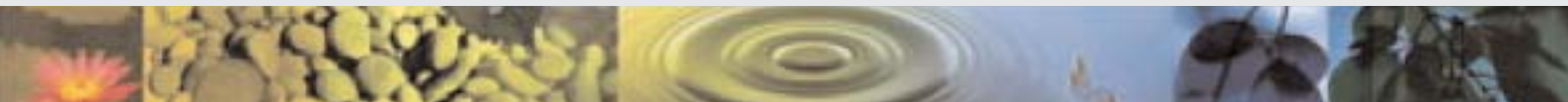


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# Message from Managing Director



EN. AZMANUDDIN HAQ AHMAD  
Managing Director

In recent times, and particularly over the past 10 years, awareness of the potential problems posed by the rising levels of waste produced by society and the subsequent impact on the environment has grown significantly. In partnership with policy makers, our customers and the local communities in which we operate, we are working hard to deliver solutions and services to minimise that impact and maximise the opportunities for environmental, health and safety sustainability.

By the very nature of our activities in treatment, recovery and recycling and our commitment to the provision of integrated waste services, we contribute to the sustainable development of our nation. Nevertheless, we recognise that our activities can generate environmental impacts. Our goal is to reduce these impacts on the environment and comply with legislation. The environmental management system, ISO 14001 and the health and safety management system, OHSAS 18001, implemented at our waste management centre (WMC), reflect our commitment to continual environmental, health and safety improvements.

The safety, health and environment challenges at KA include improving workers' health and safety and minimising our impact on the environment from all operations. Our commitment to improving occupational health and safety is reflected in our SHE programmes for the management of chemical exposure, process safety, driver safety, ergonomics, and emergency response plans, as well as our environmental challenges such as the need to address our energy consumption profile and its impact on global warming. We also recognise our impacts such as the potential effects on biodiversity and improving the efficiency of our operation. These are the first steps toward ensuring SHE sustainability, focusing on processes that minimise resource use and environmental waste.

# Message from Chief Operating Officer and SHE Senior Manager

I am pleased to note that our 2006 - 2007 SHE performance is our best achievement to date. Reducing the number of injuries to our employees and contractors continues to be a major concern for all of us. With the achievement of 2.5 million man-hours without injury, I am very proud of the effort made by our SHE department and everybody in KA.

Good SHE performance and consistent progress in improving our programmes can be driven by encouraging people to contribute with passion and recognising their good work. We have achieved this through our internal SHE award programmes. Apart from that, our SHE goals are also well aligned with our business goals to improve quality and efficiency. Both focus on ensuring efficiencies by having robust and effective processes that consume less natural resource; generate less waste and are good for the company's bottom line.

What makes it successful is the adoption of Occupational Health Safety Assessment Series (OHSAS) system into our day-to-day work and incorporating this policy and objective in our business strategy. As we grow and expand, we continually seek to improve our operations and activities through benchmarking with known best practitioners in the world. Therefore, I strongly encourage everyone's continued participation, effort and commitment in ensuring that we are focused on maintaining our SHE performance.



**EN. SUHAIMEE MAHDAR**  
Chief Operating Officer



**EN. HAMDAN OSMAN**  
JKKP.IS 127/438/1436  
Senior Manager of Safety, Health  
and Environment

Our SHE department has worked relentlessly to achieve the highest standards of performance resulting in outstanding benefits to the community at large. We aim to further maintain and surpass our goals through effective inspections, increasing awareness, training, enforcement of rules and regulations, and monitoring compliance by all partners and clients.

To maintain a safe system of work, we continuously identify, assess, control and review risk. To achieve high quality results, we communicate, consult and collaborate together on issues and solutions within KA. For us, the best indicator of future performance is our track record. As such we focus on the indicators that demonstrate emerging trends, in particular, lost time injuries (LTI), first aid, incidents, and medical treatments, near misses, dangerous occurrences in Notification of Accident/reports. Through staff and customer feedback and building on our existing safety culture, we raised our expectations for safety and developed the "Moving to Zero Injuries" programme. This initiative enables our management to more actively demonstrate their commitment to employee safety; encourage all employees to stop, think and act safely; and lead KA to an injury-free culture.

For 2008 and beyond, we are committed in providing critical products and services that benefit society while also ensuring that our operations are sustainable and that our employees and communities are healthy and safe. It all sounds easy, but it is in fact a challenging task. Thankfully, the task is not impossible. However, it requires the support and active participation of all staff and management.

I am proud of our SHE performance but there is still more to do. We must be diligent in our commitment to develop world class principles and practices in SHE waste management activities.



# Scope of Report



This report details the first bi-annual environmental performance of Kualiti Alam Sdn Bhd (KA) for the period from 1 January 2006 to 31 December 2007. This is the first time KA has produced a Safety, Health & Environmental (SHE) Report, which publicly sets out our performance against a core set of safety, health and environmental indicators.

Our SHE report is designed to give a complete picture of our SHE issues and impacts and how we manage them. To do so, it includes detailed information about our emissions, injury and illness performance, as well as details about the programmes we have in place to address SHE issues and how we continuously improve them.

One of the prime audiences for this report is our shareholders. Others include financial analysts who may want to consider our SHE programmes and performance in their decisions about investing in KA. Non-governmental organisations may also want information about our environment, health and safety programmes and progress to inform their advocacy decisions. Another important audience is our own management and employees. This publication serves as the definitive source for company-wide SHE information that can be used both inside and outside the company.

We welcome feedback on our SHE Report and on our SHE programmes and performance.

## How We Manage | Structure

### SHE MANAGEMENT STRUCTURE

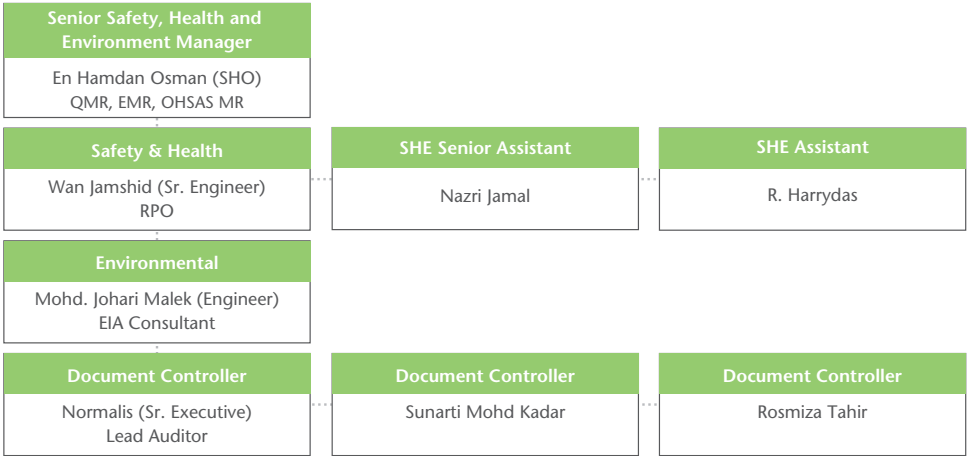
SHE in KA is structured such that SHE Corporate has direct responsibility and accountability for SHEQ. Our SHEQ network comprises of:

- Corporate SHE office – SHE Senior Manager, Quality Management Representative (QMR), Occupational Health and Safety Management Representative (OHSAS MR) and an Environmental Management Representative (EMR)
- Kualiti Alam SHE Safety and Health Engineer, Environmental Engineer
- Site Kualiti Khidmat Alam, Kualiti Kitar Alam and Kualiti Alam Safety Health Officer & Assistant and Management Representative respectively
- Radiation Officer (RPO, OBTL, etc.)
- Emergency Response Team (ERT)
- HAZMAT Team
- Occupational First Aider
- Safety and Health Committee; SHC Meetings
- SHEQ Committees for ISO 9001:2000, 14001:2004 and OHSAS 18001:1999
- Document Controller for Electronic Document Management System (eDMS)

# How We Manage I Structure

## SHEQ STEERING GROUP

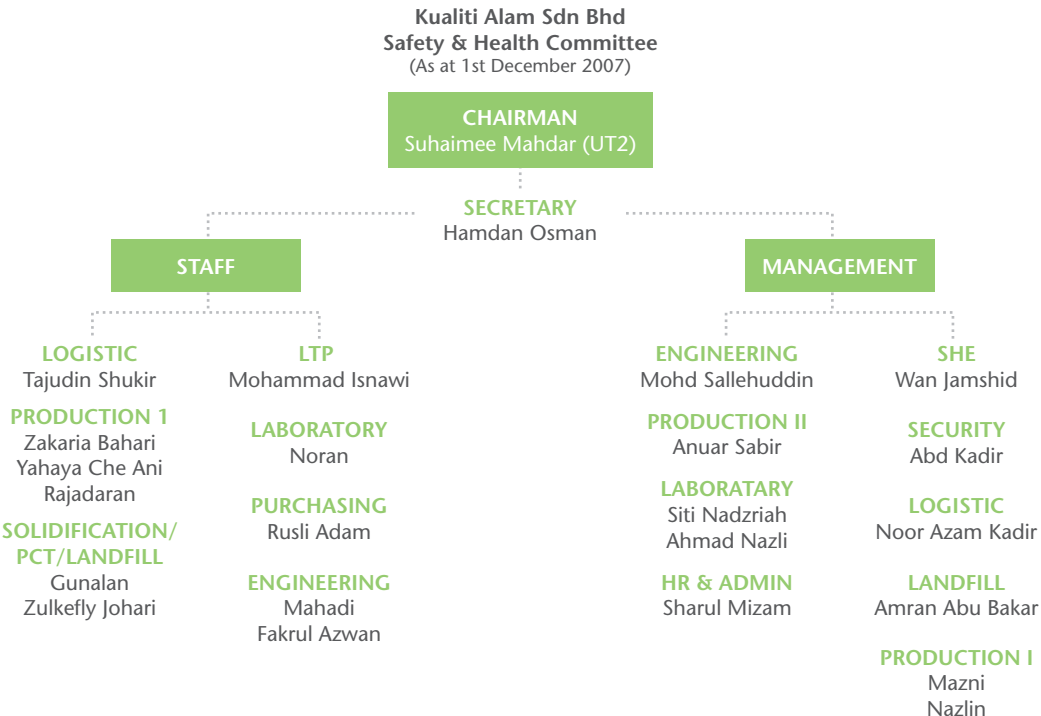
This is comprised of the SHE Office, Chief Operating Office (COO) and Head of Departments (HOD) & Managers representing each of the groups.



## HEALTH AND SAFETY COMMITTEE

We have a dedicated Safety and Health Committee (SHC), chaired by our Chief Operating Officer, which comprises of management and employee representatives, formed under the Occupational Health and Safety Act 1994.

