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YTL
CORPORATION
BERHAD 92647-H

the journey continues...



YTL CORPORATION BERHAD 92647-H

sustainability report 2012

Table of Contents

Managing Director's Review	02
Our Approach to Reporting	06
About YTL Corporation Berhad	07
Our Approach to Sustainability	14
Governance	17
Stakeholder Engagement	18
Commitments to External Initiatives	20
Embracing Responsible Business Practices	25
Protection of the Environment	32
Climate Change	37
Energy Efficiency and Conservation	40
Investment in Renewable Energy	43
Water Efficiency	46
Materials Used	49
Waste Management	51
Biodiversity	54
Conservation in Partnership	58
Empowering Our People	64
Empowering Our Communities	76
Promotion of Arts and Culture	79
Supporting Education Initiatives	83
Supporting Community Initiatives	96
Find Out More	102
Be Part of the Solution	104



YTL
CORPORATION
BERHAD 92647-H



..... *the journey continues...*
Sustainability Report 2012

Managing Director's Review



DEAR STAKEHOLDER,

At YTL, sustainable practices and taking a responsible approach to all facets of our business is at the heart of the Group's strategy. As a global infrastructure conglomerate, mitigating impacts on society and the environment continue to be a priority.

The challenges of the 21st century have been intensified by the contagion from the global financial crisis of 2008 manifesting itself in a severe and prolonged European debt crisis. Persistent competition for fuel, raw materials, food, and the control of supply chains across the world also marches on unabated. Furthermore, the income gap between the rich and poor continues to widen as a climate catastrophe looms on the horizon. Providing sustainable energy, shelter, health and sanitation, food and water to more than seven billion people living on the planet is putting extreme stress on the earth's resources. This has resulted in global CO₂ emissions increasing by 1.0 gigatonne in 2011 to a record high¹, fast depleting natural resources, extreme weather conditions globally and the alarming rate of biodiversity loss, especially in the Asia-Pacific region.

However, whilst growth and development places a myriad of strains on the earth's resources, industrial development continues to lift many people out of poverty with the advancement of digital technology changing lives across the globe. Awareness, education and communication have been enhanced by constantly improving connectivity and we have borne witness to events made possible partly by mobile communications and social media, particularly in North Africa and the Middle East, resulting in fundamental shifts in ideology, changing political landscapes and institutional change. With connectivity, the people empowered with the tools now have a strong voice. Stakeholders can easily rebel against a system where there is improper or unjust treatment.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
PSM, FICE, CBE, SIMP, DPMS, DPMP, JMN, JP

¹ International Energy Agency, press release dated 24 May 2012

In light of these fundamental changes across the globe, as the YTL Group diversifies its business interests and invests in new markets and regions, its responsibilities and obligations will continue to increase. Growing sustainably is one of the biggest challenges facing multinationals and utility companies around the world, and we have to address the balance between voluntary initiatives and those regulated by governments. The YTL Group continues to positively engage with stakeholders and work with them in a balanced manner in order to reach constructive and mutually acceptable outcomes. The values that underpin our approach to creating these outcomes are our philosophy and understanding which we feel will grow from the mastering of three key languages – those of God, Man and Machine in that order. Nurturing and restoring human and natural capital is the key to unlocking the nascent value sometimes hidden from our view.

We believe sustainability is integral to the long-term success of the Group, and we can only achieve true profitability in economies which also sustainably provide for the communities and stakeholders that support the business interests of the Group. As such, in order that genuine sustainability is realised throughout the Group, it has to be truly integrated into the overall strategy. From my letter to stakeholders in the *2007 Sustainability Report*, I spoke of the moral and ethical drivers in our approach to social inclusion and environmental protection. More importantly, I also wrote about the importance of advocacy. It is in these areas that we continue to focus and intensify our efforts to spread good practices and break down barriers through allowing access to clean technology and sustainable practices to our people, the community, supply chains, infrastructure and our peers so that these become industry standards. These are some of our measures of success. The currency of the future should be one centred on “Trust” as the trend towards sustainability has continued even in the wake of the global business and economic crisis. Trust is the most precious currency today and indeed a priceless commodity! There is now more than ever an unprecedented opportunity to start building on sustainable practices.

Internally, the YTL Group Sustainability Committee (YTL GSC), of which I am Chairman, has brought together some of our key people and stakeholders to identify key material issues, map the way forward and work towards a

common mission – and to jointly agree on our sustainability strategy. The YTL GSC essentially formulates, guides and oversees policy adherence and sets respective targets throughout the Group with a focus on safety, asset integrity, the environment, social performance and ethical conduct. We have made inclusivity and accountability part of our core values. In terms of transparency and reporting, we continue to strengthen our approach to sustainability reporting since our first Corporate Social Responsibility Report in 2006, and have developed a Roadmap to comply with certain global reporting standards in the near future, including those governing sustainability reporting and carbon disclosure.

The key material issues are as diverse as our business interests. While our code of ethics, compliance, philosophy, stakeholder engagement and risk management overlay the entire Group, there are specific challenges and issues affecting the different business units.

The global stresses on limited resources have resulted in renewed efforts to optimise the use of fuels in our power generation business and to focus on the upgrading of our facilities with higher levels of thermal efficiency. We have continued to invest in technologies and in the retrofitting of our power plants in Singapore, Malaysia and Indonesia in order to achieve lower carbon intensity. Similarly, for our water utilities business in the UK, Wessex Water, the ongoing initiatives in treatment, supply, and renewable energy have resulted in breakthroughs and innovations in biogas production and utilisation (through Wessex Water’s subsidiary, GENeco Limited), including increased support for conservation and environmental protection.

The cyclical nature of the construction and infrastructure industries and the volatile prices of raw materials such as coal provide challenges for the cement businesses in Malaysia, China and around the region. Nevertheless, we have continued to invest significant funds to optimise manufacturing efficiency, build storage and feeder systems for alternative fuels and waste aggregates, and for research and development into less carbon intensive blended cements. At the same time we also need to anticipate the changing needs of our customers, suppliers and staff in order to continue growing a sustainable cement business.



Managing Director's Review

Over a decade ago, YTL began innovating ways to use clean technology as well as exploring renewable energy sources. We have seen first-hand how sustainability programmes and policies have reaped outstanding results.

Over a decade ago, YTL began innovating ways to use clean technology as well as exploring renewable energy sources. We have seen first-hand how sustainability programmes and policies have reaped outstanding results. Our strategy is two-fold. Firstly, we have monitoring systems in place to measure and track energy usage, and secondly, we are pursuing and steadily increasing renewable energy usage. This strategy applies to all our businesses within our Group.

The uncertainty in the carbon credit space, specifically under the Clean Development Mechanism (CDM) which was formed as part of the Kyoto Protocol has not deterred us from expanding and investing in our in-house carbon consulting company, YTL-SV Carbon Sdn Bhd, where I am Chairman. Even as nations struggle to agree on mutually acceptable targets for emission cuts, we see the need for larger companies to measure, manage and report greenhouse gas (GHG) inventory as an activity that may soon be mandatory in many countries. We have maintained our pole position as the largest CDM consulting company in Malaysia and are now the fourth largest in ASEAN.

Our commitment to the carbon consulting business will continue due to the ability of this division to connect technology providers and buyers with developers and investors in carbon mitigation projects. Having made strong strides in the areas of energy efficiency and renewable energy, it was a logical step for us to get involved in the CDM business.

Advocacy takes on many forms. As we continue to celebrate Earth Hour since Malaysia's first Earth Hour in 2009, we also hosted our flagship YTL "Climate Change Week" event for a number of years (2007 to 2010) in order to bring together the business community, students, policy makers and NGOs as a way to raise environmental consciousness in Malaysia and as a key component of our advocacy efforts. We are also proud to have extended our advocacy reach globally by contributing to the writing, editing and publication of the following books - *Cut Carbon, Grow Profits*, *WASTEnomics* and a children's title, *Billy the Plastic Bag*.

We have also increased our support for climate change mitigation by signing the *Cancun Communiqué* in addition to the *Copenhagen Communiqué* and the *2°C Challenge Communiqué*. This series of statements are seen by many as the definitive voice of the progressive international business community in advance of the annual United Nations climate change conferences.

The decade has also been a great one for the Group and for God, as our Group received numerous accolades and awards recognising our commitment to sustainability initiatives. I was awarded the "2010 Oslo Business for Peace Award" conferred by a panel of Nobel Laureates in Oslo for advocacy of socially responsible business ethics and practices both at home and around the world. I also received the "Corporate Social Responsibility Award" at CNBC's 9th Asia Business Leaders Awards 2010. This award recognises outstanding contributions to the arts, education, the environment and community development, and is bestowed on the candidate who has the ability to translate a company's success into benefits for the community and who makes societal impact a corporate priority.

Integrity is a priority in our selection of and support for Non-Governmental Organisations (NGOs). Our partnership and support for NGOs continues as we recognise the need to engage the expert advice given by these independent bodies. We also take an active role working with them. Leading by example, I dedicated my time to these organisations. My involvements include being a Founder Member of the Malaysian Business Council and Capital Markets Advisory Council, an active member of the Asia Business Council and Barclays Asia-Pacific Advisory Committee, a Trustee at Asia Society and sitting on the Advisory Council of premier educational institutions which include the London Business School, Wharton School and INSEAD. In conservation, I continue to be active as a Member of The Nature Conservancy's Asia-Pacific Council. I also became the first Asian Chairman of Judges at the Ernst & Young World Entrepreneur of the Year Awards 2011. Regarded as one of the most prestigious global entrepreneurial awards, it is a culmination of respective national level "Entrepreneur of the Year" Awards that took place in over 40 countries. These countries represent more than 90% of the global economy.

