campaign	Educate the public and stockpile blood in all major hospitals throughout Malaysia in anticipation of a severe shortage during Ramadhan	5,890
5 June	Co-organiser of recycling programme in Kedah with SWCorp	Support campaigns by joining SWCorp in a recycling programme in conjunction with <i>Hari Kitar Semula</i>	5,000
30 July	Sponsored DUN Kuala Nerang Hari Raya Aidilfitri Programme	Support and strengthen the relationship between EISB and DUN Kuala Nerang by helping the less fortunate	10,000
14 October	Produced 10,000 Recycle Club T-shirts for the Recycling Competition at National Level 2014	Promote and raise public awareness of 3R initiatives through the school's Environment Club	10,000
8 November – 8 December	Sponsored an advertising billboard	Congratulating YTM Dato' Seri Diraja Tan Sri Tunku Puteri Intan Safinaz as the Chancellor of Universiti Utara Malaysia	5,300
25 December	Monetary assistance	CSR initiative to help victims of a bomb explosion in Gurun, Kedah	10,000
<b>Total</b>			<b>118,839</b>



## Commitment to 3R

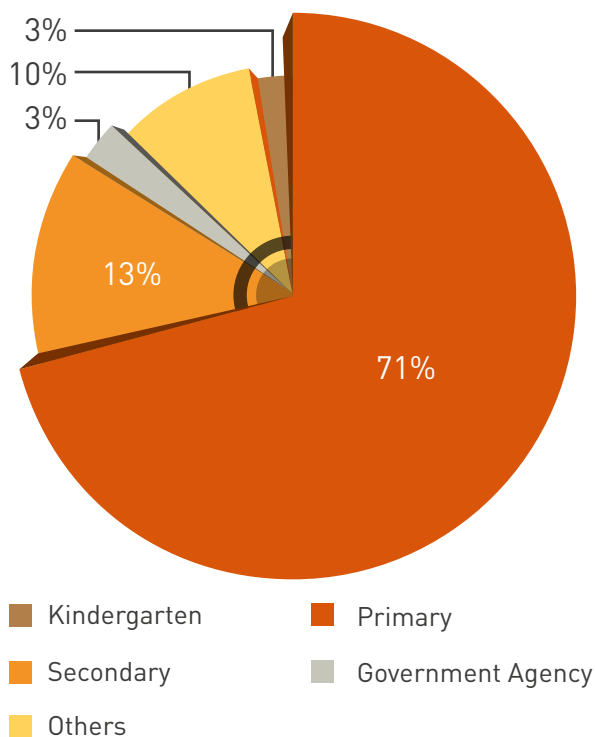
EISB is contributing to the Government initiative of achieving 22% recycling by 2020 from the current 5% baseline. Various programmes and activities were introduced to promote 3R activities to the public such as delivering regular recycling talks and seminars in several schools.

We are working towards this national commitment. Currently, EISB's recycling rate is 8.0% and we hope to increase this to 50% by 2018.

Commitment	Recycling Rate (%)			Progress
	2012	2013	2014	
National commitment: Achieving 22% recycling by 2020 from the current 5% baseline	← 10.5% →			10.5% increase from 2012 to 2014
EISB commitment: Achieving 50% recycling by 2018 from the current 5% baseline	← 8.0% →			8.0% increase from 2012 to 2014

38 3R programmes were held throughout Kedah and Perlis. These programmes raised recycling awareness for students, residents and government agencies. The chart below illustrates our 3R programme reach.

### 3R Programme Reach Breakdown by Group



**22%**  
recycling by 2020  
from the current  
5% baseline.

EISB actively engages with the local community through its **3R** Programme, which include 3R talks and an internal recycling programme.

## Other Major Events

Date (2014)	Name of School, Company or Village	Name of Event	Educational Recycling Talk Target Group	No. of Participants	No. of EISB Employees Participating
22 January	Jabatan Perpaduan & Integrasi Nasional	3R Talk Programme	The government sector	30	4
28 January	Taman Pulasan, Jitra, Kedah	3R Talk Programme	Communities	100	4
25 February	Maktab Mahmud Langkawi Kedah	3R Talk Programme	Students	383	2
22 May	SJK(C) Keat Hwa (K) Alor Setar, Kedah	Distribution of recycling bins	Students and teachers	20	6
25 June	SK Kebun Pinang, Tandop Alor Setar, Kedah	3R Talk Programme	Students	150	2
4 August	SK Kepala Batas Kubang Pasu, Jitra, Kedah	3R Talk Programme	Students	300	2
10 September	Smart Reader Kids Sungai Petani, Kedah	3R Talk and Games Programme	Children	58	2
17 September	Wat Kalai, Sik, Kedah	3R Programme with Communities	Siamese communities	300	4
9 November	SM Kebangsaan Pulau Nyiur Kubang Pasu, Kedah	3R Talk Programme	Students	60	2
18 November	SKJ(C) Pei Min, Padang Sera Kedah	3R Talk Programme	Students	120	2

## Free Garbage Bins and Toll Free Hotline

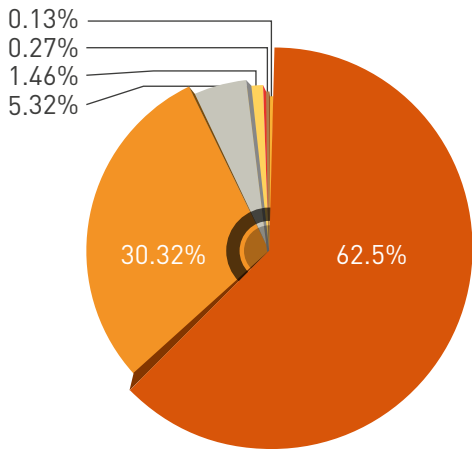
ENVI is 1 of the 3 MSW privatisation concessionaires appointed by the Federal Government. Currently, 303,820 of 332,232 household, commercial and communal bins have been distributed to all 12 service units. The remaining 28,412 bins are scheduled for distribution in 2015.

Toll Free Hotline, 1-800-88-7472, was launched in November 2011 for the Aduan Sisa initiative. This hotline is operated by SWCorp and was fully operational throughout 2014. The hotline monitors EISB, Alam Flora and SWM Environment.



Distributing free garbage bins

### Complaints Received by Channel



- Aduan Sisa
- Website
- Telephone
- Email
- Daily Complaints
- Customer Service Counter

**51.36%**  
fewer complaints received in 2014 than in 2013.

**91.45%** of 332,232 bins have been distributed to all 12 service units.

A total of 752 complaints were received in 2014, 51.36% less than the previous year. Resolving complaints is an integral part of good customer service. Simplifying this process for employees has improved customer experience.

### 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
2014	176	470	50	4	39	1	11	751

### Anti-Corruption and Gift Policy [G4-DMA, G4-S03, G4-S04, G4-S05]

We must neither offer on behalf of the Company nor receive a bribe for our own benefit, or the benefit of relatives or spouses.

Employees or their immediate families must not receive gifts or favours from contractors, suppliers, clients, customers or any other party having business dealings with the Company. However, in such circumstances where it is customary to do so, employees can accept gifts of nominal value or favours provided they are not unduly influenced by them.

Cenviro's **No Festive Gift Policy** prevents employees from accepting any form of gifts, favours or gratuitous entertainment from contractors, suppliers, customers or any other party having business dealings with the Company.

Corruption is viewed very seriously and all employees must uphold the integrity of the Company. Any reports of corruption will be investigated immediately. Those found guilty will be dismissed from the Company and further action taken where necessary.





TEAMWORK IN THE

**WORKP**



Teamwork is essential at Cenviro and embedded in our culture. Being an employer of choice, we are driven by strong values and lead by example. Cenviro's impressive journey is down to one thing: its employees. As our business expands, employee opportunities also increase. We continue to invest in developing talent and providing attractive benefits packages.

Working together towards the same goal, a team of dedicated employees deliver exceptional service. Our workforce is inspired and motivated by strong teamwork and commitment to deliver its personal and professional best, every day.

# LACE

# WORKPLACE

## Sustainability Area

Workplace

## Sustainability Policy Commitments

Employees' contributions are valued as Cenviro strives to be an employer of choice. Career development, safety, well-being and human rights are protected

## Achievements in 2014

- 266 employees attended 6 teambuilding sessions.
- All job descriptions were realigned for employees at Cenviro, KA, KKA and KKI.
- Review of medical and insurance benefits.
- 72 EISB employees involved in the new salary revision.
- Registered with the Human Resource Development Foundation (HRDF) to ensure employees receive quality programmes of a global standard.
- Each employee received an average of 5.67 hours of training.
- 175 attended 9 scheduled waste training sessions.
- EISB launched a 5S programme on 13 April 2014 to raise its cleanliness and tidiness to international standards.

## Way Forward

Strengthening employer-employee relationships, particularly through rebranding and guided by the Company's new core values, **Q-TAPS**.

Cenviro's human resource practices attract, motivate and retain the best talent in the industry and develop industry leaders. Employees' commitment and dedication are rewarded with an excellent compensation package and a professional work environment. Learning is an integral part of our work culture and employees are exposed to cutting-edge technologies through a series of innovative training programmes.

## Branding for Employees

A series of programmes have been delivered that unite employees and familiarise them with the Company's new direction. These programmes reinforce Cenviro's ethos following the restructuring and rebranding exercise.

## Transformation Programme

A successful team works together to drive sustainability. Our transformation programme includes teambuilding activities and refining job descriptions.



## Teambuilding Activities

These activities are useful as they raise team spirit, trust and solidarity while creating a sense of ownership of Cenviro's new vision and mission. 266 employees attended 6 teambuilding sessions at Sg Lui, Hulu Langat, Selangor.

Cenviro engaged a consultant to conduct teambuilding to:

- Create strong characters and boost productivity;
- Instil a positive mindset that improves quality, integrity and profitability;
- Develop a strong team culture and high sense of belonging;
- Promote camaraderie and teamwork;
- Build trust in team members; and
- Appreciate the strengths and weaknesses of individual employees.



## Refining Job Descriptions

All job descriptions were realigned for employees at Cenviro, KA, KKA and KKI. Factors considered included:

- Aligning strategic objectives for the Company's primary operating and support units with its high-level vision, mission and strategy;
- Matching employee job descriptions with business goals and performance; and
- Focusing individual efforts on results, accomplishments and rewards.

## Prioritising Local Talents

Cenviro reaches out to talented individuals and scholars especially in fields relevant to its industry such as chemistry and engineering. We prioritise local talents by participating in various career fairs in Malaysia to raise brand awareness. Face-to-face interaction helps us present Cenviro in the best possible light.



## Career Fairs Participated in

Date (2014)	Career Fair	Venue
8 - 9 May	Career Fair by Universiti Malaysia Pahang	Universiti Malaysia Pahang Gambang, Pahang
20 - 21 May	Sector Focused Career Fair 2014 by TalentCorp Malaysia	Universiti Malaysia Sabah Kota Kinabalu, Sabah
26 - 27 August	Universiti Tenaga Nasional Career Fair	Universiti Tenaga Nasional Selangor

Cenviro provides university students with internship programmes that allow them to explore different areas of the business. Hopefully, valuable real life work experience will be useful for their final year studies. In 2014, 13 students enrolled on our internship programme.

EISB offered industrial training opportunities to students from higher learning institutions including Universiti Teknologi MARA Perlis, Kolej Politeknik Sultan Idris Shah in Perak, Akademi Binaan Malaysia and Universiti Malaysia Perlis. In 2014, 34 students reading Science Geomatics, Environmental Engineering and Business Management received industrial training. EISB plans to collaborate with a skills development centre such as Institut Kemahiran Belia Negara or Institut Latihan Perindustrian (ILP) to develop able employees.

## Competitive Benefits [G4-DMA, G4-EC3, G4-EC5, G4-LA2]

Our salary and benefits package attracts, motivates and retains the highest calibre employees needed to develop the business and keep us ahead of the industry. We offer a highly motivating working environment that promotes career development. Employees' performance is rewarded to drive sustainability, boost productivity and maximise stakeholder value.

### Benefits Provided to Full-Time Employees

<b>Leave</b>	Annual, medical, hospitalisation, prolonged illness medical, marriage, maternity, paternity, Haj and compassionate leave with mandatory rest days
<b>Insurance and Coverage</b>	Medical benefits, group personal accident and term life insurance schemes, competitive Employees Provident Fund (EPF) and Social Security Organisation (SOCSO) contributions
<b>Allowances, Claims and Loans</b>	Outstation, accommodation, handphone, relocation, subsistence and maintenance allowances; fuel cards; laundry expenses; mileage and parking claims; and interest subsidies for car, study and computer loans
<b>Operations Uniform</b>	Uniforms are provided for employees working at the plant
<b>Retirement Plan</b>	Full-time employees may enjoy retirement savings with CIMB Private Retirement Scheme. 24 employees voluntarily enrolled in this scheme in 2014.

Cenviro’s comprehensive benefits provide employees with healthcare, income-protection and work-life balance opportunities. The compensation package helps employees plan for their retirement and includes incentive pay such as bonuses and increments. Cenviro’s salaries are benchmarked against market rates to ensure they are competitive. There is no gender-based discrimination on job designation or salary scales.

## Review of Medical and Insurance Benefits

In line with the restructuring exercise, Cenviro announced revisions to a number of components of its benefits package to retain existing employees and attract new talent.

### Revised Coverage of Medical Benefits

Medical Benefit	Old Coverage	Revised Coverage
Hospitalisation	Hospitalisation benefit covers RM30,000 or RM50,000 per family	Hospitalisation benefit covers RM30,000 per member of the family
Outpatient	Outpatient treatment covers RM3,000 per family (depending on job grade)	Outpatient treatment covers RM3,000 per family member

Employees were informed of the improved medical and insurance benefits during a townhall session with the CEO, Khalid Bahsoon held on 8 September 2014 at the WMC.

HRA held dedicated briefing sessions with employees on 22 and 23 September 2014 at the WMC and corporate HQ respectively. The changes to the medical benefits were outlined to a total of 325 employees.

### Employees Long Service Award

Cenviro recognises that employee dedication and contributions are invaluable. We held an annual dinner celebration at the Pullman Hotel Putrajaya on 5 December 2014. Our Long Service Award were presented during this dinner. These awards acknowledge employees for their on-going efforts and dedicated years of service to make them feel genuinely valued. 300 employees witnessed 43 employees receive this award.



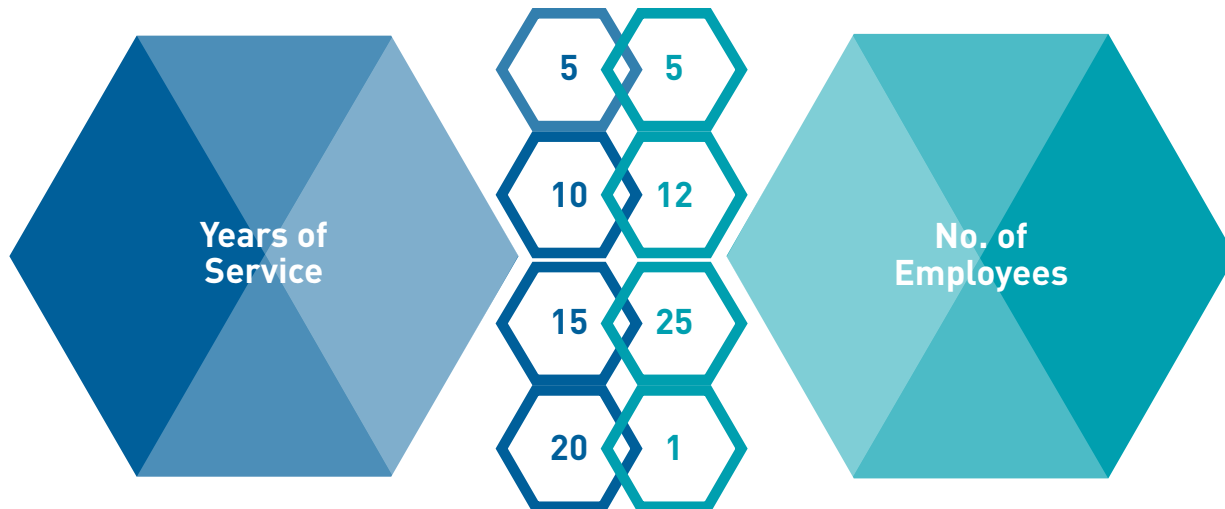
Employee receiving Long Service Award



Annual dinner celebrations



### Number of Award Recipients by Years of Service



We hope to retain our valued employees, boost their morale and contribute to their personal and professional growth.

### EISB New Salary Revision

EISB's Board approved a new salary structure for senior management as well as executive and non-executive employees on 18 December 2014. 72 employees consisting of 58 executives (80.56%) and 14 non-executives (19.44%) were affected by the salary revision.

This was the first salary review since 2008 as EISB achieved its full Key Performance Indicators (KPI). The revised salaries will cost RM289,943 per annum, help retain talented employees and attract new candidates. The following criteria were measured:

- Performance track record;
- Interview and test; and
- Revision of job scope.

The new salary structure and 2014 performance appraisal took effect concurrently and their implementation should be completed by the end of March 2015.

### Performance Appraisal

Cenviro measures the KPIs of each employee to ensure they meet their targets. This process is important as employees' achievements affect Cenviro's scorecard. Biannual performance appraisals, conducted in the middle and end of each financial year, formally assessed 100% of employees in 2014.

All employees have full access to the assessment methodology. They contributed to the targets and discussed them with their Heads of Department (HODs) regularly.

EISB also performs appraisals at the end of each financial year. The HODs, guided by HRA, explain the scope and process of the appraisal to employees at the beginning of the year.

## Nurturing Diversity [G4-10]



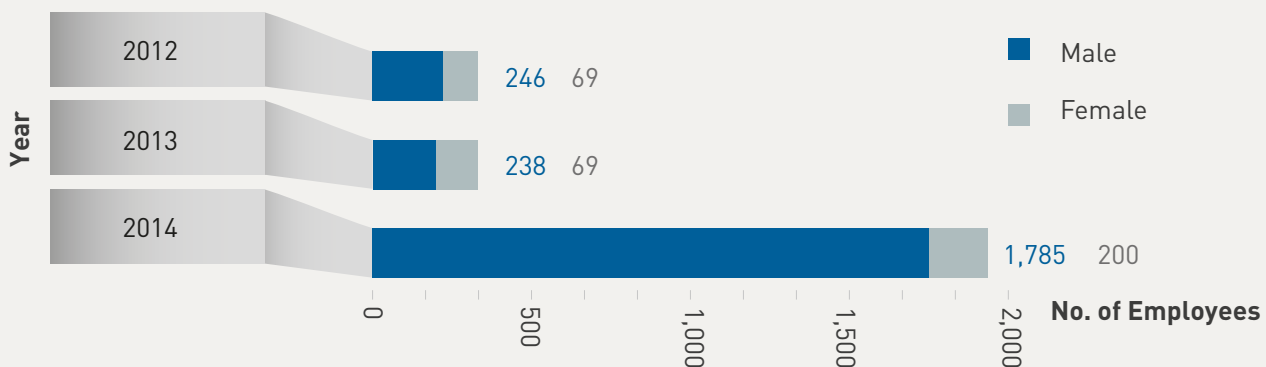
Cenviro's diverse workforce

We are committed to hiring a diverse workforce that includes different races, colour, religions, genders, national origins, age groups, disabilities, medical conditions and marital statuses. The best candidates are recruited through a variety of networks. We provide comprehensive benefits that cater for the diverse needs of employees.

The diversity of our workforce is fundamental to business success. Their broad range of experiences, skills and views are key strengths. These differences are critical to the wide range of services we deliver to customers and local communities we serve.

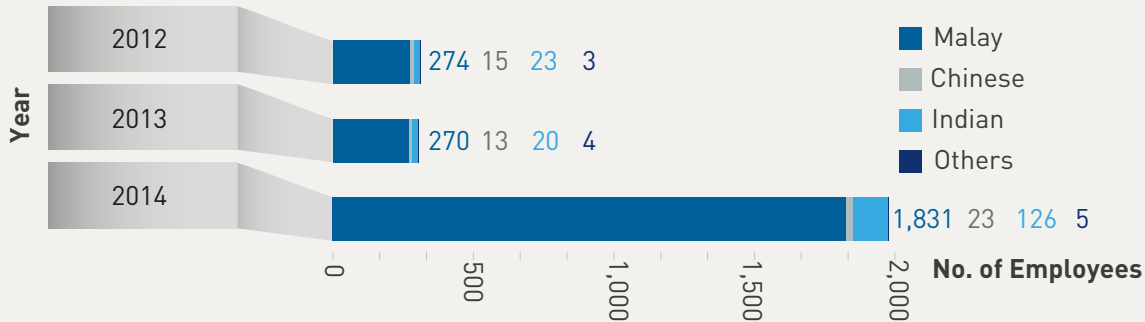
In 2014, a total of 1,985 employees, consisting of 325 from Cenviro and 1,660 from EISB, have been included in the workforce breakdown. EISB became more active, which explains the sharp rise in the number of employees reported.

### Workforce Breakdown by Gender



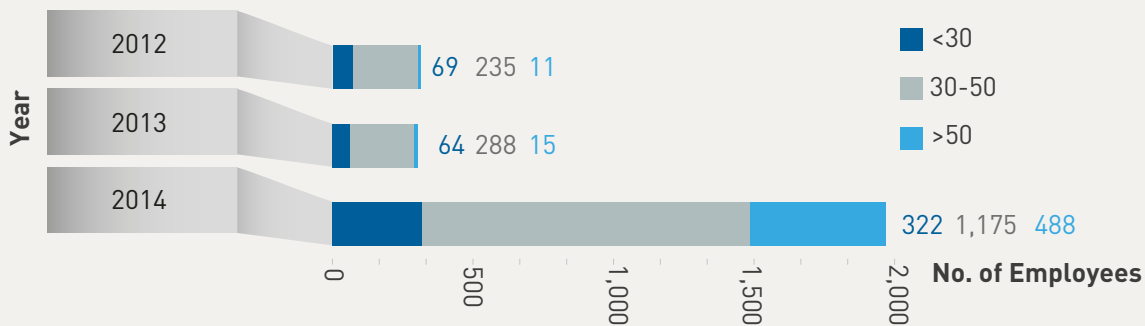
Discrimination is not practised in the workplace although the number of male employees may be higher than females due to the nature of business. The ratio between female and male employees was 1:8.93.

### Workforce Breakdown by Ethnicity



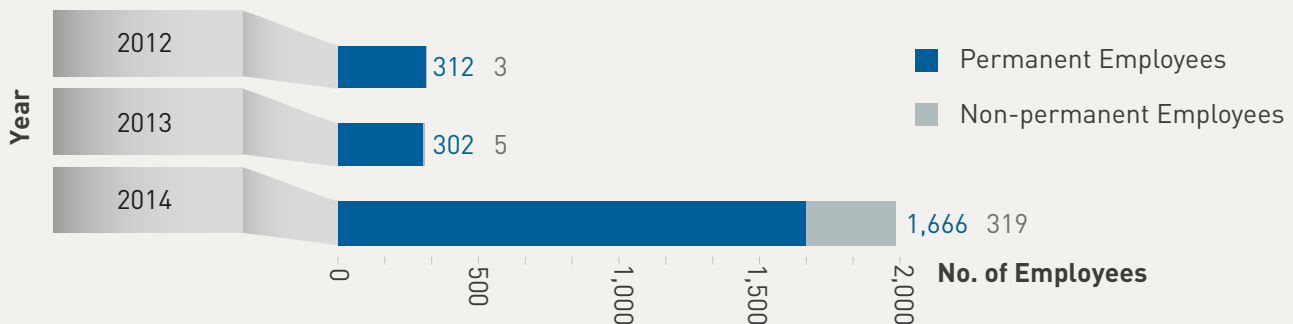
Our workforce is diverse with a good representation of each culture and race. The majority is Malay (92.24%), which is the largest racial group in Malaysia. The remainder consists of Indian (6.35%), Chinese (1.16%) and other races (0.25%).

