FROST & SULLIVAN



2022 COMPANY OF THE YEAR



Malaysia Waste Management Industry

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Alam Flora Sdn Bhd excels in many of the criteria in the waste management space.

AWARD CRITERIA	
Visionary Innovation & Performance	Customer Impact
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Alam Flora Sdn Bhd: A Distinguished Leader

Established in 1995 and headquartered in Selangor, Malaysia, Alam Flora Sdn Bhd (Alam Flora), a subsidiary of Malakoff Corporation Berhad, is an industry-leading waste management company that enables communities to manage and reduce waste with marginal impact on the environment. Harnessing 27 years of expertise and integration of advanced technology, the company facilitates comprehensive, state-of-the-art solutions: solid waste collection, public cleansing, asset and facilities management, infrastructure cleansing and waste solutions, and waste management facilities. Accentuating its vision "to be a leading environmental management company committed to improving the quality of life," Alam Flora firmly aligns with the United Nations' Sustainable Development Goals (SDGs). It commits explicitly to SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation, and infrastructure), SDG 11 (sustainable cities and communities), SDG 12 (responsible consumption and production), SDG 13 (climate action), SDG 14 (life below water), SDG 15 (life on land), and SDG 17 (partnerships for the goals). In addition, Alam Flora complies with Malaysia's Ministry of Housing and Local Government's National Cleanliness Policy (introduced in 2019), signifying its attention to excellence and responsibility.

¹ http://www.alamflora.com.my/home/who-we-are/company-background/

² http://www.alamflora.com.my/sustainability/

Alam Flora collects an average of 1.01 million tonnes of waste annually. Most of the collected waste comes from public cleansing. In addition to day-to-day waste collection, the company delivers services such as grass cutting, cleaning public drains and other public places (e.g., toilets, beaches, and markets), cleaning illegally dumped controlled solid waste, sweeping roads, and removing carcasses. Owing to its unparalleled capabilities and efficient operations, Alam Flora has acquired international certifications, including ISO 9001 (quality management systems), ISO 14001 (environmental management system), and ISO 45001 (occupational health and safety).³

To solidify the company's business framework further, Alam Flora's leaders foster a company culture based on seven core values: excellent customer relations, a sense of urgency, teamwork, harmonious relationships, pride and professionalism, quality services, and trust and respect. The company's core principles promote and deliver benefits to customers and employees. Its fundamental values create an atmosphere where employees feel that Alam Flora's leaders care about their wellbeing. Additionally, the company exhibits devotion toward "the development of a skilled, dedicated, and knowledgeable workforce." Frost & Sullivan's research analysts find Alam Flora's company culture supportive of employee happiness, and happy employees translate to satisfied customers, which galvanizes customer loyalty and revenue growth. In 2021, it realized a 2% increase in revenue (compared to 2020) and secured an operating margin of 43%.

In 2019, 2020, and 2021 Frost & Sullivan acclaimed Alam Flora as Company of the Year for its exceptional waste management services and solutions, best practices implementation, and optimal customer experience. Due to its sustained focus on growth, innovation, and leadership, Frost & Sullivan remains impressed with Alam Flora's performance in Malaysia's waste management industry. These consecutive recognitions highlight the company's unique approach and strategy, fortifying its competitive edge.

Recipe for Success

Alam Flora closely monitors emerging market trends and evolving customer demands, then responds with novel solutions. It connects deep-seated domain and operational knowledge with advanced services to address industry challenges. The company identifies the lack of awareness regarding recycling and waste management amongst most of the population. To resolve this issue, it actively promotes awareness through various initiatives. Furthermore, as part of its dedication to minimizing Malaysia's waste management industry's carbon footprint, it supports and employs multiple waste treatment approaches, including collecting recyclable materials, waste recovery, and waste-to-energy or other usable goods programs.

The company's dynamic and unmatched technology-focused portfolio entails Material Recovery Facility, Composting, Post Reception Facilities, FASILITI INOVASI KITAR SEMULA (FIKS), Buy Back Center (BBC), Anaerobic Digester, 3R on Wheels (3RoW), Recover Used Cooking Oil, End of Life Vehicle, ECO DUTA, RewardS@S, Eco Green, and commercial and industrial scrap. These solutions are Alam Flora's core strategies to stimulate awareness of the 5R (refuse, reduce, reuse, recycle, and recovery) practices amongst people and industrial players.⁵ Alam Flora also works with numerous government agencies and

³ http://www.alamflora.com.my/home/who-we-are/company-background/

⁴ Ibid.