I am also a keen supporter of the Arts and an appointed patron of the "International Friends of the Louvre", which raises awareness of this historical museum's collections and museum expertise. In addition, I am proud to be the honorary advisor of the Kuala Lumpur Performing Arts Centre (KLPac). Here, my fervent passion for the Environment and for the Arts has been realised through bringing nature and the artistic community together in Sentul Park, a 35-acre park in the heart of the city. I have also been included in Forbes Asia's "Heroes of Philanthropy" list in 2010.

LOOKING AHEAD

The road ahead is littered with formidable obstacles and challenges, but we have set clear quantitative targets for emission reductions in some of our businesses such as Wessex Water and YTL PowerSeraya. For other businesses such as cement and our properties, we have committed to reducing the carbon intensity on a number of fronts. As technologies emerge and mature, we incorporate these into different parts of the business.

We continue to journey on to provide responsible business practices throughout the Group, through employing active and continuous stakeholder engagement and dialogue to assess materiality and to deliver our goals in this regard. Whilst the path ahead is strewn with many challenges, we know that it is the right one. With God's guidance, we are prepared and ready for the challenges ahead. We know that equitable and sustainable growth is the only acceptable form of growth.

And so, our journey continues.

May God bless each and everyone of us in all our positive endeavours.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
PSM, FICE, CBE, SIMP, DPMS, DPMP, JMN, JP

Managing Director
YTL Corporation Berhad



Our Approach to Reporting

ABOUT THIS REPORT

This is the seventh consecutive year that YTL Corporation Berhad has produced its annual Sustainability Report. Our commitment to being a responsible corporate citizen remains unchanged. Together with our *YTL Corporation Berhad's Annual Report 2012*, which highlights the financial

aspects of our business activities, the reports provide a clear and comprehensive representation of our performance in managing the economic, environmental and social aspects of our global operations.

Scope of Report	
Reporting period	1 July 2011 to 30 June 2012
Reporting Cycle	Annual

FEEDBACK

This report is available to all stakeholders in hard copy on request and can be downloaded from YTL Corporation's corporate website at www.ytl.com.my. For further information or comments on how we can improve on our future reporting please contact:

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HOW DO WE REPORT

The content of this Report has been defined by a process of:

- Stakeholder Engagement
- Materiality Assessment
- Reference to the Bursa Malaysia's Corporate Social Responsibility (CSR) Framework and the ACCA Malaysia Sustainable Reporting Guidelines for Malaysian Companies

About YTL Corporation Berhad

YTL Corporation Berhad (YTL Corp) (Company No. 92647-H) is one of the largest companies listed on Bursa Malaysia (Stock Code: 4677, Bloomberg: YTLMK; Reuters: YTLS.KL) and, together with its four listed entities in Malaysia, has a combined market capitalisation of about RM35.6 billion as at 30 June 2012, and total assets of over RM51.6 billion. The company was listed in Malaysia in 1985 and has also had a secondary listing on the Tokyo Stock Exchange since 1996.

Our Group’s core businesses are ownership and management of regulated utilities and other infrastructural assets, serving over 12 million customers in three continents. A strong focus on sustainability has always been a cornerstone of our business ethics and success. Our strategy of providing “world class products and services at very competitive prices” along with our history of innovation has led directly to the Group recording a compounded annual growth rate in pre-tax profits of 55% over the last 15 years, and an enviable track record of creating shareholder value. The

Group has been paying dividends every year since it was listed on Bursa Malaysia. Our strategy has also resulted in the Group and our subsidiaries accumulating numerous international awards in the process.

OUR OPERATIONAL SEGMENTS AND KEY BUSINESS UNITS

The table below provides highlights of our operational segments and some of our key Business Units. For an in-depth explanation or to gain a better understanding on products and services delivered under each of the segments, please refer to the *Operations Review* in *YTL Corporation Berhad’s Annual Report 2012* or you may visit the respective Business Unit’s website (The website URLs are listed in the *Find Out More* section of this Report).

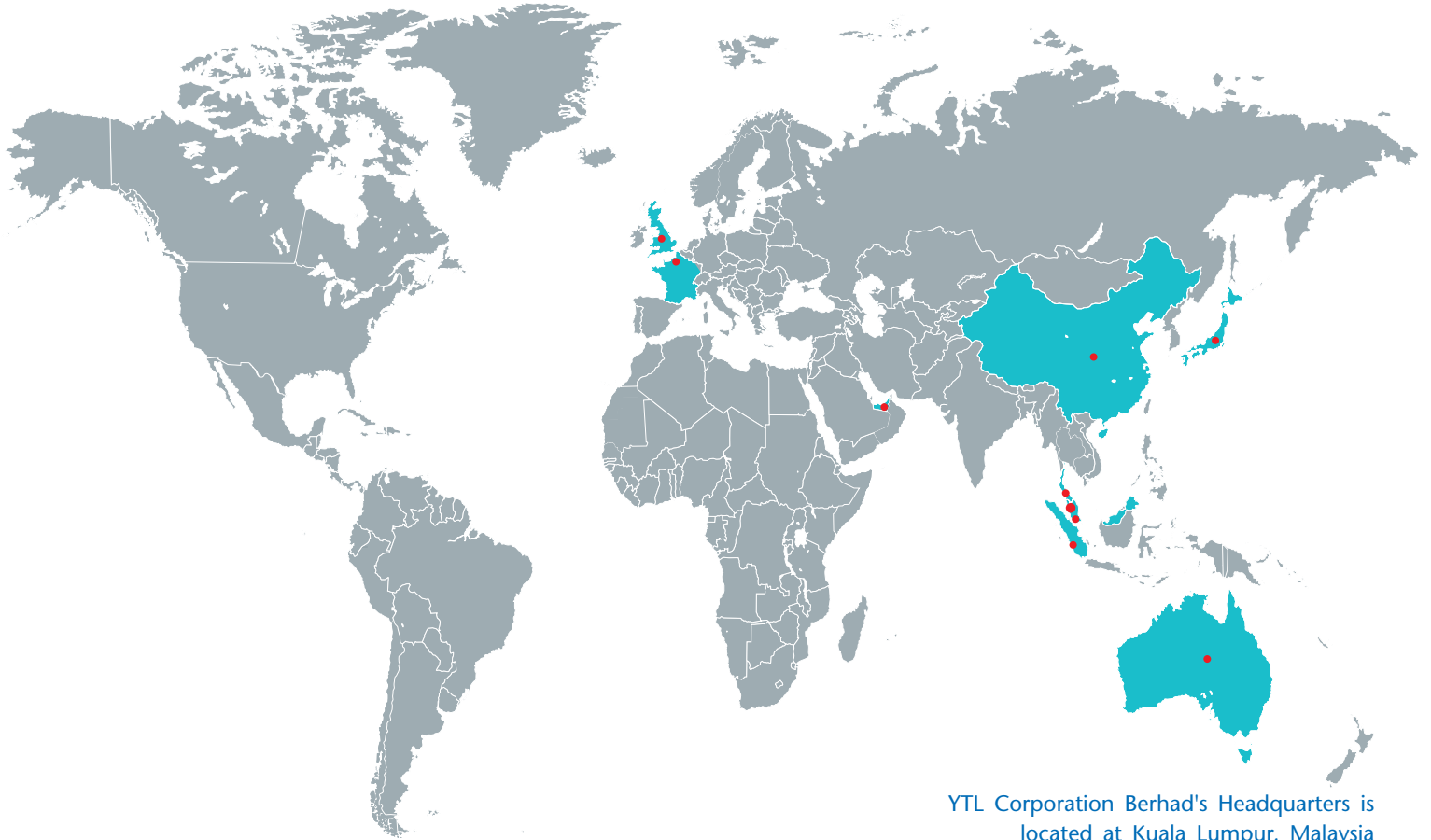
<p>Utilities</p> 	<p>Our utility operations encompass power generation, power transmission, merchant multi-utility businesses and communications in Malaysia, Singapore, Indonesia and Australia, the provision of water and sewerage services in the UK, as well as power plant operation and maintenance (O&M) expertise.</p>
<p>Cement Manufacturing</p> 	<p>We operate our cement production and manufacturing in Malaysia, China and Singapore. Our division’s quarry operations which comprise 11 quarry sites across Peninsula Malaysia substantially supply aggregates and manufactured sand used in the Group’s ready-mixed concrete manufacturing business, thereby facilitating further streamlining of its production processes.</p>
<p>Construction Contracting</p> 	<p>Our wholly-owned subsidiary and our flagship construction company of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd has a portfolio of residential and commercial property construction contracts.</p>

About YTL Corporation Berhad

<p>Property Development and Investment</p> 	<p>Our property development and investment activities encompass residential and commercial developments in Malaysia, residential developments in Singapore and real estate investment trusts in Malaysia, Singapore, China, Japan and Australia.</p>
<p>Hotel Development and Management</p> 	<p>We operate hotels and resorts in Malaysia, Borneo, Indonesia, Thailand, Japan, UK and France, and will continue to expand worldwide in keeping with the long term objective to become a global hotel operator.</p>
<p>Information Technology & e-Commerce Initiatives</p> 	<p>We operate a 2.3GHz Spectrum Worldwide Interoperability for Microwave Access (WiMAX) spectrum in Peninsular Malaysia, which is owned through Y-Max Networks Sdn Bhd, as well as digital media networks and solutions provides under YTL Info Screen Sdn Bhd.</p>
<p>Management Services and Others</p> 	<p>We provide operation and maintenance services of power stations under YTL Power Services (YTLPS) to a portfolio of power plants in countries across the globe for third party clients and also for YTL Power International's two Malaysian power stations. YTLPS also supplies manpower for erection and commissioning of new power stations, and condition monitoring.</p> <p>YTL Corporation Bhd is a shareholder in Express Rail Link (ERL), the owner and operator of KLIA Ekspres and KLIA Transit train services that connect Kuala Lumpur International Airport (KLIA) and the Kuala Lumpur City Centre. The operation and maintenance of the ERL train system is managed by subsidiary, ERL Maintenance Support Sdn Bhd (E-MAS). The other activities of ERL are retail space provisioning at the Kuala Lumpur City Air Terminal (KL CAT) and advertising spaces in the stations, trains and on Infoscreen².</p>

² Infoscreen is the electronic media brand of YTL Info Screen Sdn Bhd, a wholly-owned subsidiary of Infoscreen Networks PLC.