### Workforce Breakdown by Age Group



The majority of the workforce is aged between 30 and 50 years old (59.19%). Only 24.59% of employees are aged over 50 years and 16.22% aged below 30 years.

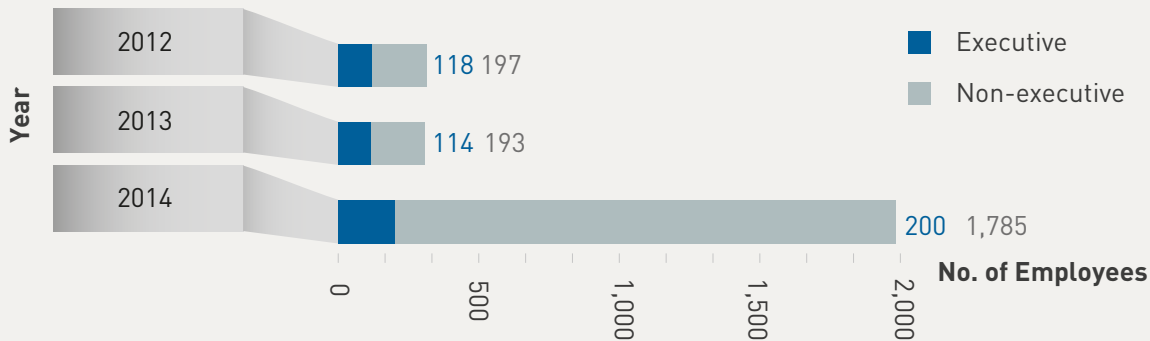
### Workforce Breakdown by Category



83.93% of employees are permanent and the remainder are non-permanent.

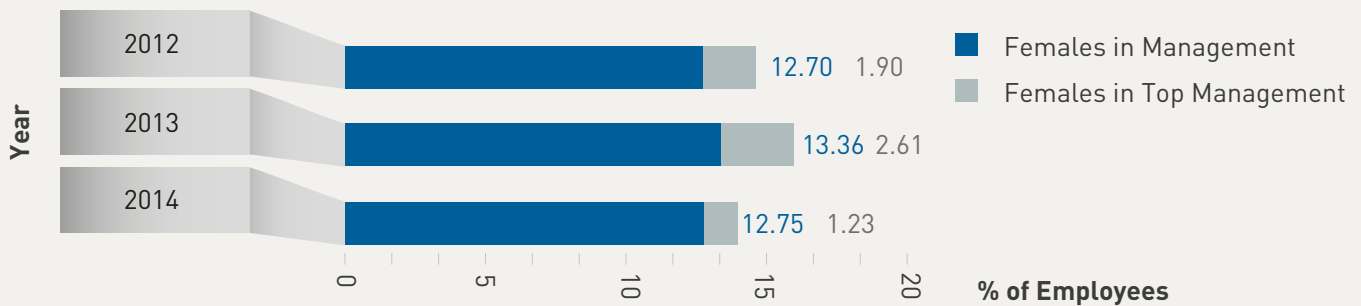


### Workforce Breakdown by Designation



The ratio of 89.9% non-executive to 10.08% executive including managers remains relatively stable.

### Workforce Female Breakdown by Designation



Female employees are empowered with equal career development opportunities in the workplace. The average rates of females in management and senior management over the past 3 years were 12.94% and 1.91% respectively. Management includes managers and executive levels employees. Senior management consists of senior managers, HOD level and above.

### Turnover Rate

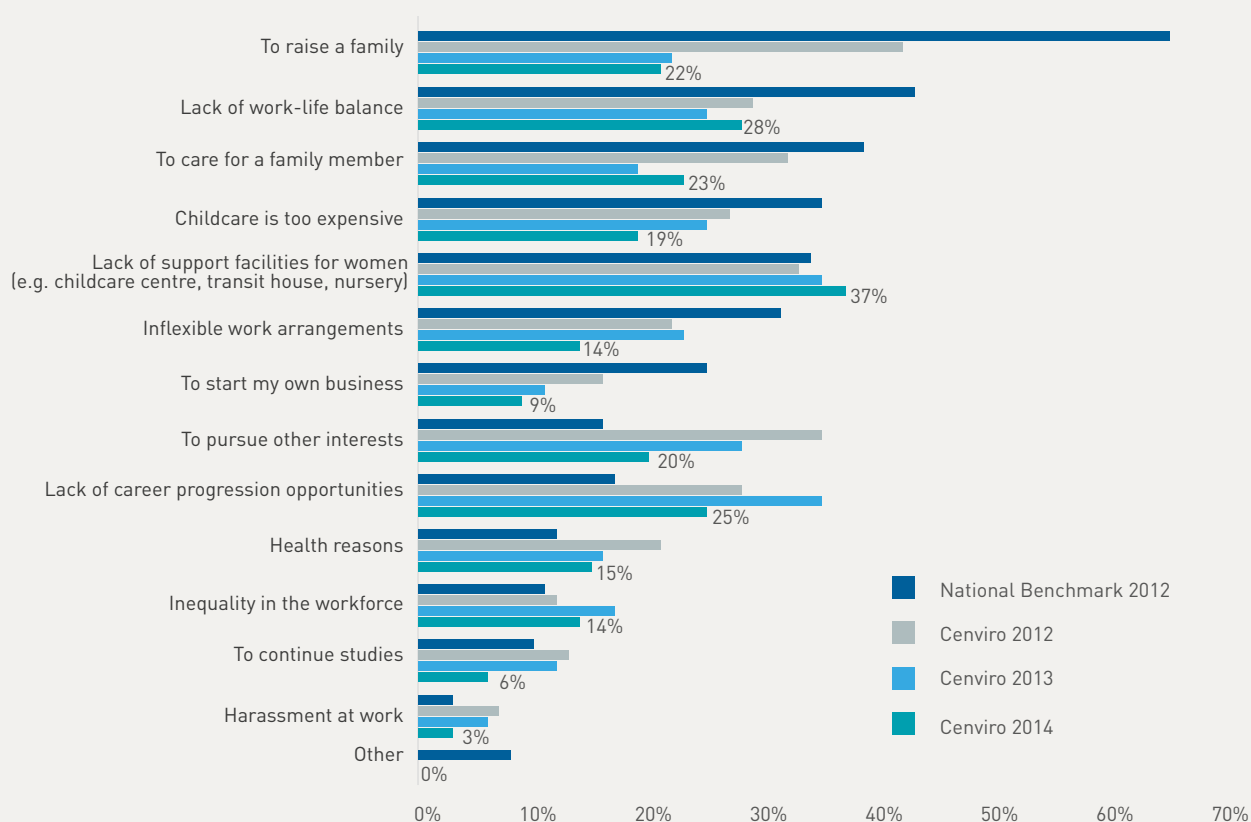
At Cenviro, the turnover rate is the percentage of employees who leave the Company during a calendar year. It increased by 3.10% to 9.90% in 2014 compared to the previous year of 6.80%. This increase was mainly due to some employees finding it difficult to adapt to a new corporate culture.

## Diversity and Inclusivity

The Employee Sustainability Survey gauges employees' perception of women in the workplace. This survey has been conducted anonymously by independent consultants for the past 3 years. 195 employees responded to the latest survey, which was conducted in the 1<sup>st</sup> half of 2015.

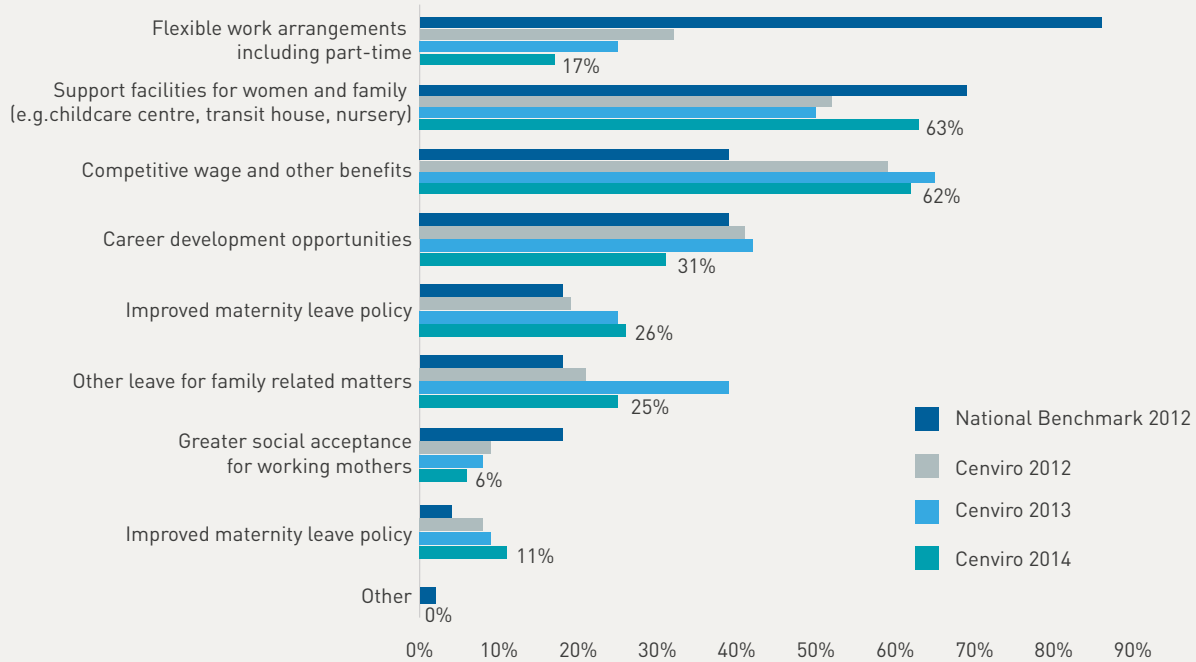
Questions from the **TalentCorp-ACCA Malaysia Report** on Retaining Women in the Workforce in 2012 were used. This survey is similar to ones conducted in early 2013 and 2014 to allow an easy comparison of Cenviro with the **National Benchmark 2012**.

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



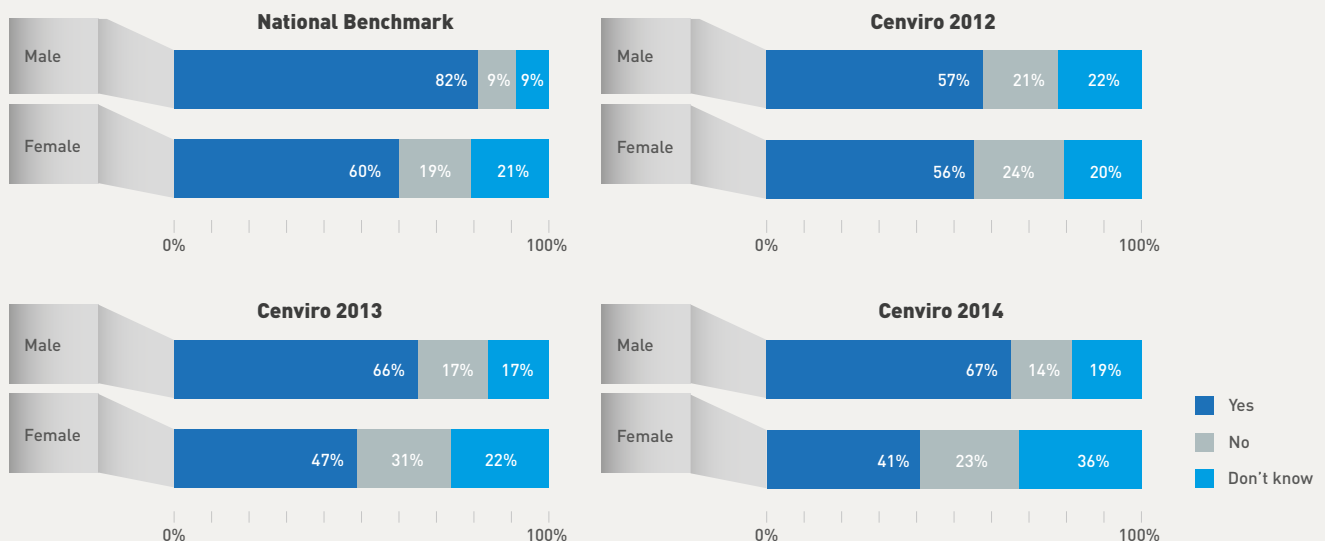
In 2014, there was a decrease in employees considering leaving the Company for 10 of 13 reasons. Cenviro also performed better than the national benchmark in 7 areas. There was a 4% increase in employees considering leaving due to lack of work-life balance; a 4% increase to care for a family member; and a 3% increase due lack of support facilities compared to 2013. Although these increases are slight, the management will examine the findings to improve career progression opportunities in 2015.

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



Cenviro performed well against the national benchmark and other years. Only 17% of employees believed that more flexible work arrangements including part-time should be introduced; 8% fewer than in 2013 and 78% fewer than the national benchmark. Fewer respondents considered that support facilities for women and family; a competitive wage and other benefits; career development opportunities; and greater social acceptance for working mothers would help retain women in the workforce compared with the national benchmark.

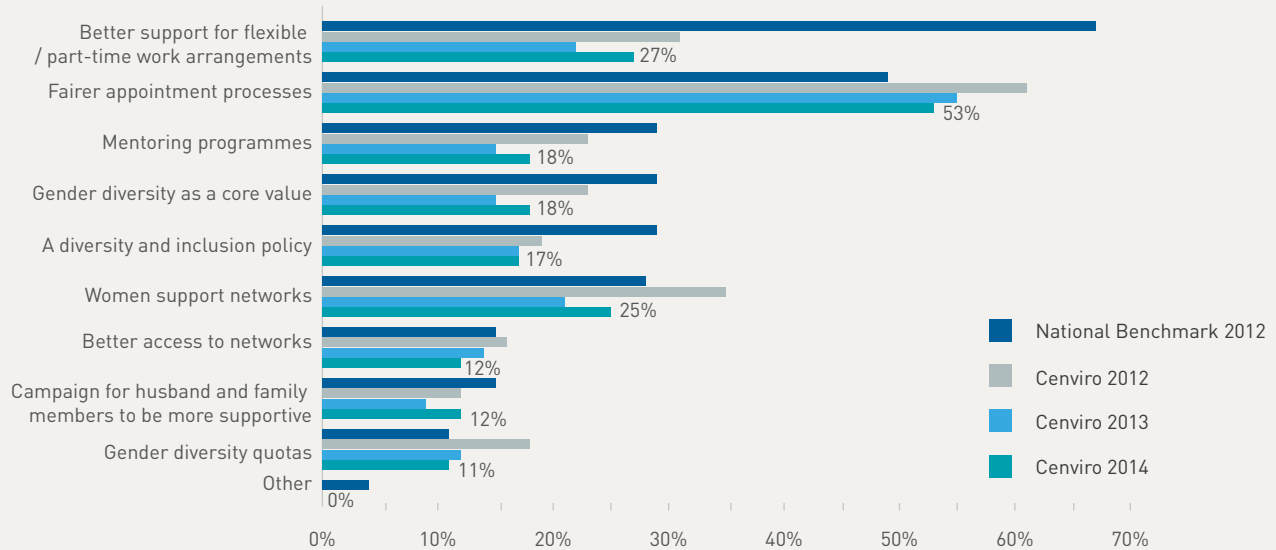
**Q3. In your opinion, does your organisation practise a culture where women and men have equal opportunity in career progression?**



67% of men and 41% of women agree that Cenviro is practising equal opportunities in career progression. This is similar to the 2013 results but the percentage falls below the national benchmark for men. Cenviro aims to be transparent in all its promotions to improve this perception.



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



53% of respondents felt fairer appointment processes would help women to occupy senior decision-making positions a slight improvement from 55% in 2013. 25% of employees felt women support networks should be introduced, which is 4% more than in 2013. Slightly more respondents felt better support for flexible/part-time work arrangements; mentoring programmes and a diversity and inclusion policy; and a campaign for husbands and family members to be more supportive would help. Fewer respondents considered all other areas would help women to occupy senior decision-making positions. The management is currently examining these findings with the view of improving these perceptions in the future.

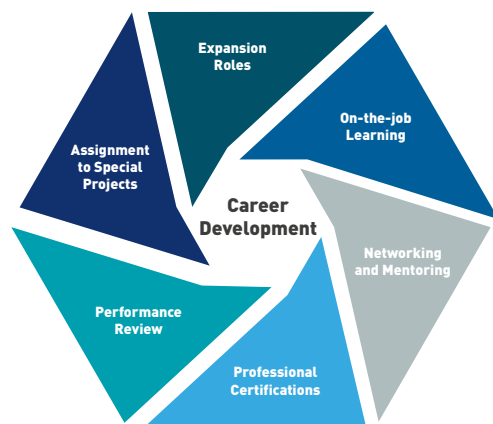
## Career Development

Cenviro is committed to employees’ career growth and offers a wealth of training and development opportunities at all levels and locations. We provide access to many in-house and external training programmes and development resources to help them become part of an innovative, competitive and dynamic team. These training programmes provide the tools for the highest job performance, maintaining a cutting edge reputation and driving sustainability.

We are serious about developing our employees. In 2014, we registered with the HRDF to ensure employees receive quality programmes of a global standard.

The Company’s career development is a combination of various elements as illustrated in the following diagram.

### The Key Elements of Success



## Employee Training Programmes [G4-DMA, G4-LA9, G4-LA10]

In 2014, we spent RM461,529 on training compared to RM401,463 in 2013. This increase of 14.96% is part of a drive to equip employees with relevant skills. They have had access to the latest technology to enable them to perform their duties effectively and efficiently. Each employee received an average of 5.67 hours of training in 2014 compared to 3.33 hours in 2013, an increase of 70.27%.

### Comparison of Employee Training Conducted

Year	No. of Employees*	Training Cost (RM)	Average Training Cost Per Employee (RM)	Training Hours	Average Training Hours per Employee
2012	324	311,279	960	915	2.82
2013	305	401,463	1,316	1,015	3.33
2014	315	461,529	1,465	1,785	5.67

Note: As on last day of training

### Breakdown of Employees Training Sessions

In 2014, functional training accounted for 41%, 35% for technical, 22% for SHE and 2% for organisational. A breakdown of employees' training sessions by type is presented below.

### Training Programme Breakdown by Type

Training Type	Percentage (%)		
	2012	2013	2014
Functional	26	25	41
Organisational	3.20	7	2
Leadership	9.80	6	0
Technical	46.30	50	35
Accounting	4.90	3	0
SHE	9.80	9	22
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Employee Scheduled Waste Management Training

The Marketing Department has conducted scheduled waste management training since 2011. This training complies with the **EQ(SW)R 2005** under **Regulation 15 (Conduct of Training)**. In previous years, it became compulsory for operational personnel involved in the identification, handling, labelling, transportation, storage, spillage and discharge of waste to attend this training.

In 2014, this training was also extended to supporting personnel to improve their knowledge with the latest requirements for waste management. 175 attended 9 scheduled waste management training sessions. Our CEO, Khalid Bahsoon, also attended on 11 February 2014.



Employees being tested



CEO attended a dedicated scheduled waste management training session

## Contractors Training Programmes

Cenviro works with many contractors, who contribute considerably to business success. We apply the same safety standards and expectations to contractors as our own employees. This is in line with our core business principles.

Many contractors support plant operations and maintenance activities. These contractors receive comprehensive induction training so that operations and Contractor Driving Training Programme procedures are clearly understood. Mandatory training programmes are delivered to those operating forklift trucks, working at heights or in confined spaces.

All KA drivers must attend annual training to conform to the latest safety requirements. 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 are all covered in this training.

We spent 16.62% less on contractors training in 2014 than in 2013. However, average training hours increased by 9.70% due to a more efficient allocation of resources.

### Comparison of Contractor Training Conducted

Year	No. of Contractors	Training Cost (RM)	Average Training Cost per Contractor (RM)	Training Hours	Average Training Hours per Contractor
2012	251	2,648	11	653	2.60
2013	182	4,794	26	920	5.05
2014	315	3,997	22	1,008	5.54



## Breakdown of Contractor Training Programmes

Cenviro contractors attended 3 main types of training. SHE accounted for 80% in 2014 compared to 67% in 2013. Cenviro's commitment to safety and health also extends to contractors.

### Training Programme Breakdown by Type

Training Type	Objective	No. of Sessions (%)		
		2012	2013	2014
Functional	A classified skill and knowledge required for contractors to perform their daily duties	8	0	0
Technical	Skills required for contractors to accomplish a specific task	4	33	20
SHE	A set of skills and knowledge that promotes the SHE of contractors engaged in work or employment to foster a safe and healthy work environment	88	67	80
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>

### Contractor Driving Training Programme

Truck drivers receive customised and detailed technical and safe driving techniques. We ensure that they understand their job responsibilities and all related safety aspects. In 2014, 398 drivers attended several training programmes.

### Safety-related Training Programmes

Date (2014)	Training Programme	Venue	No. of Participants
18 January – 15 February	Defensive Driving Training	WMC, Negeri Sembilan	55
19 January – 15 February	Emergency Response on the Road Training	WMC, Negeri Sembilan	55
19 January – 15 February	First Aid Training	WMC, Negeri Sembilan	55
16 February	National Institute for Occupational Safety and Health (NIOSH) Training	Shah Alam, Selangor	15
13 April, 17 May, 25 June and 30 October	New Driver Training	KA / Taman Gelora Kuantan, Pahang	73
19 July	Yearly Refresher Training	WMC, Negeri Sembilan	39
19 July	Personal Protective Equipment (PPE) and Safety Items and Packaging Training	WMC, Negeri Sembilan	53
13 November	SHE Briefing	WMC, Negeri Sembilan	53

## Packaging Training Programme

Date (2014)	Training Programme	Venue	No. of Participants
29 – 30 September	Scheduled Waste Handling and Safety Training	WMC, Negeri Sembilan	27

## Cenviro in Supporting Government's Initiatives

Cenviro is committed to working with the Government and relevant authorities for a greener future. We participated in various events to raise awareness of environmental appreciation. We recognise our responsibility to educate the public on proper waste management and drive sustainability. We shared our nation-building role through business operations and invited them to contribute to the Government's green agenda.

We nurture a healthy relationship with the Government to understand its priorities more clearly and propose ways of helping achieve its goals.



Launching a *Rakan Alam Sekitar*



Disseminating product information

## Cenviro Government-Supporting Initiatives

Date (2014)	Programme	Venue	Target Group	No. of Participants	Our Contributions
5 June	Launch of <i>Rakan Alam Sekitar</i> (Friend of the Environment) in conjunction with the World Environment Day 2014	Dataran Teluk Kemang Port Dickson Negeri Sembilan	General public particularly students	5,000	KA is a member of Rakan Alam Sekitar and contributed RM35,000 to the programme
1 November	Launch of Malaysia Environmental Week 2014	Tasik Darul Aman, Jitra Kedah	Students, local community and the general public	10,000	KA sponsored the Enviro Golf Tournament for RM12,000

## EISB Training Programmes

### ENVI Supervisory Training

63 ENVI supervisors from the cleansing and collection unit attended supervisory training to refresh their knowledge of operations and role in ensuring a smooth workflow. The 1<sup>st</sup> batch of training was held on 12 and 13 October 2014; the 2<sup>nd</sup> on 2 and 3 November 2014. The training sessions were delivered at TH Hotel & Convention Centre, Alor Setar, Kedah by an external consultant.