⁵ http://www.alamflora.com.my/wp-content/uploads/2021/09/Corporate-Profile-19.4.2021-FINAL-compressed.pdf

local municipalities, namely Solid Waste Management and Public Cleansing Corporation (SWCorp), Jabatan Pengurusan Sisa Pepejal Negara, Dewan Bandaraya Kuala Lumpur, and Perbadanan Putrajaya.

Located in Putrajaya, FIKS (a first-of-its-kind facility in Malaysia) is Alam Flora's recycle education center that teaches the public about recycling and waste recovery. It also underscores the promotion of 5R amongst people and condenses the amount of recyclable waste that goes to landfills. In 2020, FIKS supported the Government's goal to achieve a recycling rate of 30%. In addition to supporting Alam Flora's vision, FIKS centers on becoming a leading recycling education center in Malaysia. It incorporates the following versatile facilities: Knowledge Hub, 3R Butik, mini library, play area, BBC, and Integrated

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- Iqra Azam, Best Practices Research Analyst Recycling Facility (IRF). The IRF encompasses a conducive sorting area with conveyors, a bag breaker, and a trommel to separate the recyclable materials accumulated from households. Moreover, Alam Flora has deployed machines that modify plastic materials into plastic chip flakes. Through FIKS, Alam Flora stimulates opportunities for people to properly and responsibly learn about waste management.⁶

Another notable solution that demonstrates Alam Flora's emphasis on addressing unmet needs and industry challenges is 3RoW. It encourages the adoption of the three Rs (reduce, reuse, and recycle) concept. 3RoW, as the name denotes, is a mobile service entailing a six-

wheel, seven-tonne truck with a big light-emitting diode screen and a retractable stage to publically conduct presentations (100+ public appearances since 2018) and expand awareness of 'separation at source' recycling practices. When users recycle with 3RoW, they win cash and reward points. Additionally, they do not have to visit Alam Flora's BBCs to give their recyclable items to the company, saving a significant amount of time.

With 3RoW, Alam Flora has empowered many robust and effective partnerships and memorandums of understanding with renowned educational institutes, companies, and financial institutions: Universiti Putra Malaysia, Universiti of Malaya, Universiti Teknologi MARA, Petronas, Malaysia Airport Berhad, Prolintas, Lembaga Tabung Haji, Malayan Banking Berhad, and Bank Kerjasama Rakyat Malaysia Berhad.

Since December 2018, in collaboration with Petronas Dagangan Bhd., Alam Flora has given cash incentives and reward points to all Mesra Petronas cardholders in exchange for recycled items. This approach helps the company enhance public participation in waste reduction at landfills. Alam Flora circulates the collection schedule on social media (Facebook, Twitter, and Instagram), making it convenient for Mesra Petronas cardholders to plan and send their recycled items to the company according to their suitability. The company calculates the rewards points based on categories (types of goods) and weight. Alam Flora also offers a RewardS@S program that complements the Government's Separation at Source program and goals toward sustainable solid waste management. This initiative helps the company collect

⁶ http://www.alamflora.com.my/home/facilities-2/recycle/fiks/

⁷ http://www.alamflora.com.my/nikmati-insentif-tunai-dan-mata-ganjaran-melalui-aktiviti-kitar-semula/

recyclable materials through specially designed and user-friendly safe bins in several residential areas. It uses a barcoding sticker system and integrates Mesra Petronas points collection. Moreover, Alam Flora strengthens the scope of its capabilities through the E-Waste Neighbourhood Program, collecting electrical waste in over 50 residential areas in the Klang Valley. As stipulated by the Department of Environment, the company collects three types of electronic waste: kitchen appliances, electronic appliances, and digital products.

Another key highlight is that Alam Flora uses mechanization and a proper fleet for closed drain cleansing in Kuala Lumpur City Centre. Due to the city being highly-developed with many new buildings, most of the drains in Kuala Lumpur get heavily clogged. The traditional methods do not support proper and efficient drain cleansing; therefore, Alam Flora utilizes its Catch Basin Vehicle, which acts as a big vacuum machine to collect all the waste that causes clogging.

"Its exceptional implementation of best practices, commitment to sustainability, ability to identify and address unmet needs, and user-focused strategies testify to the company's dedication to improving the quality of life for Malaysians. Alam Flora actively engages in innovative approaches to augment its capabilities' scope, reach, quality, excellence, and value, persistently contributing to Malaysia's waste management industry's growth."