We introduced our monthly SHE Award to recognize employees for significant contributions to SHE programme activities.



# How We Manage I System

## SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ) MANAGEMENT SYSTEM

We are committed to ensure that appropriate systems are in place to protect our employees, communities, customers and the environment because of the sensitive nature of the business we are in. Therefore in year 2001 we were certified for OHSAS 18001:1999. For year 2008, we are going for certification of OHSAS 18001:2007.

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

The SHEQ system is divided into three categories: responsibilities, processes and standards.

- The responsibilities clearly define the role of corporate and site management in implementing, maintaining and improving the corporate and site management systems.
- The processes define the steps required to identify the SHEQ risks associated with our facilities.
- The standards define the actions that must be taken to consistently manage SHEQ concerns common to all of our facilities.

### Legal Compliance

Our department continues to ensure that the SHEQ system, including facilities, procedures and trained individuals, are adequate and efficient and that regulatory requirements are met. These regulatory requirements include Environmental Impact Assessment (EIA) registration with the Department of Environment (DOE) and permit approvals from related government agencies.

Our plant's facilities have been registered in support of this initiative. The registered license numbers for the facilities are shown in table below.

No	Facility	License No.	JP.No
1	Incinerator	000211	JPBT/PBT/04/000211
2	On-site storage	000212	JPBT/KPPP/04/000212
3	Secured landfill	000213	JPBT/KTPS/04/000213
4	Rubber sludge landfill	000214	JPBT/KTPS/04/000214
5	Physical / chemical treatment	000215	JPBT/KLPCT/04/000215
6	Solidification plant	000216	JPBT/KLP/04/000216
7	Transportation	000217	JPBT/KPBT/04/000217
8	Container-based incinerator system (CIS) (minicinerator)	000218	JPBT/PBT/04/000218

### Performance Measures

We believe that to achieve continual improvement in environmental performance, we must rigorously monitor the performance of selected leading and lagging key performance indicators. We track a variety of key performance indicators including air emissions, water discharges, spills and other non-compliance events.

### Environment, Health and Safety Audits

We conduct regular compliance audits of our facilities and track the completion of audit-related action items. Yearly, we conduct a number of internal audits including compliance audits required by legislation and our own management systems requirements (QMS, EMS, OHSAS). All of these were in addition to numerous site inspections and assessments conducted regularly by regulators and our customers. Audit findings are tracked until corrective actions are completed and verified by QMR, EMR, OHSAS MR.

### Environmental Monitoring Programme

Due to the sensitive nature of our business, we monitor our environmental performance in various aspects of our operation. As we grow, we continually expand the scope of our monitoring programme.

### Environmental Incident Index

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

### Medical Systems

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

### General Safety

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

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

### Employee Health and Safety

We are committed to the health and safety needs of our workers. Employee safety training is provided through a variety of programmes in support of this commitment. We have about 13 programmes to support our safety management system:

- Improvement of Storage Layout
- Proper Truck Guarding
- Minimum Truck Standard
- Implementation of Permit to Work (PTW)
- Safe Drivers Awareness
- Truck Inspection

# How We Manage I System

- Personal Protective Equipment (PPE) Maintenance and Issuance
- Handling of Material Safety Data Sheet (MSDS)
- Scaffolding Competency
- Training Plan for Emergency Response Plan (ERP), Occupational First Aider
- Noise Abatement
- Local Exhaust Ventilation (LEV) System
- TERNORM Monitoring programme

## Local Exhaust Ventilation (LEV) System

In compliance with the Sub-regulation 17(1) of the Occupational Safety and Health (Use and Standard Exposure of Chemical Hazardous to Health) Regulation 2000, we have installed our Local Exhaust Ventilation (LEV) System since 2002.

LEV provides a positive means of removing airborne contaminants from the working environment by capturing them at their source. Apart from the LEV system, we have also installed a dilution ventilation system which serves to dilute the concentration of contaminant to safer levels.

In 2006, a competent Hygiene Technician (JKKP NIE 127/171-3/2(109)) was engaged to assess our LEV performance standards. The areas for evaluation included the laboratory analytical room; physical and chemical treatment plant; organic pre-treatment room and solidification plant. The results demonstrated that our LEV system worked well as the average parameters measured were found to be below the baseline data.

Although we were able to achieve satisfying LEV performances for 2006 and 2007, there is much more we can do to improve our working environment. Therefore, we have established a programme entitled "2B-Maintenance and Upgrading of LEV" and redesigned some of the system and interval cleanup.

## Noise Abatement Programme

Recognizing the importance of a safe working environment, we have taken proactive approaches by establishing a noise abatement programme per sub-regulation 5(1), 8(2) and 20(1) of the Factories And Machineries Act (Noise Exposure) Regulation 1989. We engaged competent contractors to monitor our boundary noise levels every year. The results show that our average noise levels were below the stipulated limit, 80dB(A).

As part of our noise abatement programme and also in compliance with regulatory requirements, ear plugs and mufflers have been provided for all the staff working in the identified high noise level areas. We have been conducting audiometric test for our staff since 2006. In 2007, a specific OSH programme (8b) was established to implement noise abatement measures in the compressor rooms. To date, we have had no incidences involving the loss of hearing or damage reported.

## Personal Protective Equipment (PPE) Maintenance and Issuance

We place great emphasis on the proper usage of personal protective equipment (PPE) to reduce our employees' exposure to hazards; and we have established and implemented a PPE programme in our plant. The main purpose for this programme is to mitigate against potential hazards through the appropriate selection, maintenance and use of PPE. We continuously provide training to our employees to ensure appropriate use of the PPE as well as conduct monitoring of the programme to ensure its ongoing effectiveness.

## Technologically Enhance Natural Occurring Radioactive Material (TENORM) Monitoring

In Kualiti Alam, TENORM exposure is frequently monitored by our Radiation Protection Officer (RPO) and Radiation Protection Supervisor (RPS). TENORM monitoring has been implemented in KA since 2005. We monitor and evaluate 11 stations within KA's boundary. We are proud to report that all radioactive discharges were below the public limit of 0.5 mSv/hr (4.38 mSv/year) with the exception of M4, which is located near our radioactive waste storage area.

As part of our TENORM monitoring programme, we conduct periodic medical surveillance on our staff handling the radioactive waste. The frequency and content of this surveillance vary by area of exposures. Of the TERNORM workers monitored, none of them show abnormalities.

## Emergency Response

We develop and maintain detailed emergency response plans, and appropriately trained and equipped personnel to react to on-site emergencies. Should a scheduled waste transportation incident occur, we have emergency response teams which are available to support our scheduled waste carrier's response to the incident, headed by our Senior Safety Engineer. The programme is intended to provide a pre-planned response to unexpected events such as fire, spillage, process failure, etc.

Over the last few years, we have conducted on-site and off-site mock drills with the cooperation of relevant government agencies such as the Fire and Rescue Department (Seremban and Port Dickson), the Department of Environment, the Police and the Ambulance units. These drills, covering different scenarios, have served to strengthen and improve our contingency planning such as the chain of command between the various emergency units.

## Security

We recognise the importance of securing our facilities and services. We continue to work with industry associations, law enforcement and government agencies to ensure that our facility and services security requirements are identified and addressed. Our facilities have established tiered security measures (including CCTV, security access) which can be implemented in response to real or perceived security threats. We have already installed GPS to our fleet of trucks for transportation of the scheduled waste.



# Our Performance |

## Safety



### SAFETY AND HEALTH MANAGEMENT PERFORMANCE

KA's OSH performance in 2007 has exceeded our expectations on most issues and is a further demonstration that we take SHE seriously. We received the MSOSH OSH Silver Award 2005, MSOSH OSH Gold Award 2006 and NIOSH Gold Award 2006, Cleansing Facility Category. We were also awarded the the Best Newcomer Award by ACCA MESRA award for our sustainability report in 2006.

All awards recognise the best effort and contribution that KA is making in preventing injuries, eliminating occupational illnesses and damage to property and the environment. This success is truly the result of hard work and dedication of each and every employee.

### SAFETY

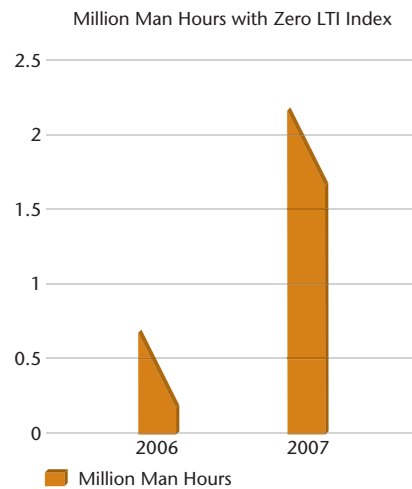
As indicators of our safety performance, we measure:

- Work-related injuries and illnesses that are serious enough to cause the injured or ill employees and contractors to be unable to work for one or more calendar days
- Work-related injuries that do not cause the injured employees and contractors to be unable to work (First Aid)
- Incidents that result in damaged to property (Fire, Property Damaged)
- Incidents that have adverse impacts on the environment (spillage, chemical release)
- Near-miss incidents where all the effects/impacts above could have happened but did not

All injury and illness rates are per 100,000 hours worked.

### Lost Time Injury Index

The main indicator we use to measure health and safety is the LTI rate. A LTI is defined as any incident which results in an employee suffering a period of absence due to incapacity or ill health arising out of the incident and occurring within 24 hours of the incident. We have kept our high level of safety and health performance over the last two years as demonstrated by our LTI figures. Whilst, we are pleased to report that we have successfully maintained zero LTI since April 2005, we will re-double our effort to ensure the status is maintained.



# Our Performance I

## Safety

### Accident/Incident Data

Given the diverse nature of our activities, there are many and varied risks that arise. Overall, KA has improved on our safety record in reducing the accident/incident rate from 63 cases in 2006 to 60 cases in 2007, a reduction of 4.7%.

### Medical Treatment (without M/C)

In 2006, 2 cases involving cuts were referred to the hospital for stitches. Cut resistance gloves will be integrated into the operation to eliminate the same occurrence. The SHE department will be running a new campaign in 2008 on cut resistance glove in the workplace. The aim of the campaign is to raise awareness of the risks and help those involved to take simple action that will prevent finger cut accidents.

Another case involved a driver standing in the line of fire of splash, which was due to the improper packaging from the Waste Generators (WG). All medical treatment cases befell contract staff which has only work in WMC for less than 3 months.

In 2007, a staff suffered from a fall when clearing a clog at the INC 1 feeding chute. As part of the control measures, the work area has now been fitted with wider footing.