OUR GLOBAL PRESENCE



A SNAPSHOT OF YTL GROUP

Operating in more than
10 <
countries

More than <
9,000
Employees Globally

Serving **12** <
million
Customers

RM35.6 <
billion
Market Capitalisation

RM51.6 <
billion
Total Assets

The **first Asian** <
non-Japanese
company to be listed on the
Tokyo Stock Exchange

About YTL Corporation Berhad

AWARDS AND ACCOLADES FOR SUSTAINABILITY

During this reporting period, we are humbled and honoured to have been the recipients of awards from many industry bodies which include:



Ms Ruth Yeoh, Executive Director and Head of YTL's Sustainability Division receiving the SEC's Singapore Environmental Achievement Awards 2012 from Dr Vivian Balakrishnan, Singapore's Minister for the Environment and Water Resources

ENVIRONMENT

- YTL Corporation Bhd – Winner of the Singapore Environmental Achievement Award (Regional) 2012 by the Singapore Environment Council
- YTL Corporation Bhd – Winner of the Green Leadership category at the Asia Responsible Entrepreneurship Awards 2012 Southeast Asia for Coral Reef Conservation and Rehabilitation at Pangkor Island
- ERL Maintenance Support Sdn Bhd (E-MAS) – First railway company in Malaysia to receive the ISO14001:2004 Certification in July 2012 for its Environmental Management System awarded by SIRIM, a wholly-owned company of the Malaysian Government under the Ministry of Finance Incorporated
- YTL PowerSeraya, YTL Starhill Global REIT Management and YTL Starhill Global Property Management – Eco Office Label Certification (2012 – 2014) conferred by the Singapore Environment Council
- Wessex Water Limited – Innovation Award at the South West Institute of Water Awards 2012 for subsidiary GENeco's *CompAer* process (Grit and Screenings Recycling)
- Wessex Water Limited / GENeco – Winner of Tackling Climate Change category at The Sustainable City Awards 2012
- YTL-SV Carbon Sdn Bhd – Best Carbon Markets Brokerages, Asia, at the World Finance Carbon Market Awards 2011
- YTL PowerSeraya – Merit Award at the Singapore Environmental Achievement Awards 2011 by the Singapore & Environment Council



Mr. Andy Budiarto, Technical Manager of PT Jawa Power receiving the Green Rating Award 2011 from the Indonesian Minister of Environment, Prof Dr Balthasar Kambuaya

- PT Jawa Power – Green Rating Award 2011 at PROPER (National Rating Programme in Corporate Environmental & Community Development Programme) by the Indonesian Ministry of Environment³
- Wessex Water Limited – Green Apple Award 2011 (Gold) for its Catchment Management Project
- Wessex Water Limited – National Green Champion (Utilities) at the Green Apple Award 2011
- Wessex Water Limited – Green Business Award 2011 for its Catchment Management Work (waste and resources category)
- Wessex Water Limited – Refurb, Rethink, Retrofit (R3) Awards 2011 for Best Lower Carbon Infrastructure Project and Utilities Facilities
- Wessex Water Limited – Silver Winner of Best Green Water Stewardship Award at the International Green Awards 2011 for its Catchment Management Project
- Wessex Water Limited – Green Apple Award and Outstanding Award at the Wiltshire Wildlife Trust Corporate Green Awards 2010/2011
- YTL Corporation Bhd – Green Energy Company of the Year at Frost & Sullivan's Malaysia Excellence Awards 2010
- Wessex Water Limited – Winner of the Queen's Award for Enterprise 2008 in the Sustainable Development category

³ Received this award for the 6th time in a row and remains the only coal-fired power station which has been awarded the Green Rating several times over.



About YTL Corporation Berhad

WORKPLACE

- YTL PowerSeraya – Silver Award for Workplace Safety and Health Award 2011 by Workplace Safety and Health Council, Singapore
- PT Jawa Power – Golden Flag Award 2011 for Best Safety Management System (SMK3)⁴
- PT Jawa Power – Zero Accident Award 2010⁵

⁴ Based on three consecutive years of performance & received awards in 2005, 2008 and 2011.

⁵ Based on cumulative man hours without Lost Time Accident (LTA) & received awards in 2005, 2008 and 2010.

MARKETPLACE

- YTL Corporation Bhd ranked No. 4 in Top 50 Malaysian Brands by Brand Finance, UK in 2012
- YTL Corporation Bhd – Bronze Award for Product Excellence category at the Global CSR Awards 2012 for its innovative **Yes 4G** network
- YTL Communications Sdn Bhd – Most Innovative Service Provider of the Year at Frost & Sullivan Asia Pacific ICT Award 2012
- Express Rail Link Sdn Bhd – North Star Air Rail Link of the Year at the Global AirRail Awards 2012
- Wessex Water Limited – Corporate Green Award in the Green Media, Marketing and Communication category at the Wiltshire Wildlife Trust Awards 2012
- YTL Corporation Bhd ranked No. 5 in Top 50 Malaysian Brands by Brand Finance, UK, in 2011
- YTL Corporation Bhd ranked No. 3 in Top 50 Malaysian Brands by Brand Finance, UK, in 2010
- YTL Corporation Bhd listed by MB100 as the Largest Listed Non-GLC Company in Malaysia in 2011
- YTL Power International Bhd listed by MB100 as the Top 3 Largest Listed Non-GLC Company in Malaysia in 2011
- YTL Communications Sdn Bhd – Global Best New Service Award for Broadband Excellence celebrated at the Broadband InfoVision Awards 2011
- Express Rail Link Sdn Bhd – Best Customer Service Award for its Kuala Lumpur International Airport (KLIA) Express VIP Service at the inaugural Global AirRail Awards 2011
- YTL Cement Bhd – Bronze Award for Product Excellence category at the Global CSR Awards 2011
- YTL Land & Development Bhd – Best Developer (Malaysia) at the South East Asia Property Awards 2011
- YTL Land & Development Bhd (Centrio in Pantai Hillpark) – Gold Award in Multiple Residential (High-rise) category at the Malaysian Institute of Architects (PAM) Awards 2011
- YTL Land & Development Bhd (YTL Communications Centre in Sentul Park) – Gold Award for Adaptive Re-use category at the Malaysian Institute of Architects (PAM) Awards 2011
- YTL Land & Development Bhd (d7 at Sentul East) – Silver Award in Commercial Building category at the Malaysian Institute of Architects (PAM) Awards 2011
- YTL Land & Development Bhd (d7 at Sentul East) – Honourable Mention at Singapore Institute of Architects (SIA) Architectural Design Awards 2011
- YTL Land & Development Bhd (Sandy Island) – Best Architectural Design (South East Asia) at the South East Asia Property Awards 2011
- YTL Land & Development Bhd (Sandy Island) – Best Housing Development (Singapore) at the South East Asia Property Awards 2011
- PT Jawa Power – Best Special Port (Coal Jetty) Management Award 2011 in East Jawa⁶
- Wessex Water Limited – Utility of the Year at Utility Week's Industry Achievement Awards 2011
- Wessex Water Limited – Best Marketing Campaign at Utility Week's Industry Achievement Awards 2011⁷
- Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd – Building Construction Contracting Company of the Year at Frost & Sullivan's Malaysia Green Excellence Awards 2010

⁶ The assessment criteria covers jetty management system, safety and environmental protection and community development.

⁷ Wessex Water's "Target Twenty" campaign gives customers water efficiency advice and encourages them to save 20 litres of water a day. The judges said Wessex had an innovative approach that drove the message across a variety of platforms.



Pn Noormah Mohd Noor, CEO of ERL receiving the North Star Air Rail Link of the Year at the Global AirRail Awards 2012

COMMUNITY

- Wessex Water Limited – People Initiative of the Year at the Water Industry Achievement Awards 2012 for work with the Prince’s Trust
- Wessex Water Limited – Best Partner Award 2011 for successful partnership working together with Wiltshire Citizens Advice Bureau and others across the region
- Mr. Colin Skellett, Executive Chairman of Wessex Water Limited – Outstanding Individual Contribution to the Water Industry at the Water Industry Achievement Awards 2012
- YTL Corporation Bhd – Corporate Platinum Award at the Community Chest Awards 2011 by Community Chest of Singapore
- YTL Corporation Bhd, YTL Starhill Global REIT and Orchard Road Business Association (ORBA) – Special Award for the Best Party at the World Wide Fund for Nature (WWF) Earth Hour Singapore 2011 Participation Awards
- Pn. Noormah Mohd Noor, Chief Executive Officer of Express Rail Link Sdn Bhd – Personality of the Year at the inaugural Global AirRail Awards 2011⁸
- YTL Starhill Global REIT Limited – Cluster Award at National Safety and Security Watch Group (SSWG) Awards 2011⁹
- YTL PowerSeraya – Most Socially Responsible Power Company of the Year at Asia Power and Electricity Awards 2010
- YTL Starhill Global REIT – Award for the Best Engagement Activities at the World Wide Fund for Nature (WWF) Earth Hour Singapore 2009 Participation Awards

⁸ This award is in recognition of an outstanding individual’s contribution towards promoting and growing the air-rail business in the world.