### Development Programmes

EISB organised various development programmes for its employees. These programmes developed active and lasting learning processes that sharpened their skills and knowledge. This ensured that our talents stayed abreast with industry news and trends.

### Training Programmes

Training Programme	Participants	Objectives
<ul style="list-style-type: none"> <li>HOD's Development Programme</li> <li>APEC Workshop on Environmental Services</li> </ul>	2 HODs	Discuss relevant strategies to improve the development of the environmental services sector in the region
<ul style="list-style-type: none"> <li>Manager/Executive Development Programme</li> <li>Company Policy and Procedure</li> </ul>	84 managers and operations personnel	Enhance knowledge of company policy and procedures
<ul style="list-style-type: none"> <li>Non-Executive Development Programme</li> <li>Defensive Driving and Vehicle Maintenance</li> </ul>	120 personnel	Brief on safety and good driving procedure

## Culture of Inclusivity

Cenviro creates an environment where employees feel engaged and inspired to perform to the best of their abilities. We encourage 2-way communication and idea-sharing between management and employees at all levels through a variety of channels.

We established a JCC in 2012 to help HRA gather feedback from employees on work-related aspects including their concerns, benefits, job flexibility and work safety. The JCC comprises 16 employees from various departments.

### JCC Members Breakdown by Designation

Job Grade	Male	Female
Executive	7	1
Non-Executive	7	1



Several concerns were raised at 2 JCC meetings held on 25 March and 29 August 2014:

- Contract employees misuse e-coupon IDs to purchase food from the WMC cafeteria;
- Contractors, vendors and visitors park in bays reserved for WMC employees;
- Employees requested management reconsiders overtime allowances;
- Security personnel patrol the plant on motorcycles without crash helmets;
- Plant employees should be provided with quality safety boots and glasses;
- Cafeteria operating hours should be extended to 8.30pm; and
- Weekly or monthly morning assembly meetings should be conducted to brief employees on the Company's future direction.

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

Cenviro encourages its employees to be more engaged, involved and informed. We improve the business by encouraging constructive feedback. We embrace diversity and inclusion to strengthen our workforce. Employees are informed of the Company's position and direction. This secures their loyalty which leads to a more diligent workforce.



### Informal Engagement Sessions

Date (2014)	Event	No. of Participants
24 January	A townhall session with the CEO at the WMC, Negeri Sembilan	113
28 April	Birthday celebration at the corporate HQ, Kuala Lumpur	20
24 May	Mother's Day celebration for female employees with children at the WMC, Negeri Sembilan	30
30 May	Birthday celebration at the WMC, Negeri Sembilan	40
27 August	A luncheon and get together session with Cenviro's Chairman at the WMC, Negeri Sembilan	19
8 September	A townhall and birthday celebration at the WMC, Negeri Sembilan	139

EISB engages and communicates with its employees at company activities and service unit visits. Management highlights important news and company developments. Employees can raise their concerns on work-related matters and their welfare. In 2015, EISB management will begin engaging with all service unit employees at least twice a year.

### Occupational Safety and Health (OSH) [G4-DMA]

At Cenviro, we are committed to providing employees with a safe workplace. We engage at all levels of the organisation to comply with applicable health and safety regulations for continuous improvement. Our long-term success depends on keeping our employees, contractors, visitors and the public safe.

The 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. A Hazard Identification, Risk Assessment and Risk Control (HIRARC) and an Environmental Aspect Impact (EAI) Assessment have been conducted in all workplaces to meet these requirements. All potential risks have been evaluated and documented accordingly. The HIRARC and EAI are revised when there is a change in the process or if any incidents occurred.

We have introduced several initiatives to improve safety risk awareness and take precautionary measures for employees. A Training Awareness and Promotion (TAP) Task Force was formed by the SHE Committee. The TAP Task Force focuses on improving OSH awareness.

Cenviro conducts inspections in the workplace including PPE usage and vehicle inspections. This eliminates hazards arising from housekeeping, substandard PPE and poorly maintained vehicles.

**In our Employee Sustainability Survey, only 14.36% of employees felt that Cenviro does not take a very proactive approach to safety and health and they do not receive adequate training in this area. This is 9.17% less than 23.53% of respondents in 2013.**

## SHE Committee [G4-LA5]



SHE Committee being appointed



SHE Committee briefing

The SHE Committee consisted of 25 members who represented 8% of the total workforce as at 31 December 2014. The Head of Operations chairs the SHE Committee who is joined by 1 alternate chairman, 1 SHE representative, 11 management representatives and 11 employee representatives. The SHE Committee discusses employees' SHE concerns and is responsible for making necessary improvements.

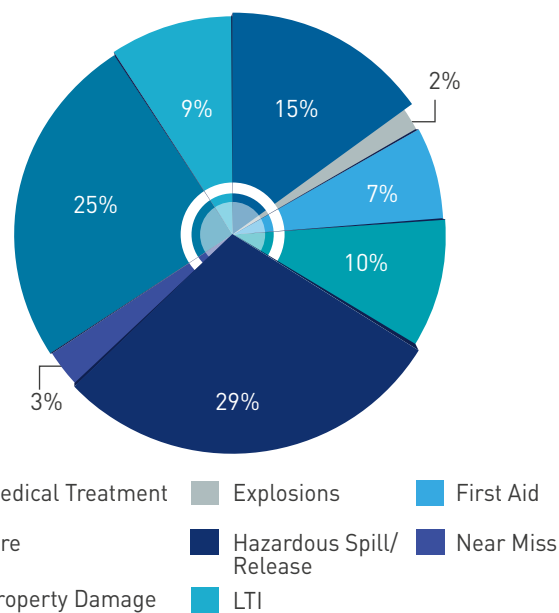
The safety and health culture is shared with all employees, contractors and suppliers. SHE Committee meetings were held on 24 January 2014, 17 March 2014, 20 June 2014 and 13 December 2014. The quorum of these meetings met the **OSH Regulations 1996**. The 4<sup>th</sup> meeting was delayed while Cenviro replaced a competent safety and health officer who is registered with the Department of Occupational Safety and Health (DOSH). Cenviro notified DOSH of the delay and held the meeting once a replacement had been appointed.

## Incident Rate Statistics [G4-LA6]

The number of incidents increased by 52.63% from 38 in 2013 to 58 in 2014 due to the increased movement in the plant to clear backlogs.

### Incident Breakdown by Type

Various types of incidents occurred. They were generally minor and did not affect employee safety other than Lost Time Injuries (LTI), medical treatment and first aid. We have taken necessary corrective and preventive action based on investigation and root cause analysis.



### Million Man Hours with Zero LTI

The total man hours with zero LTI were 239,253 hours as at 31 December 2014.



## OSH Initiatives [G4-LA7]

Participants learnt various skills such as firefighting, basic occupational first aid and emergency response planning. They were also taught basic Emergency Response Team (ERT) skills such as rescue from flood areas and fire.



Emergency response planning



ERT certification



An annual mock drill with Bomba

Date (2014)	Event	Description
18 January and 15 February	Defensive Driving Training	Defensive driving training was delivered at KA and the programme covered: <ul style="list-style-type: none"> <li>• Heavy vehicle articulated defensive driving;</li> <li>• First aid;</li> <li>• A safety talk;</li> <li>• Drivers' rights;</li> <li>• Emergency response on the road; and</li> <li>• A mock drill on spillage and fire.</li> </ul>
11 February	Blood Donation Campaign	Hospital Tuanku Ja'afar (HTJ) and KA organised a blood donation campaign and 33 employees voluntarily registered their names to donate blood. The campaign was supervised by Arbaayah Hj Ahmad, Information Assistant Director of HTJ and KA's SHE Department.

Date (2014)	Event	Description	
28 November	A Mock Drill at Physical Chemical Treatment (PCT) plant	An annual mock drill with Bomba Seremban held at the PCT plant, Employees utilised Hazardous Material Team (HAZMAT) suits, Self-Contained Breathing Apparatus (SCBA), stretchers and fire jackets.	
As mentioned in the following table	ERT Training	4 ERT training sessions were delivered at Kompleks Ibu Pejabat Bomba and Penyelamat Negeri Sembilan, Seremban 2. The attendance at these training sessions is listed in the table below.	
		Date (2014)	No. of Participants
		22 - 23 September	22
		29 - 30 September	18
		13 - 14 October	19
20 - 21 October	25		

#### Other OSH-Related Initiatives

Date (2014)	Programme	No. of Participants
Beginning 15 May	Truck Induction Course	Programme is still ongoing
Beginning 2 June	Visitor Induction Course	Programme is still ongoing
23 - 24 September and 17 - 18 November	First Aid and CPR Training	39
27 November	Hazardous Chemical Training with Bomba	17

Cenviro is introducing several measures to improve its future SHE performance. These initiatives will:

- Reinforce the SHE Committee and engage committee members in various activities to raise awareness and improve safety practices;
- Evaluate and improve existing fire protection systems;
- Establish a dedicated fire and HAZMAT team with a fire station, fire engine and HAZMAT vehicle for first response; and
- Organise a joint mock drill with surrounding industries and communities.

## ENVI's Commitment to Safety and Health

### ENVI's Safety Policy Commitment

- Ensure that all premises/workplaces and work systems are safe and not detrimental to health.
- Provide basic facilities and equipment in order for employees to perform their daily duties safely.
- Ascertain that ENVI employees be given sufficient information, instruction, training and supervision on how to work safely without any health risk to themselves or others.

ENVI hosted a *Majlis Pelancaran & Taklimat Manual Operasi Sisa Pepejal dan Pembersihan Awam Edisi Pertama 2014* at TH Hotel & Convention Centre. The event was launched by the EXCO of Local Government, Water Supply, Water Resources and Energy, Housing, Human Development, Dato' Haji Badrol Hisham Hashim on 29 April 2014. It was attended by all ENVI's HOD, Service Unit Managers (SUM), Operation Executives (OE), SWCorp's Branch Manager, Enforcement Officers and contractors.



Launching a safety and health programme

A Work Instructions and Safety Requirements Operation Manual was launched and those attending were briefed on this manual. The manual was extended to all ENVI contractors as they are classed as employees in the **Occupational Safety and Health Act 1994 (Act 514)**. Operation manual compliant site safety audits will be conducted for all future initiatives. This safety audit will include ENVI operation personnel and contractors.

### EISB Accident Statistics

We reduced the number of accidents from 1 fatality and 3 injuries in 2013 to 2 injuries in 2014. Our LTI also decreased by 76.15% from 872 hours in 2013 to 208 hours in 2014.

### EISB Accident Summary

Date (2014)	Incident Summary	Corrective Action Taken
17 February	A driver accidentally reversed into an employee who was loading a bin onto a truck, injuring his leg. The employee was rushed to hospital.	An email informed all service unit employees of the incident and reinforced safety procedures while uploading bins onto trucks. An on-site inspection was also conducted to investigate the incident.
7 August	An employee was injured while unloading an unstable stack of bins. The injured employee was rushed to hospital.	All employees were reminded that loading and unloading must be done 3 metres from the bin stacking area. An employee must check bin stability before loading or unloading commences.



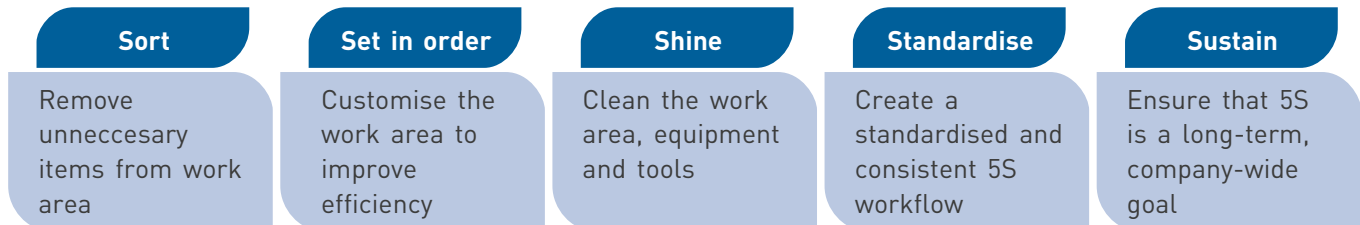
## 5S Programme

5S is a basic, fundamental, systematic approach for productivity, quality and safety improvement in all types of business.

The basics of an organisation's quality programme should originate from the internal work culture. 5S is a workplace organisation method that uses a list of 5 Japanese words: seiri, seiton, seiso, seiketsu and shitsuke. These words help build an understanding of standardisation and efficiency.

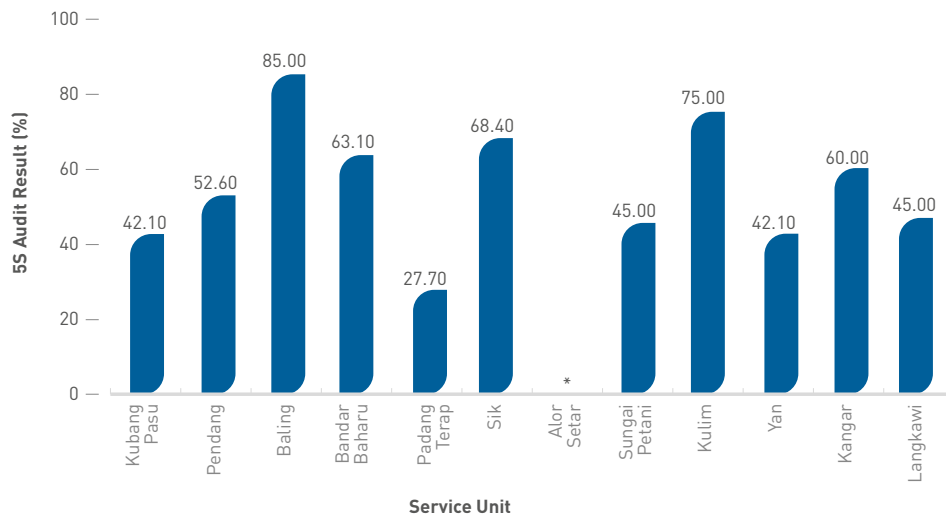


### The 5S Model



EISB officially launched a 5S Programme on 13 April 2014 to raise its cleanliness and tidiness to international standards. The Quality Improvement and Technical Audit Department sets 5S audit criteria and leads the 5S programme throughout the Company.

### Results of 5S Audit in 4<sup>th</sup> Quarter



Note: \* Alor Setar service unit was not included in this audit session as it was relocating at the time.

## ENVI SHE Programme

ENVI also conducted several programmes to increase safety knowledge during roll call programmes with NIOSH and BOMBA.



Emphasising safety during roll call activities



Safety awareness talk

## ENVI SHE Programme

Date	Programme	Objective	No. of Participants
7.00am daily	Safety briefing during roll call	Explain safety matters to employees directly involved in operations.	SUMs, OEs, supervisors and employees
13 February	Fire Safety Demonstration using Fire Extinguishers at Alor Setar Service Unit with BOMBA	Improve employees' knowledge of fire emergency procedures such as fire safety, statistics and using a fire extinguisher.	25
11 March	Safety Awareness Talk with NIOSH	Gain workplace safety and health knowledge to achieve zero accidents and create a safe and healthy work culture. There are several systems of OSH management that emphasise regulatory and supervisory aspects. This reduces the risk of accidents and hazards in the workplace to safeguard employees' health.	34 including SUMs, OEs, supervisors and employees

## KESUKA [G4-11]



Deep sea fishing



Employees competing in a futsal tournament

KESUKA is Cenviro's sports and charity club that encourages a healthy lifestyle through sports, welfare and recreational activities. KESUKA activities strengthen ties between employees and surrounding communities. The club had 325 members on 31 December 2014.

### KESUKA Activities Held

Date (2014)	Activity	No. of Participants
25 January	Maulidur Rasul celebration at Surau Al Jannah and Surau Al Mustaqim, Taman Gadong Jaya, Seremban, Negeri Sembilan	Employees and local community members
28 February	Al-Quran class at the WMC, Negeri Sembilan	7
2 March	Open Bowling Competition at Dream Bowl, Kompleks Sukan Airport, Nilai, Negeri Sembilan	40
9 April	KESUKA Annual General Meeting at the WMC, Negeri Sembilan	75
17 April	Futsal with CEO at Sendayan Sport Centre, Negeri Sembilan	32
19 April	Open Badminton Competition at Sendayan Sport Centre Negeri Sembilan	20
24 April	Hiking at Pulau Aur Mersing, Johor	8
25 April	Hiking at Jeti Koperasi Kemaman, Terengganu	7
16 May	Futsal at Sport Arena @ Sentosa, Kuala Lumpur	25
17 - 20 September	Fishing in Mersing, Johor	8
8 - 9 November	Green Explorace JAS Negeri Perak	8
21 November	Bowling competition hosted by Melaka DOE at Melaka International Bowling Centre Ayer Keroh, Melaka	4
29 November	Cenviro Open Futsal Competition at Sendayan Sports Arena Negeri Sembilan	50



## Notice Period for Operational Change

We communicate operational changes that may affect employees throughout the Company. HRA informs the affected personnel and manages the training and induction programmes. The notice period varies according to the job grade and is subject to senior management's approval. We respect employees' rights and follow guidelines based on **Malaysia's Industrial Relations Act 1967**.

The current **SHE Risk Assessment Procedure and Management of Change Procedure** governs new business and new or different machinery used by operations. We discuss other changes collectively and the Integrated Management Systems (IMS) Committee devises action plans. Meetings and subsequent action taken are communicated and eventually implemented across the organisation by various IMS Committee representatives.

## Employees' Rights at Work [G4-DMA, G4-HR1, G4-HR2, G4-HR3, G4-HR5, G4-HR9, G4-HR12]

Cenviro acknowledges its responsibility of respecting employees' rights in accordance with the Government's **Declaration of Human Rights**. We do not tolerate any form of harassment, discrimination or violence in the workplace.

We also protect supply-chain personnel and local community members. The **Human Resources Policy** recognises that while governments are primarily responsible for protecting human rights, the rights of individuals may be affected by company activities. All operations:

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

Everyone should be treated with dignity and respect and Cenviro conducts business in a manner consistent with this principle. We comply with all applicable employment and human rights laws and regulations where we have operations. Our 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 our ethical responsibilities.

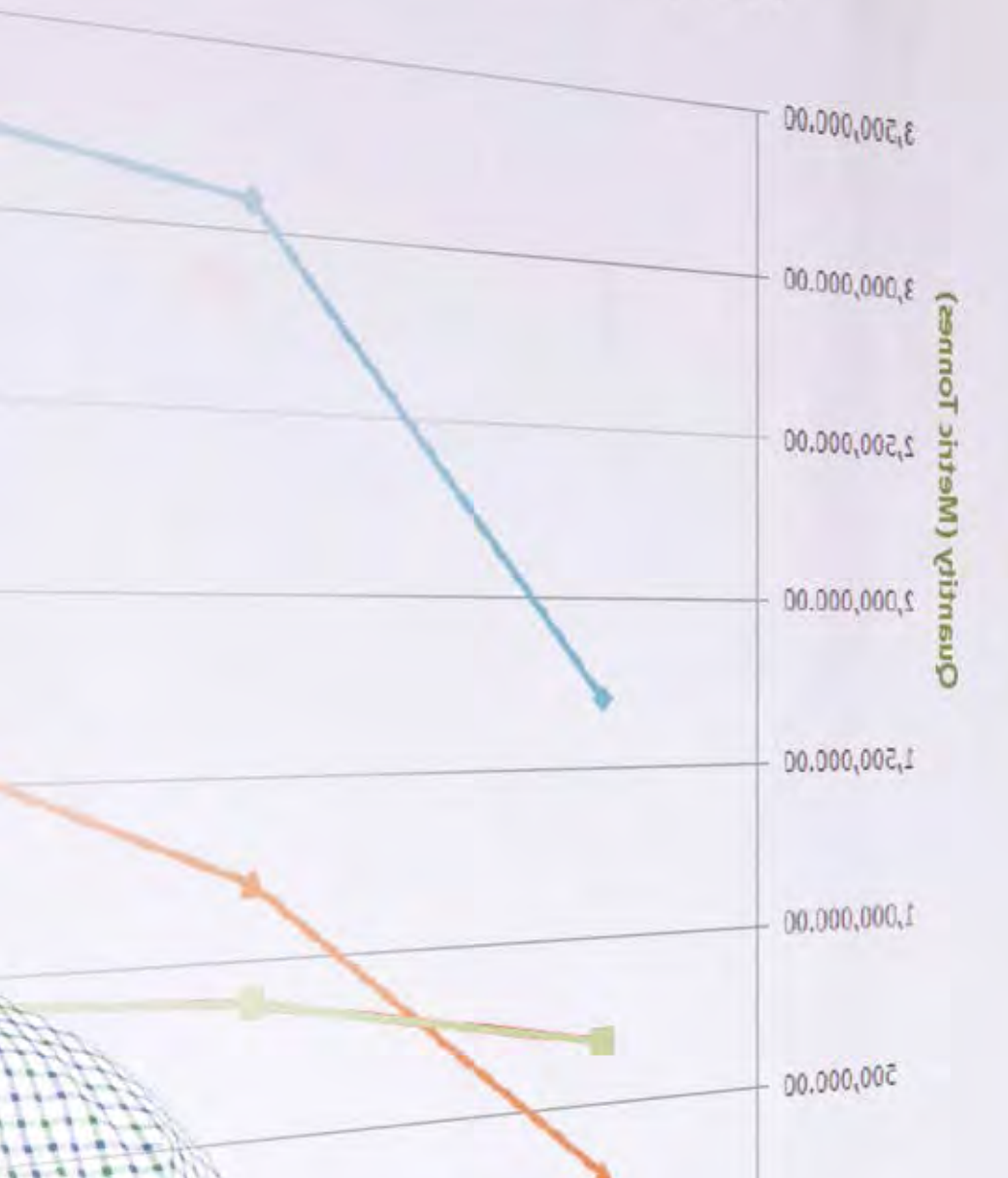
Cenviro complies with the **Children and Young Persons (Employment) Act 1966**. Individuals below the age of 18 years cannot be employed according to the **Malaysian Employment Act 1955**. No incidents of discrimination or risk to freedom of association and collective bargaining have occurred. There 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.



**ACCOUNTABILITY IN THE**

**MARKET**

# Malaysia : Trends of Scheduled W



Our business strategy is very focused and effective. We are accountable and performance driven. Providing value-added services, we consistently deliver services that customers and business partners need. Our financial performance surpasses shareholders' expectations.

Cenviro continues to grow by leveraging on its strengths and exceeding stakeholders' expectations. We continued to evolve during the year especially with the CWTC operations.

# LACE



# MARKETPLACE

## Sustainability Area

Marketplace

## Sustainability Policy Commitments

Prioritising the delivery of innovative sustainability solutions. Supply chain partners' and customers' relationships are valued. Bilateral dialogue and engagement ensure smooth delivery.

## Achievements in 2014

- EISB launched an Integrated Solid Waste Management Facility on Pulau Tuba, Langkawi Kedah in June 2014.
- EISB operated the MRF from June 2014 in Tajar, Kedah.
- Additional 7 ENVI service units were certified with ISO 9001:2008.
- EISB's HQ and Sungai Petani service units were certified with ISO 14001:2004.
- Transparent and sustainable green procurement processes have been introduced at Cenviro and EISB.

## Way Forward

Integrating sustainability into every aspect of the supply chain to deliver excellent quality, maximum customer satisfaction and optimise resource management.

Cenviro delivers consistently high quality services through a series of strategies and programmes. Our commitment to excellence and the environment is reflected in our ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, MS 1722:2011 and ISO/IEC 17025 certifications.