### First Aid

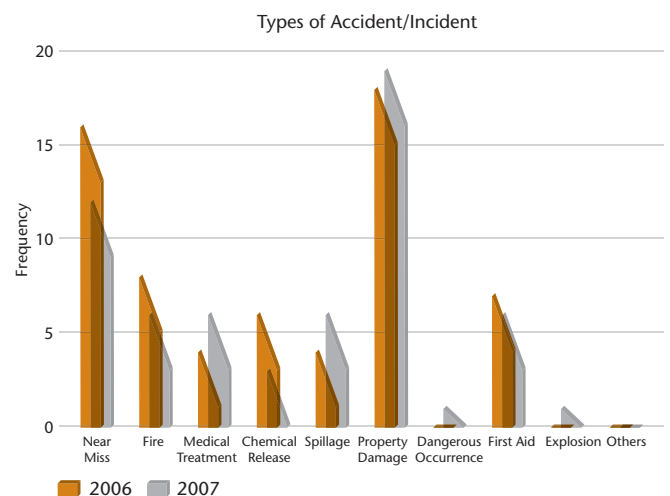
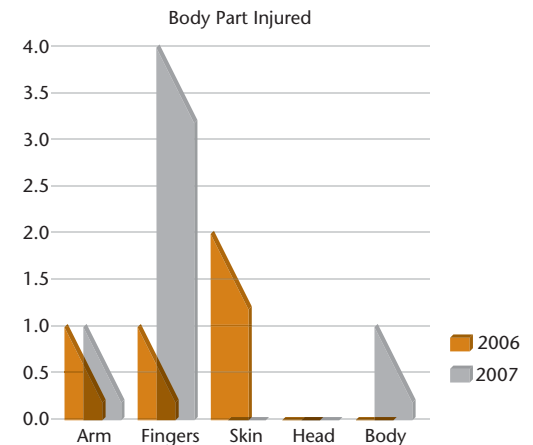
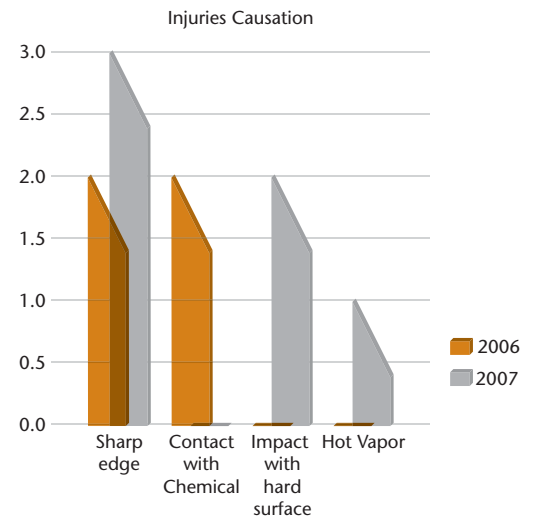
We are pleased to report that our first aid requirement decreased from 7 to 6 in 2007 while 50% of the cases involved cuts to the fingers. However, this issue is a repeat from 2006 and we recognise that it is imperative that we integrate the use of cut resistance gloves into our operation.

### Fire

Of the 6 fire accidents reported in 2007, 5 were related to electrical incidences. Of these, 2 were related to short circuits, while the other 3 cases were due to the aging of indoor wiring. For control measures, the management has instructed for full inspection of the wiring system at the affected areas. The other fire incident was due to insufficient communication between contractors.

Overall, there was no incident relating to laboratory chemical waste reported in 2007, as WGs have been segregating and labelling chemicals prior to disposal following an accident reported in 2006. To further protect ourselves, all segregation works are now done at designated areas where fire protection is at a maximum level.

As a requirement of ISO 14001: 2004 and OHSAS: 18001:1999 standards, we have established a fire prevention system to identify potential fire accidents that can have an adverse impact on our employees, property and the public. Our staff attended training such as fire safety course which included the use of hand-held fire extinguishers, fire suppression course and mock exercises with the Fire and Rescue Department.



# Our Performance I

## Safety

### Property Related Incidents

We recorded 19 cases of property damage in the year 2007, where more than 70% of the cases were caused by contractors. These accidents/incidents could have been avoided through better training by workers, change of worker behavior and improved safety leadership by supervisors and management. As a result we will be looking into the development of training programmes for our supervisors, management and contractors.

### Incidents Involving Contractors

KA's employee property damaged index has improved but those of our contractors' have hit a record high. Almost 10 of the cases in 2007 involved heavy vehicles (lorry and forklift). The continuous change of contract staff who are responsible for driving on site is the main reason for these incidents. Retraining the staff as well as tighter contractor management are part of the solutions to avoid the same occurrences. In line with that, KA has implemented a contractor management system to ensure greater cooperation between the operating companies and contractors.

### Managing Contractors

We require our contractors to accept the same safety responsibilities, standards and training that apply to our employees. To improve safety at work, the SHE department organize tailor-made courses addressed to suppliers and contractors alike, concentrating on management systems, the use of individual protection devices, safety instruments and operational modalities due to the high rate of property damage caused by contractors.

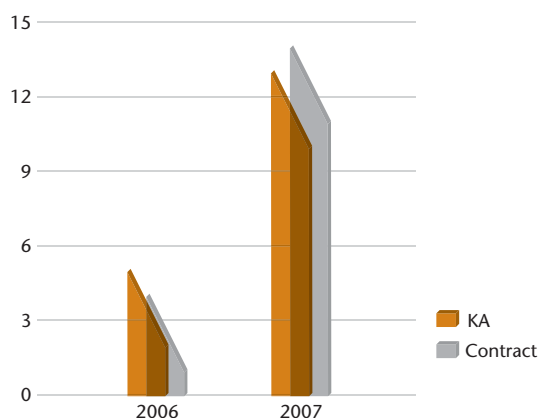
For counter measures, the appointed contractors working in WMC has to register at the SHE department 3 days before work. They need to have 45 minutes of safety briefing before they start working. Work permits which depend of the nature of their work will be provided after verification of their PPE and equipment. A safety watch is appointed to ensure safety.

Due to the incidences arising from contractor activities on site, we recognise that our contractors present a risk to our daily activities, as a result, we will be reviewing their activities to ensure that a high safety level is achieved.

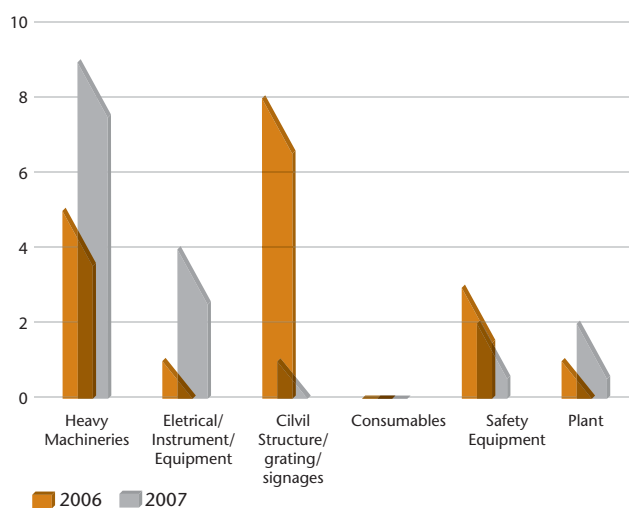
### Types of Property Related Incidents

Overall, the underlying problem for damaged to safety equipment, civil structures and heavy machineries is the lack of space. The management is in the process of acquiring more land to expand landfill and storage, install racking, increase INC treatment capacity and looking into potential recycle waste from backlog. In the meantime, relocation and repacking of waste are being done to relieve the situation as a temporary measure.

Number of Property Related Incidents Involved



Types of Property Related Incidents



# Our Performance I

## Safety

### Chemical Release

In 2006, 3 chemical release cases involving chemical reaction of waste producing gases were reported. Action was taken to study the waste and dispose of it individually. The remediation action undertaken was to set up a new manual alarm system to alert operations on potentially dangerous waste received. The delivery of black listed and dangerous waste will trigger laboratory personnel to circulate relevant information via email to all relevant personnel.

We had an incident involving the overflow of chemicals from an open drum mixed with rain water which was cleared immediately. Chemicals that flowed into surface drains were diverted to the main water reservoir (MWR). We also had 2 reported cases involving the overflow of waste mixed with surface water runoff due to continuous heavy rain. Arising from this, our ERP was activated and Department of Environment (DOE) was informed of the matter.

In 2007, we had 2 incidences involving chemical release cases where waste chemicals received from an illegal factory cleanup leaked and reacted with rainwater. Another incident was when the leachate pipes from RSL leaked. However, no overflow incident occurred when the side bund of Cell 5 was increased.

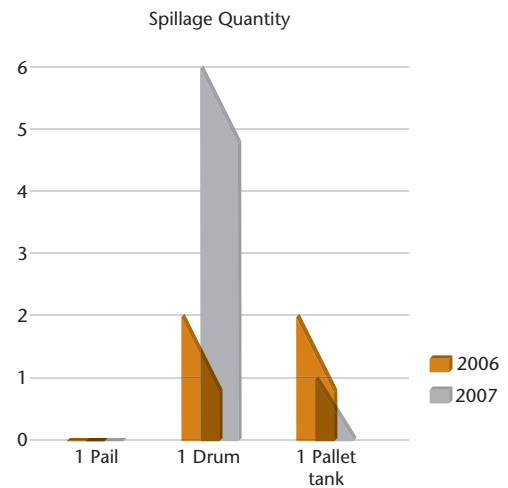
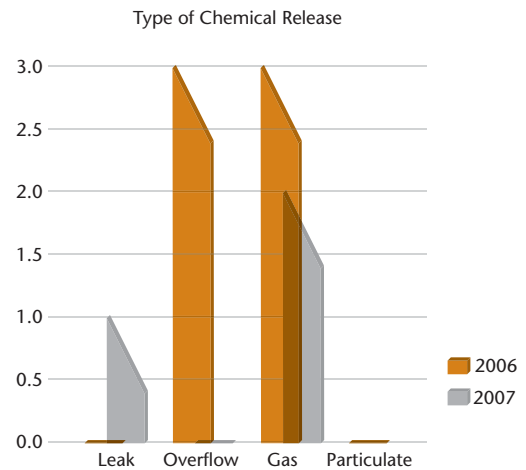
### Spillage

In 2006, we had 3 cases of spillages which were directly related to our activities, twice during unloading of PP bags, a jelly like waste was spilled and once when the pallet deteriorated due to natural elements.

We had the same spillage issue in 2007 when waste seeped from the PP bag container. Kualiti Khidmat Alam (KKA) was informed and the WGs were advised to change their packaging when sending jelly-like waste. It is noted that spillage only occurred during waste transfer.

A preventive and corrective action plan to prevent further spillage has been developed and is being implemented. Operations has to closely monitor their routine activity. Our logistic department is constantly replacing damaged/deteriorating pallets to reduce the probability of pallet collapse and therefore accidents and spillage.