⁹ Awarded by the Ministry of Home Affairs on a combined checklist from Singapore Police Force and Singapore Civil Defence Force based on initiatives and enhancements made by the buildings within the assessment period. The checklist covers three key themes in SSWG participation including exercise and coordination, assistance to operations and arrests and target hardening measures.



LEADERSHIP AND REPORTING

- YTL Corporation Bhd – Silver Award for CSR Leadership at the Global CSR Awards 2011
- YTL Corporation Bhd – Bronze Award for CSR Leadership Excellence at the Global CSR Awards 2010
- YTL Corporation Bhd – Silver Award for CSR Leadership Excellence at the Global CSR Awards 2009
- YTL Corporation Bhd – Shortlisted for the ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2010
- YTL Corporation Bhd – Shortlisted for the ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2009
- YTL Corporation Bhd – Commendation for Social Reporting at the ACCA Malaysia Environmental and Social Reporting Awards (MESRA) 2007
- YTL Corporation Bhd – Best Social Reporting in an Annual Report at the ACCA Malaysia Environmental and Social Reporting Awards (MESRA) 2006

Our Approach to Sustainability

At YTL, we have embraced a culture of socially responsible and sustainable operations ever since our humble beginnings in 1955. Starting out as a small construction company involved in national infrastructure projects, our core competencies have since expanded to include utilities, cement manufacturing, construction contracting, operations and maintenance activities, property development and investment, and information technology (IT).

Operating sustainably is a fundamental and integral component of our business strategy. For a conglomerate with a history going back 56 years, it is a prerequisite for growth and value creation. Our ambition is to provide our customers and consumers with products and services that meet their expectations whilst minimising the impact of our operations on the environment and local communities around us.

At YTL, we strive to integrate sustainability initiatives into the Group’s business model. We also aim to build value for our shareholders and other stakeholders by addressing our economic, environmental and social impacts.

MATERIALITY

Determining materiality helps us identify and prioritise which issues to focus our efforts on. We identified and documented significant issues of concern, significant challenges and priorities in our operating environment. These were collated during various stakeholder engagement exercises conducted across our Business Units.

Using a materiality matrix, we systematically assessed and prioritised our material issues. An external sustainability consultant provided independent third party facilitation to our materiality assessment. Key Leaders and Senior Managers from all of our Business Units attended a full-day Materiality Assessment workshop conducted on December 2011. Issues were ranked High, Medium and Low on two axes – importance to internal and external stakeholders. As a result of this assessment, issues were categorised into three levels of materiality – Critical, Moderate and Low. This report focuses on our most critical material issues only.



These material issues fall within the four key themes of our sustainability agenda.



YTL GROUP SUSTAINABILITY COMMITTEE

Recognising the importance of embedding sustainability in the way we work, the Group set up YTL Group Sustainability Committee (YTL GSC) in 2011. The objective of the YTL GSC is for Directors, Employees and Agents of the Group to conduct themselves in a manner that always meets and

regularly exceeds expectations of sustainable practices through the mastering of three languages – the languages of God, Man and Machine. The Committee aims to address the four key sustainability themes within the Group. Our key objectives within each key area are as follows:

Focus areas	Our Sustainability Mission
<p>Protection of the Environment</p> 	<p>We aim to provide services and products that meet customers' expectations whilst minimising the impact on the environment by:</p> <ul style="list-style-type: none"> • reducing our carbon footprint through increasing energy efficiency and reducing energy consumption; • reducing water consumption; • minimising waste generation and avoiding incinerating and landfilling waste; • reducing materials consumption through using recycled materials for products and packaging and where practical, recycling all waste materials; • furthering conservation efforts in Malaysia, Asia and beyond.
<p>Empowering Our People</p> 	<p>We aim to position ourselves as the Employer of Choice by:</p> <ul style="list-style-type: none"> • providing safe and healthy working environments for our employees, third party contractors and vendors working within our premises; • ensuring our employees are treated fairly and rewarded for their contribution; • supporting personal and professional development of our employees; • engaging our people on the sustainability agenda and to champion best practices within the workplace through active employee engagement.

Our Approach to Sustainability

Focus areas	Our Sustainability Mission
<p>Responsible Marketplace Practices</p> 	<p>We aim to undertake sustainable and responsible business practices to deliver positive outcomes for all our stakeholders by:</p> <ul style="list-style-type: none"> • striving towards continuous improvement in our sustainability performance by reviewing and tracking our progress on a regular basis; • self-regulating and complying with all applicable legal and regulatory requirements associated with health, safety, environment and community matters; • being responsible within the economic boundaries we operate in through exemplary corporate governance practices; • being competitive through innovation and ensuring the needs of our customers are met; • being efficient in the usage of natural resources and procuring sustainable materials where possible; • working with our supply chain and customers to communicate sustainability awareness and engaging with local and national government to share our experiences and to shape future policy directions.
<p>Empowering Our Communities</p> 	<p>We aim to create sustainable communities and engage with local authorities and communities by:</p> <ul style="list-style-type: none"> • supporting the development of the country's own arts and culture by helping to showcase the uniqueness of our heritage and providing an alternative medium for artistic expression and communication; • playing an active role in the development of future generation of leaders; and • supporting the local communities where we operate through work with charities and community groups.

The Committee is also responsible for overseeing and ensuring implementation of the agreed strategies, including reviewing progress towards targets, performance against indicators and compliance with policies. In addition, the Committee also assists the Board in the supervision of:

- Health, safety, environment and community risks;
- The Group's performance in relation to health, safety, environment and community matters; and
- Performance and leadership of the health, safety, environment, community and sustainable development function.

The Committee, led by YTL Corporation Berhad's Managing Director Tan Sri Dato' (Dr) Francis Yeoh comprises representatives from the Group's Sustainability Division and Senior Management from all the Group's Business Units. The Committee meets every six months, with internal meetings attended by the Committee Members and/or their proxies.

Governance



The Board of Directors at YTL Corporation Berhad are committed to the highest standards of corporate governance which demonstrate the ethical and equitable approach the Group has in all of its businesses. High quality corporate governance and the creation of value for all stakeholders are mutually dependent, and it is critical to business integrity and the creation of sustainable business. Understanding both financial and non-financial risks is essential in ensuring a balanced approach and outcome for all stakeholders including active stakeholder engagement, dialogue and well-communicated codes of conduct, laws, policies, procedures and practices for the Board of Directors, employees, suppliers and contractors.

The Group strives to comply with the various codes across territories and regions in which the Group operates and has business interests in. Responsible and transparent management of the businesses shows accountability and demonstrates good governance. We believe that there can be no compromise on these qualities when it comes to building a business that is sustainable in the long term. The YTL Group continually has its corporate governance arrangements under review and our compliance with these are detailed within *YTL Corporation Berhad's Annual Report 2012* under the *Statement on Corporate Governance* section.

Stakeholder Engagement

We define our stakeholders as those who have direct, indirect or potential impact on the Group, including those groups who are affected directly or indirectly as a result of our operations. We recognise that proactive engagement with our stakeholders is an essential prerequisite for long-term sustainability of our businesses.

We strive to engage with our stakeholders through various formal and informal channels as we believe it is important to understand their needs as well as their concerns on any matters related to our products, services and operations.

Such understanding allows us to better manage their expectations, thus establishing stronger and lasting relationships.

Across the Group, we have created open dialogues with our stakeholders through a variety of internal and external communication platforms. A list of the main engagement methods used by us and our subsidiaries are summarised in the table below. Material issues identified throughout these engagements are highlighted earlier in the **Materiality** section of this Report.

Stakeholder Group	Method of Engagement
Customers, Business Partners and Suppliers	<ul style="list-style-type: none"> • Customer Satisfaction Surveys • Websites • Dealer / Retail Partner Meetings • Plant Visits
Employees	<ul style="list-style-type: none"> • Weekly Meetings • Leadership Conferences • Intranet • Employee Training
Shareholders and Investors	<ul style="list-style-type: none"> • Results Announcement Meetings • Annual General Meetings (AGM) • Extraordinary General Meetings (EGM) • Analysts Briefings
The Public, Local Communities and NGOs	<ul style="list-style-type: none"> • Community Engagement Programmes • Philanthropic Activities • Blogger Events
Government and Regulators	<ul style="list-style-type: none"> • Regular Reports • Information Sharing
Media	<ul style="list-style-type: none"> • Media Release • Media Briefings and Visits • Official Launches and Corporate Events • Media Interviews
Industry Groups/Peers	<ul style="list-style-type: none"> • Business and Industry Forum Meetings • Industry Workshops



Stakeholder Liaison Panel at Wessex Water

CUSTOMER ENGAGEMENT AND SATISFACTION AT OUR WATER BUSINESS

Since Wessex Water (Wessex) was formed in 1974, the Company has worked closely with various interest groups. They have an open-door policy and conduct meetings when it is beneficial so it will help the company better appreciate local issues and address problems. Wessex also ensures that business proposals are widely consulted before making any decisions. One way this is done is through a "Stakeholder Liaison Panel". During the previous year Wessex has also set up an improved system for stakeholder engagement. They developed four Customer Liaison Panels, each covering a particular area. The four panels comprise customer and community, business customers, environment, and services and planning.

These four groups contain stakeholders from a large variety of organisations and enables focussed discussions regarding the service it provides now and in the future. The panels meet twice a year at its operations centre and discussion includes topics such as:

- domestic customer issues such as affordability and social tariffs, metering, leakage and access to our services;
- business customer needs such as added value service, water efficiency, multi-site billing and tariffs;

- our sustainable environmental strategies for the future, such as low carbon treatment solutions, biodiversity, bathing waters, and sludge and waste management;
- infrastructure needs, planning and development, flooding and council development plans.