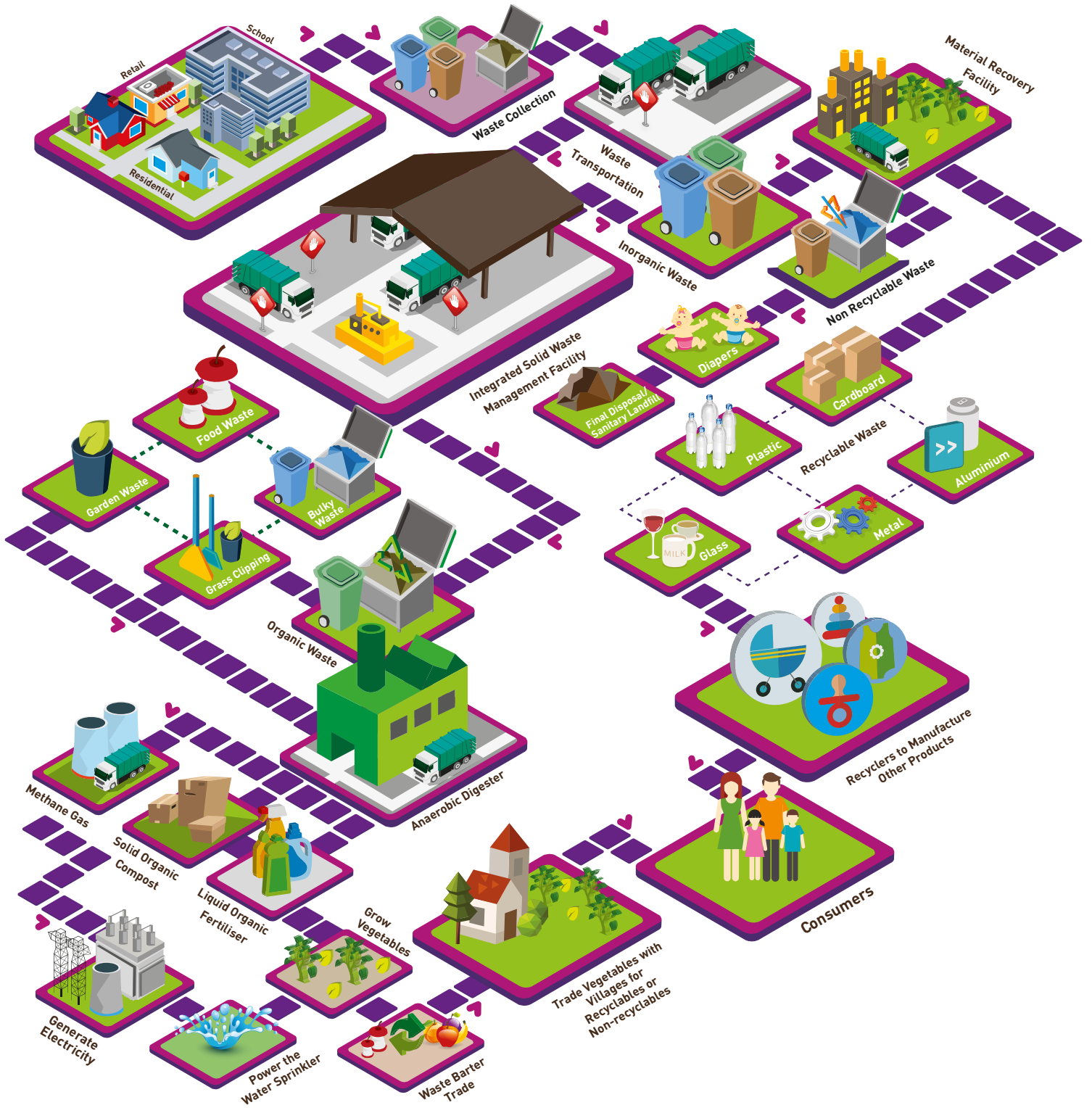
A reliable mechanism for improving customer satisfaction has been introduced across all companies. We listen to customer feedback and provide immediate solutions whenever possible.

## EISB's Integrated Solid Waste Management Facility

Pulau Tuba is a small island located approximately 5 nautical miles from the main island of Langkawi in Kedah. The island has approximately 3,000 residents occupying 646 premises. The island is divided into 6 sub-districts with 4 schools.

There is no proper waste collection system and disposal facility. Much of the waste is dumped on nearby roadsides which has become a nuisance and looks unsightly. Currently, there is no historical data on the volumes of waste produced daily by each household. However, based on the rural waste generation per capita of 0.67, the total waste is estimated to be 2 MT per day. Without a proper waste management system, this tourist attraction island is rapidly becoming a waste ground.

### Pulau Tuba Integrated Solid Waste Process Cycle



In 2013, the Government through its agencies realised the important of keeping the island clean and making it attractive for tourists and other visitors.

EISB in collaboration with CHG Sdn Bhd launched an Integrated Solid Waste Management Facility in June 2014. This facility is supported by a small Multi-Purpose Arm Roll compactor and tricycle to collect waste from 30 bin points. It has separate bins for organic and inorganic waste. EISB allocated resources, including 15 employees, to manage and operate the facility. They were also involved in waste collection and grass cutting.

After a few months of operations, the technology has proven to be effective. All organic waste, except for disposable diapers, is disposed of using the reactor through fermentation without the need for sanitary landfill. The Anaerobic Digester process produces liquid and solid organic fertiliser for vegetable farming. The methane gas is contained and can be used to generate electricity to power 3 water sprinkler pumps that irrigate vegetables within the facility. All inorganic recyclable wastes are cleaned and sold to nearby recyclers to manufacture into new products.

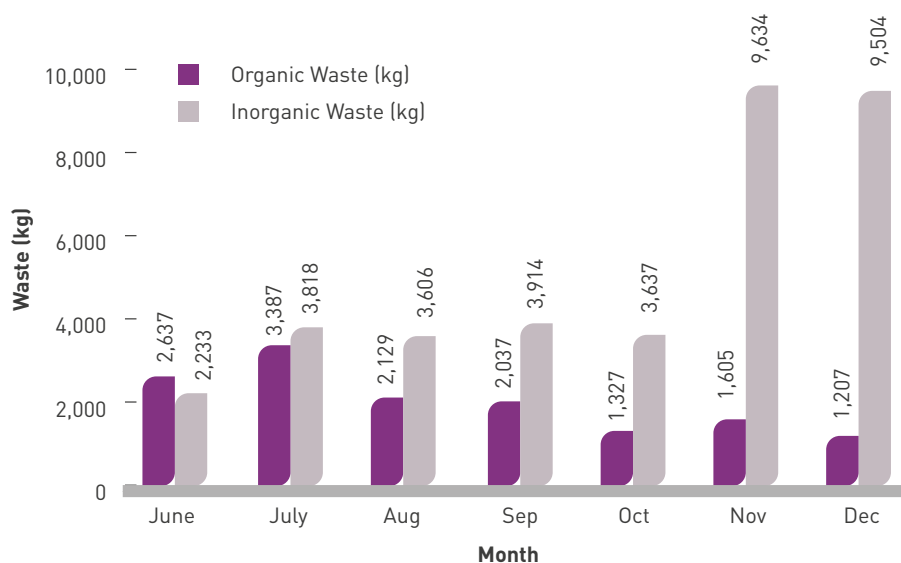
Currently, the Anaerobic Digester is not running at its full capacity with organic waste ranging between 80 and 120 kg per day. Daily production of methane gas is estimated to be 36,000 litres. 120 litres of methane gas weighs 1 kg and can generate 60 kWh of electricity. This process reduces our carbon footprint by harvesting and using methane from organic waste. It can reduce climate change as releasing methane into the atmosphere is 23 times more potent than CO<sub>2</sub>.

#### Advantages of an Anaerobic Digester System

- Encourages the public to separate waste at home
- Reduces waste to landfill by 50% which extends the landfill lifespan
- Lowers operational costs
- Creates new business opportunities
- Results in a cleaner environment by reducing methane emissions to the atmosphere
- Produces clean renewable energy
- Produces organic fertiliser



#### Waste Processed by Type





EISB, through its subsidiary GRR, is aggressively promoting a waste separation awareness campaign that encourages members of the local community to trade their waste for vegetables or fertiliser. This conventional system has proven to be the best choice for a future zero waste system. EISB also held an awareness and 3R recycling campaign programme on 16 April 2014 at SK Pulau Tuba to teach students and the public how to dispose of waste properly.

We also distributed food waste bins to villagers in December 2014. These bins encourage the separation of food waste at home. We hope that the collection of this type of waste will increase accordingly.

## Cenviro Assists the Nation in Disposing of School Laboratory Waste

In July 2013, the Ministry of Education appointed Cenviro to dispose of school laboratory waste. We completed the packaging work for 364 schools in Peninsular Malaysia in 2014.

Following this, KA helped SM Kebangsaan Agama Sheikh Hj Mohd Said package its obsolete laboratory chemicals waste on 28 August 2014.

The chemicals were categorised, sorted and packed in 8 sealed drums. The 208 litre drums were labelled and a maximum of 4 drums were placed on a wooden pallet before being loaded onto a truck. The chemicals were transported and stored at the WMC for further handling.

Laboratory waste must be handled properly as chemicals used by schools are harmful. Safety measures adopted included:

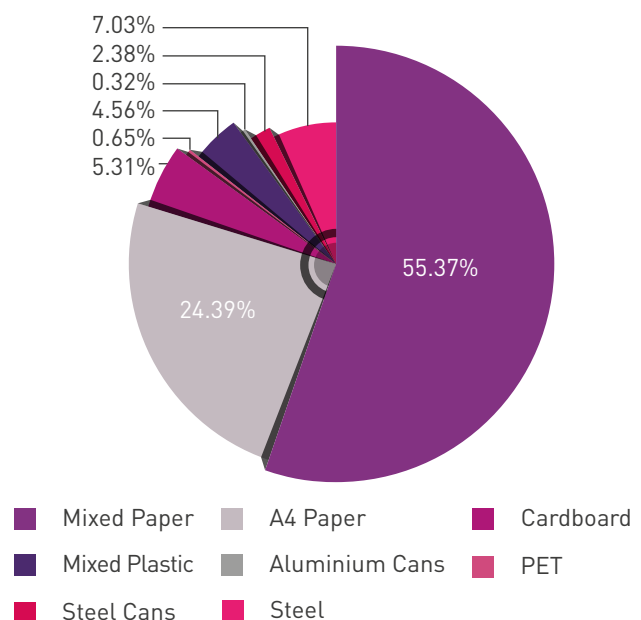
- Individually packing concentrated nitric acid and other acids in bubble wrap;
- Filling the drums with sand to prevent the bottles from moving during loading;
- Equipping the packers with fire extinguishers;
- Setting aside sand for use in the event of a spillage;
- Retraining the team to handle chemicals safely; and
- Providing the team with first aid kits.

## EISB's MRF

Total municipal waste production increases by 1.50% per year. Increased urbanisation, population and income affect waste production. These factors alter the characteristics and complexity of municipal waste. Waste reduction, recovery and recycling all address the issues of municipal waste.

Additional municipal waste to sanitary landfill will shorten its lifespan and raise operating and management costs. Allocating new sites to accommodate increased municipal waste generation is also challenging for local authorities and the Government.

Waste Received and Processed by Type

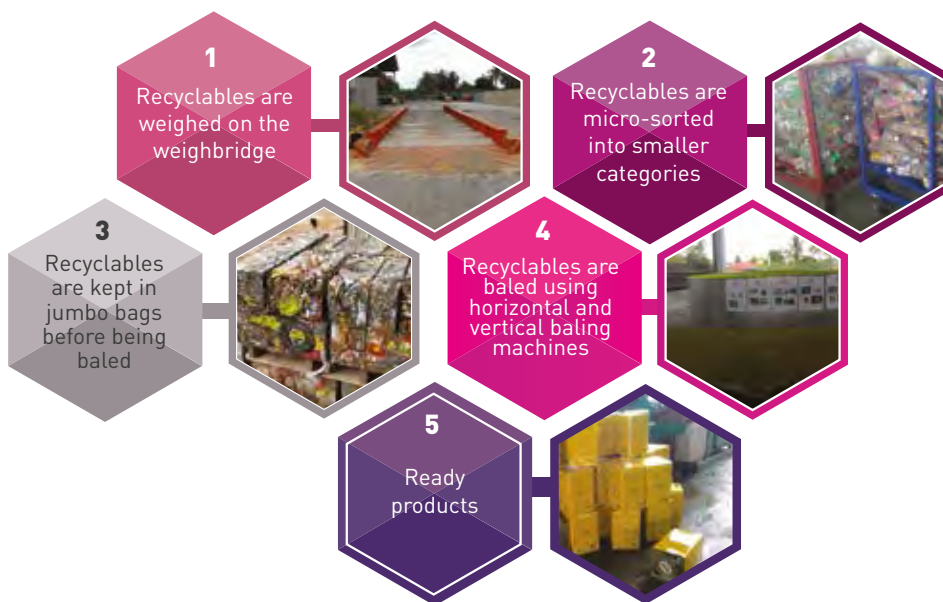


The MRF facility operated from June 2014 by GRR in Tajar, Kedah and should help the Government reach a 22% recycling rate by 2020.

2 machines have helped GRR automate its baling processing to minimise required storage and simplify transportation. A semi-auto horizontal baling machine is used to compress recyclable materials such as paper and plastic. A vertical baling machine (or can baling machine) bales steel and aluminium cans, and other metals.

**Processes Involved**

The diagram below shows processes involved when processing waste at the MRF.



**Quality Services** [G4-15, G4-DMA, G4-EN29, G4-PR1, G4-PR2, G4-PR9]

We conduct regular internal audits that are aligned with our quality commitment. Internal audit sessions held in 2014 are summarised below.

**Certifications Achieved by Company**

Company	Certifications	Internal Audit Session (Date 2014)
KA	ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, MS 1722:2011 and MS ISO/IEC 17025	26 September – 10 October
KKA	ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and MS 1722:2011	13 June
KKI	ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007	21, 22, 25, 26 and 29 August

Cenviro’s internal auditors are responsible for monitoring all IMS Procedures and Operation Control Procedures in compliance with the 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.

Our Head of Operations chaired an IMS management review meeting on 4 December 2014. Representatives from Scheduled Waste Treatment and Disposal, Internal Support Services, CWTC, Production 1 and 2, Landfill, Procurement, Laboratory, LTP, HRA and SHE attended the meeting. The meeting recorded a 100% attendance rate, which shows dedication to improving the quality of performance and service delivery.

Items on the agenda included:

- The suitability, adequacy and effectiveness of the IMS and Safety, Health, Environment and Quality programmes;
- EMS and OSH performance results;
- Internal and external audit results;
- Customer feedback and customer satisfaction survey performance data;
- Internal and external communication updates;
- Status of the Evaluation of Compliance (EOC) with legal and other requirements; and
- Results of employee participation and consultations in IMS programmes.

### Quality First at ENVI

ENVI conducted internal quality audit sessions from 12 October to 6 November 2014. Internal auditors are responsible for monitoring all compliance with Standard Operating Procedures (SOPs) and ISO 9001:2008 requirements under the scope of Provision for Management of Solid Waste Collection and Public Cleansing Services.

KIWA International certified an additional 7 service units with ISO 9001:2008. This achievement reflects ENVI's continuous commitment to maintaining the best practices in its Quality Management System. ENVI is moving towards ISO 14001:2004 in 2015.

#### ENVI Quality Commitment

ENVI Commitment	2013 (Certified)	2014 (Certified)	2015 (Moving Forward)
ENVI targets certifying an additional 4 service units by the 2 <sup>nd</sup> quarter of 2015.	<ul style="list-style-type: none"> <li>• HQ</li> <li>• Alor Setar</li> </ul>	<ul style="list-style-type: none"> <li>• Kubang Pasu</li> <li>• Kulim</li> <li>• Langkawi</li> <li>• Sungai Petani</li> <li>• Yan</li> <li>• Kangar</li> <li>• Padang Terap</li> </ul>	<ul style="list-style-type: none"> <li>• Pendang</li> <li>• Baling</li> <li>• Bandar Baharu</li> <li>• Sik</li> </ul>

#### ENVI to be fully ISO 14001:2004 Compliant

ENVI is working to achieve ISO 14001:2004 by 2015 for the remaining 11 service units.

#### ENVI ISO 14001:2004 Compliance

ENVI Commitment	2014 (Certified)	2015 (Moving Forward)	
ENVI aims to certify an additional 11 service units by the 2 <sup>nd</sup> quarter of 2015	<ul style="list-style-type: none"> <li>• HQ</li> <li>• Sungai Petani</li> </ul>	<ul style="list-style-type: none"> <li>• Kubang Pasu</li> <li>• Kulim</li> <li>• Alor Setar</li> <li>• Langkawi</li> <li>• Yan</li> </ul>	<ul style="list-style-type: none"> <li>• Kangar</li> <li>• Pendang</li> <li>• Baling</li> <li>• Bandar Baharu</li> <li>• Sik</li> <li>• Padang Terap</li> </ul>



## Integrating Sustainability into Procurement

In 2014, Cenviro committed to improving the sustainability of its procurement practices by evaluating environmental and social aspects. Suppliers' attitudes to sustainability are also considered. For example, we favour suppliers accredited with local and international standards such as ISO and SIRIM. Influencing suppliers to adopt our high standards and improve continuously can benefit the environment and community while mitigating reputational risks.

Our vendor evaluation assesses environmental, health and safety commitments. An OSH system, certifications, recycling activities and other social compliance are also covered. This evaluation helps us make informed procurement choices. Understanding how purchased products and services are made increases awareness of their environmental impact.

### Supplier Environmental Performance Rating

Supplier Management	Rating (%)		
	2012	2013	2014
Performance of suppliers relative to environmental components of programmes and procedures	67	61	60

In the recent Employee Sustainability Survey, employees were asked if Cenviro offers quality services and fair prices. Only 4.62% of employees disagreed with this statement, a 1.19% decrease from 5.81% in 2013.

Cenviro's procurement practices adhere to the requirements of the **Red Book: Procurement Guidelines and Best Practice** adopted by GLCs. 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; and
- Developing Bumiputera vendors' capabilities.

An e-bidding process was introduced to promote transparency and equal opportunities during the tendering process. Participating bidders are invited to negotiate online where they can bid against each other and submit their best final prices. This approach promotes fairness, transparency and competition.

The Tender Committee Policy and Procedure was introduced on 24 January 2014 to improve and streamline the company-wide tendering process. It applies to purchasing equipment, facilities, goods, materials and supplies required from Malaysian suppliers or manufacturers, provided they meet Cenviro's technical specifications and are economical. It adheres to the Red Book on the maximisation of local purchases and procurement. This is in line with our commitment to prioritising local suppliers to boost the local economy.


We target 30% Bumiputera participation and procure products and services locally whenever possible. 51% of shares must be held by Malaysians for a company to qualify as a local supplier.

### Suppliers Breakdown by Type

Item	Local (including Bumiputera)	Foreigner	Total
No. of Suppliers	374	12	3.86
Percentage (%)	96.89	3.11	100


EISB introduced several new procurement initiatives in 2014. EISB and Cenviro worked together to rule out any relationships between the tenderer and existing contractor.

### EISB's Green Procurement Practices Drive Sustainability




**Paper**

- 100% recycled.
- Usage: Reduce consumption by reusing paper for notes and double-sided copying




**Green IT**

- Recycled toner and inkjet cartridges and energy efficient equipment based on Energy Star criteria
- Usage: Reducing printing and saving energy by switching off monitors that are not in use



**Consumables**

- Environmental friendly
- Usage: Rubbish bins, shovels and brooms



**Green Building**

- Includes environmental criteria for contracting maintenance services such as materials as well as using less water and energy
- Usage: Targeting user behaviour such as switching off lights when leaving rooms

### 5<sup>th</sup> International Greentech and Eco Product Exhibition (IGEM)

EISB participated in the IGEM for the 5<sup>th</sup> consecutive year from 16 to 19 October 2014 at the Kuala Lumpur Convention Centre. IGEM is recognised as the region's largest green technology and eco products exhibition. Representatives from many world-class organisations attended the event.

In 2014, IGEM's theme was 'Creating Green Wealth'. This strategic platform promoted the exchange of innovative ideas within the global green market through several line-up programmes namely launching, featuring and showcasing innovative green technologies, eco-products and services. EISB manned an exhibition booth during the event, which was visited by Dato' Dr Nadzri Yahya, Deputy General Secretary (Energy) of Ministry of Energy, Green Technology and Water.



5<sup>th</sup> IGEM 2014 exhibition

## Safety and Quality

Since 2011, KA trucks have been equipped with GPS units for online monitoring.

### The Benefits of GPS Operations

#### Daily Collection Scheduling

The GPS online system pinpoints the exact location of each truck and shows the availability of 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 alerts the mobile phones of the respective operation team so that corrective 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/h. Any violations alert the operation team's mobile phones for further action.

#### Stop and Parking Area

Drivers may only park KA trucks at Rest and Service Area (RSA) or other designated parking yards. Parking outside of these permitted areas will immediately notify the operations team.

#### Unauthorised Route

Geo-fencing enforces the avoidance of KA-restricted routes. Any deviation from the permitted route will immediately alert the operation team's mobile phone.

#### Fleet Management System

The Fleet Management System alerts the operations team if the driver's license, permit or road taxes are overdue.

There were no live audits conducted in 2014 and our CEO instructed them to recommence in 2015. However, large screens have been installed at the corporate HQ and WMC to make daily GPS monitoring easier.



## Responsible Marketing [G4-DMA, G4-PR6, G4-PR7]

Cenviro sought new business opportunities and maintained good business relationships with existing customers. The marketing team promoted related services such as tank cleaning and waste disposal. Cenviro presented the Integrated Waste Management System and proper waste handling processes. Customers could register for scheduled waste management training to explore the benefits of this world-class waste management system.

Our marketing focused mainly on visiting platinum customers, providing additional services and delivering education programmes.

### Marketing Engagement Objectives

Marketing Engagement	Objectives
Visiting platinum customers	<ul style="list-style-type: none"> <li>• Obtain feedback on our services and identify areas for improvement</li> <li>• Discuss waste potential and a pricing structure</li> <li>• Update customers on our investment plan</li> </ul>
Additional services	<ul style="list-style-type: none"> <li>• An integrated environmental solution</li> <li>• Training on scheduled waste management</li> <li>• eSWIS</li> </ul>
Education programme	<ul style="list-style-type: none"> <li>• Cost savings</li> <li>• Packaging</li> <li>• Transparency monitoring</li> <li>• Data collection</li> </ul>

Market intelligence research is used in devising a future strategic marketing plan. Marketing information helps us position services to niche markets while focusing on high potential waste streams and market segmentation.

Cenviro has consulted the Cabinet on transportation and treatment fees for all wastes since 1996. We complied with the consulted government rates to promote transparent and fair trade. However, we have been giving a 5% rebate to all ISO 14001 certified customers to drive sustainability by encouraging social and environmental awareness. There were 28 customers meeting these criteria in 2014. Special rates are also offered to 20 platinum customers who dispose of large volumes of waste. The reduction from 41 customers is due to 13 customers requesting normal rebates.

## Customer Relationship Management

We are committed to direct relationships and delivering the best services based on niche technology. Cenviro outperforms the competition by providing value for money and a superior customer experience.



Attending customer relationship management training

## Producing a Knowledgeable Customers Platform

An Scheduled Waste Management Competency Training Programme is delivered to customers in compliance with **EQ(SW)R 2005 under Regulation 15 (Conduct of Training)**. Educating customers extends to nationwide seminars and dialogue sessions with the DOE. We also cover exhibitions, website information, brochures and open dialogue with surrounding communities. Waste collection, transportation, packaging, storing, e-waste guidelines, Special Waste Management Guidelines, **EQ(SW)R 2005** and other relevant regulations are covered during these training sessions. 312 attended 17 training sessions in 2014.