By providing training and continual education to employees, contractors, vendors, and feedback to WGs, we believe that we will be able to reduce the spillage in the future.



# Our Performance |

## Safety

### Near-misses

We define a near miss as an unplanned incident which does not cause injury to humans, damage machineries/structures or have a direct negative impact on the environment although it has the potential to do so. Our ability to take heed of the signals from these near-miss incidents is crucial to our efforts in controlling the hazards that may lead to incidents. We believe there is a lesson in every near-miss which provides an opportunity to improve the systems. We are constantly seeking to encourage the reporting of near misses by our staff or contractors to enable preventive action to be undertaken.

We had 16 near miss reports in 2006 and this was further reduced to 12 cases in 2007. This is due to the fact that most of the potential safety issues are constantly reviewed during our Area Inspections and site walkthrough programmes. As a control measure, we bring management and employees together to review and initiate action on problems of health and safety. To further ensure that workers are aware of the management's safety policy, we have introduced the "Hazard Control" concept to them.

We are in the process of developing and implementing a simpler version of Near Missed Reporting card. We conduct Job Safety Analysis (JSA) periodically to prevent any occurrence of identified hazards. Information and data gathered from the JSA enable the working condition to be improved in every production process in the plant.

# Our Performance |

## Health

### PERFORMANCE - HEALTH

KA recognises the value of health and wellbeing to our business and our people in both their personal and professional lives.

### Medical Surveillance

The USECHH 2000 Regulation under OSHA 1994 Act requires a medical surveillance for all workers exposed to chemicals hazardous to health. Medical surveillance examinations for KA employees, as required under this regulation, are provided at no cost to the workers.

Medical surveillance is the cornerstone of protection of hazardous waste workers. Previous exposure histories and evidence of previous effects from chemical exposures must be considered in recommending any limitations that should be placed on the employee. The physical examination must include an evaluation of the workers ability to wear respiratory protection and other personal protective equipment under the physical conditions of wear and exposure.

The medical surveillance is recommended by the appointed OHD after several consultations with the SHE Department and reviewing the CHRA report, 2002 based on U.S. NIOSH, 1985 and OSHA Regulations (Standards - 29 CFR) 1910.120. Additional heavy metal and solvent tests are prescribed to those potentially with high exposure.

The result of surveillance was presented to the Management and a personal consultation with our occupational doctor was arranged for each staff. Recommendation to management and staff for improvement is discussed during such sessions.

### Occupational Health

An Occupational Health Surveillance Programme was conducted from January-February 2006 and June-July 2007. The objectives of this programme are:

- 1 To provide an assessment on the health and safety of KA employees who are exposed or likely exposed to chemical hazardous to health.
- 2 To maintain and improve the health status of the employee through health education and early detection from the evaluation of health surveillance programme.
- 3 To reduce absenteeism and disruption in lifestyle by providing accessible health assessment promptly.

The activities conducted for this programme include OH surveys among KA employees, waste transportation drivers (Oct 2006-Dec 2006) and marketing personnel (January 2007), the health surveillance programme that was initiated in accordance to the priority health hazards from the OH survey results (February 2007) and OH seminars that were organised to promote safe work practice (April 2007 onwards).

# Our Performance I

## Health



### Occupational Doctor

The main purpose of the occupational doctor is to identify and quantify the exposure level of employees to chemical and physical hazards through the health services. In line with the objective of OSHA 1994 to promote Safety and Health awareness, the SHE department has taken a proactive approach to adopt the services as per USECHH 2000 Regulations 27(1-6) and Part X 28 (1). The SHE Department would like to carry out Medical Surveillance on exposed employees on the adverse impacts to employees' health in the long run.

The occupational doctor (Dr Mazrura Sahani, JKPP KES 127/669/1 (338)) will detect and prevent occupational health diseases, assist in monitoring mandatory medical examinations and medical surveillance programmes. We expect this to improve our overview of occupational health issues and their effects, following which we can set priorities for resource and management issues. Furthermore, the occupational doctor provides a range of health awareness programmes so that we can meet our legal obligations and improve the level of well-being in the workforce.

### Safety Practices that meet all Industry & Safety Standards

We believe that accidents can be prevented through the implementation of integrated occupational health and safety structures at workplaces. Realizing that most accidents are caused by either personal or systemic factors, KA has proactively put into place strategic elements of culture, organizational strategy, performance leadership and organizational behavior to reinforce good and effective safety practices.

KA recognizes that safety is the most important consideration for our clients and maintains an effective safety programme that has proven very successful in keeping lost time accident frequency well below industry norms. KA has an ongoing commitment to improve SHE practice and this is directly reflected in the group's core values.

### Emergency Preparedness

KA has established regular training to develop individual's skills and experience in managing emergencies, which helps to improve their competency levels. Various training courses were organised for key personnel and contractors to meet unexpected contingencies such as fire, spillage, process failure, etc.

Emergencies and crises can happen anytime, often when least expected. To ensure readiness in handling these, KA has put the best foot forward for increasing workers' commitment to their own safety, health and environment at work.

### Monthly Employee Award

We are committed to reaching our goal of zero accidents and injuries in our workplace. For us at KA, the key to achieving this goal is to ensure the active participation and daily involvement of every employee in our SHE programmes. In other words, recognition of facilities, teams and individual employees for their accomplishments in safety and health performance is an integral part of our SHE programme.

Therefore, in 2007, we introduced our internal award programme, called the Safety and Health Award, to recognize and honour employee that has made significant contributions toward helping our company to achieve our OSH goals.

The award will present a special cash awards of RM100.00 on monthly basic and RM1000.00 on yearly basic. Any KA's employee with the exception of the SHE department, regardless of level within the organization are eligible for nominations by their respective Head of Department (HOD). The recommendations are vetted by SHE department and presented to the top management for the final selection.



# Our Performance | Environmental

## PERFORMANCE – ENVIRONMENTAL

The waste management sector provides an important environmental service by dealing with the waste generated by society. This service has environmental impacts. The negative impacts can include emissions of pollutants, generation of odour and traffic and the use of resources such as water and energy. The positive by-products of waste include the reuse and recycling of reusable materials.

The following information shows the key environmental impacts that arise from our processes:

### Environmental Performance Indicators

For our reporting purposes we have grouped our environmental performance into the following groups:

- climate change
- regulatory compliance
- biodiversity
- resource/materials use

This report is structured so that each area is looked at in turn, with the indicators detailed with information on performance and efficiencies, including past results and future targets, where applicable.

### WASTE HANDLING, RECOVERY AND TRANSPORT

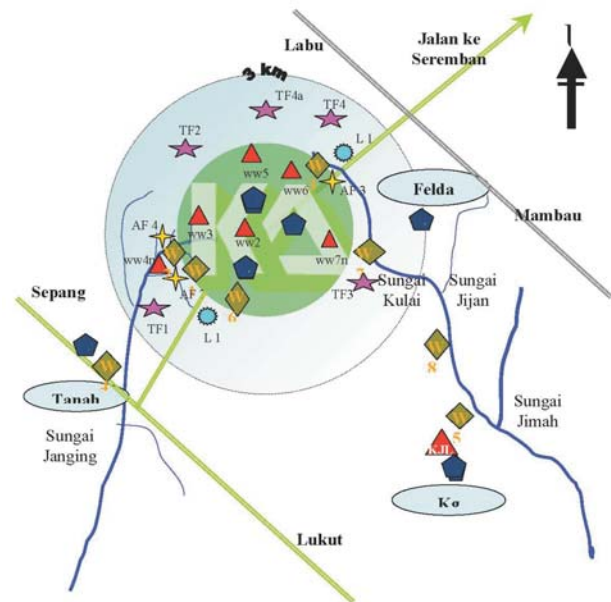
- Dust/odours/vapours
- Noise
- Fuel use
- Vehicle emissions
- Potential spillage/escape of waste

### LIQUID WASTE TREATMENT

- Raw materials used
- Energy used
- Discharge to controlled waters or consented discharge to sewer

### INCINERATION

- Ground water/ surface water pollution
- Leachate
- Dust/odours
- Landfill gas



- ◆ Air permukaan (Sungai)
- ▲ Air bawah tanah
- ◆ Udara persekitaraan
- ✦ Aquatic flora & fauna
- ★ Terrestrial flora & fauna
- Udara permukaan

# Our Performance I

## Environmental



### Regulatory Compliance

We recognise that there is no room for complacency where environmental protection and safety are concerned, especially amid the changing requirements of regulators and customers.

We regularly undergo audits conducted by our regulatory authorities in addition to the compliance auditing undertaken by our customers. These audits are designed to identify any deficiencies in our systems and so prevent breaches of our legal obligations, obviating action by regulators. This risk management element of auditing is further reinforced by our ISO 14001 certification. ISO14001 requires that an accredited third party carries out annual audits and regulatory compliance is a mandatory requirement in order to retain certification.

We have maintained an exemplary compliance record between 2006 and 2007, with no enforcement notices or prosecutions. This performance is consistent with our reputation for reliability and integrity, and our ongoing commitment to continuous review and improvement of site operating procedures.

To help us maintain our performance, we also conducted comprehensive environmental monitoring as part of our Environmental Management Plan (EMP). Part of our comprehensive monitoring programme implemented includes our regulatory obligations, as well as monitoring, which we conduct voluntarily as part of our programme.

KA's Environmental Monitoring station as per DOE requirement.

	No. of Station	Frequency Per Year
Surface Water	8	4
Ground Water	7	4
Ambient Air (Inside WMC)	3	4
Ambient Air (Outside WMC)	3	1
Incinerator Stack	3	4
Dioxin & Furan	1	2
Solidification Stack	1	2
PCT Stack	1	2
Laboratory Stack	1	2
Holding Tank	2	4
River Sediment	3	2
Ground Level Concentration	2	2
Boundary Noise	4	2
Aquatic Flora & Fauna	3	2
Terrestrial Flora & Fauna	6	1

*No. of monitoring stations vs frequency per year*



# Our Performance I

## Environmental



### Climate Change

The release into the atmosphere of greenhouse gases such as carbon dioxide and methane poses a threat to the environment due to their potential to cause changes to the global climate, a phenomenon commonly known as "Global Warming".