An elected member of each of the four panels also sits on Wessex's Customer Scrutiny Group (CSG) which meets more regularly. The CSG will work with the Company over the next few years as they review its long-term strategic direction and submit its five-year business plan for the Water Services Regulation Authority, or Ofwat. The CSG will give assurance to Ofwat that its customer research is robust, reflects the views of all customer groups across its region and that the findings are taken into account in its short and long term plans.

Recent customer research has shown that the economic situation is weighing more heavily than ever on customers' household and commercial budgets. The top priority therefore for the majority of customers is affordable bills alongside tackling areas of interest, such as leakage and water efficiency, and rivers and bathing waters. When more innovative alternatives to ways of working are explained, customers tend also to respond positively. Wessex is currently incorporating this feedback into its long term vision for the business.

Commitments to External Initiatives



The renowned environmental group, "The Trees Theatre Group" performing at the Starhill Gallery's Earth Hour 2012 Celebration

YTL works actively with various organisations, engaging with local governments, policy makers, non-governmental organisations (NGOs), industry bodies and also local communities. For example, we are not just an active supporter to the World Wide Fund for Nature (WWF) Earth Hour initiative, but we have also been recognised as the initiator for Earth Hour support along the Bukit Bintang district in Kuala Lumpur as well as along Orchard Road in Singapore (read more about this in the *Highlights of Earth Hour* in this Report).

We strive to play our part in protecting the environment by being an ardent supporter of green initiatives by the local Government and NGOs in local communities. For example, the multi-stakeholder REAP Programme (Responsible Energy Advocates Programme), an initiative developed by YTL PowerSeraya in partnership with the National Environment Agency and South West Community Development Council of Singapore, reflects our commitment to working with the local government in educating green awareness among the public at large. Some of our involvements are mentioned below and you may also read more about our multi-stakeholder initiatives in the *Protection of the Environment* and also *Empowering our Communities* sections.

SUPPORTING THE TELECOMMUNICATIONS INDUSTRY

YTL Communications (YTL Comms) is a keen supporter of numerous industry development initiatives by the local and regional regulators such as the Malaysian Ministry of Information Communications and Culture and the Malaysian Communication and Multimedia Commission (MCMC), the regulator for the converging communications and multimedia industry in Malaysia. The support includes involvement in National Day Celebrations, World Telecoms Day, Broadband Carnivals and other Services Awareness Initiatives.

In 2011, the Company supported the Ministry's initiatives to showcase the development of the converged telecommunications and broadcasting industries through participation in the International Telecommunications Union (ITU) World Telecoms 2011 in Geneva, Switzerland. ITU World Telecom is a major event in the ITU calendar which is aimed at showcasing products and services. The event brings together leading industry players and heads of government and governmental organisations, technology innovators and developers.

At the regional level, YTL Comms supported initiatives by the regulator by participating in CommunicAsia 2012 held in Singapore. On the domestic front, YTL Comms also supported the Ministry's broadband carnivals. YTL Comms believes that apart from the opportunity for the Company to showcase its services, participation in these events also contributes to the government's target of increasing broadband penetration as well as highlighting the internet as a potential agent of change, for example to change the way communities, study, work and play.

THE COPENHAGEN COMMUNIQUÉ ON CLIMATE CHANGE

In 2009, YTL Corporation signed up to support and be part of the Copenhagen Communiqué on Climate Change which is widely recognised as the definitive progressive statement from the international business community. The Communiqué, issued ahead of the UN Climate Change Conference in December 2010 by business leaders of over 950 companies from over 60 countries, calls for an ambitious, robust, and equitable global deal on climate change that responds credibly to the scale and urgency of the crises facing the world today. We joined major international companies such Bank of America Merrill Lynch, Coca-Cola, Deloitte, Johnson & Johnson, Nike, National Australia Bank, and more in its endorsement of the Communiqué as part of its commitment to being a responsible corporate citizen.

The Communiqué has prompted the world's major economies to, for the first time, make commitments to curb emissions at the UN Climate Change Conference. However, the Corporate Leaders Group on Climate Change (CLG) that brought together business leaders from major UK, EU and international companies in tackling climate change believes that there is a long way to go. The CLG is making efforts to work with governments, NGOs and other business groupings to secure an ambitious, robust, and equitable legally-binding UN deal as soon as possible.

More information on their signatories and supporters at: www.copenhagencommuniqué.com/signatories/signatories-by-region/asia

THE CANCUN COMMUNIQUÉ ON CLIMATE CHANGE

YTL Corporation has also signed up to support and be part of the Cancun Communiqué on Climate Change. The Cancun Communiqué on Climate Change demonstrated the progressive consensus of the international business community ahead of the United Nations (UN) Climate Change Conference in Cancun in December 2010. It is built on the significant momentum created by the Copenhagen Communiqué, and made it clear that the case for a comprehensive international framework to tackle climate change still stands and is increasingly urgent, and urged governments to both redouble their efforts to achieve this framework and also to take necessary and appropriate mitigation actions in parallel with such efforts.

The signing of the Cancun Communiqué demonstrates that the progressive consensus within the international business community in support of an ambitious, robust and equitable deal on climate change survived Copenhagen, and that world leaders needed to redouble their efforts to agree on such a deal and also take appropriate measures to tackle climate change today. The Cancun Communiqué was an initiative of The Prince of Wales Corporate Leaders' Group on Climate Change which is run by The University of Cambridge Programme for Sustainability Leadership.

More information on their signatories and supporters at: www.cancuncommuniqué.com/signatories/signatories-by-region/asia

Commitments to External Initiatives

THE 2°C CHALLENGE COMMUNIQUÉ

The 2°C Challenge Communiqué, launched in October 2011, takes the initiatives put forward by the Copenhagen and Cancun Communiqués a step further. It calls for urgent action to stabilise global warming to less than 2°C, as was agreed in Cancun. While acknowledging the progress made by previous Communiqués on Climate Change, the 2°C Challenge Communiqué stresses that unless checked by critical measures, the 2°C boundary will be crossed at the current rate of progress, and urges governments to adopt national policies and measures without delay, even before a new international treaty is established. This statement, together with the previous Communiqués issued, collectively reinforce that world leaders need to redouble their efforts to agree on a robust global deal and also take urgent and appropriate measures on a national scale to tackle climate change today.

More information on their signatories and supporters at: <http://www.2degreecommunique.com/Signatories/View-All.aspx>

MEMBERSHIPS

The Business Council for Sustainability & Responsibility Malaysia (BCSRM)

YTL Corporation is a member of The Business Council for Sustainability & Responsibility Malaysia (BCSRM), a national organisation comprising business leaders from various industries interested in responsible and sustainable practices in-line with the global sustainability agenda. The organisation was formed in 2011 through a merger of the Business Council of Sustainable Development (1992) and the Institute for Corporate Responsibility Malaysia (2006). As a regional network partner of the World Business Council for Sustainable Development (WBCSD), BCSRMA aims to translate the latest global Environmental, Social and Governance knowledge from the WBCSD into the Malaysian context; so that Malaysian companies can promote, develop and adopt sustainability within their business. As an Executive Committee member, YTL alongside the other BCSRMA Council, is involved in capacity development, awareness building, advocacy and thought leadership activities for Environmental, Social and Governance related issues. The focus areas of BCSRMA are Energy & Climate, Social Development, Ecosystem Protection and the Business Role in driving the sustainability agenda.

More information on BCSRMA at: www.bcsrma.org

The World Economic Forum

YTL Corporation is a Corporate Member of the World Economic Forum (WEF) an independent international organisation committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas. Our Managing Director, Tan Sri Dato' (Dr) Francis Yeoh, has been invited to speak at several WEF Conferences (traditionally held in Davos).

More information on WEF at: www.weforum.org

HIGHLIGHTS OF EARTH HOUR

YTL has traditionally celebrated Earth Hour since 2009. As a Group, we support initiatives such as Earth Hour as it represents YTL's sustainability journey and responsibility in striving to make better choices for future generations. As a large conglomerate, as much as we believe in doing our part to make the world a better and safer place to live in, we also appreciate that change can only take place when individuals unite to bring about awareness. Therefore, across the Group, we organise celebrations to encourage more people to join us in our Earth Hour activities in the hope that we can help remind the public on the urgent issue of climate change.

This year, we continued our commitment and celebration in line with the 2012 Earth Hour theme "I Will If You Will" where we successfully reinforced the global collaborative message of hope and action against climate change. In total, 36 YTL properties and subsidiaries participated in Earth Hour this year, compared to 31 previously.



Local artist Ms Diandra Arjunaidi performing at the Earth Hour Celebration in Lot 10, Kuala Lumpur



Lighting up "candles of hope" during Earth Hour Celebration held at Starhill Gallery

Some of our establishments which supported Earth Hour 2012 include:

- YTL Corporation's Headquarters, KL
- One Oriental Place, KL
- Starhill Gallery, KL
- Sentul Park, KL
- KLIA Ekspres
- The Maple at Sentul West, KL
- The Saffron at Sentul East, KL
- The Majestic Malacca, Malaysia
- Sentul Park Koi Centre, KL
- Lake Edge, Puchong, KL
- JW Marriott Hotel Kuala Lumpur
- The Ritz-Carlton Kuala Lumpur
- Vistana Penang, Malaysia
- Vistana Kuantan, Malaysia
- Pangkor Laut Resort, Malaysia
- Tanjong Jara Resort, Malaysia
- Cameron Highlands Resort, Malaysia
- Spa Village Resort, Tembok, Bali
- Hilton Niseko Village, Japan
- The Surin, Phuket, Thailand
- Wisma Atria, Singapore
- YTL PowerSeraya, Singapore
- Wessex Water, UK

Commitments to External Initiatives

90 MINUTES OF DARKNESS AT LOT 10'S "FOREST IN THE CITY" ROOFTOP

This year, for 1.5 hours from 8:30pm to 10pm on Saturday, 31 March 2012, we invited the public to share the memorable celebrations on the Rooftop of Lot 10 Shopping Centre by treating them to a mini open air concert under the stars, featuring a spectacular fire show, local artists, Diandra Arjunaidi and Bo Amir Iqram, instrumental performances by the Tugu Drum Circle and even a mini petting zoo for animal lovers with cuddly rabbits and wallabies. Guests also enjoyed an eco-dining experience with special menus at Teeq Brasserie, overlooking the celebrations.