### Scheduled Waste Management Training

Date (2014)	Name of Customer	Venue	No. of Participants
27 - 28 January	Various	Avillion Hotel, Port Dickson Negeri Sembilan	28
13 - 14 February	Petronas Chemicals MTBE Sdn Bhd	Rocana Hotel, Kuantan Pahang	22
24 - 25 February	Various	De Palma Hotel, Shah Alam Selangor	13
10 - 12 March	Tioxide (M) Sdn Bhd	Impiana Cherating Resort Pahang	15
19 - 20 March	Tioxide (M) Sdn Bhd	Tioxide Telok Kalong Kemaman, Pahang	20
28 - 29 March	TL Geosciences Sdn Bhd	Bangunan Sapura Kencana Ulu Kelang, Selangor	12
8 - 9 May	Faber Mediserve Sdn Bhd (Perak)	D Hotel, Sri Iskandar, Perak	20
14 -16 May	Faber Mediserve Sdn Bhd (Kedah)	Holiday Villa Hotel, Alor Setar, Kedah	19
16 - 18 June	Faber Mediserve Sdn Bhd (Perak)	Casuarina Meru Hotel, Ipoh Perak	20
17 - 18 July	Perisai Drilling Sdn Bhd	Orchard Hotel, Singapore	10
25 - 26 August	Petrofac (M) Sdn Bhd	Awana Kijal Kemaman Terengganu	24
27 - 28 August	KL Airport Services Sdn Bhd (KLAS)	KLAS, Southern Zone, KLIA Selangor	18
29 - 30 September	SW Packaging Contractors	WMC, Negeri Sembilan	23
28 - 30 October	Multimedia University (MMU Cyberjaya)	MMU Cyberjaya, Selangor	13
4 - 5 November	Petrofac (M) Sdn Bhd	The Puteri Pacific Hotel Johor Bahru, Johor	15
4 - 5 December	Petrofac (M) Sdn Bhd	The Puteri Pacific Hotel Johor Bahru, Johor	13
10 - 11 December	Various	The Puteri Pacific Hotel Johor Bahru, Johor	27

## Compliance Audit

A Scheduled Waste and Chemical Store Compliance Audit and Chemical Store Compatibility Consultancy were held from 3 to 4 November 2014 at the Institute for Medical Research, Kuala Lumpur. Checks were made to ensure chemicals and scheduled wastes were segregated according to the **EQ(SW)R 2005**, DOE guidelines and other requirements.

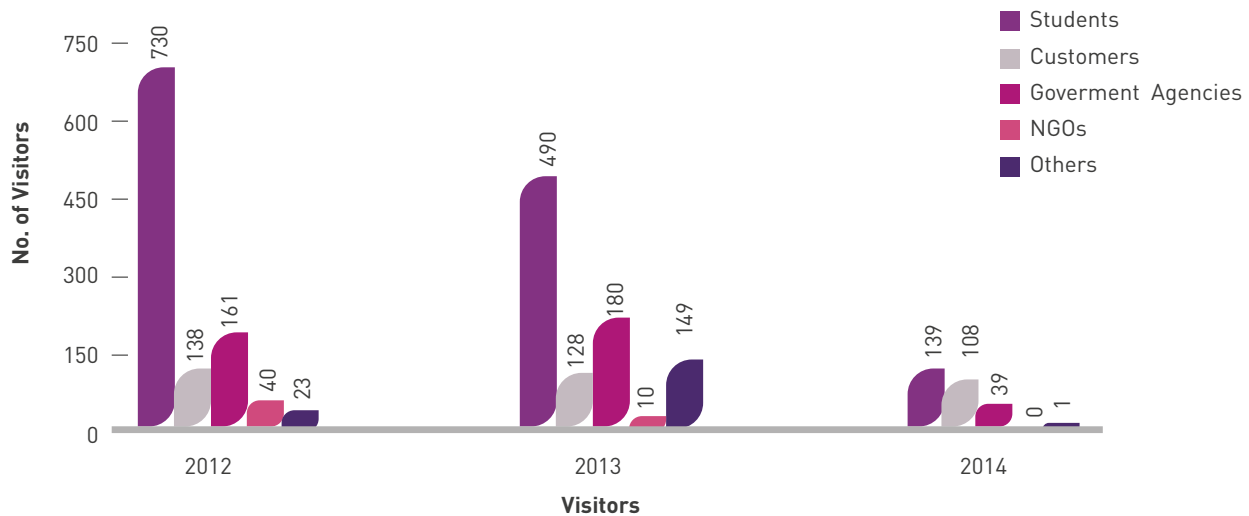
## Visits to the WMC

We welcome students, customers, government agencies, NGOs and other stakeholders to the WMC. The number of visitors reduced by 5.02% from 638 in 2013 to 606 in 2014 as we became more selective in approving visit requests. We prioritise stakeholders with a genuine interest in understanding our business and those that can benefit most from the experience. The reduced number of visitors was also due to the annual plant shut-down for maintenance and upgrading.



Visitors being briefed on corporate information

## WMC Visitors Breakdown by Group



## Managing Customers Satisfaction [G4-DMA, G4-PR5]

Our success depends on customer satisfaction and we strive to perform in every business area. Customers will only be satisfied when we understand their needs and include them in our service offerings.

A customer satisfaction survey was distributed to KA customers in the 1<sup>st</sup> quarter of 2014. An electronic version was introduced in February 2013 and has been fully operational since 2014. Customers can give feedback in a quick, cost-effective, transparent and flexible way. These surveys produce primary data that can be analysed. The results are compiled and presented to the management at the end of each year.

Improvement plans are introduced if the results are unsatisfactory. HODs monitor corrective action and improvements based on the comments received. In 2014, we targeted 25% of our active customer base for this survey. 97% of our target responded: 47% online and 50% on hard copies.



## KA Customer Satisfaction Survey Results

Survey Indicator	Rating (%)			Our Approach	Our Commitment
	2012	2013	2014		
Customer Service Executive	95	99	95	<ul style="list-style-type: none"> <li>Regular visits and communication 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 customer satisfaction levels</li> <li>Be the 1<sup>st</sup> company called for scheduled waste solutions</li> </ul>
Truck Drivers	98	97	97	<ul style="list-style-type: none"> <li>All drivers and supervisors received Quality Management System refresher training</li> <li>Emergency responses and mock drill</li> <li>Legal and safety training</li> <li>First aid training</li> <li>Road safety video seminar covering safety measures while driving</li> <li>Defensive driving training</li> <li>Overview of the GPS system</li> </ul>	<ul style="list-style-type: none"> <li>Close monitoring of drivers' movements through GPS</li> </ul>
Support Services	91	93	91	<ul style="list-style-type: none"> <li>Attention to detail when dealing with customer enquiries</li> <li>Treating comments and complaints as areas for improvement</li> </ul>	<ul style="list-style-type: none"> <li>Respond to customer concerns promptly and effectively</li> </ul>
Ability to Meet Needs and Expectations	96	96	92	<ul style="list-style-type: none"> <li>Frequent communications, courtesy calls and visits to understand customers' concerns</li> </ul>	<ul style="list-style-type: none"> <li>Enhance customer service by understanding their needs and devising action plans for customer-friendly processes</li> </ul>

The 2014 Customer Satisfaction Survey results decreased slightly due to clearing backlog waste at the WMC. Insufficient space to offload incoming waste delayed truck turn around, which led to a number of collection cancellations.

From the constructive feedback received, we immediately extended the offloading hours and built a 2<sup>nd</sup> weighbridge. New temporary storage space has also been allocated. More trucks have been registered to carry out the work to avoid cancellations in the future. All of these measures have reduced the backlog.

The satisfaction measurement methodology gave customers an option to rate each area of service between 1 and 4.

### KA Customer Satisfaction Survey Breakdown

Survey Indicator	Rating (%) by Classification				Non-rating Responses
	Poor Expectation (1)	Below Expectation (2)	Meet Expectation (3)	Exceed Expectation (4)	
Customer Service Executive	1.18	3.37	63.47	31.82	0.16
Truck Drivers	0.17	3.37	72.05	24.41	0.00
Support Services	1.18	7.24	70.88	20.20	0.50
Ability to Meet Needs and Expectations	1.35	6.06	67.85	23.74	1.00

In the recent Employee Sustainability Survey, employees were asked if Cenviro cares about the impact its service has on its customers. Only 5.13% of employees disagreed with this statement, 0.61% more than 4.52% in 2013.

## Privacy Policy

Since 15 November 2013, the **Personal Data Protection Act 2010 (PDPA)** has been in force in Malaysia to protect the personal data of individuals performing commercial transactions. Data users must comply with these provisions when processing personal data and must comply immediately for all new personal data.

Cenviro is not categorised as a data user, which requires registration with the Personal Data Protection Commissioner. However, we are still required to comply and have adopted a Privacy Policy among other initiatives.

In our Employee Sustainability Survey, 9.74% of our employees did not agree 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 a decrease of 2.62% compared with 12.36% of employees who disagreed with this statement in 2013.

## Anti-Competition

Cenviro supports healthy competition in the marketplace as it encourages efficiency, innovation and entrepreneurship to drive sustainability. Competitive markets result in reduced prices, quality improvements and a wider choice for customers.

The Company is careful to conduct business in a way that promotes competition. We comply with the **Competition Act** and are currently reviewing all signed agreements. The Company's solicitors review the findings periodically and advise against any anti-competitive behaviour.





**PROGRAM PEMULIHARAAN  
DAN PENGEDARAN TO  
DI TAMAN LAUT PULAU PA**  
16 - 17 SEPTEMBER

**PASSION FOR THE**

**ENVIRON**





Our passion for innovation goes beyond services provided and is absorbed into general business practice. As part of a continuing mission to preserve the environment, we focus on minimising our own and stakeholders' environmental footprints. This involves protecting biodiversity and the ecosystem in addition to acting green in day-to-day operations.

It is our responsibility to care for the beautiful planet we live on while creating innovative products and services. Cenviro continues to comply with DOE requirements for all environmental parameters.



# ENVIRONMENT

## Sustainability Area

Environment

## Sustainability Policy Commitments

The environmental impact from operations is minimised for a greener, cleaner tomorrow. This commitment covers energy, water, plant downtime, waste treated and generated, biodiversity, air quality and noise.

## Achievements in 2014

- Monitoring and compliance with DOE requirements and GHG Protocol for waste, water, energy, noise, emissions and biodiversity.
- Additional plant maintenance for efficiency, cost savings and quality services.
- Marked the 1<sup>st</sup> year Cenviro measured and reported the carbon resulting from employees' commuting.
- EISB started preserving Pulau Bidan Marine Ecology on 16 September 2014.

## Way Forward

Minimising the impact from operations wherever possible by sourcing materials that affect the environment the least at the point of extraction. These materials are processed efficiently in accordance with environmental regulations. A number of policies are in place to maximise the sustainability of operations.

Protecting and improving the environment leads our business strategy. We strive to be good environmental stewards by conserving natural resources, developing renewable resources, reducing emissions and protecting habitats for future generations. Our environmental commitment is evident every day; it governs how we work, the materials we buy and the decisions we make.

On 1 January 2014, KKA relocated 20 employees from its office in Faber Towers to the corporate HQ. This allows the Company to utilise its office space more efficiently. It also reduces our carbon footprint as business travel between sites is eliminated. The move has also freed up valuable resources that can be better spent on other initiatives.

Green practices being implemented at Cenviro include:

- Prioritising the procurement of environmentally-friendly products;
- Positioning copiers at strategic locations and performing network scanning to save printing costs as fewer toners are required;
- Encouraging electronic communications and soft copy documents whenever possible to reduce printing;
- Immediately repairing damaged underground water pipes to minimise water loss;
- Displaying posters to raise electricity-saving awareness; and
- Placing recycling bins in office buildings.

In the recent Employee Sustainability Survey, employees were asked if Cenviro is an environmentally responsible and green company. Only 4.62% disagreed with this statement, a 1.83% decrease from 6.45% in 2013.

## Minimising Environmental Impact from Operations [G4-DMA, G4-12, G4-EN27]

Cenviro’s operations can affect the community and the environment both positively and negatively. Our commitment to environmental protection is embedded in our business operations. We deliver sustainable operations and excellent services.

### Efforts to Minimise the Negative Environmental Impact of Operations

Operations	Potential Impacts	Approaches to Minimise Impact
Packaging	<ul style="list-style-type: none"> <li>Exposure to hazardous chemicals</li> <li>Spillage while packing drums or containers</li> </ul>	<ul style="list-style-type: none"> <li>Strict waste labelling and packaging controls</li> </ul>
Collection	<ul style="list-style-type: none"> <li>Spillage during collection</li> </ul>	<ul style="list-style-type: none"> <li>Drums or bags must be secured on a stable pallet to prevent spillage during transportation</li> </ul>
Cleaning Up Illegal Dumping	<ul style="list-style-type: none"> <li>Exposure to hazardous chemicals</li> </ul>	<ul style="list-style-type: none"> <li>Contractors must be approved by KKA prior to commencing work and attend training on scheduled waste handling and management</li> <li>Contractors must adhere to KA and KKA safety requirements</li> </ul>
Transportation of scheduled waste to the WMC	<ul style="list-style-type: none"> <li>Trucks breaking down by road side</li> <li>Black smoke emissions</li> <li>Fatigue and long driving hours causing road accidents and spillage</li> <li>Waste incompatibilities causing explosions or uncontrolled reactions igniting waste</li> </ul>	<ul style="list-style-type: none"> <li>eSWIS covers cradle-to-cradle including GPS, barcode labelling and finger printing</li> <li>Driver fatigue management</li> </ul>
Driving	<ul style="list-style-type: none"> <li>Smoke emissions from vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Smoke monitoring system</li> </ul>

## Materials Consumption [G4-DMA, G4-EN1, G4-EN2]

Our 3 most commonly used materials in scheduled waste treatment are hydrated lime, activated carbon and caustic soda. The use of these materials by year is presented in the table below.

### Materials Used in Scheduled Waste Treatment

Type of Materials	Quantity (MT)		
	2012	2013	2014
Hydrated Lime	1,693	1,450	1,453
Activated Carbon	18	15	12
Caustic Soda	18	45	40

The quantities of these materials are directly related to the amount of waste treated. Hydrated lime and activated carbon injection remove dioxins and furans during incineration. They also neutralise acid gases and absorb heavy metals. Caustic soda is used by the wet scrubber system when the polluted gas stream makes contact with the scrubbing liquid. This occurs when the gas is sprayed with liquid or the gas is forced through a pool of liquid. This process removes the pollutants from a furnace flue gas or from other gas streams.

The WMC uses diesel as fuel for incineration. Options have been explored to replace diesel with waste oil or Reconstituted Oil (RO) since 2004. RO is blended and produced in-house at KKI and used for burning waste. Any excess is sold as a commodity. RM1.20 million was invested to upgrade the INC to run on RO. This 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)		Ratio
	RO	Diesel	
2012	3,287	661	1:5
2013	2,645	857	1:3
2014	4,322	836	1:5

The waste characteristics affect the consumption of RO and diesel; wastes with low calorific values require more fuel. In 2014, the ratio of diesel and RO consumption increased due to higher plant operating hours which lead to higher fuel usage for waste combustion.



## Water Management [G4-DMA, G4-EN8, G4-EN22]

The WMC purchases municipal water from Syarikat Air Negeri Sembilan Sdn Bhd (SAINS).

### Water Usage Breakdown by Location

Location	Volume (m <sup>3</sup> )		
	2012	2013	2014
WMC	95,157	126,568	128,206
Corporate HQ	170 **	170 **	170 **
KKA Regional Office and Faber Towers	195	120	147
Special Builders Sdn Bhd	1,455	Ceased operation in 2013	
Abu Dhabi Kualiti Alam Environmental Services Limited Liability Company	26	Ceased operation in 2013	
EISB HQ and Service Unit	5,881*	9,455	11,795
<b>Total</b>	<b>102,884</b>	<b>136,313</b>	<b>140,318</b>

Note:

\* Figure includes HQ and all depots, except Kangar.

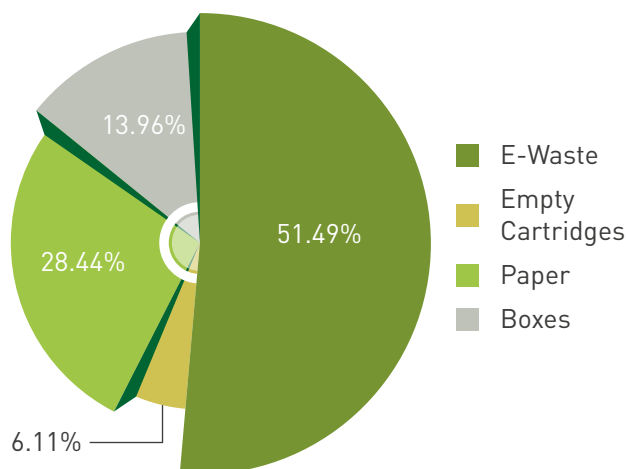
\*\* Figure is based on estimation (total bills for the whole building over number of floors occupied)

## Domestic Waste Management

Cenviro's paper, carton boxes and plastic bottles are segregated and sent to a recycler. Empty cartridges are refilled or recycled by a 3<sup>rd</sup> party vendor. Only non-recyclable and organic domestic waste is sent to sanitary landfill.

An internal recycling programme is conducted at the Company's offices.

### Internal Recycling Breakdown



Only

**non-recyclable  
and organic**

domestic waste is sent to sanitary landfill.

## Waste Treated and Disposed

The amount of waste treated at INC1 reduced by 16.67% in 2014 compared to 2013. In 2014, waste treated at the Solidification (SOLI) plant increased by 33.09% compared to the previous year as more contaminated soil was treated.

### Waste Treated and Disposed by Facility

Facility	Quantity (MT)					
	2012		2013		2014	
	Waste Treated	Waste Disposed	Waste Treated	Waste Disposed	Waste Treated	Waste Disposed
INC1	24,316	10,793.90	30,877	10,163	27,583	7,010.96
INC4	6,597	1,184.45	7,486	1,207	7,887	1,581.09
SOLI	8,313	188.35	10,857	169.05	14,450	145.16
PCT	4,329	0.06	1,262	0.04	1,504	0.05
PCT ETP	-	37.01	486	32.81	442	27.01
<b>Total</b>	<b>43,555</b>	<b>12,203.77</b>	<b>50,968</b>	<b>11,572</b>	<b>51,866</b>	<b>8,764.27</b>

## Plant Downtime

The INC1 experienced 2,505 hours in plant downtime compared to 2,147 hours in 2013. This was due to 43 days of annual plant shutdown for maintenance work in 2014 compared to 33 days in 2013. We also installed a new air pre-heater system and refurbished a secondary combustion chamber body and the refractory that had aged. Major refurbishment is planned for 2016.

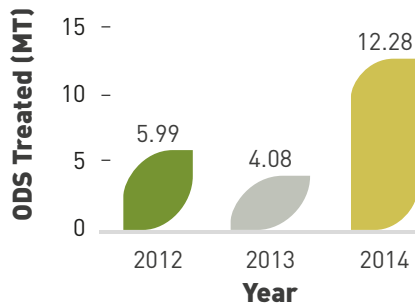
SOLI plant downtime increased 14.11% from 1,475 hours in 2013 to 1,683 hours in 2014. Unexpected torrential rain, a malfunctioning overhead crane grabber, a lorry tipper breakdown and a slippery landfill site preventing access all contributed to this additional downtime.

### Plant Downtime Breakdown by Facility

Facility	Downtime (Hours)		
	2012	2013	2014
INC1	2,318	2,147	2,505
INC4	2,148	2,838	2,299
SOLI	372	1,475	1,683
PCT	542	2,045	1,843

## Ozone Depleting Substances (ODS)

We support 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 hydrochlorofluorocarbons. The parties also agreed to reduce their consumption and production by 2015. Cenviro has been treating ODSs to help the Government in this effort.



## Environmental Performance

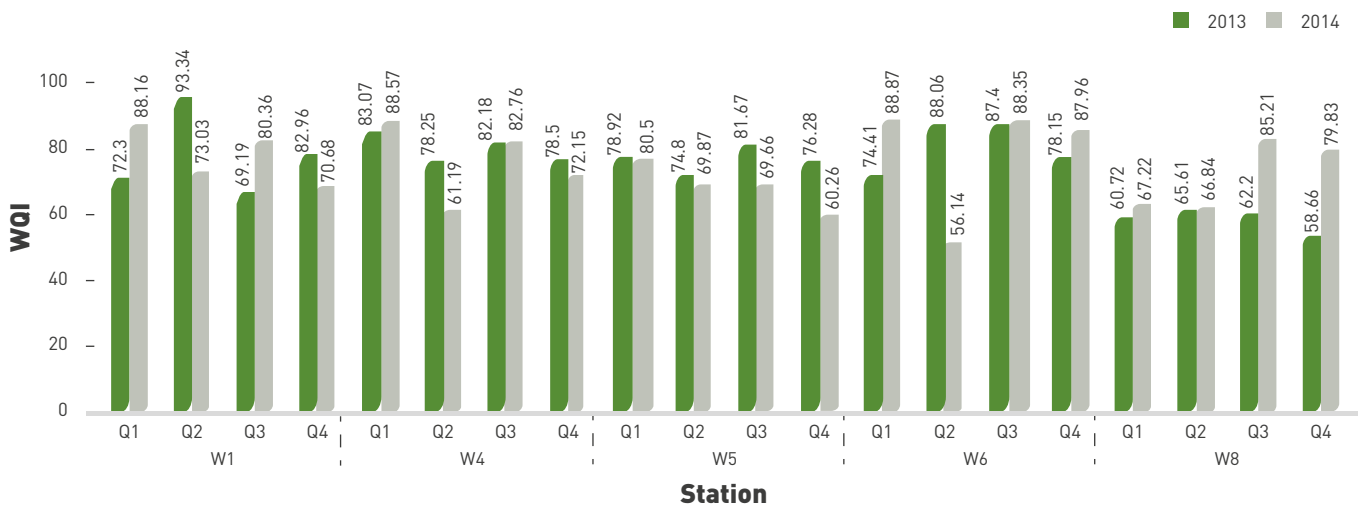
Cenviro’s environmental performance is monitored and measured across every category. Performance is benchmarked against local and international guidelines to ensure we are driving a sustainable environment.



## Surface Water Quality

Cenviro conducts quarterly surface water quality monitoring in 7 river streams. The stations, namely W1, W4, W5, W6 and W8, are situated between 1 km and 4 km from the WMC. These stations record water quality, identify changes and potential pollution sources to preserve the river quality. The **National Water Quality Standards (NWQS)** for Malaysia are used to classify the water quality based on the calculated **Water Quality Index (WQI)**.

The average WQI for stations W1 and W6 were within the range of Class II of the **Environmental Quality Act**. The WQI average falls under Class III for station W8, which is located within a 4 km radius from the WMC. This is due to the high organic content from a new development nearby. Nevertheless, the average WQI for all 5 monitored stations is 75.88, which is categorised as clean water under Class III.