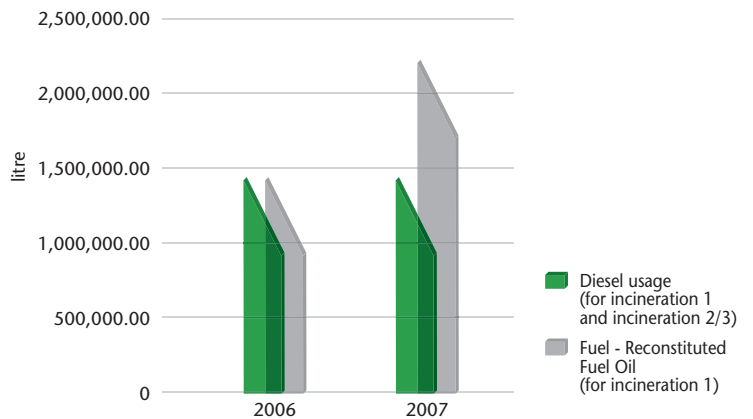
As a waste management company, we release greenhouse gases from a number of sources. The main areas are from the emission of transport, energy use and incineration.

Our readers should note that KA is only in its initial stages of managing our greenhouse gas emission. Our total greenhouse gas emissions have been estimated to assess the impact of our activities on global warming and climate change. We have started by quantifying our emissions from electricity consumed in our offices, workshops and various waste facilities and from our use of fuel.

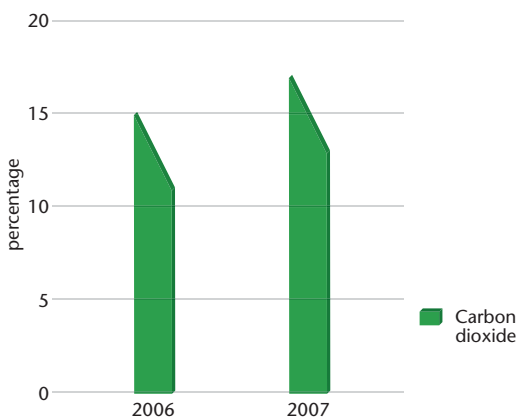
We are pleased to report that we have reduced our carbon dioxide emissions by 3% from 2006 to 2007 in terms of electricity usage and by 12% from the consumption of diesel. These reductions are gained from our intensive efforts in reducing materials used on site and from the conversion of diesel usage to reconstituted oil.

However, this switch in fuel use resulted in a net increase of carbon dioxide emission by 11%. In terms of carbon dioxide emission per tonne of waste, our carbon dioxide emission rate increased by 15% from 2006 to 2007.

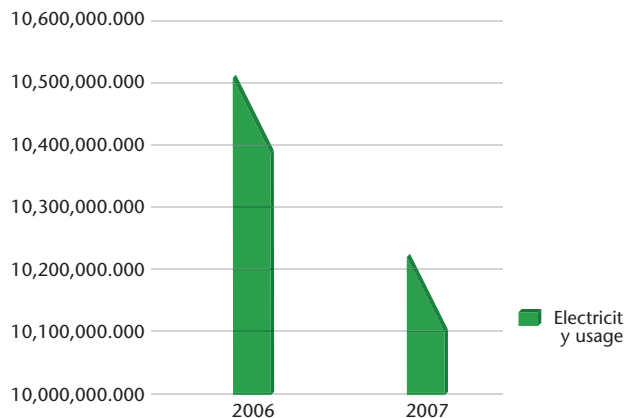
Comparison of diesel and fuel



Comparison of carbon dioxide emission



Comparison of electricity usage



# Our Performance I

## Environmental

### Efforts towards Energy Consumption Reduction

Our energy use was reduced by approximately 3% from 2006 to 2007, however, our unit energy consumption per tonne of waste treated was maintained at around 95 kWh per tonne of waste treated, for all our operations. This means that our energy reduction was achieved primarily through a reduction in the volumes of waste treated.

Recognising the importance in managing energy consumption, we have incorporated the energy reduction issue into the Six Sigma project methodologies. The six sigma methodologies were implemented since May 2007 to promote continuous improvement towards achieving KA's environmental goals.

A number of measures have been taken to minimize our energy consumption under the Six Sigma methodologies. Installation of the soft starter or inverter in the electrical motor equipment is one of the ways to reduce unnecessary speed and energy consumption for pumps, fans and blowers. We managed to reduce a total of 15%-50% of our energy usage through this effort.

Air conditioning is another main source of energy consumption. In recognition of this, the temperature setting for our air-conditioners have been set to 22-24°C. All cooling or refrigerant systems, air conditioners, chiller compressors and heat exchanger have been converted to split unit air conditional systems to reduce the energy consumption by 8-25%.

We have changed most of our normal fluorescents to energy-saving fluorescent lights to reduce energy consumption. As the six sigma methodologies have only been implemented from the mid year of 2007, only 2.70% of energy consumption (283,350 kwh) has been reduced at the end of 2007. However, our goal is to achieve energy efficiency and maximise the utilisation of materials.

### Efforts towards Diesel and Reconstituted Oil Consumption Reduction

In 2005, we invested RM 1.2 million to upgrade our Incinerator 1 to run on reconstituted oil. Incinerator 1 has the capability to run either on 100% diesel, 100% fuel from waste or a proportion between these two fuel types.

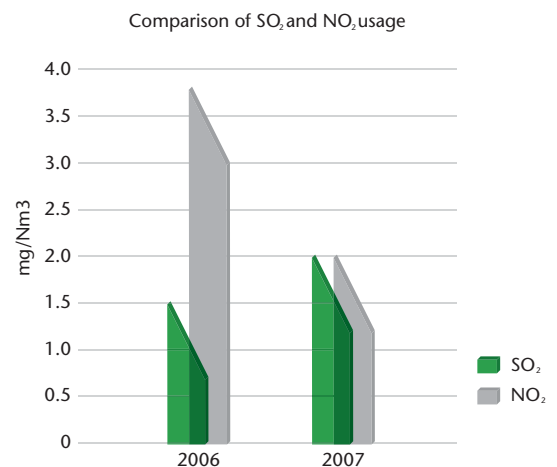
With this new burner, we now have the ability to use either reconstituted oil or fuel derived from waste, providing greater flexibility in terms of fuel source and economical savings.

In 2006, we were running our incinerators on a combination of diesel and reconstituted oil; Incinerator 1 was using approximately 50% diesel and 50% reconstituted oil. However in 2007, we were able to use Incinerator 1 primarily on reconstituted oil, there by reducing our diesel consumption by 10%.

In terms of fuel efficiency, our use of diesel per tonne of waste treated ranged from 41 litres in 2006 to 35 litres in 2007, while our consumption of reconstituted oil ranged from 44 litres per tonne of waste treated in 2006 to 69 litres in 2007 for Incinerator 1. This means that our use of reconstituted oil increased by 60% per tonne of waste treated.

While we have seen a significant reduction in cost in terms of diesel usage in our operations, we are also committed to maximise the use of reconstituted oil in order to ensure effective use of our raw materials and reduce the impact on climate change. We will be exploring the use of other fuel types which will help us reduce both our environmental and cost impacts.

We recognise that our emissions of SO<sub>2</sub> and NO<sub>2</sub> also contribute to global warming and for the years 2006 to 2007, our emissions of SO<sub>2</sub> and NO<sub>2</sub> are shown in the graph below. Given the low emission rates of these two gasses, we will focus our efforts on the reduction of carbon dioxide emissions from the use of energy and fuel in our future operations.



# Our Performance I

## Environmental



We also recognise that at this stage of our operations, we have not as yet accounted for emissions arising from our transporters or travel conducted by our staff. We will be working on this sector of our operation and hope to be in a position to report on these emissions in the future.

It is our intention to achieve zero carbon emissions within the next five years arising from our activities on site. Thus, we are working to be one of the registered Clean Development Mechanism (CDM) organization in the future. We are also planning to develop efficient and effective technology for the production of green fuels (biodiesel and biofuel) to help conserve and preserve the utilisation of natural resources.

We place great concern on the issue of global warming and strive towards carbon emission reduction (CER). In line with that, we strongly encourage Life Cycle Assessment (LCA) to be used as a tool to improve the environmental impacts of our services. MS ISO 14040 LCA – Principle and Framework and ISO 14044 LCA-Requirement and Guidelines were used as the main guiding principle in the organization towards sustainability environmental management system.

Based on the guidelines, the LCA system boundaries for hazardous waste management have been determined for our operations since 2006. Carbon dioxide emission from waste transportation, utilities usage, solidification inventory and secured landfill will be monitored and evaluated from year to year to ensure its compliance to the emission standard.

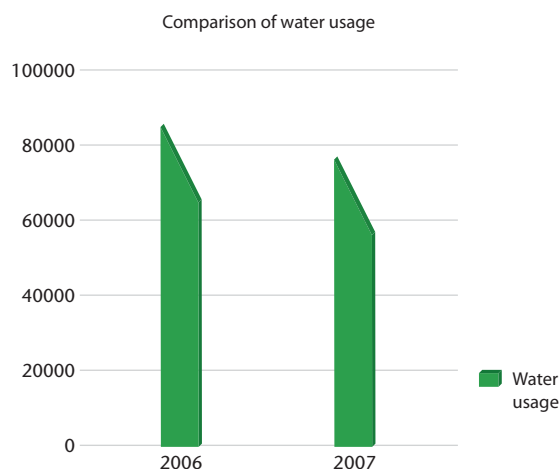
### Materials Use

We have developed programmes to use material resources efficiently since 2000. Our materials are used to treat and convert hazardous waste, and most of our materials consumed are directly linked to the quantity of wastes treated.

### Water

Approximately 20% of our water use on site consists of recycled water. Our plant at the Waste Management Centre has been designed to collect stormwater while slurry from our wastewater treatment plants is collected for recycling.

Our water use in 2007 decreased by approximately 10% as compared to 2006, primarily due to a leak detected at the front wall rotary kiln cooling jacket in 2006, which resulted in the loss of approximately 2400 m<sup>3</sup> of water. Water use per tonne of waste treated was reduced by 6% per tonne of waste treated from 0.8 m<sup>3</sup> in 2006 to 0.7m<sup>3</sup> in 2007.



We monitor our water use closely and it is our intention to ensure that water use on site is maximised and used as efficiently as possible.

### Treatment Materials

We consume cement, sand, lime, caustic soda, nitrogen gas and a wide range of chemicals to provide our hazardous waste treatment services. These materials are consumed by our incineration, solidification, physical-chemical treatment and leachate treatment plants. Our consumption of these materials varies depending on the type of hazardous waste treated.

# Our Performance I

## Environmental

### Lime Consumption

Lime is primarily used in our solidification plant, however lime has also been used in our incineration plants. From 2006 to 2007, our use of lime increased by 24%, used mainly for the solidification of waste. Our use of lime in our incineration process is small and constitute about 0.01% of our total lime consumption.