At Starhill Gallery, Malaysia's renowned youth environmental group, "The Tree Theatre Group", performed an environmental themed play, followed by a "wayang kulit" (shadow-puppet) performance. Shoppers participated in the lighting up of the specially created Earth Hour logo at Feast Village, where food enthusiasts experienced eco-dining Earth Hour menus at Shook, Starhill Gallery's Asian and European showcase restaurant.



Guests treated to a fire show at Lot 10 Earth Hour 2012 Celebration

YTL POWERSERAYA SPONSORS THE SUSTAINABLE LIGHT ART FESTIVAL FOR EARTH HOUR

This year, YTL PowerSeraya in Singapore continued its fifth year celebrations by getting its employees and customers involved in its Earth Hour celebrations as well as being the Sustainability Sponsor of Asia's first Sustainable Light Art Festival, the "iLight Marina Bay 2012". In line with YTL PowerSeraya's aim of working towards "Energy for Sustainable Growth", the Company used this festival as a platform to raise awareness on the importance of energy conservation to the community and business sectors.

This unique 3-week festival was open to the general public and featured 31 light art installations that deploy mostly energy-efficient lighting technologies such as LED around the Marina Bay area. In conjunction with this festival, YTL PowerSeraya also supported the "Switch Off, Turn Up" campaign by encouraging building owners around the Marina Bay area to conserve energy during the festival period. A total of 47 properties participated in this campaign resulting in energy savings of 200,000 kWh or 100 tonnes of CO₂e. This is equivalent to the amount of electricity generated by 762 units of public housing flats (four-room size) in the same period. The festival culminated in an Earth Hour celebration on 31 March 2012 where all 31 light art installations were switched off for an hour from 8.30pm to 9.30pm.



Singapore's Merlion lights up at iLight Marina Bay 2012 in conjunction with the Earth Hour Celebration 2012

Embracing Responsible Business Practices



At YTL, we believe that our commitment to trust and integrity results in quality products and world class services. The creation of economic value in our products and services that are derived from ethical practices and responsible business are core to the way we do business.

We strive to live up to the high standards that we have set for ourselves, as well as our customers' equally high expectations. In doing so, our various Business Units have a Code of Conduct which is communicated to all of their stakeholders throughout their supply chains to ensure there is integrity in sourcing and procurement methods. Audits of our suppliers occur in businesses where this is possible and practicable, but compliance with a pledge of integrity is integral to the final commitment of suppliers and service providers.

Embracing Responsible Business Practices



RISK MANAGEMENT AND COMPLIANCE

As part of good corporate governance, we have a risk assessment system that is regularly evaluated and improved. Our risk management system addresses related issues such as compliance, fraud, crisis management and anti-competitive behaviour in a coordinated approach.

Compliance with national, international and regional regulations are essential in supply chains across the Group. The identification of risks, opportunities and impacts are integral in the selection of suppliers and in the creation of supply chains employing the same values and processes as we would in assessing risks, opportunities and impacts in any other part of our operations such as Finance and Legal.

More on risk management can be found in *YTL Corporation Berhad's Annual Report 2012*.

DATA PRIVACY

We recognise and respect the legal rights of others on matters involving the ownerships, use and disclosure of intellectual property. At YTL, our corporate, customer and employee information is strictly private and confidential and is treated as such at all times.

MARKETING AND COMMUNICATIONS

All communications by YTL comply with the cultural, legal and ethical standards of the communities in which we work at all times. At YTL, we strive to protect our customers from misleading marketing messages and we ensure all companies in the Group adhere to full compliance with applicable laws and regulations. Our advertising applies to advertisements in all forms of media including television, radio, telephone, newspapers, magazines, billboards, newsletters and the Internet.

OUR PRODUCTS AND SERVICES

Our aim is to supply products and deliver services that meet and exceed our customers' expectations. Innovation remains one of the Group's strategic focuses. Significant investment in research and development is a crucial factor in meeting our objectives of delivering quality products and world class services whilst minimising our impact on the environment and the local community; a key strategy in ensuring sustainability of our businesses. In developing our products and services, we have also been responsive to the rapidly changing landscape around us, as well as the continued need to meet and exceed the expectations of our customers. There are several examples of this practice within the Group.

In YTL Cement, for example, the creation of blended cement products in the late 1990s first commenced with research and development into the use of waste slag from steel mills - ground granulated blast furnace slag (GGBS) - which was subsequently imported from Japan and China. Following successful trials, and the acceptance and sale of blended cements in major infrastructure and construction projects, the company explored the use of other aggregates such as pulverised fly ash (PFA), copper slag, industrial gypsum and ash in blended cement products. Soon enough, these waste materials were seen as value added products which demonstrated the ability to supply what the market demanded, whilst creating and utilising sustainable procurement procedures and supply chains.

Similarly when it came to the Group's diversification into the 4G wireless network business, response to demand for universal connectivity was met with the first real nationwide 4G network in Malaysia. Following the initial launch of a "pay as you go" model, several further initiatives were designed with the customer firmly in mind to supply fibre like speeds with higher capacity across the entire spectrum of users. These included providing devices to allow affordable internet access for the masses, packages for



higher volume users, and even a Proton passenger car with on-board 4G internet. In 2012 the new Eclipse cellphone equipped with both 4G and GSM connectivity allowed roaming overseas and easy network switching. These technological initiatives all contribute to our mission of making high speed communications and technology affordable and easily available to the masses.

Embracing Responsible Business Practices

A Solid Foundation and Path in Blended Cement Products

The Group's Cement Manufacturing Division continues to perform well and remains one of the largest, most efficient and most profitable manufacturers of cement and ready-mixed concrete products in Malaysia. YTL Cement as one of the pioneer eco-cement producers and suppliers in the country since 1997, continues to seek further improvement and development of eco-friendly cements. In addition to the Singapore Green Label certification by the Singapore Environment Council for its range of eight blended cements including Blast furnace Cement, Portland Composite Cement and Ground Granulated Blast furnace Slag, it has also obtained additional certifications from SIRIM QAS International for its eco-friendly products.

The following products were certified in accordance with the SIRIM CRITERIA 029:2011 for eco-friendly cement:

- (a) Slagcem, Blast furnace cement (CEM III/A 42.5N and CEM III/B 32.5N)
- (b) Mascem, Portland-Fly Ash cement (CEM II/B-V 42.5N)
- (c) Dragon, Portland-Slag cement (CEM II/B-S 42.5N)
- (d) Marinecem, Blast furnace cement (CEM III/A 42.5N and CEM III/B 32.5N)

Among others, the SIRIM Eco-Labeling Scheme criteria for eco-cements requires the following criteria to be fulfilled before a product can be certified as an eco-friendly cement product:

- (a) Energy Intensity shall be less than 3.6 MJ/kg
- (b) Carbon Footprint (CFP) shall be less than 0.75kg CO₂/kg cement
- (c) Minimum percentage of total substitute substances shall be not less than 17%

The above certification demonstrates that products produced by YTL Cement achieved the energy intensity, carbon footprint and usage of substitute substances in the products concerned.

Notably, these eco-friendly products continue to enjoy strong demand and uptake from the market. In year 2011, YTL Cement continued to supply Mascem and Slagcem for the sub-structure package of the second Penang Bridge. Our products were chosen due to its durability and strength in constructing this bridge which has an anticipated shelf life of 120 years. To-date, the sub-structure package of the second Penang Bridge is almost complete and construction is ahead of schedule.



In addition to the bridge project, YTL Cement's Mascem and Slagcem products were also used for the Light Rapid Transit (LRT) extension project as well as numerous high rise buildings and infrastructure projects in Malaysia.

YTL Cement also pioneers educational seminars and training sessions which aim to promote the use of eco-friendly cements to local engineers and all the stakeholders concerned:

- In 2011, 16 sessions were conducted with approximately 1000 participants; and
- In the 1st half of 2012, eight sessions were conducted with 170 participants.

YTL Cement continues to work with major consultants and contractors to develop and promote the usage of eco-friendly cements and it expects that with enhanced awareness, there will be greater acceptance and preference from the market for various brands of eco-friendly cements produced by YTL Cement.



MANAGING CUSTOMER ENGAGEMENT AND SATISFACTION

Managing relationships with our customers is treated as a core function, reflecting our customer-centric business approach. Serving over 12 million customers worldwide, it is important that we understand our customers' behaviour patterns so we can improve their experience, hence increasing customer loyalty, retention and profitability. To this end, we regularly engage our customers to seek their feedback on our products and services via face-to-face interaction at industry and ground events, website, social media channels, plant visits and so on.