- Iqra Azam, Best Practices Research Analyst The company aligns its operations according to the industry trends and growth drivers, ensuring continuous development. With the Internet of Things' adoption escalating and becoming vitally crucial for business infrastructure, Alam Flora has established new methods through online systems and Big Data. It implements numerous real-time technologies and online systems: human capital management, procurement management, asset and financial management, operation monitoring system, operation planning management, customer management system, and vehicle productivity management. Furthermore, it capitalizes on digitalization to refine its waste management and

recycling procedures. Through its "DiglTalization" department, Alam Flora conducts constant work process enhancements to improve efficiency and cost optimization. In 2017, it adopted Industrial Revolution 4.0 practices to catalyze digital transformation in solid waste and public cleansing methods, setting a higher standard in the waste management market. Also, following the Government's initiative to digitalize the industry, Alam Flora supports SWCorp's C4i system (Command, Control, Communications, Computers, and Intelligence).

Frost & Sullivan acknowledges that Alam Flora's compelling value proposition underpins its sustained success with a legacy of industry leadership and state-of-the-art services.

Guaranteed Satisfaction through End-to-end Customer Service

With its user-centric corporate philosophy, Alam Flora operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. Customer feedback is intrinsic to its growth and service improvement. To magnify business development, Alam Flora integrates three elements into its practices, Educate, Enhance, and Engage. It ensures that all employees

⁸ http://website.mflora.com.my/home/facilities-2/recycleremove/rewardsas/

have the necessary expertise in customer service management through training and performance monitoring. As an integral part of its corporate responsibility, Alam Flora educates the public and customers, helping them understand their duty to promote a sustainable present and future.

It partakes in continuous community engagement programs (Nature Camp, Waste Is Amaze: Plastic Upcycling Competition, Cyber Eco-Hunt, and Alam Flora City Hunt)⁹, advancing robust relationships with and among the public. This smart approach catalyzes honest and valuable feedback, persistently elevating Alam Flora's success and brand image. Serving as a testament to the company's high user satisfaction rate, it engages with many people through word-of-mouth accolades, fueled by its exceptional operational strategies.

To receive, monitor, and channel all users' feedback, it has a call center that operates daily from 8 am to 8 pm (365 days). Equipped with voicemail and a voice logger, this center records every customer call to boost the employees' proficiency in handling feedback. Additionally, the company stores and categorizes all feedback in Flora Care (its customer feedback system). It addresses every concern and only marks a complaint 'closed' after receiving verification from the customer.

The company also offers the mflora™ Supervisor mobile application that expedites fast response times for issues that need instant attention. With this exceptional capability, Alam Flora resolves all complaints within 24 hours, epitomizing a seamless service experience. It further augments the accessibility of its offerings and secures solid customer satisfaction by integrating multiple feedback platforms, such as official social media (Facebook, Instagram, Telegram, Twitter, Youtube, LinkedIn, and TikTok), a toll-free number, feedback email, the Flora Care System, and its official website. This attentive approach helps the company develop and maintain loyal and long-standing relations, promoting a strong sense of ownership by enabling users to share their feedback and concerns effortlessly. Its comprehensive customer service framework helps Alam Flora stay updated with its strong and weak points, allowing the company to amplify its offerings as required.

Conclusion

Malaysia-based Alam Flora Sdn Bhd (Alam Flora) is a market-leading waste management company that facilitates unparalleled and dynamic technology-integrated solutions, services, and initiatives. Its exceptional implementation of best practices, commitment to sustainability, ability to identify and address unmet needs, and user-focused strategies testify to the company's dedication to improving the quality of life for Malaysians. Alam Flora actively engages in innovative approaches to augment its capabilities' scope, reach, quality, excellence, and value, persistently contributing to Malaysia's waste management industry's growth. It aligns with market trends and growth drivers to upgrade offerings, evolving with user needs and, as a result, maintaining loyal and trustworthy relations. Furthermore, Alam Flora aggressively promotes waste management and recycling awareness, demonstrating its dedicated focus on corporate social responsibility.

With its strong overall performance, Alam Flora Sdn Bhd earns Frost & Sullivan's 2022 Malaysia Company of the Year Award in the waste management industry.

⁹ http://www.alamflora.com.my/wp-content/uploads/2021/09/Corporate-Profile-19.4.2021-FINAL-compressed.pdf

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator $^{\text{TM}}$.

Learn more.

Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- Growth Strategies: Proven Best Practices
- Innovation Culture: Optimized Customer Experience
- ROI & Margin: Implementation Excellence
- Transformational Growth: Industry Leadership

OPPORTUNITY UNIVERSE Capture full range of growth opportunities and prioritize them based on key criteria OPPORTUNITY EVALUATION Adapt strategy to changing market dynamics and unearth new opportunities OPPORTUNITY EVALUATION Conduct deep, 360-degree analysis of prioritized opportunities ENGINETM GO-TO-MARKET STRATEGY Translate strategic alternatives into a cogent strategy

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