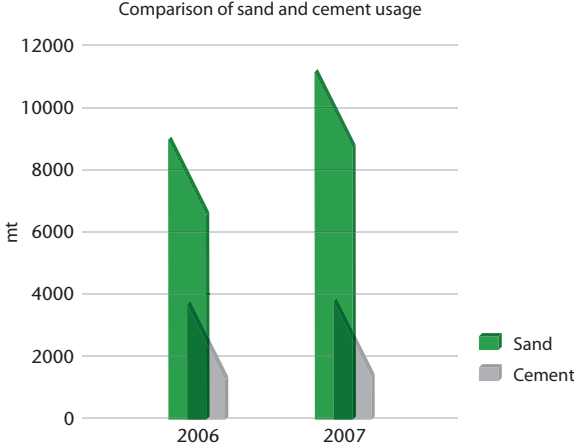
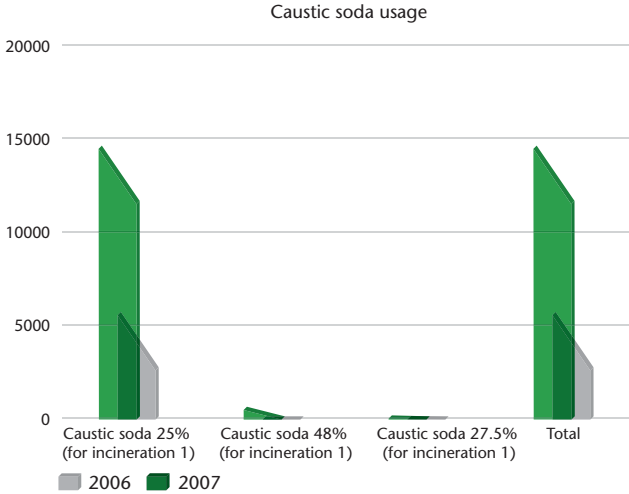
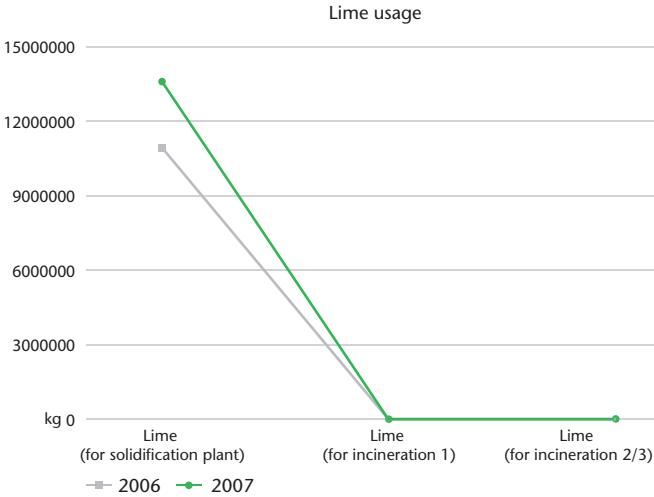
In terms of usage per tonne of waste treated, lime consumption increased from 675 kg/tonne of waste treated to 732 kg/tonne of waste treated in the solidification plant. Whilst it is difficult to control the use of lime as this is tied to the types of waste sent for treatment by our customers, we are trying to maximise the efficient use of lime for solidification in our process.

### Caustic Soda

Caustic soda is used only for our incineration process. In 2006, our total volume of caustic soda used was 5619 kg while in 2007, our total volume of caustic soda used was 9475 kg. This represents an increase of 69% in total volume of caustic soda consumed. In terms of efficiency of use, in 2006, the use of caustic soda per tonne of waste treated was 0.2 kg as compared to 0.3 kg/tonne of waste treated in 2007. The increase in 2007 was related to the increase of waste incinerated on site. Nonetheless, this indicates to us that we have been successful in ensuring the efficiency of our incineration process in terms of caustic soda usage.

### Sand and Cement Usage

Between 2006 and 2007, we have not increased the use of cement in our process but our sand usage has increased by 17%. However, despite the increase in volume, our usage of sand per tonne of waste treated remained relatively constant at 0.6 metric tonnes of sand per tonne of waste treated from 2006 to 2007.



# Our Performance I

## Environmental



### Nitrogen

In 2007, our consumption of nitrogen increased by 35% due to the increase in volume of waste treated. In terms of nitrogen use of tonne of waste treated for Incinerator 1, nitrogen use increased from 0.1 m<sup>3</sup>/tonne of waste in 2006 to 0.2 m<sup>3</sup>/tonne of waste in 2007. This represents a 50% increase in nitrogen use despite an increase of 1% in the volume of waste treated in Incinerator 1. Whilst the use of nitrogen in our treatment process is relatively small, about 560 m<sup>3</sup>, nonetheless it is our policy to ensure that the use of materials is fully utilised at all times.

### Air Emissions Regulatory Compliance

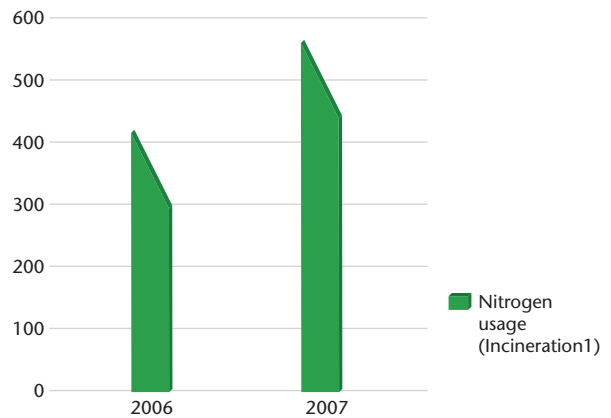
We monitor air emissions from our incineration plant, solidification plant, physical-chemical plant, containerized mini incinerator and also the ambient air. Each air monitoring site recorded total suspended particulates, volatile organic compounds (VOCs), carbon monoxide (CO), nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and a number of other parameters for heavy metal monitoring.

From our stack monitoring stations, we monitor a number of hazardous gaseous substances that may be the result of the incineration of scheduled waste that we handle. This includes dioxin and furans.

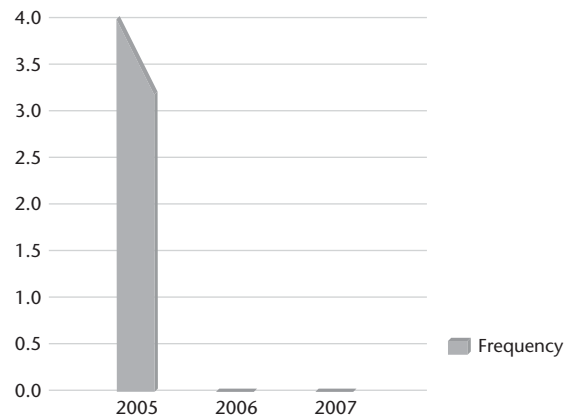
The Air Monitoring Non-Compliance Index is made up of the aggregated non-compliance cases recorded in the Environmental Monitoring Programme for the all the monitoring points each year.

In 2006 and 2007, we have not recorded any incidences of non-compliance in terms of air emissions. This indicates our strong controls in ensuring the good air quality that arises from our plant activities.

Nitrogen usage (Incineration 1)



Air monitoring non-compliance index



# Our Performance I

## Environmental

### Ambient Air Quality Performance

In 2007, we have managed to reduce our emissions of NO<sub>x</sub> and suspended particulate matter discharges, however, our emissions of carbon monoxide (CO), iron (Fe) and zinc (Zn) increased as compared to 2006 but still within the stipulated limits.

As part of our monitoring programme, we initiated air quality monitoring at the ground level since 2006. This was done primarily to ensure the safety & health of our employees on site. Two stations were selected where the following parameters were monitored:

- Free Chlorine as Cl<sub>2</sub>
- Hydrochloric acid as HCl
- Polychlorinated Biphenyls as PCB's
- Arsenic as As
- Cadmium as Cd
- Aluminium as Al

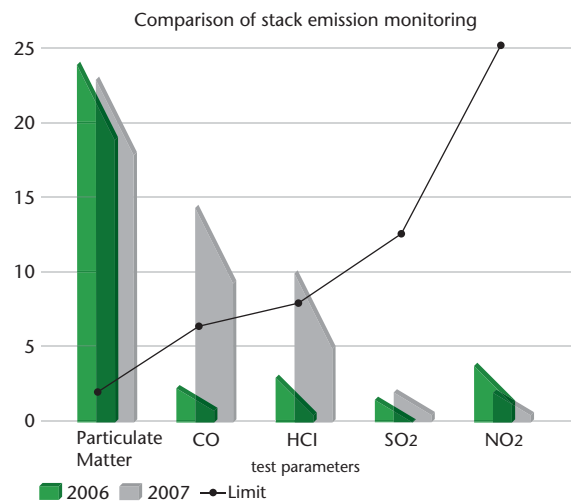
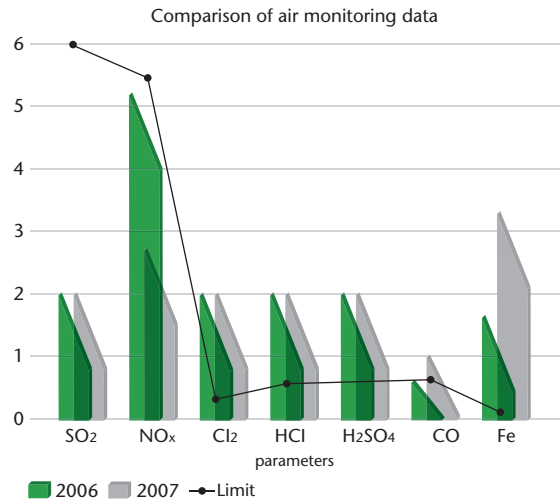
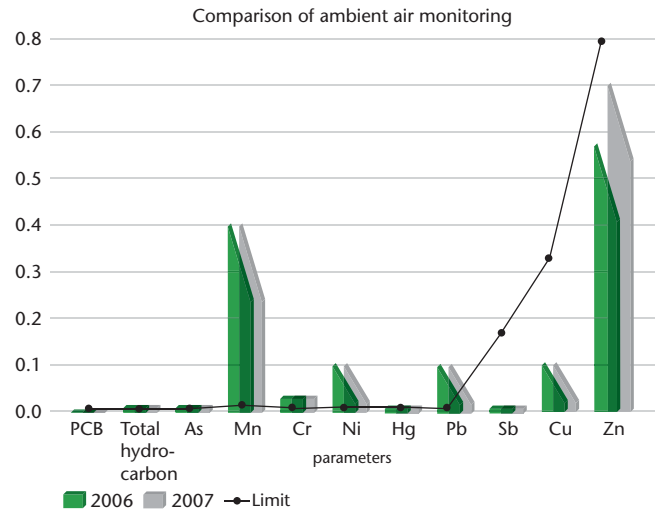
As can be seen from the data presented, all parameters monitored were within the stipulated limits.