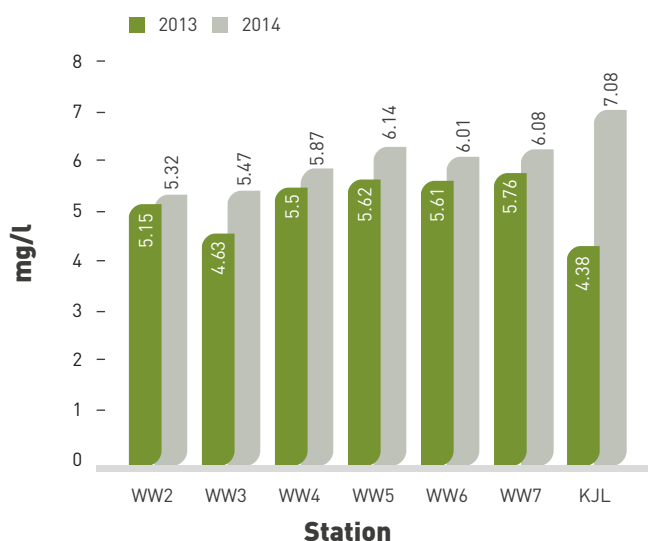
## Groundwater Quality

Since 1996, groundwater quality has been monitored at the 7 stations of 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 are compared to the **National Guidelines for Raw Drinking Water Quality (NGRDWQ)** since there is no specific groundwater quality standard. Cenviro complies with the NGRDWQ standards for all parameters. However, the water should only be used for washing.

Copper (Cu), zinc and arsenic (As) are naturally occurring minerals and their concentrations may vary due to geology and climate reactions.



Groundwater quality monitoring



## Air Quality

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

### KA Air Quality

Parameter ( $\mu\text{g}/\text{m}^3$ )	Within WMC			Outside WMC			DOE Limits
	A1	A5	A6	A2	A3	A4	
Sulphur dioxide ( $\text{SO}_2$ )	<1.25	<1.25	<1.25	<1.5	<1.5	<1.5	350
Nitrogen dioxide ( $\text{NO}_2$ )	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0	320
Carbon monoxide (CO)	<1.0	<1.0	<1.0	<1.0	<1.0	<1.0	35
Particulate Matter <10 $\mu\text{m}$ ( $\text{PM}_{10}$ )	45.25	69.5	49	-	-	-	150
Ozone ( $\text{O}_3$ )	<0.01	<0.01	<0.01	-	-	-	200

**KKI Air Quality**

Parameter (mg/Nm <sup>3</sup> )	Quarter	2013		2014		DOE Limits
		A1	A2	A1	A2	
Total Suspended Particulate (TSP)	1 <sup>st</sup>	56	47	57	32	260
	2 <sup>nd</sup>	75	77	21	70	
	3 <sup>rd</sup>	71	60	77	62	
	4 <sup>th</sup>	37	24	59	34	
PM <sub>10</sub>	1 <sup>st</sup>	32	45	10	27	150
	2 <sup>nd</sup>	66	69	9	35	
	3 <sup>rd</sup>	45	46	38	17	
	4 <sup>th</sup>	28	19	27	28	
SO <sub>2</sub>	1 <sup>st</sup>	0.73	0.73	<1.0	<1.0	105
	2 <sup>nd</sup>	<1.0	<1.0	<1.0	<1.0	
	3 <sup>rd</sup>	<1.0	<1.0	<1.0	<1.0	
	4 <sup>th</sup>	<1.0	<1.0	<1.0	<1.0	
CO	1 <sup>st</sup>	<1.0	<1.0	<1.0	<1.0	35
	2 <sup>nd</sup>	<1.0	<1.0	<1.0	<1.0	
	3 <sup>rd</sup>	<1.0	<1.0	<1.0	<1.0	
	4 <sup>th</sup>	<1.0	<1.0	<1.0	<1.0	
NO <sub>2</sub>	1 <sup>st</sup>	<1.0	<1.0	<1.0	<1.0	320
	2 <sup>nd</sup>	<1.0	<1.0	<1.0	<1.0	
	3 <sup>rd</sup>	<1.0	<1.0	<1.0	<1.0	
	4 <sup>th</sup>	<1.0	<1.0	<1.0	<1.0	
O <sub>3</sub>	1 <sup>st</sup>	<0.01	<0.01	<0.01	<0.01	200
	2 <sup>nd</sup>	<0.01	<0.01	<0.01	<0.01	
	3 <sup>rd</sup>	<0.01	<0.01	<0.01	<0.01	
	4 <sup>th</sup>	<0.01	<0.01	<0.01	<0.01	



Air quality monitoring by KA

## Stack Emissions Monitoring

In 2014, Cenviro continued to comply with DOE licensing conditions for all stack emissions monitoring parameters. The results for INC1 and INC4 are presented in the table below.



Stack emissions monitoring

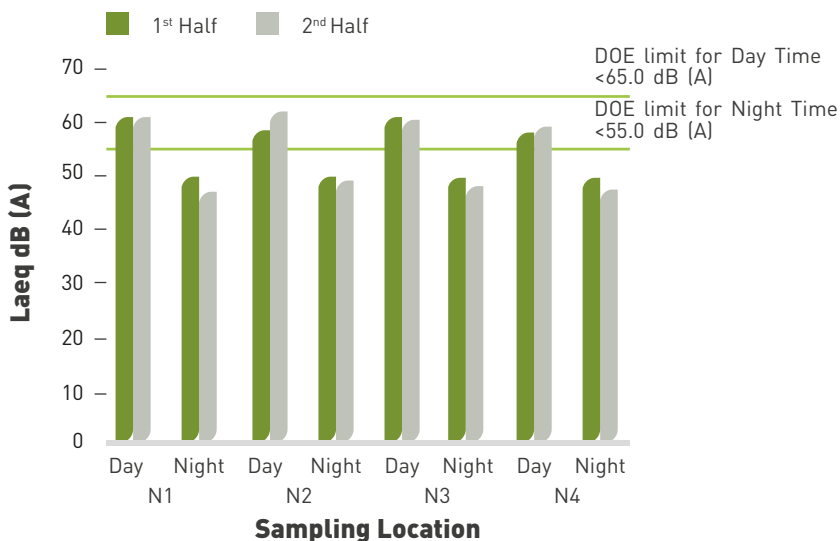
## Stack Emissions Monitoring Results

Parameter (mg/Nm <sup>3</sup> )	Quarter	2013		2014		DOE Limits
		INC 1	INC 4	INC 1	INC 4	
Total Particulate Matter	1 <sup>st</sup>	17	29	59	16	30
	2 <sup>nd</sup>	13	27	23	21	
	3 <sup>rd</sup>	27	15	16	17	
	4 <sup>th</sup>	17	28	26	16	
Dioxin-Furan	1 <sup>st</sup>	-	0.0806	0.0347	0.0269	0.1
	2 <sup>nd</sup>	-	-	-	-	
	3 <sup>rd</sup>	0.0755	-	-	-	
	4 <sup>th</sup>	0.0908	-	0.0456	0.0807	
Hydrogen Chloride	1 <sup>st</sup>	0.22	0.12	0.02	0.11	100
	2 <sup>nd</sup>	<0.01	0.04	<0.01	0.05	
	3 <sup>rd</sup>	<0.01	0.05	0.04	<0.01	
	4 <sup>th</sup>	0.02	0.02	<0.01	<0.01	
NO <sub>2</sub>	1 <sup>st</sup>	51.4	82.7	290	360	400
	2 <sup>nd</sup>	47.6	52.7	13	144	
	3 <sup>rd</sup>	57	245	1	2	
	4 <sup>th</sup>	2	1	39	38	
SO <sub>2</sub>	1 <sup>st</sup>	<3.0	6.7	<3.0	4	200
	2 <sup>nd</sup>	3.3	5.5	<3.0	<3.0	
	3 <sup>rd</sup>	<0.3	<3.0	<3.0	<3.0	
	4 <sup>th</sup>	<3.0	<3.0	<3.0	<3.0	
CO	1 <sup>st</sup>	21.3	53.9	<1.0	<1.0	125
	2 <sup>nd</sup>	74.6	56.8	9	12	
	3 <sup>rd</sup>	<1.0	22.9	9	10	
	4 <sup>th</sup>	20	6	109	106	
Chlorine	1 <sup>st</sup>	0.22	0.16	0.13	0.02	200
	2 <sup>nd</sup>	0.03	<0.01	0.02	<0.01	
	3 <sup>rd</sup>	<0.01	0.03	0.01	<0.01	
	4 <sup>th</sup>	0.01	0.04	<0.01	<0.01	

As and its Compounds	1 <sup>st</sup>	<0.03	0.05	<0.02	0.02	25
	2 <sup>nd</sup>	0.02	0.11	<0.02	0.02	
	3 <sup>rd</sup>	0.78	<0.02	<0.02	<0.01	
	4 <sup>th</sup>	<0.02	<0.02	<0.02	<0.01	
Cadmium (Cd) and its Compounds	1 <sup>st</sup>	<0.03	0.06	<0.02	0.01	15
	2 <sup>nd</sup>	0.72	6.13	<0.02	0.02	
	3 <sup>rd</sup>	7.62	<0.02	<0.02	0.01	
	4 <sup>th</sup>	<0.02	<0.02	<0.02	0.93	
Chromium (Cr) and its Compounds	1 <sup>st</sup>	<0.03	0.2	0.03	0.2	50
	2 <sup>nd</sup>	2.71	2.01	1.69	0.27	
	3 <sup>rd</sup>	0.04	0.11	0.07	0.02	
	4 <sup>th</sup>	1.32	<0.02	0.04	0.1	
Lead (Pb) and its Compounds	1 <sup>st</sup>	0.08	0.11	0.03	0.02	20
	2 <sup>nd</sup>	0.14	0.94	0.04	0.23	
	3 <sup>rd</sup>	1.92	0.09	0.02	0.05	
	4 <sup>th</sup>	0.07	<0.02	0.04	0.21	
Mercury (Hg) and its Compounds	1 <sup>st</sup>	<0.02	<0.01	<0.01	<0.01	0
	2 <sup>nd</sup>	<0.01	<0.01	<0.01	<0.01	
	3 <sup>rd</sup>	<0.01	<0.01	<0.01	<0.01	
	4 <sup>th</sup>	<0.01	<0.01	<0.01	<0.01	
Cu and its Compounds	1 <sup>st</sup>	<0.03	0.31	0.03	0.02	100
	2 <sup>nd</sup>	0.02	0.75	0.51	0.11	
	3 <sup>rd</sup>	0.74	0.08	<0.02	0.02	
	4 <sup>th</sup>	0.07	<0.01	<0.02	0.06	

## Noise Monitoring

We monitored noise levels biannually at 4 different locations namely N1, N2, N3 and N4. We are pleased to report that our noise exposure levels continue to comply with DOE guidelines.



Measuring noise levels at the WMC

Note:

N1: At the waste storage  
N2: At the landfill area

N3: Near the LP  
N4: Near the weighbridge



## Preserving Biodiversity

“ The cutting of primeval forest and other disasters, fueled by the demands of growing human populations, are the overriding threat to biological diversity everywhere ”

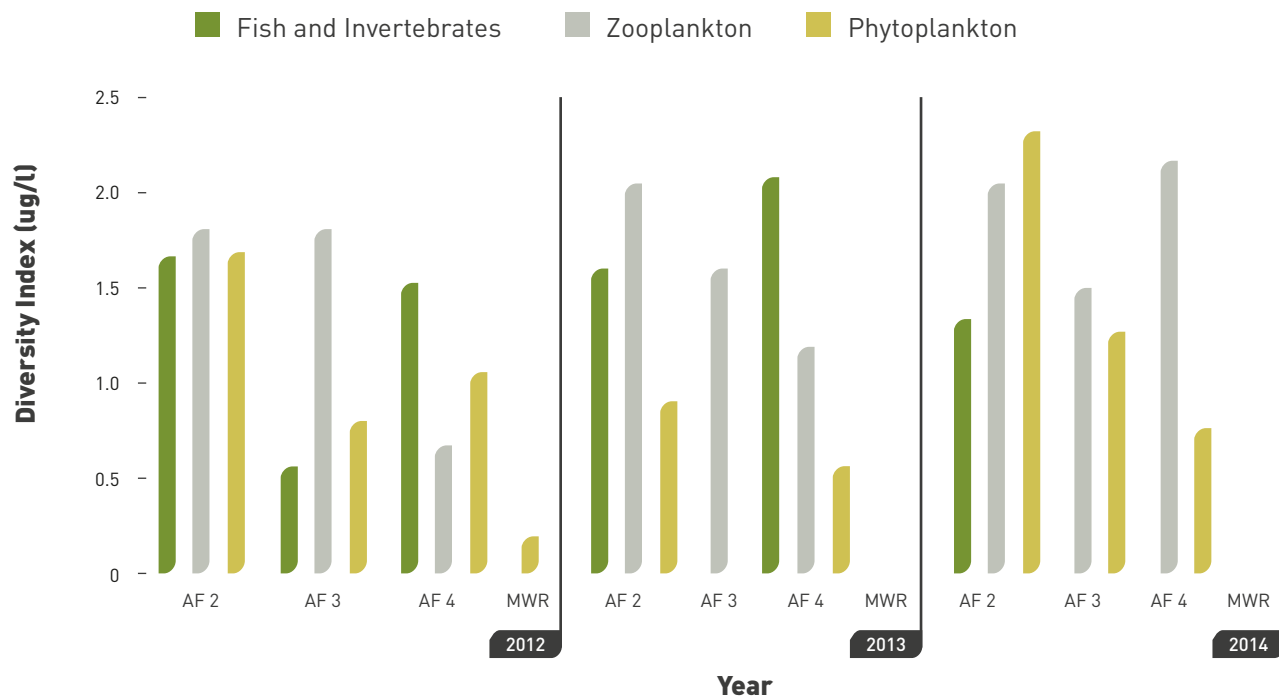
**Edward O. Wilson**  
The Diversity of Life (1999)

We closely monitor the impact operations have on the biodiversity and the conservation of surrounding areas.

### Bio-aquatic Monitoring

Aquatic biomonitoring is the science of inferring the ecological condition of rivers, lakes, streams and wetlands by examining the organisms that live there. A diversity index was developed based on **Shannon's H and E**. This index calculates the biological community structure and helps discover the rarity and abundance of a species in a community or area.

The results of the bio-aquatic monitoring as of 31 December 2014 are summarised in the chart below. The results show that Station AF2 was the most diverse with species of fish and invertebrates, phytoplankton and zooplankton.



Note:

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

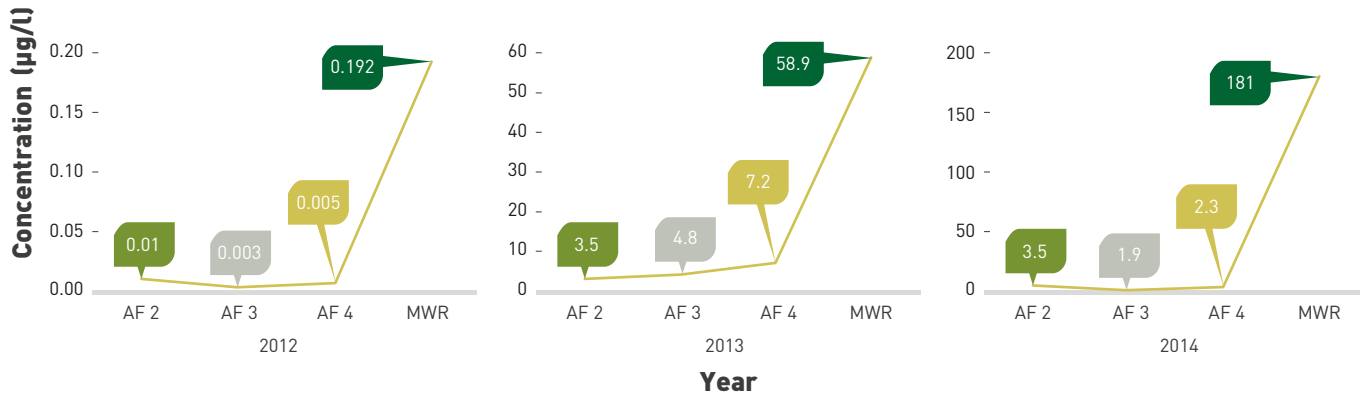
AF3: Small stream from tributaries of Sg Kulai near to landfill areas.

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

MWR: Inside MWR

The water quality of the stations was assessed to ascertain their *Chlorophyll a* concentration. Elevated levels of *Chlorophyll a* indicate excessive inputs of nutrients. The *Chlorophyll a* concentration was highest at the MWR.

### Chlorophyll a Concentration



### Bioassay Testing

The mortality rate of various aquatic species is tested in a laboratory setting. *Chlorella Vulgaris*, *Tilapia sp.* and *Moina Micrura* were selected for this purpose.

### Chlorella Vulgaris Growth Rate

The overall growth rate for *Chlorella Vulgaris* at stations AF2 and AF3 increased in 2014. However, a significant reduction was observed during the 96<sup>th</sup> hour at station AF4.

### Chlorella Vulgaris Growth Rate

Hour	Growth Rate (%)								
	2012			2013			2014		
	AF2	AF3	AF4	AF2	AF3	AF4	AF2	AF3	AF4
0	100	100	100	100	100	100	50	50	50
24 <sup>th</sup>	95	93.5	92.5	91	85.5	96.5	73.1	21.42	70.15
48 <sup>th</sup>	89	91.5	80.5	88	81	95	135.08	112.63	79.03
72 <sup>th</sup>	90	80.5	81	88	78	90	188.81	129.61	82.42
96 <sup>th</sup>	94	83	75.5	88	63.5	85	195.8	151.74	53.2

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

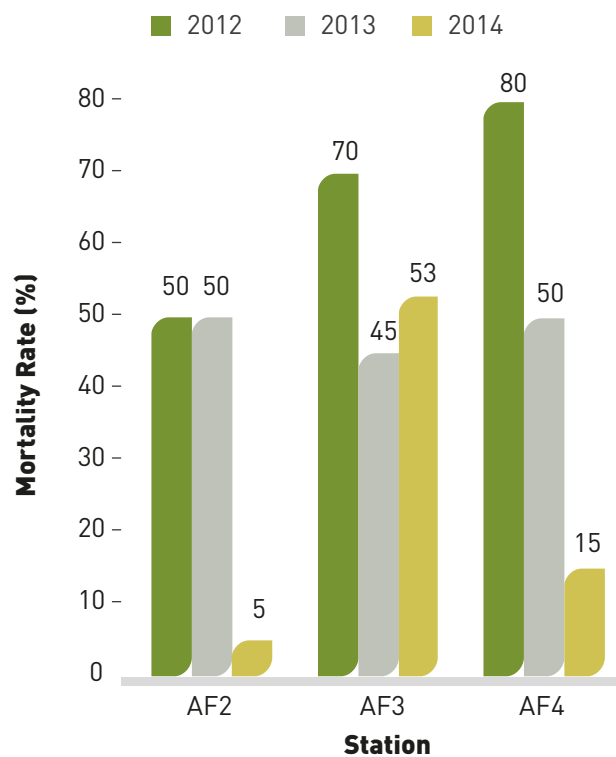
The *Tilapia sp.* species test was performed under laboratory conditions at the 3 stations. 10 adult and healthy *Tilapias sp.* were grown and fed in 2 replicate tanks for a week with 100% of sample concentration. The total number of *Tilapia sp.* deaths in 2014 was 11 compared with 7 in 2013.

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

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	0	0	1	1
AF3	100	0	0	1	1	2
AF4	100	0	1	1	1	2

### Moina Micrura Mortality Rate

*Moina Micrura* is a species of zooplankton that is commonly used in bioassay testing to gauge toxicity levels. Cenviro monitored *Moina Micrura* mortality rates biannually in June and December 2014. The mortality results for December 2014 are presented below.



The mortality rates decreased significantly in AF2 and AF4 and increased in AF3.

## Flora and Fauna Survey

We continuously improve our flora and fauna index. The flora and fauna surveys conducted in 2014 discovered 83 flora species and 72 fauna species as compared to 85 flora species and 68 fauna species in 2013. The varieties of these species including those protected by the **International Union for Conservation of Nature (IUCN)** are listed below. Species protected by the **Convention on International Trade in Endangered Species (CITES)** are also included.

### 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	5	3 sp. Least Concern 1 sp. Critically Endangered 1 sp. Endangered	–	–
Shrubs and Herbaceous Species	37	2	2 sp. Least Concern	–	–
Ferns and Ferns-Allies	19	–	–	–	–
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		
Amphibians (Frogs and Toads)	8	4	4 sp. Least Concern	–	–
Mammals (Monkeys, Squirrels and Rats)	6	5	5 sp. Least Concern	2 sp. Long-tailed Macaque and Common Treeshrew	1 sp. Musang Tenggalong
Reptiles	2	–	–	–	–
Insects (Butterflies)	13	–	–	–	–
Insects (Dragonflies and Damselflies)	9	9	9 sp. Least Concern	–	–
Birds (Avifauna)	34	33	33 sp. Least Concern	1 sp. Crested Serpent Eagle	–



## Climate Change and GHG Emissions [G4-DMA]

A GHG is a gas in an atmosphere that absorbs and emits radiation within the thermal infrared range. This process is the fundamental cause of the greenhouse effect. The primary GHGs in the earth's atmosphere are water vapour, CO<sub>2</sub>, methane, nitrous oxide and ozone.

Cenviro has performed company-wide GHG emission studies since 2006. We have adopted the internationally-recognised **GHG Protocol** established by the **World Business Council for Sustainable Development (WBCSD)** and **World Resources Institute (WRI)**. Our emissions accounting is based on the **GHG Protocol** classification of direct and indirect emissions.

This is the 1<sup>st</sup> year we have reported emissions resulting from employee commuting. Expanding the scope of our other indirect GHG emissions helps present a comprehensive picture of the Company's total emissions.

### Scope 1

#### Category

Direct GHG Emissions

#### Description

Emissions from sources that are owned or controlled by us

#### Emission Source

- Fuel consumption at plant operations
- Company owned vehicles

### Scope 2

#### Category

Indirect GHG Emissions

#### Description

Emissions as a consequence of our activities, but occur at sources owned or controlled by another entity

#### Emission Source

- Electricity consumption

### Scope 3

#### Category

Other indirect GHG Emissions

#### Description

Emissions as a consequence of our activities, but occur at sources owned or controlled by another entity

#### Emission Source

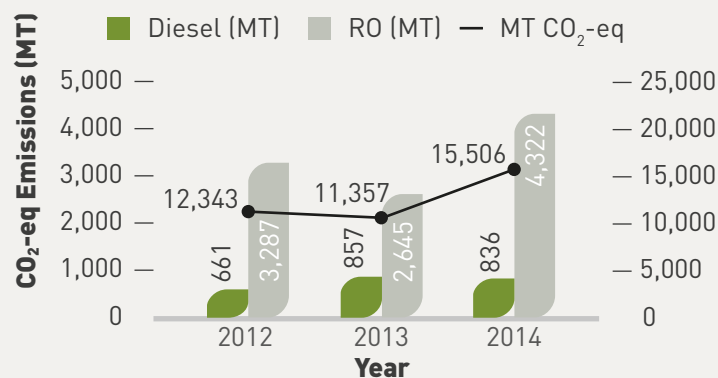
- Employee owned vehicles
- Contractor owned vehicles
- Air travel
- Employee commuting

## Scope 1 Direct GHG Emissions [G4-EN3, G4-EN15]

### Plant Operations

Running the INC for extended periods requires a lot of energy. Most of our scheduled waste is incinerated and the remaining slag is sent to secured landfill.

### Fuel Consumption and CO<sub>2</sub> Emissions from INC Plants



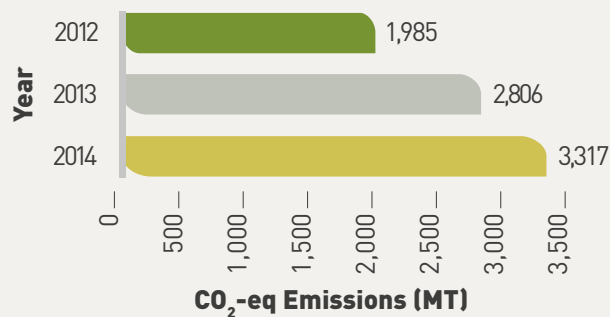
The combined fuel consumption increased by 47.29%, from 3,502 MT in 2013 to 5,158 MT in 2014. There was a 2.45% decrease in diesel consumption from 857 MT to 836 MT. RO consumption increased by 63.40% from 2,645 MT to 4,322 MT. The increased amount of RO in the fuel mix was due to higher plant running hours in 2014, which led to higher fuel usage for the combustion of the waste.