At YTL Hotels, customer satisfaction is measured monthly through our appointed survey research company and also our in-house electronic Guest Satisfaction Surveys. Feedback and comments from the online community such as "TripAdvisor" are monitored by General Managers at respective hotels. Where comments or replies are necessary, our General Manager will do so promptly, guided by YTL Hotels' external communication guidelines. The information collected through the different channels help the Hotel Management identify any gaps and areas for continuous improvement across all guests touch points. This allows our hotels to benchmark its services within the organisation as well as across the hospitality industry.

CARING ABOUT CUSTOMERS – WESSEX WATER

When it comes to customer service, we no longer live in a world where one size fits all. Our customers rightly expect quality and value for money, services that are reliable and available when they want them, to be treated with courtesy and for problems to be dealt with quickly, efficiently and the first time round. It is also apparent that they want us to become more environmentally sustainable.

Last year Wessex Water (Wessex) was once again the industry leader of The UK's Water Services Regulation Authority, Ofwat's service incentive mechanism which assesses levels of customer service. The result of Ofwat's independent satisfaction survey validates that Wessex is an industry leader with 91% of its customers being "satisfied" with its service in 2011/2012.

In addition, various other surveys demonstrate that when it comes to customers service, Wessex does care. For example:

- In the Consumer Council for Water's tracking survey, 94% of customers said they were satisfied with our service.
- Wessex's own satisfaction surveys show that 98% of its customers who contact them rate their service as "Very Good" or "Good".
- In their annual image tracking, which picks up the views of a random sample of customers and not just those who contact them, 87% of its customers said they were satisfied with Wessex's service.

How did Wessex achieve this?

Wessex focuses on resolving problems first time, improving its processes and speed of response and improving communication. If things go wrong they work hard to resolve complaints at first stage and offer no quibble compensation where they fail. Both billing and operational complaints have fallen again this year, with overall total complaints falling by 40%. Wessex retained its government Customer Service Excellence award for its approach to customer services and continue to have the best overall package of customer guarantees in the industry.

Affordability and tariffs

The continuing fragile economic climate and marked increase in unemployment over the year have together brought growing affordability problems. Last year Wessex introduced a new credit management system which has allowed them to improve segmentation of its customer base, enabling more accurate targeting of customers and ultimately more productive and successful debt recovery.

Wessex's commitment to work on affordability continues unabated and is reflected in its work with Citizens Advice, the Money Advice Trust and local debt advice agencies to help customers who have difficulty paying their bills.

This year around 12,000 customers benefited from its tariffs including the "Assist Scheme", enabling those with the greatest difficulty in paying to make a modest contribution towards water and sewerage costs, and the "Restart Scheme", aimed at getting customers back on track with payments.

In September 2011 Wessex received the Best Partner Award from Wiltshire Citizens Advice Bureau (CAB) in acknowledgement of its innovative work on affordability and the success of its partnerships with CAB across its region.

Embracing Responsible Business Practices



Starhill Gallery (Photo courtesy of Sparch)



Lot 10's 'Forest in the City' rooftop



Wisma Atria, Singapore

Rejuvenating our Malls for a Better Shopper Experience

YTL hosts an impressive portfolio of retail properties across Malaysia, Singapore, China and Australia. It is our aim to bring in strong retail brands which will generate the right shopper traffic, sales figures and image for the mall and our tenants. With this in mind, between 2011 and 2012, we embarked on an “Asset Redevelopment Exercise” which entails mainly facade enhancement projects at some of our malls.

Malaysia – Starhill Gallery

In August 2011, YTL Corporation, in keeping with the completion of the recent Asset Redevelopment Exercise by Starhill Global REIT, launched a re-designed Starhill Gallery, its iconic shopping mall in Kuala Lumpur featuring an extensive array of luxury shops and fine-dining restaurants. The revitalised mall is an affirmation of Starhill Gallery’s positioning as the definitive destination for discerning shoppers in Southeast Asia. Designed by award-winning architectural firm Sparch, the new Starhill Gallery has reinvented its façade facing Bukit Bintang, visually attracting patrons and taking advantage of the heavy footfall along the section of Bukit Bintang in Kuala Lumpur.

Sparch’s re-imagining of Starhill Gallery is first of its kind in Malaysia. It used lightweight steel and glass façades made from state-of-the-art glass technology crafted by professional engineers, who are famous for designing the Pyramid at Paris Louvre. The building has an uninterrupted front design encasing the entire building with a crystalline skin of glass and stone plates to resemble the “wet drapery” of ancient Greek and Roman statues. This gives the tenants’ brand and merchandise a unique look bound to attract shoppers.

Key factors in the construction, especially remodelling, of the retail project included the speed of construction and minimisation of disruption to the operation of the building and the public realm. This demonstrates why a lot of prefabrication was employed in the design. Specialist engineers devised the most lightweight building framing possible which reduced the overall steel tonnage by approximately 25% as compared to a conventional façade, dramatically reducing the embodied energy in the building.

Glazed areas were also minimised to the occupied parts of the building to increase the building mass while decreasing solar gain. As a consequence, energy consumption was reduced. In addition, over 90% of the materials used in the construction of the building shell are recyclable. Furthermore, the building external surfaces use a self-cleaning coating

system where Nano Self Cleaning Solutions (NanoSCS) reduce the need for traditional cleaning and maintenance as bacteria and any organic or inorganic pollutants on the walls are decomposed when exposed to the ultraviolet (UV) rays. The coating not only helps to reduce cleaning costs - it also helps to protect the environment by eliminating the use of harmful detergents and conserving water usage for cleaning to obtain better efficiency.

Malaysia – Lot 10 Shopping Centre

Lot 10, one of YTL’s shopping centres within central Kuala Lumpur’s shopping and entertainment district, Bintang Walk, is an easily recognisable building with its bright green facade and bold modern architecture. As part of YTL’s asset redevelopment project, the centre is currently undergoing a façade renovation due to be completed in the third quarter of 2012. After the renovation is complete, the new façade will incorporate green technology such as energy saving LED lighting to reduce energy consumption and maintenance costs.

There is currently a “Green Rooftop” known as the “Forest in the City” at the top of the mall for the enjoyment of tenants and shoppers alike. It is also the venue for YTL’s Earth Hour Celebrations yearly.

Singapore – Wisma Atria

Wisma Atria is an established shopping mall along Orchard Road in Singapore with retail businesses on five levels. Its redevelopment project took a year to complete, which includes a brand new façade that lights up at night as well as flights of stairs to improve accessibility to this vibrant shopping centre. The stairs, spanning the entire 123m façade, also provide a permanent flood control measure, eliminating the need for mechanical flood barriers. The new façade (unveiled at a launch in September 2012), has a new exterior lined with duplex storefronts of flagship stores and international retailers. Other features and highlights include:

- Energy-saving LED lights installed on façade and signages as well as common areas;
- Envelope Thermal Transfer Value (ETTV)-compliant façade glass to minimise heat into building;
- Usage of natural air ventilation instead of mechanical system whenever possible (to minimise electricity consumption); and
- Sustainable construction employed to ensure that the design reuses existing structures / foundations as much as possible thereby reducing usage of raw materials





PROTECTION OF THE

Environment

“ The impending revolution in our industrial and capitalist systems that will move us away from a diet of fossil fuels and unlimited resources requires vision, genius, energy and creativity from all citizens of all nations. The future belongs to those who understand that doing more with less of our precious resources is common sense and compassionate, and thus more intelligent and competitive. The prize is a huge one for the sake of the planet. ”

– Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, CBE, FICE,
Managing Director of YTL Corporation Berhad

Protection of the Environment



Durdle Door East at Dorset

As a leader in environmental sustainability, we strive to become stewards of our good earth, share our best practices and lead others to excel in doing more for the environment we are blessed with.

It has always been in our corporate fabric and culture to provide services and products that meet customers' expectations whilst minimising the impact on the environment.

We aim to do this by continuing to:

- Reduce our carbon footprint by increasing energy efficiency and reducing energy consumption where possible;
- Reduce water consumption;
- Minimise waste generation and avoid incinerating and landfilling waste;
- Reduce materials consumption and use recycled material for products and packaging and where practical, recycle all waste materials;
- Further biodiversity conservation efforts in Malaysia, Asia and beyond.

In addition to our extensive internal initiatives, we host, fund and pioneer social movements that are designed to drive consumer awareness and canvass public participation towards a more sustainable way of life. You may read some examples in the *Conservation in Partnership* sub-section as well as in the *Empowering our Communities* section of this Report. We have invested in many key environmental investment activities which include:

- Investing in the YTL Group of companies and projects to improve energy efficiency;
- Developing our in-house carbon credit consultancy business, YTL-SV Carbon, and advising on Clean Development Mechanism (CDM) and certified emissions reductions (CER) projects both internally and externally;
- Supporting non-governmental organisations (NGOs), non-profit organisations, and privately funded organisations for environmental advocacy, awareness, and mitigation and preventative activities;
- Supporting the local community in development of small scale Renewable Energy Projects, to improve their livelihoods;
- Investing at venture capital or mezzanine level in environmentally-themed companies, projects and product development companies, including water treatment and supply, alternative and renewable energy, municipal solid waste to energy, agricultural waste, biomass energy, and other clean technology companies and projects.