### Stack Emissions Quality Performance

At Kualiti Alam, we conducted stack emission monitoring on a quarterly basis as well as continuous monitoring from our operation. The stack emission monitoring works include testing on the waste incineration plant, mini incinerator of containerized based incinerator system (CIS), laboratory fume hood chimney emissions, physical and chemical treatment (PCT) plant and solidification plant (SP).

We could see that there were significant increases for Hydrochloric Acid, Carbon Monoxide and Sulphur Dioxide in 2007. However, the contaminants released were still under the stipulated limits. These increments were largely related to the types of the waste treated in the incineration power plant.

However, we are glad to report that the entire test parameters monitored were in compliance with their respective standard limits. The dioxin and furan concentration were below the limits as stipulated by DOE guidelines too.



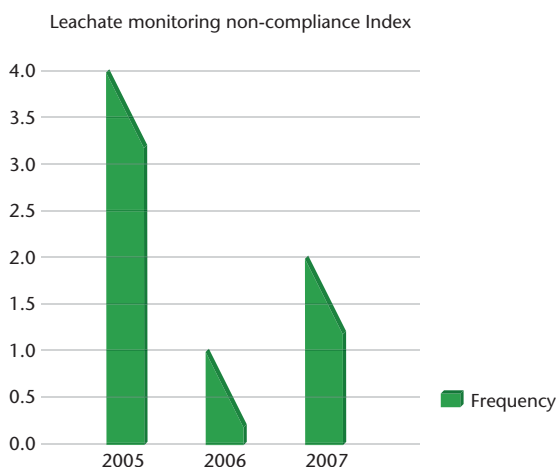
# Our Performance I

## Environmental

### Water Quality Regulatory Compliance

For 2006 and 2007, we are pleased to report that we have had no incidences of non-compliance arising from our surface and groundwater quality. We also did not discharge treated effluent from our leachate treatment plant. Commissioned in 2001, we are proud to be operating Malaysia's most advanced leachate treatment plant equipped with state-of-the-art technology. For 2007, there is an increase in the number of non-compliance incidences from our leachate treatment plant. However, we are confident that with the operation of our new Leachate Treatment plant and Six Sigma Methodologies Projects, this will no longer be an issue.

Generally, the overall treated wastewater sampled is in compliance with their respective regulatory requirements.



### Performance in Maintaining Water Quality

To maintain our water resources to be free from contamination, we conduct continuous surveillance and monitoring. Our monitoring stations are strategically placed at various locations within our waste management centre to assess whether the environmental conditions comply with the legal legislations.

### Surface water Quality Performance

We have conducted surface water monitoring based on Water Quality Index (WQI) and National Inland Water Quality Standards for Malaysia (NIWQSM) according to Department of Environment (DOE) requirements.

The WQI value and INWQS values are tabulated to allow determination on the cleanliness and availability of water usage, including indicating the degree index of pollution in the river, as shown in the table below:

All stations have data ranging from 52 to 90, which are in class II and class III as indicated in the Water Quality Scale table. In other words, all stations demonstrated good water quality.

Overall, all parameters measured were within their respective limits if compared to NIWQSM. Only Zinc and iron had slightly higher concentrations if compared to other heavy metals test parameters. However, they are still within the standard limits under NIWQSM. The higher concentration in zinc and iron are much related to natural background concentration, which came from the soil and the groundwater in our vicinity.

### WQI Quality scale

Classes	Range	Quality Scale	Descriptions for suitability
Class I	> 92.7	Excellent water quality	No water treatment is needed (only disinfection and boiling). Suitable for sensitive aquatic species
Class II	92.7 - 76.5	Good water quality	Water treatment needed. Suitable for sensitive life and recreational activities.
Class III	76.5 - 51.9	Medium or average water quality	Intensive water treatment is needed. Still suitable for aquatic life and has economic values.
Class IV	51.9 - 31.0	Fair water quality	Suitable for irrigation activities
Class V	< 31.0	Poor water quality	Not suitable for any activities

# Our Performance I

## Environmental

### Groundwater Quality Performance

We had conducted groundwater monitoring in 7 points; 6 points (WW1, WW2, WW3, WW4, WW5 & WW6) are located within the plant area while one point is situated at Kg. Jimah Lama (KJL). The groundwater monitoring data were compared against the Dutch Intervention Values (DIV) and baseline data taken in 1996.

Generally, all of the test parameters were still within the standards with satisfying status and indicated good groundwater quality.

### Wastewater Quality Performance

We only discharge treated sewage effluents as other effluents arising from scheduled waste treatment are treated in our leachate treatment plant (LTP). Our leachate treatment plant, which was commissioned in 2001, is Malaysia's most advanced leachate treatment plant where leachate is treated and reused in the plant with continuous surveillance and monitoring.

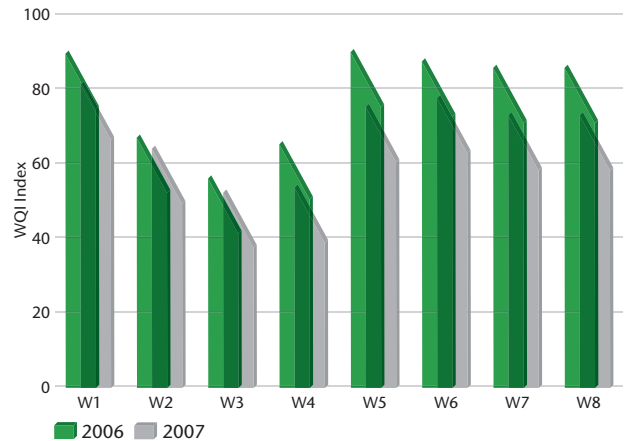
At Kualiti Alam, our leachate monitoring was performed at the Equalization Tank (EQ Tank) at our new leachate treatment plant. The treatment plant receives the first tank of leachate from landfill before it undergoes further processing. The final process of treated leachate water will be channelled into process water tank for further operational usage.

Besides that, we also perform reservoir water monitoring and sewage water monitoring from time to time. Reservoir water monitoring was performed at the reservoir, which is used to collect stormwater and rainwater from the drainage within our vicinity. Thus, there were two test parameters, Zinc and Phenol, which showed slightly higher concentration than the Standard B, under Environmental Quality (Sewage and Industrial Effluent) Regulations, 1979 in 2006 and 2007.

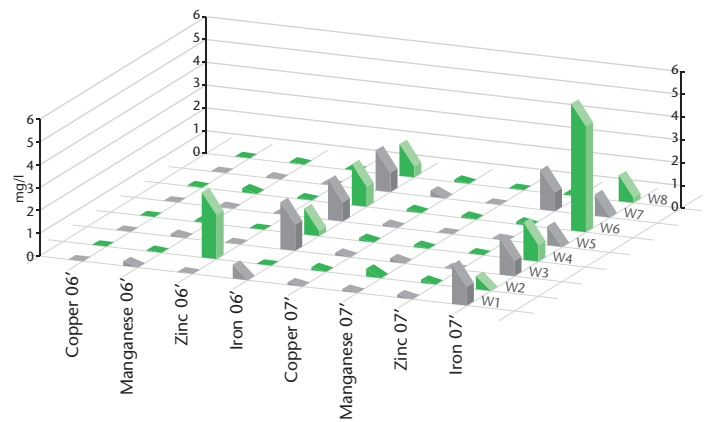
We are committed to resolve the above issue through incorporation of the stormwater treatment into our six sigma project methodologies. It is our goal is to have the treated effluent achieving Standard B (sewage and effluents discharge) criteria.

We also discharge sewage process water; generally, the sewage effluent discharged was within the Standard B Discharge limit.

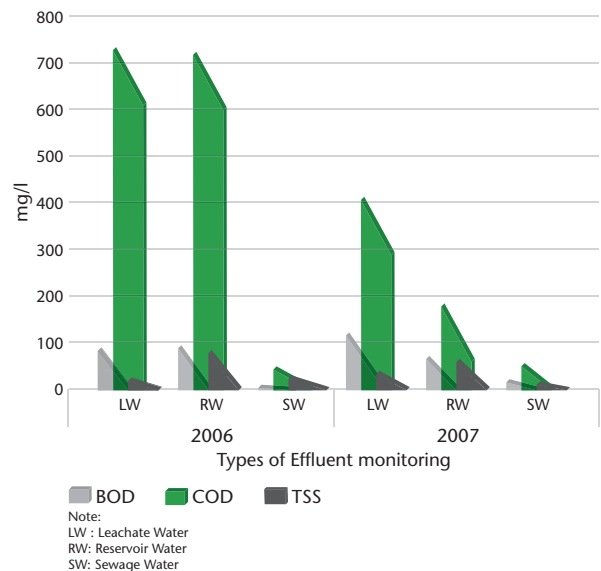
WQI Index for surface water monitoring



Comparison of surface water monitoring data (Heavy Metals) for year



Comparison of Effluent monitoring data



# Our Performance I

## Environmental



### Discharges of Land Surface

For 2006, we recorded 9 spill incidences, an increase of 1 from 2005. In the event of spillage, an ERP team is deployed from the WMC, with support from Jabatan Bomba. For different cases of accidents/spillage or leakage of toxic effluents, there is a corresponding Corrective Action Required (CAR) to be taken. Immediate remedial and recovery measures are deployed to ensure minimal hazardous impact to the environment.

Our goal is to prevent all spills and leaks from our energy transportation and operation systems. In alignment with ISO14001 standards, Kualiti Alam carries out spill prevention and detection preventive maintenance programmes as part of a comprehensive management system of our facilities. Kualiti Alam appoints independent third parties to monitor environmental impacts.

### Waste Management

For year 2006, we generated about 19830 tonnes of waste – 72% being hazardous waste and 28% being solid waste.

Our hazardous waste, which comprises of spent oil, contaminated uniforms and rags, slag, fly ash and lab waste is sent to our Incineration Plant for incineration whilst scheduled waste, such as empty drums, pallets and scrap metal is sent to steel mills for recycling or disposed of at the Bukit Palong Municipal Landfill in Lukut. Both types of waste will undergo thorough cleaning procedures and inspection prior to leaving Kualiti Alam's premises.

We minimise the amount of waste from our operations wherever possible, by reducing the amount of waste we generate or by finding beneficial ways to reuse waste by-products. One of our priorities is to promote consistent waste management practices across our businesses. The development of waste management tracking and training programmes helps our employees achieve better waste recovery and meet regulations.

### Biodiversity

Biodiversity forms the foundation of a vast array of ecosystem services that critically contribute to human well-being. We are committed to manage our land base in a manner that minimises the impact during our operations and return the land to productive capacity as quickly as possible. We have developed plans for landscaping and beautification programmes that include monitoring and special plantings to add some plant diversity and habitat for fauna in the surrounding area.