As a result of the increase in combined fuel consumed at the INCs, GHG emissions increased by 36.53% from 11,357 MT in 2013 to 15,506 MT in 2014.

### Company Owned Vehicles

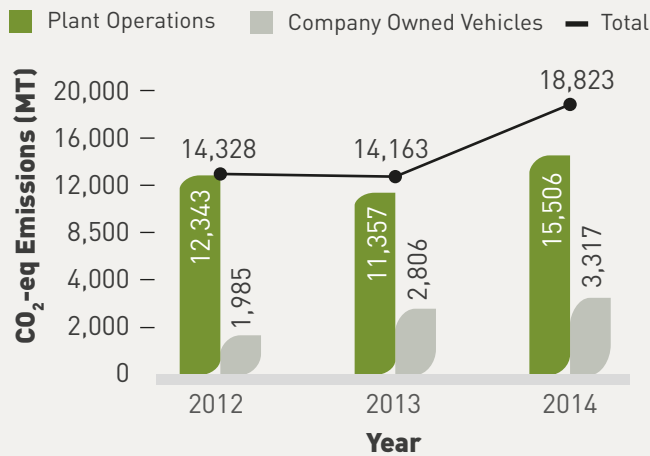
GHG emissions from all company owned vehicles are calculated based on the consumption of fuel derived from purchases for cars, motorcycles, 4-wheel drives, vans, trucks and other heavy industrial vehicles. The CO<sub>2</sub> emissions for the consumption of fuel were derived from the emission factor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

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



There was an 18.21% increase in emissions from 2,806 MT in 2013 to 3,317 MT in 2014. The increase was partly due to an increase in EISB's company owned vehicles while returning the rental fleet to contractors.

### Summary of Scope 1 Emissions



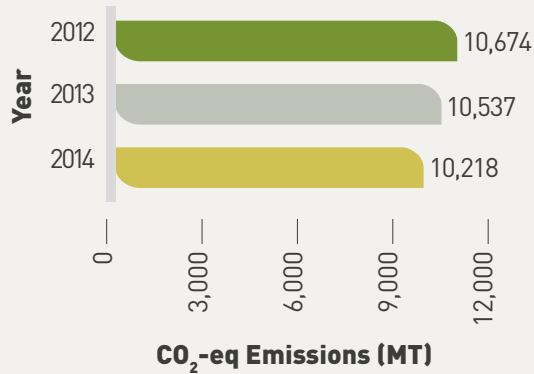
The overall Scope 1 GHG emissions were 32.9% higher than the figures reported in 2013 increasing from 14,163 MT to 18,823 MT.

## Scope 2 Indirect GHG Emissions [G4-DMA, G4-EN4, G4-EN16, G4-EN30]

### Electricity Consumption

Indirect GHG emissions are produced as a consequence of our activities, but occur at sources owned or controlled by another entity. 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



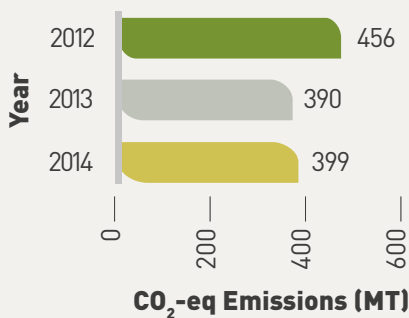
In 2014, we consumed 14,960,527 kWh of electricity, with 96.09% being used at the WMC. These emissions decreased by 3.03% from 10,537 MT in 2013 to 10,218 MT in 2014. We will continue to minimise our electricity consumption throughout all areas of our operations.

### Scope 3 Other Indirect GHG Emissions [G4-EN17]

#### 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

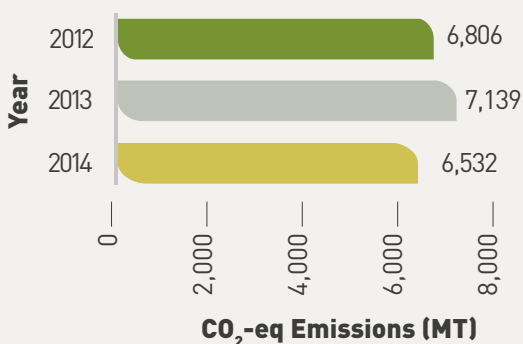


Emissions from employee owned vehicles increased slightly by 2.31% from 390 MT in 2013 to 399 MT in 2014.

#### Contractor Owned Vehicles

Our CO<sub>2</sub> emissions from fuel consumed 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 compactor units listed under KA, KKA, KKI and EISB.

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



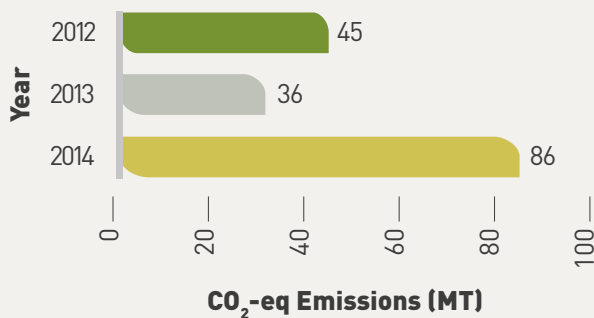
GHG emissions from contractor owned vehicles decreased by 8.50%. Our emissions decreased from 7,139 MT in 2013 to 6,532 MT in 2014. This decrease is partly due to some rental vehicles being returned to the contractors as EISB purchased its own fleet.

## Air Travel

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

We used online tools derived from the **WRI GHG Protocol** to calculate the CO<sub>2</sub> emissions from air travel.

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



Emissions from air travel increased by 138.89% from 36 MT in 2013 to 86 MT in 2014. This is partly due to business expansion. Despite the increase, the emissions from air travel are still relatively low.

## Employee Commuting

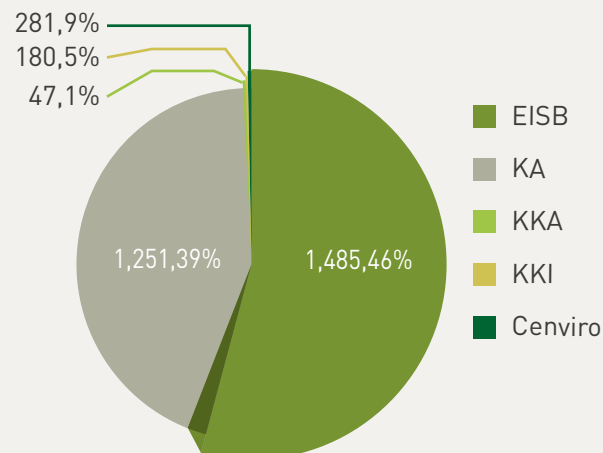
Significant CO<sub>2</sub> emissions result from employees in their daily commute. In 2014, we estimated the total yearly emissions produced by this form of travel.

We conducted an Employee Sustainability Survey in early 2015 to ascertain the most common method of travelling, the approximate total daily distance travelled and the type, make, model, age, engine size and type of fuel used if employees used their own vehicles.

A **Mobile Combustion GHG Emissions Calculation Tool** from the **GHG Protocol Initiative** was used to calculate the emissions of each respondent. It was estimated that the average employee works 46 weeks in the year. Based on this assumption, the estimated yearly emissions were calculated. Separate calculations were performed for each company to redress an imbalance in the sample.

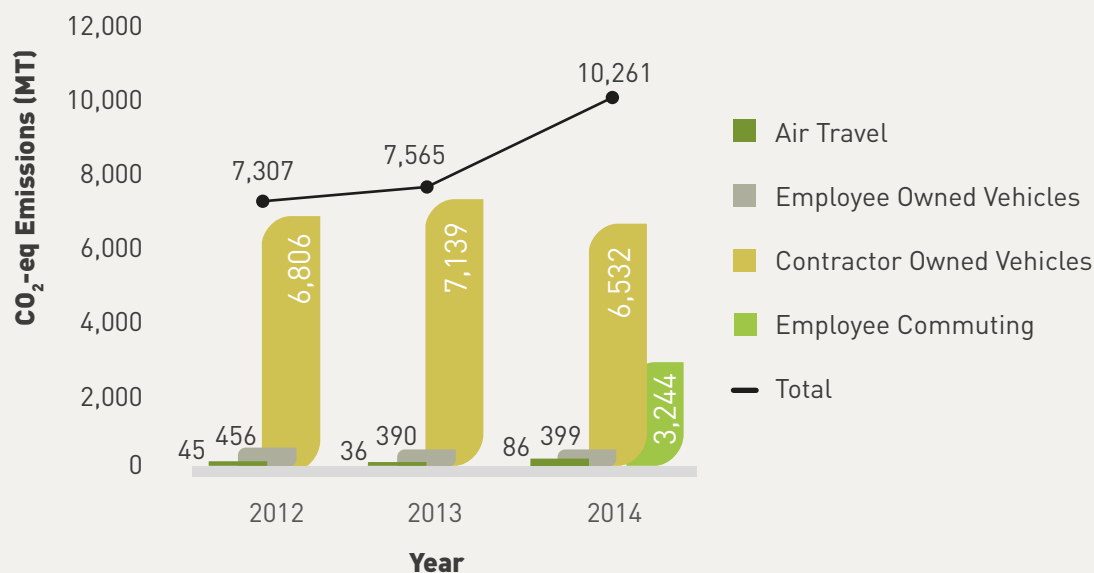
An estimated 3,244 MT of CO<sub>2</sub> emissions resulted from 1,985 employees commuting to and from work in 2014.

### CO<sub>2</sub> Emissions from Employee Commuting Breakdown by Company





### Summary of Scope 3 Emissions



This diagram summarises the total Scope 3 emissions for the year 2014 which represents an increase of 35.64% from 7,565 MT in 2013 to 10,261 MT in 2014. This is due to the employee commuting being calculated in 2014. Without this, emissions would actually have reduced by 7.24%.

### Total CO<sub>2</sub> Emissions [G4-EN19]

The full breakdown of our emissions and their sources are summarised in the table below.

Scope	Category	Emission Source	CO <sub>2</sub> -eq Emissions (MT)		
			2012	2013	2014
1	Direct GHG Emissions	Plant operations	12,343	11,357	15,506
		Company owned vehicles	1,985	2,806	3,317
		<b>Subtotal</b>	<b>14,328</b>	<b>14,163</b>	<b>18,823</b>
2	Indirect GHG Emissions	Electricity consumption	10,674	10,537	10,218
		<b>Subtotal</b>	<b>10,674</b>	<b>10,537</b>	<b>10,218</b>
3	Other Indirect GHG Emissions	Employee owned vehicles	456	390	399
		Contractor owned vehicles	6,806	7,139	6,532
		Air travel	45	36	86
		Employee commuting	-	-	3,244
		<b>Subtotal</b>	<b>7,307</b>	<b>7,565</b>	<b>10,261</b>
<b>Total</b>			<b>32,309</b>	<b>32,265</b>	<b>39,302</b>

This table lists emissions from all 3 scopes from 2012 to 2014. The total GHG emissions in 2014 were 39,302 MT, an increase of 21.81% from 32,265 MT in 2013. This is due to emissions from employee commuting being calculated. Without this, emissions would also have increased but by only 11.76%.

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)
2012	43,555	32,309	0.742
2013	50,968	32,265	0.633
2014	51,866	39,302	0.758

The table above shows the relationship between the total waste treated and the total CO<sub>2</sub> emissions from our business operations. This provides a good indication of the fuel efficiency of our waste treatment processes. In 2014, the fuel efficiency decreased by 19.75%. This was due to emissions from employee commuting being calculated this year. Without this, efficiency would have reduced by 9.79%.

## EISB Preserved Pulau Bidan Marine Ecology

EISB'S environmental commitment went beyond land by launching EPIC in 2014. EPIC preserves marine life and rehabilitates the world's ocean reef ecosystems by protecting its natural coral reefs. EISB chose Pulau Bidan, Yan, Kedah as the 1<sup>st</sup> island to begin its marine conservation.

On 16 September 2014, EISB deployed artificial reefs to increase fish populations and restore their natural habitat following the degradation of natural structure by anthropogenic or acute natural events. These man-made reefs were set on the seafloor to attract plants and benthic invertebrates while providing shelter and a forage base for fish.

In conjunction with EISB's 12<sup>th</sup> year anniversary on 17 September 2014, 20 employees possessing diving licenses took part in a coral reef conservation programme. An additional 100 participants consisting of EISB employees, EPIC members, media representatives and contractors joined beach cleaning activities. 240 bins were distributed to residents of Pulau Payar, Langkawi, Kedah to improve the island's cleanliness.

EISB had previously launched its Idaman Divers team to conserve marine ecology. A diving course was organised for its 1<sup>st</sup> batch of 15 employees on 18 January 2014. They learned basic diving and safety skills from Scuba School International (SSI) instructors and received Open Water diving licences upon completion. Pulau Payar was selected as the training ground to help clean up the marine ecosystem in this popular tourist diving area.

Following this event, EISB organised a Coral Reef Conservation and Beach Cleaning Programme at Pulau Bidan on 1 March 2014. 50 volunteers including EISB employees, members of the media and 20 divers took part.



Volunteers conserving the coral reef



Distributing bins to residents of the island





Kualiti Alam  
A Cenviro Company



The Trusted Partner in  
Environmental Solutions

[www.cenviro.com](http://www.cenviro.com)



**SAFETY IN DRIVING**

**SUSTAINA**





Cenviro adopts a cautious mind-set when it comes to meeting sustainability challenges. Our expertise in environmental management continues to be a core part of the sustainability strategy and an important feature of our services.

Sustainable environmental integrity that is beyond reproach is integral to all business strategies and daily operations so we can grow sustainably with our stakeholders.

# BILITY



# DRIVING SUSTAINABILITY

## Sustainability Area

Driving Sustainability

## Sustainability Policy Commitments

Continuous innovation in our products, services and overall approach to business is a key driver of our continued growth. Delivering stakeholder value through sustainable growth and driving continuous improvement in our business helps realise this goal.

## Achievements in 2014

- 150 kWh solar panel system commenced operations on 20 March 2014, which generated 154.29 MWh of electricity and avoided 148.65 MT of CO<sub>2</sub> emissions.
- A new shredder has been fully operational since 11 November 2014 and can process 10 MT/hour compared to the previous 10 MT/day.
- Launched eco-friendly CWTC using Microwave Ecosteryl on 24 November 2014.
- Flood Mitigation Project implemented on 3 December 2014 to reduce flooding of the logistics area during heavy rain.

## Way Forward

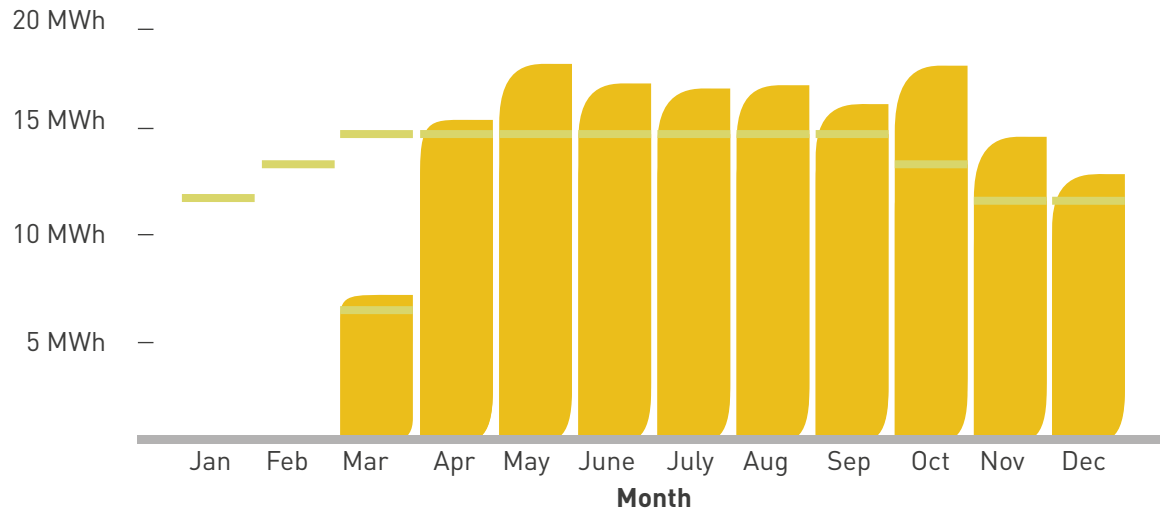
Innovation will continue to be our core driver of growth for a more sustainable future for Cenviro.

Cenviro's success depends on the integration of economic development, environmental quality and social equity into business practices. We continuously improve our performance and ensure that the scope of work covers all relevant elements, assesses the practicality of implementation and includes areas such as technology development and deployment, quality, risk, safety and environment sustainability.

## Continuous Improvement Initiatives

Cenviro's customer-focused approach ensures it delivers long-term, reliable services and solutions. Innovation occurs each day at Cenviro. Our culture of continuous improvement helps us improve processes and customer service while establishing more efficient systems and refined operations. A continuous improvement culture is needed to drive sustainability.

## Solar Power Project



KA's 150 kWh solar panel system became operational on 20 March 2014 and has generated 154.29 MWh of electricity. This solar system helped us to avoid 148.65 MT of CO<sub>2</sub> emissions. The solar panel system is housed on the roof of the existing pre-treatment facility. It comprises 600 solar panels of CSUN60 High-Efficiency Monocrystalline Solar Cells and 6 Steca 23 kW three-phase solar grid inverters.

The generated power is consumed directly by Unit 5A as there are no low voltage consumers close to the WMC. This is stipulated in the Renewable Energy Power Purchase Agreement (REPPA) agreement.



Installing a 150 kWh solar panel system at the WMC

## Shredding Project

The new shredder compresses waste materials faster than the current counterpart, clearing the backlog at the logistics area. This new shredder can process 10 MT/hour compared to the current 10 MT/day. This compresses the waste to approximately 80 mm, minimises the problem of long shredded waste and achieves fuel savings of up to 50%. The backlog has also reduced from 14,719 MT to 6,540 MT as at 31 December 2014. This shredder has been fully operational since 11 November 2014.



The more efficient shredding process

## CWTC Using Microwave Ecosteryl



Princess Astrid launching the CWTC

Cenviro launched Malaysia's 1<sup>st</sup> non-incineration CWTC, equipped with cutting edge clinical waste disposal technology. These wastes are not normally infectious but require proper disposal. In Malaysia, this concern has resulted in clinical waste being classified as scheduled waste which falls under the **EQ(SW)R 2005**. This is in line with the international classification of clinical and related wastes.

We were honoured to welcome Her Royal Highness Princess Astrid of Belgium, representative of His Majesty the King, to the WMC on 24 November 2014. Princess Astrid officiated the CWTC and materialised the technology collaboration with AMB-Ecosteryl, the manufacturer of Microwave Ecosteryl.

Princess Astrid and delegates of the Belgian Economic Mission toured the CWTC. KA is the appointed distributor for Thailand, Indonesia, Turkey, Singapore and Brunei Darussalam. Approximately 100 Belgian delegates, members of the media, board members, management representatives and employees attended the event.

The CWTC is equipped with cold storage facilities for untreated clinical waste in accordance with Ministry of Health requirements. There were 2 CWTCs as at 31 December 2014, with a total of 1,455.21 MT of waste having been treated. 2 more are expected to commence operations in 2015: 1 in the WMC and the other at Faber Medi-Serve Sdn Bhd in Lok Kawi, Kota Kinabalu, Sabah.

Advantages and key features of CWTC:

- Eco-friendly process that uses only electricity and there is no utilisation of water, liquid, steam, chemicals or gas
- 80% volume reduction
- Low operating costs and maintenance
- The output of the product is landfill ready, inert, unrecognisable and recyclable
- Continuous-flow process and high productivity per hour
- Real-time monitoring and efficiency of the contamination
- No emissions





Malaysia's 1<sup>st</sup> non-incineration CWTC

### CWTC Process Procedure

In 2014, KA gazetted a new CWTC process procedure. It stated that all logistic supervisors must transfer clinical waste to the CWTC waste receiving area and issue a transfer ticket to the process technician. The process technician then prepares the waste for treatment. Operation parameters are monitored throughout. The residue collected from the temperature maintainer tank is transferred to secured landfill for final disposal.





## Flood Mitigation Project

The Flood Mitigation Project aims to reduce flooding of the logistics area during heavy rain. Runoff from capped landfill overflows to the logistics area. The project involves replacing the V-drain currently surrounding the secured landfill with a wider U-drain. The project covers the secured landfill entrance at cell 2 and 4 and slope at cell 5 and 6. The lengths of each area are 300 m work and 700 m respectively. The 1<sup>st</sup> 300 m commenced on 3 December 2014 and is scheduled for completion on 10 January 2015. Performing this work during the monsoon season is challenging as adverse weather conditions hamper the work schedule.



The flood mitigation work

Work on the next 700 m commenced at the end of December 2014 and is scheduled for completion by the end of March 2015. The next project is to improve the drainage system especially at new operations areas. This project is scheduled to commence in April 2015.

## PLUS Sewage Treatment Plant (STP) Upgrading

Cenviro signed a 3-year agreement with PLUS, Elite, Linkedua and KLBK on 28 December 2010. This agreement has been extended until 31 March 2015 and covers the O&M of STPs along PLUS Highways.

The O&M work covers treating sewage, desludging, planned preventive maintenance and analysing effluent. The STP efficiency was also improved by rectification, repair and upgrading works.

In 2014, we began upgrading 12 areas. This upgrading improved the regional compliance with the **Environmental Quality (Sewage) Regulation 2009**.

### STPs Sewage Discharge Compliance

Region	New Upgrade Areas	Compliance (%)		
		2012	2013	2014
Northern	<ul style="list-style-type: none"> <li>Gurun RSA Northbound</li> <li>Bukit Gantang RSA Northbound</li> <li>Behrang Layby Northbound and Southbound</li> <li>Tapah RSA Southbound</li> <li>Tapah Section Office</li> <li>Gua Tempurung Layby Southbound</li> <li>Ldg Bikam Layby Northbound</li> </ul>	79	89	94
Central	–	90	97	99
Southern	<ul style="list-style-type: none"> <li>Ayer Keroh OBR Northbound and Southbound</li> <li>Pagoh RSA Northbound</li> <li>Machap RSA Northbound</li> </ul>	80	88	97

# FUTURE SUSTAINABILITY

## Planned Development for New Land

In 2014, KA acquired a neighbouring 100-acre plot of land for future expansion. The proposed new facilities will be introduced in 2 phases which include the 3 main environmental sub-clusters downstream, midstream and upstream.

Sub-Cluster	Phase 1	Phase 2
Downstream	<ul style="list-style-type: none"> <li>Future Secured Landfill Site</li> </ul>	<ul style="list-style-type: none"> <li>Pilot Plant</li> <li>Future Green Technology Facilities</li> </ul>
Midstream	<ul style="list-style-type: none"> <li>Storage Facility</li> <li>Recycling and Recovery Plant</li> <li>Pilot Plant</li> </ul>	<ul style="list-style-type: none"> <li>Recycling and Recovery Plant</li> <li>Pilot Plant</li> <li>Future Green Technology Facilities</li> </ul>
Upstream	<ul style="list-style-type: none"> <li>COE                             <ul style="list-style-type: none"> <li>O&amp;M Capacity Building Programme</li> <li>Waste to Energy and Environmental Related Training</li> <li>Environmental Education Related Study and Programme</li> <li>Environmental Learning Centre (Gallery)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>COE                             <ul style="list-style-type: none"> <li>Environmental Consultancy</li> <li>Research and Innovation (Small Scale)</li> <li>Research &amp; Development (Laboratory)</li> </ul> </li> </ul>

## COE Project

Cenviro is in the midst of developing a human capacity building programme with the establishment of a COE to:

- Develop national and institutional knowledge as well as capability in sustainability opportunities as part of the New Economic Model;
- Facilitate the creation of innovative solutions for waste management and turn waste into resources;
- Raise awareness and advocate climate change issues in Malaysia;
- Establish an ecological industry park in Negeri Sembilan; and
- Introduce comprehensive waste monitoring and enforcement in Malaysia, and a carbon management plan.

This integrated training centre built on 5 acres of landscaped grounds will provide guests with a variety of facilities.

This development will use a green strategy design and energy efficient approach. This sustainable development design balances work, lifestyle and innovation in a sustainable environment. The COE construction is expected to be completed in 2016.

Where

**work, lifestyle  
and innovation**

meet in a sustainable environment.

## Vertical Secured Landfill Project

Malaysia's only secured landfill at the WMC has been operational since 1997. This site has a capacity of 1.5 million m<sup>3</sup> and receives approximately 300 MT of daily scheduled waste. The secured landfill is approaching its limit and is expected to reach full capacity by early 2015.

KA must either construct a new secured landfill at a new site or make use of the current secured landfill area. Although KA purchased a new 100-acre site, it is strategic to expand the existing secured landfill. In February 2014, KA examined the feasibility of applying an innovative vertical secured landfill. The concept was presented to the Board and DOE.

Closing the existing secured landfill is not beneficial for KA. It is an integral part of the WMC and:

- Allows KA to continue serving as a scheduled waste disposal site for Malaysia;
- Caters to increasing volumes of scheduled waste due to rapid growth in waste generation;
- There is limited land for such facilities;
- Protects the environment in line with the national commitment;
- Safeguards public health and provides local populations with a high standard of living;
- Ensures wastes are appropriately disposed of without compromising the environment and public health; and
- Improves the land utilisation efficiency by increasing air space at the existing site.

The management intends to expand the existing landfill vertically. This expansion will be done in phases and will provide a 15 to 20 year buffer.



The secured landfill site at the WMC



## ENVI's Expansion in Perak



Beach cleaning at Pulau Pangkor

ENVI began laying the foundations to expand its Perak's future operations by replicating the comprehensive municipal waste services and public cleansing management in 2014. The State Government of Perak requested that ENVI carry out due diligence in 15 local authorities. This will be the basis for the State Government of Perak to accept the privatisation of **Solid Waste Management and Public Cleansing Corporation Act 2007 (Act 673)**. The exercise was conducted with SWCorp Perak.

On 9 May 2014, 21 employees from Kedah were mobilised at Perak's management office in Tasek, Ipoh, Perak to perform this exercise which was led by Senior Manager Operation, Nur Azam Ahmad Zainy. This due diligence exercise was completed in 1 week during October 2014.

The findings from the exercise were presented at the Perak Technical Committee Meeting on 2 December 2014. The meeting was chaired by State Committee Chairman for Rural Development, Plantation, Agriculture, Housing and Local Government, Dato' Saarani Mohamad. ENVI received positive feedback and the local authorities in Perak were looking forward to privatisation.



Drain cleansing activities at Pulau Pangkor

This privatisation agenda was then presented at Perak State EXCO meeting on 17 December 2014. We are hoping for state approval in the 2<sup>nd</sup> quarter of 2015.



# AWARDS AND RECOGNITION

Cenviro has received numerous awards since it was founded, some for several consecutive years. We are proud of our growth and success. This recognition is testament to delivering the best for our stakeholders and the hard work, passion and dedication in what we do.

## Prime Minister Hibiscus Award 2012/2013



Winners of the Prime Minister Hibiscus Award

KA was once again conferred the Notable Achievement in Environmental Performance Award in the large category at the Prime Minister's Hibiscus Award 2012/2013. The award was won by KA for the 3<sup>rd</sup> cycle since its participation.

The award was presented by Deputy Prime Minister, YAB Tan Sri Dato' Hj Muhyiddin Hj Mohd Yassin to our CEO, Khalid Bahsoon, on 24 January 2014 at Mahkota II Ballroom, Istana Hotel Kuala Lumpur.

Launched in 1996, The Prime Minister's Hibiscus Award is the premier private sector environmental award for business and industry in Malaysia.

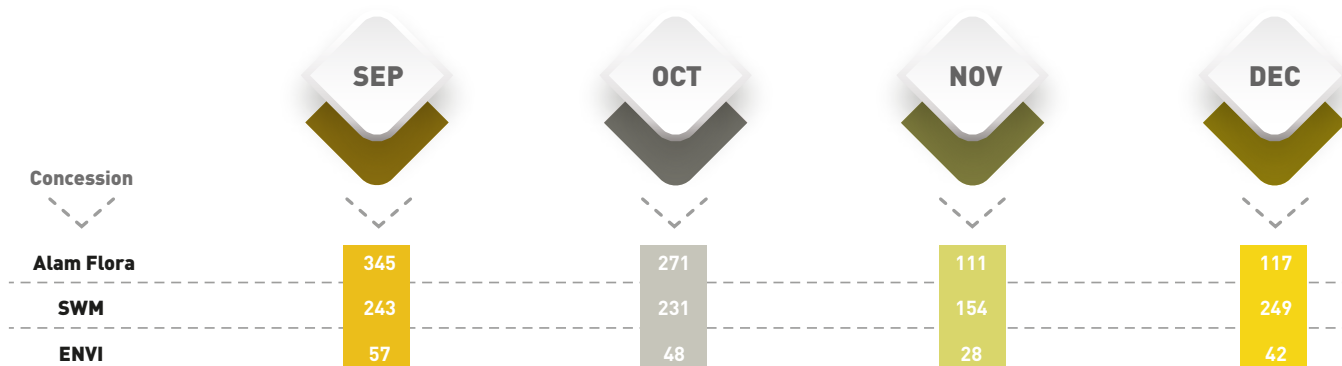
## ENVI Won Best Concession

In September 2014, SWCorp initiated Anugerah Pencapaian Aduan for the concessions at which ENVI, Alam Flora and SWM Environment competed for the Gold Medal. The concession with the least complaints in the month is awarded the Gold Medal.

The collected data from the 3 concessions shows that ENVI has the lowest number of complaints. This automatically qualified ENVI as the Gold Winner for 4 consecutive months.

The following data collected lists the number of complaints from September to December 2014. Complaints include missed collections, drain cleansing, grass cutting, road sweeping and bulky waste.

### Rating Achieved by Concessions



## ENVI was Awarded the ISO 9001:2008 Certification

In 2014, KIWA International certified ENVI with ISO 9001:2008. The certification covered 7 service units namely Kubang Pasu, Kulim, Langkawi, Sungai Petani, Yan, Kangar and Padang Terap. This achievement reflects the Company's continuous commitment to maintaining quality and best practices in Quality Management System. ENVI is committed to complying with ISO 9001:2008 throughout the concession period.



## Winner for Reporting on Stakeholders Engagement ACCA MaSRA 2014



Winners of the ACCA MaSRA

Cenviro was named as Winner of the Reporting on Stakeholders Engagement Award at the ACCA MaSRA 2014. This is testament of our excellent stakeholder engagement and disclosure of our 2-way stakeholder communications.

CEO Khalid Bahsoon received the award at the ACCA MaSRA 2014 presentation ceremony held on 26 November 2014 at Hilton Kuala Lumpur. YB Senator Dato' Seri Abdul Wahid Omar, Minister in the Prime Minister's Department delivered a keynote address at the ceremony.

This is the 6<sup>th</sup> year the Company has won an award in recognition of its reporting on best practices in environmental, social and economic sustainability. Previously, Cenviro won:

- First Reporting Award in 2007
- Best Environmental Report in 2008
- Best Sustainability Report (Overall) in 2009
- 1<sup>st</sup> Runner Up Best Sustainability Report in 2010
- Best Environmental Report and Commendation in Assurance in 2011.

# GLOSSARY

Abreviation	Definition
3R	Reuse, Reduce, Recycle
ACCA	Association of Chartered Certified Accountants
ADUN	Ahli Dewan Undangan Negeri
Board	Board of Directors
Bureau Veritas	Bureau Veritas Certification (M) Sdn Bhd
Cenviro	Cenviro Sdn Bhd
CEO	Chief Executive Officer
CITES	Convention on International Trade in Endangered Species
COE	Centre of Excellence
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
CWTC	Clinical Waste Treatment Centre
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Impact
e-CN	e-Consignment Note
EISB	E-Idaman Sdn Bhd
EMP	Environmental Monitoring Plan
Employee Sustainability Survey	Cenviro Group Sustainability and Employee Commuting Survey 2014
EMS	Environmental Management Services
ENVI	Environment Idaman Sdn Bhd
EOC	Evaluation of Compliance
EPIC	Environment Preservation Club
EQ(SWJR) 2005	Environmental Quality (Scheduled Wastes) Regulations 2005
ERT	Emergency Response Team
eSWIS	Electronic Scheduled Waste Information System
EXCO	Executive Committee
GHG	Greenhouse Gas
GLC	Government-Linked Companies
GRI	Global Reporting Initiative
GRR	Green Resource Recovery Sdn Bhd
HAZMAT	Hazardous Material Team
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HOD	Heads of Department

Abreviation	Definition
HQ	Headquarters
HRA	Human Resources & Administration
HRDF	Human Resource Development Foundation
HTJ	Hospital Tuanku Ja'afar
IGEM	International Greentech and Eco Product Exhibition
IMS	Integrated Management Systems
INC	Incinerator
ISO	International Organization 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
KIWA International	KIWA International Certification Sdn Bhd
KJL	Kg Jimah Lama
KKA	Kualiti Khidmat Alam Sdn Bhd
KKI	Kualiti Kitar Alam Sdn Bhd
KPI	Key Performance Indicator
Ldg	Ladang
LTI	Lost Time Injuries
LTP	Leachate Treatment Plant
MaSRA	Malaysia Sustainability Reporting Awards
Materiality Survey	Cenviro Group Stakeholder Materiality Survey 2014
MENGO	The Malaysian Environmental Non-Governmental Organisations
MNRE	Ministry of Natural Resources and Environment
MRF	Material Recovery Facility
MS	Management Standards
NCID	Narcotics Crimes Investigation Department
NGRDWQ	National Guidelines for Raw Drinking Water Quality
NIOSH	National Institute for Occupational Safety and Health
NWQS	National Water Quality Standards

Abreviation	Definition
O&M	Operation & Maintenance
ODS	Ozone Depleting Substances
OE	Operation Executives
OHSAS	Occupational Health and Safety Advisory Services
OSH	Occupational Safety and Health
PCT	Physical Chemical Treatment
PDPA	Personal Data Protection Act 2010
PLUS	PLUS Malaysia Berhad
PPE	Personal Protective Equipment
Q-TAPS	Quality, Teamwork, Accountability, Passion and Safety
REPPA	Renewable Energy Power Purchase Agreement
RO	Reconstituted Oil
RSA	Rest and Service Area
SAINS	Syarikat Air Negeri Sembilan Sdn Bhd
SCBA	Self-Contained Breathing Apparatus
SHE	Safety, Health and Environment
SJKC	Sekolah Jenis Kebangsaan Cina
SJKT	Sekolah Jenis Kebangsaan Tamil
SK	Sekolah Kebangsaan
SM	Sekolah Menengah
SOLI	Solidification
SOP	Standard Operating Procedures
SSI	Scuba School International
STP	Sewage Treatment Plant
SUM	Service Unit Managers
SW	Scheduled Waste
SWCorp	Solid Waste Corporation
TAP	Training Awareness and Promotion
UEM Group	UEM Group Berhad
UPM	Universiti Putra Malaysia
WBCSD	World Business Council for Sustainable Development
WMC	Waste Management Centre
WQI	Water Quality Index
WRI	World Resources Institute
YDP	Yang Dipertua
YSB	Yayasan Sultanah Bahiyah

# ASSURANCE STATEMENT

**BUREAU VERITAS**  
Certification



## INDEPENDENT VERIFICATION STATEMENT

**To: The Stakeholders of Cenviro Sdn Bhd (formerly known as UEM Environment Sdn Bhd)**

### Introduction and objectives of work

Bureau Veritas has been engaged by Cenviro Sdn Bhd to conduct an independent verification of its Sustainability Report 2014. This Verification Statement applies to the information included within the scope of work described below.

This information and its presentation in the Sustainability Report 2014 are the sole responsibility of the management of Cenviro Sdn Bhd. Bureau Veritas was not involved in the drafting of the report. Our sole responsibility was to independently verify the accuracy and assure the information included. This is the 7<sup>th</sup> year we have verified the Cenviro Sdn Bhd Sustainability Report, which includes E-Idaman Sdn Bhd.

### Scope of work

Cenviro Sdn Bhd requested Bureau Veritas to verify the accuracy of the data and information included in the Sustainability Report 2014.

### Methodology

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

1. Interviews with relevant personnel including the Head of Departments of Cenviro Sdn Bhd including E-Idaman Sdn Bhd.
2. Review of documented evidence produced by Cenviro Sdn Bhd including E-Idaman Sdn Bhd.
3. Audit of performance data, a 100% sample which was traced back to its original source.
4. Review of Cenviro Sdn Bhd Bhd, including E-Idaman Sdn Bhd systems, for qualitative and quantitative data aggregation and analysis.
5. Site verification and review at 3 different locations, namely Cenviro Sdn Bhd at MERCU UEM in Kuala Lumpur, Waste Management Centre in Seremban and E-Idaman Sdn Bhd in Alor Setar.
6. Our work follows Bureau Veritas' standard procedures and the Global Reporting Initiative (GRI) G4.0 Sustainability Reporting Guidelines. It is based on current best practice in independent assurance.

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







#### Our findings

Based on our methodology and the activities described above:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated.
- It is our opinion that Cenviro Sdn Bhd has established appropriate systems for the collection, aggregation and analysis of qualitative and quantitative data such as key performance indicators.
- Substantial philanthropy initiatives have been taken by Environment Idaman Sdn Bhd for year 2014, including sponsorship of environmental and current events, good causes and a genuine commitment to the Government initiative of achieving 22% recycling by 2020.
- Moving forward in 2015, Environment Idaman Sdn Bhd targets ISO14001:2004 certification for the remaining 11 Service Units by the second quarter of 2015. This reflects a commitment to the continuous improvement of its Environmental Management System.
- All operations are measured and reported in order to reduce negative environmental impacts as much as possible within the business operations and needs of Cenviro Sdn Bhd to contribute environmental protection.
- In the next report, Cenviro Sdn Bhd will extend the boundaries for qualitative and quantitative reporting up to the first tier of its suppliers.
- We found a significant improvement in the information coverage of E-Idaman Sdn Bhd namely workplace (i.e. New Salary Structure, Commitment to Safety and Health), Marketplace (Integrated Solid Waste Management Facility in Pulau Tuba) and Environment (GHG Emission).
- Kualiti Alam Sdn Bhd online Customer Satisfaction Survey was fully operational in 2014 and has helped improve data gathering and Customer Relationship Management. 25% of the active customers were targeted to respond to these surveys. 97% of the target responded; 47% of which responded online and 50% on hard copies.
- Some new technology has been adopted during 2014 to improve environmental and operational performance. These new technology included a Microwave Ecosteryl to treat organic and clinical waste more efficiently.
- A significant proportion of stakeholders' activities related to E-Idaman Sdn Bhd's core business has increased to address sustainability such as the Recycle for Gaza and 3R programmes.
- The process of data collection for events and initiatives should be further improved through a standardised data collection method.



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- A follow-up on 2014 activities such as the Career Fair (organised for several universities) and industrial training programmes are would be recommended to measure their outcome. These should be reported in the 2015 Sustainability Report.

**Limitations and Exclusions**

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

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

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

**Statement of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services, and an annual turnover in 2014 of Euros 4.17 billion.

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

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

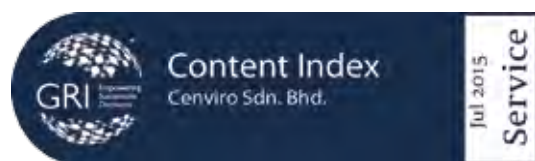
The assurance team has extensive experience in conducting verification and assurance of environmental, social, ethical and health and safety information, systems and processes. The team has over 7 years combined experience in this field and an excellent understanding of the Bureau Veritas standard methodology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

Bureau Veritas  
Kuala Lumpur, MALAYSIA  
10th July 2015

**Wan-Hisham Balkiah Bin Wan Hassan**  
LEAD VERIFIER



# GRI G4 CONTENT INDEX



This sustainability report discloses our most critical impacts on the environment, society and economy. Following the GRI G4 Guidelines allows us to continue reporting reliable, relevant and standardised information. We can assess opportunities and risks and make more informed decisions both internally and externally.

The GRI G4 Guidelines support organisations on this strategic journey. G4 places the concept of materiality at the heart of sustainability reporting. The following table presents topics under the GRI G4 – Core and results of our materiality study.

GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	Page Number (or Link)	External Assurance
<b>STRATEGY AND ANALYSIS</b>		
G4-1	8	Yes, p.121
<b>ORGANISATIONAL PROFILE</b>		
G4-3	Front Cover	Yes, p.121
G4-4	2	Yes, p.121
G4-5	2	Yes, p.121
G4-6	6	Yes, p.121
G4-7	6	Yes, p.121
G4-8	6	Yes, p.121
G4-9	2	Yes, p.121
G4-10	49	Yes, p.121
G4-11	68	Yes, p.121
G4-12	89	Yes, p.121
G4-13	8	Yes, p.121
G4-14	14	Yes, p.121
G4-15	76	Yes, p.121
G4-16	4	Yes, p.121
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	20	Yes, p.121
G4-18	2	Yes, p.121

G4-19	14	Yes, p.121
G4-20	2	Yes, p.121
G4-21	2	Yes, p.121
G4-22	8	Yes, p.121
G4-23	8	Yes, p.121
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	12	Yes, p.121
G4-25	12	Yes, p.121
G4-26	12	Yes, p.121
G4-27	12	Yes, p.121
<b>REPORT PROFILE</b>		
G4-28	2	Yes, p.121
G4-29	2	Yes, p.121
G4-30	2	Yes, p.121
G4-31	2	Yes, p.121
G4-32	2	Yes, p.121
G4-33	2	Yes, p.121
<b>GOVERNANCE</b>		
G4-34	6	Yes, p.121
<b>ETHICS AND INTEGRITY</b>		
G4-56	23	Yes, p.121

SPECIFIC STANDARD DISCLOSURES					
DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>CATEGORY: ECONOMIC</b>					
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>					
G4-DMA	46				Yes, p.121
G4-EC3	46				Yes, p.121
<b>MATERIAL ASPECT: MARKET PRESENCE</b>					
G4-DMA	46				Yes, p.121
G4-EC5	46				Yes, p.121
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>					
G4-DMA	18				Yes, p.121
G4-EC7	18				Yes, p.121
G4-EC8	18				Yes, p.121
<b>CATEGORY: ENVIRONMENTAL</b>					
<b>MATERIAL ASPECT: MATERIALS</b>					
G4-DMA	90				Yes, p.121
G4-EN1	90				Yes, p.121
G4-EN2	90				Yes, p.121
<b>MATERIAL ASPECT: ENERGY</b>					
G4-DMA	102				Yes, p.121
G4-EN3	102				Yes, p.121
G4-EN4	103				Yes, p.121
<b>MATERIAL ASPECT: WATER</b>					
G4-DMA	91				Yes, p.121
G4-EN8	91				Yes, p.121
<b>MATERIAL ASPECT: EMISSIONS</b>					
G4-DMA	102				Yes, p.121
G4-EN15	102				Yes, p.121
G4-EN16	103				Yes, p.121
G4-EN17	104				Yes, p.121
G4-EN19	106				Yes, p.121
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>					
G4-DMA	91				Yes, p.121
G4-EN22	91				Yes, p.121



<b>MATERIAL ASPECT: PRODUCTS AND SERVICES</b>					
G4-DMA	89				Yes, p.121
G4-EN27	89				Yes, p.121
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	76				Yes, p.121
G4-EN29	76				Yes, p.121
<b>MATERIAL ASPECT: TRANSPORT</b>					
G4-DMA	103				Yes, p.121
G4-EN30	103				Yes, p.121
<b>CATEGORY: SOCIAL</b>					
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>					
<b>MATERIAL ASPECT: EMPLOYMENT</b>					
G4-DMA	46				Yes, p.121
G4-LA2	46				Yes, p.121
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>					
G4-DMA	61				Yes, p.121
G4-LA5	62				Yes, p.121
G4-LA6	62				Yes, p.121
G4-LA7	63				Yes, p.121
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>					
G4-DMA	55				Yes, p.121
G4-LA9	55				Yes, p.121
G4-LA10	55				Yes, p.121
<b>SUB-CATEGORY: HUMAN RIGHTS</b>					
<b>MATERIAL ASPECT: INVESTMENT</b>					
G4-DMA	69				Yes, p.121
G4-HR1	69				Yes, p.121
G4-HR2	69				Yes, p.121
<b>MATERIAL ASPECT: NON-DISCRIMINATION</b>					
G4-DMA	69				Yes, p.121
G4-HR3	69				Yes, p.121
<b>MATERIAL ASPECT: CHILD LABOR</b>					
G4-DMA	69				Yes, p.121
G4-HR5	69				Yes, p.121

<b>MATERIAL ASPECT: ASSESSMENT</b>					
G4-DMA	69				Yes, p.121
G4-HR9	69				Yes, p.121
<b>MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS</b>					
G4-DMA	69				Yes, p.121
G4-HR12	69				Yes, p.121
<b>SUB-CATEGORY: SOCIETY</b>					
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>					
G4-DMA	30				Yes, p.121
G4-S01	30				Yes, p.121
G4-S02	30				Yes, p.121
<b>MATERIAL ASPECT: ANTI-CORRUPTION</b>					
G4-DMA	41				Yes, p.121
G4-S03	41				Yes, p.121
G4-S04	41				Yes, p.121
G4-S05	41				Yes, p.121
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>					
<b>MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY</b>					
G4-DMA	76				Yes, p.121
G4-PR1	76				Yes, p.121
G4-PR2	76				Yes, p.121
<b>MATERIAL ASPECT: PRODUCT AND SERVICE LABELING</b>					
G4-DMA	83				Yes, p.121
G4-PR5	83				Yes, p.121
<b>MATERIAL ASPECT: MARKETING COMMUNICATIONS</b>					
G4-DMA	81				Yes, p.121
G4-PR6	81				Yes, p.121
G4-PR7	81				Yes, p.121
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	76				Yes, p.121
G4-PR9	76				Yes, p.121

# BRAND IDENTITY LOGO RATIONALE

## CLEAN ENVIRONMENT

reflected in our Brand Promise of 3Cs that we are...

## COMMITTED to CONTINUOUSLY CARE

for our **C**lean **ENVIRO**nement



# cenviro

The symbol in the form of **overlapping leaves in vertical and horizontal** manner resembles the vision and commitment of the Company to always blend the 3 key elements of the **Environment, Community** and **Economy**. Each element is represented by a different colour.

The **green** colour signifies the environment and life. **Blue** depicts trust, integrity and communication to fulfil its vision as the **Leader in Integrated Environmental Solutions**.

Both leaves have **sharp points directed to the right and upwards**. This symbolises Cenviro moving forward **towards innovation**. The essentials of living are preserved and all conducts are approached appropriately.

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