We have regularly conducted short surveys at four study sites located within a 3km radius from our waste management plant. Various ecological indicators were used in the biodiversity monitoring as they form a critical component of monitoring, assessment and decision-making.

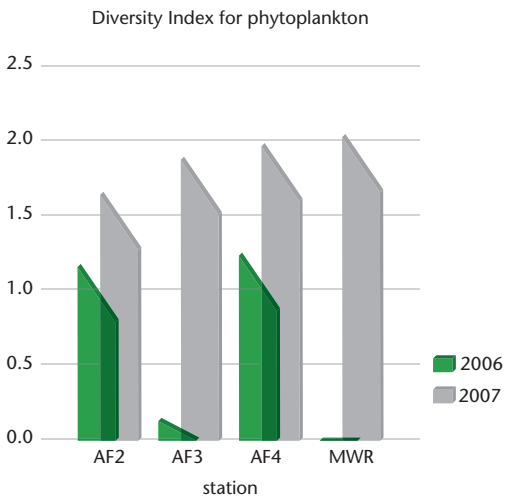
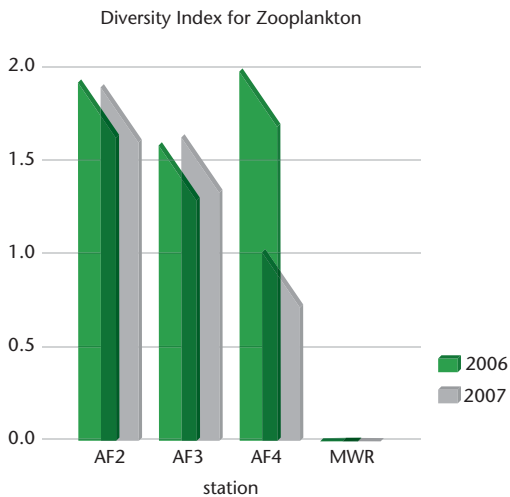
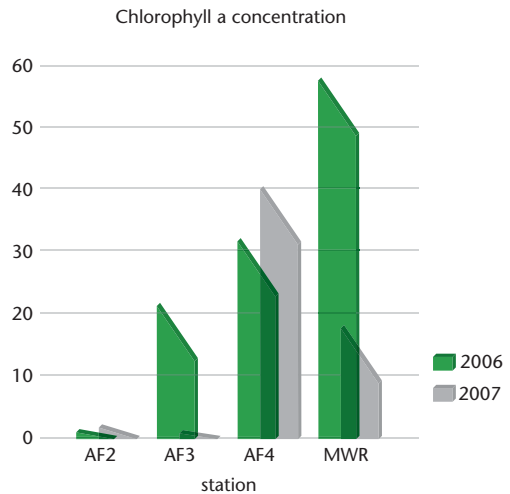
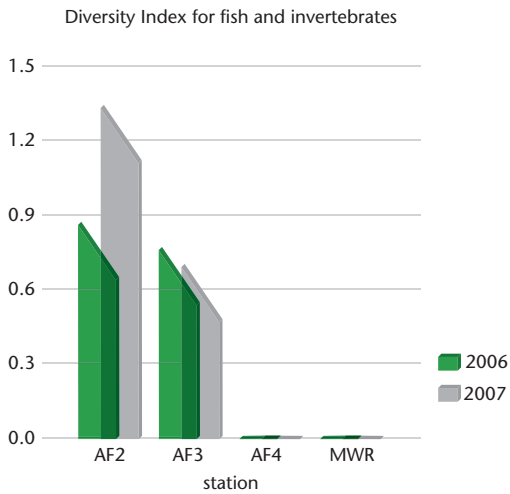
### Bio-aquatic monitoring

At Kualiti Alam, we conducted bio-aquatic monitoring frequently to quantify bio-aquatic species into relative abundance and diversity index. Diversity index was calculated using Shannon's H and E and used to assess the diversity of any population in which each member belongs to a unique species. Thus, in the monitoring programme, diversity index was used to demonstrate the biodiversity status for our four main ecological indicators, which are fish, *phytoplankton*, *zooplankton* and *chlorophyll a*.

All stations were at normal and satisfied levels in terms of diversity index and *chlorophyll a* concentration. Thus all station shows a good diverse of the species.

# Our Performance I

## Environmental



# Our Performance I

## Environmental

### Bioassay monitoring

Bioassay monitoring is another monitoring programme to quantify toxicity of water through bioassay species indicator usage. At Kualiti Alam, we conducted bioassay monitoring through three main species indicator, which are *Tilapia*, *Chlorella Vulgaris* and *Moina Micrura* at three different stations, AF2, AF3 and AF4.

Overall, water quality from AF2 and AF3 was found to be non-toxic. There was stimulated growth of *Chlorella Vulgaris* in the monitoring points, thus indicating high content of nutrients and phosphorus in the water. Only water samples from station AF4 showed relatively high toxicity as *Tilapia*, *Chlorella Vulgaris* and *Moina micrura* showed negative results for the testing. This is mostly due to the location of station AF4, which is located at a small stream near to a main water reservoir. As the main water reservoir serves to collect rainwater and stormwater, thus the water sample from it will undergo treatment before distributing it to other unit processes.

### Terrestrial Flora and Fauna monitoring

We are proud of our terrestrial flora and fauna monitoring programme as our continuous study of our surrounding area has identified a total of 59 species from 31 families of avifauna. We also found a protected species of butterfly, the Birdwing Butterfly (*Troides Helena Cerberus*), as well as the observation of a leopard cat at one of the monitoring station.

We are pleased to report that for 2007, no adverse impacts on the flora and fauna were detected. It is our commitment to continue monitoring of biodiversity in our surrounding environment for the future to assure the conservation of our local ecosystem.

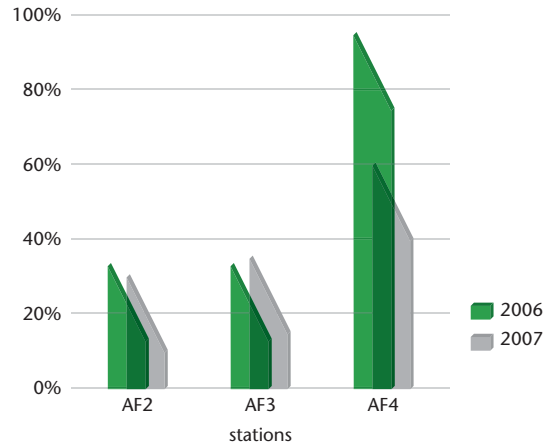
### 2006/2007 Performance Highlights:

- 1 Zero LTI for the third year since April 2005
- 2 "MSOSH OSH Silver Award" in 2005 from Malaysian Society For Occupational Safety and Health
- 3 "MSOSH OSH Gold Award" in 2006 from Malaysian Society For Occupational Safety and Health
- 4 "National Occupational, Safety and Health Excellence Award" – Gold, Service Utilities Category in 2007
- 5 Participate in the CHWMEG, Inc. 2007 Facility Review Programme on 13 August 2007.
- 6 EIMAS Trainer for scheduled waste manager
- 7 Prime Minister Hibiscus Award 2006/2007 – Notable Achievement winner
- 8 Integrated Management System 2007 (ISO90001: 2000, ISO14001:2004 & OHSAS18001:1999) for Kualiti Khidmat Alam

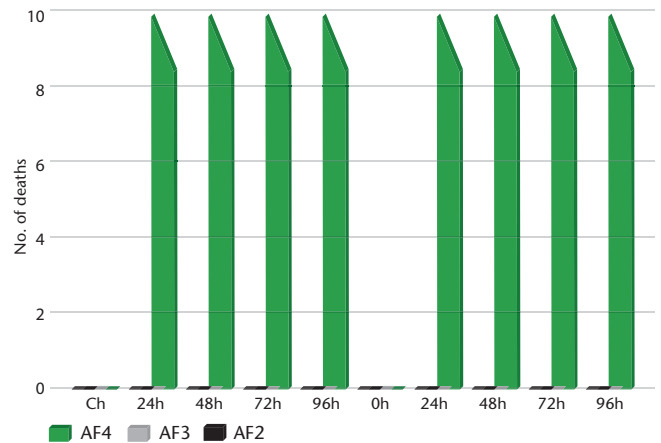
### On-going projects:

- 1 Process and planning of conversion to OHSAS 18001:2007 for Kualiti Alam & Kualiti Khidmat Alam
- 2 Submission for RoSPA Occupational Safety & Health Award 2008 (UK based)
- 3 3.5 Million man hours worked without LTI
- 4 Integrated Management System (ISO9001:2000, ISO14001:2004 & OHSAS18001:2007) for Kualiti Kitar Alam
- 5 Occupational illness analysis among staff especially those exposed to handling schedule waste and heavy metals (CHRA)
- 6 Submission for MSOSH Award 2007

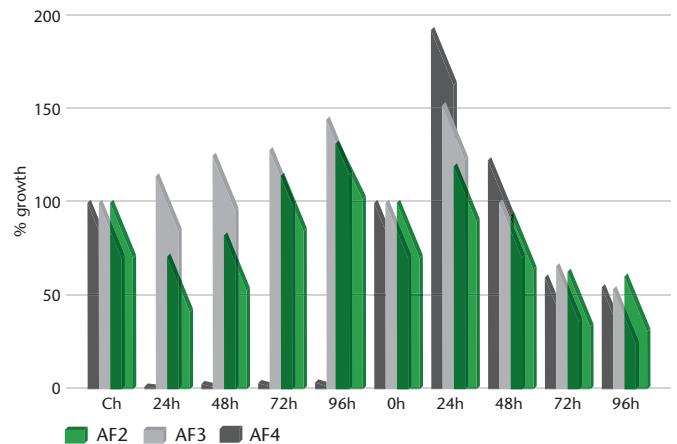
Comparison of Moina Micrura



Comparison of Tilapia



Comparison of Chlorella Vulgaris



# Your Feedback

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(please tick where appropriate)

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

Please state reason if you answered "no"

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

\_\_\_\_\_  
Signature

Your name and address (optional):

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Organisation:

---

Telephone number (home/office):

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Email address:

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**REQUEST FOR A PRINTED COPY OF THE KUALITI ALAM 2006-2007 SAFETY, HEALTH AND ENVIRONMENT REPORT**

Name:

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Telephone number (home/office):

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E-mail address:

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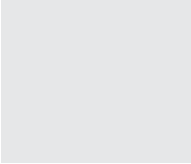
Address:

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stamp



Attn: Encik Hamdan Osman/Cik Normalis  
**Kualiti Alam Sdn Bhd**  
Ladang Tanah Merah A3 Division  
71960 Bukit Pelandok,  
P.O. Box 126, 71000 Port Dickson,  
Negeri Sembilan, Malaysia.

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