Newly hatched turtle (read on our Turtle Conservation at Tanjong Jara Resort on page 63)

KEY ENVIRONMENTAL IMPACTS AND OPPORTUNITIES

Impact areas	Identified risks	How we turned it into opportunities
Energy	Rising cost of fuels	Increased investment in renewable energy
Climate Change	Unpredictable weather patterns which result in flooding, extreme heat and drought	Investment in carbon credits and Clean Development Mechanism (CDM) Projects to reduce climate change impacts
Water	Water scarcity	Investment and initiatives in recycling our water and wastewater Efficient use of water resource
Materials Used	Rising cost of materials Depletion and scarcity of raw materials	Increased recycling of materials and reduced resource use
Waste	Toxic emissions from incineration and environmental issues associated with landfill	Move towards zero waste incinerated
Biodiversity	Reduced biodiversity	Increased conservation efforts



Protection of the Environment

HOW OUR ENVIRONMENTAL IMPACTS ARE MANAGED

Throughout our business and global operations, we work to manage environmental issues and address any related impacts on local communities. We manage our environmental impacts at the local level through respective operating management systems. Some of our Business Units have environmentally-linked performance targets set at their sites. For example, YTL PowerSeraya has a 10% carbon footprint reduction target throughout its operations whilst Wessex Water aims to be carbon neutral by 2020. At group level, we review our management of key material issues such as energy efficiency, greenhouse gas emissions, water and material usage.

Some of our Business Units have formal Environmental Management Systems (EMS) in place, and we are working towards implementing formal EMS at more of our Business Units and/or operations over the coming years.

Achieving sustainable practices through Integrated Management Systems.

YTL Power Services (YTLPS) Malaysia achieved the Integrated Management System (compliant to PAS 99 standard) which comprises ISO 9001:2008 (Quality Management System), OHSAS 18001:2007 (Occupational Safety and Health Management System) and ISO 14001:2004 (Environmental Management System). YTLPS effectively drives environmental performance through the ISO 14001:2004, through improving technologies for higher efficiency in power generation, adopting green practices such as proper waste management and the 3Rs (Reduce, Reuse and Recycle) efforts, as well as instilling employee, vendor and contractor awareness in sustainable practices. The Company has developed an impressive Environmental Aspect and Impact Assessment database, which is electronically available to all power plants including the head office to ensure stringent control of sustainable practices.

CERTIFICATIONS ACHIEVED BY YTL'S BUSINESS UNITS

The following operations at YTL have achieved ISO9001:2008 Quality Management Standard Certification:

1. YTL Power Services Sdn Bhd
2. PT Jawa Power
3. YTL PowerSeraya Pte Ltd
4. Wessex Water Limited
5. Express Rail Link Sdn Bhd (ERL)¹
6. ERL Maintenance Support Sdn Bhd (E-MAS)
7. Syarikat Pembinaan Yeoh Tiong Lay
8. Perak-Hanjoong Simen Sdn Bhd
9. Pahang Cement Sdn Bhd
10. Slag Cement Sdn Bhd
11. Slag Cement (Southern) Sdn Bhd
12. PHS Trading Sdn Bhd
13. Buildcon Concrete Sdn Bhd

The following operations at YTL have achieved ISO14001:2004 Environmental Management Standard Certification:

1. YTL Power Services Sdn Bhd
2. PT Jawa Power
3. YTL PowerSeraya Pte Ltd
4. Wessex Water Limited
5. ERL Maintenance Support Sdn Bhd (E-MAS)²
6. Perak-Hanjoong Simen Sdn Bhd
7. Pahang Cement Sdn Bhd
8. Slag Cement Sdn Bhd
9. Slag Cement (Southern) Sdn Bhd

¹ ERL achieved ISO9001 certification in December 2011 for the provision of rail services between Kuala Lumpur International Airport (KLIA) and KL Sentral

² E-MAS, the first railway company in Malaysia, received its ISO14001 certification in July 2012

Climate Change



Weston-super-Mare

Climate change, caused by greenhouse gas (GHG) emissions, continues to be one of the top global challenges that require concerted international efforts. At YTL, we aim to provide services and deliver products that meet customers' expectations whilst actively finding ways to reduce our carbon footprint through increasing energy efficiency, reducing energy consumption and investing in renewable energy where possible.

We aim to reduce greenhouse gas emissions while expanding our energy supply portfolio to meet the world's energy needs. We have in place within our various Business Units measures to monitor emissions to mitigate its effect on the environment in which we operate and have embarked on many initiatives to reduce our carbon footprint. Many of our efforts at mitigating the impact of climate change is detailed in the *Energy Efficiency and Conservation* section of this Report.

Protection of the Environment



One of YTL Cement's plants

CO₂ REDUCTION INITIATIVES IN CEMENT MANUFACTURING

It is notable that YTL Cement is one of Malaysia's first local slag cement producers and suppliers, commencing in 1997 even before the advent of the Kyoto Protocol and Clean Development Mechanism (CDM). YTL Cement supplies between 20% and 70% of double and triple blended products locally by blending Pulverised Fuel Ash (PFA), Ground Granulated Blast Furnace Slag (GGBS), copper slag and raw limestone, thereby reducing clinker and carbon dioxide (CO₂) emissions.

At our Perak plant, a number of operational improvement projects geared towards increasing production, improving product quality, and reducing costs have been underway for the past four years. All of these projects, including recycling and reuse, have also improved the energy efficiency of the plant and reduced CO₂ emissions. The modernisation and improvement projects completed at the Perak-Hanjoong Cement plant include:

1. Optimisation of raw material sources and quality which improved the stability of kiln operation and increased annual clinker production;
2. Installation of modern high efficiency separators on the raw and coal mills, resulting in increased production, improved burnability, and reduced electrical power consumption;
3. Installation of static inlet grate on the Production Line (PL) 2 clinker cooler which improved the clinker quality and significantly reduced the fuel consumption of the kiln, and
4. Installation of the clinker cooler and replacement of its ancillary equipment at PL1 in line with a modern, efficient and low-maintenance design, resulting in reduced fuel consumption of the kiln, optimised clinker quality, reduced maintenance costs, and an increased run factor resulting in higher annual clinker production.

WESSEX WATER'S CARBON REDUCTION COMMITMENT

To be a sustainable water company, Wessex Water (Wessex) needs to decarbonise its operations and investments as much as it can. The water company's long-term aim is to become carbon neutral by 2020. It has a carbon management strategy, first developed in 2001. This combines specific carbon-cutting initiatives with a number of management measures and is based on the hierarchy of emissions avoidance, energy efficiency and renewables. This is to ensure carbon management is built into decision making and operational activity and they are taking concerted action in each of these areas.

Wessex is one of 2,100 organisations in the Carbon Reduction Commitment Energy Efficiency Scheme (CRC EES). CRC is a government initiative aimed at improving energy efficiency and cutting emissions in large public and private sector organisations. The scheme charges companies for every tonne of CO₂ they emit from energy use. For example, every kilowatt hour of electricity from the National Grid accounts for 0.54kg of CO₂. Companies that reduce their energy use will benefit from lower energy bills and lower carbon emission costs. There is also a league table which ranks participants according to how much they have reduced their emissions. In October 2011, the first league table was published and Wessex emerged top of the water sector (being placed 30th overall).

In July 2012, Wessex completed its first purchase of CRC EES for approximately £1.5 million for consumption in 2011 to 2012. The Company estimates the savings in power consumption this year will be reduced through the cost of CRC allowances by approximately £80,000.



Reviewing energy efficiency at Wessex Water's Shaftesbury sewage treatment works in Dorset



Upgrade of air delivery system at Weymouth Sewage Treatment Works to save energy

"GO GREEN, GO LO-CO₂ CAMPAIGN" AT ERL & E-MAS

In 2009, KLIA Ekspres launched a "Go Green, Go LO-CO₂" campaign to encourage the public to take the trains as opposed to other forms of transport, to the airport, thereby reducing carbon emissions into the atmosphere. Rail transport is currently considered one of the most energy efficient modes of transport where greenhouse gas emissions per passenger kilometre for rail transport is up to five times less than that of car transport.

The express trains are currently the fastest way for passengers journeying to and from the Kuala Lumpur International Airport (KLIA). It has been calculated that KLIA Ekspres and KLIA Transit current ridership has resulted in approximately 3.5 million less car journeys between the capital of Kuala Lumpur and the airport³.

³ This equates to savings of around 15.8kg per person or 23,000 tonnes of CO₂ emissions annually

Protection of the Environment

Energy Efficiency and Conservation

Energy plays an essential role in improving the quality of life for us and for future generations. As one of the key regional players in the power generation sector, supplying energy efficiently is critical to our customers and enables people to maintain and improve their standard of living. However, this brings with it significant challenges – for example, the very real threat of climate change means that we need to continue to provide and deliver energy in a way that minimises the impact our emissions have on the environment.

As a Group, we recognise this and are pleased to report that our various Business Units have already put in place measures to conserve energy whilst improving efficiency and setting targets to reduce their carbon footprint. Two such examples are our power generation power stations at

PT Jawa Power, Indonesia, where they have successfully conducted Energy Conservation Programmes and YTL PowerSeraya in Singapore, where significant investments in state-of-the-art technology have resulted in higher efficiency and reliability. Other energy efficiency initiatives conducted by other Business Units include fitting in energy efficient lighting, air conditioning and ventilation systems, energy-saving practices at our hotels as well as inculcating green practices among our office-based employees.

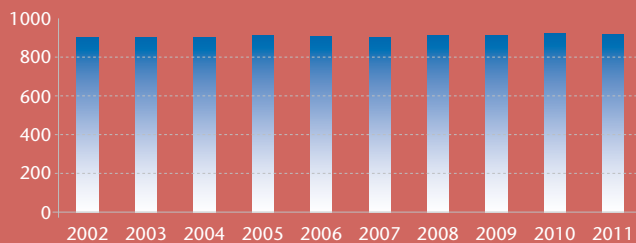
Overall, YTL has a two-fold strategy strong in pursuing green practices Group-wide. Firstly, we have a monitoring system put into place to measure and track energy usage. Secondly, we are pursuing and steadily increasing renewable energy usage, wherever possible.

ENERGY CONSERVATION AND PROGRAMMES AT PT JAWA POWER

PT Jawa Power owns a 1,220 MW coal-fired power plant located at the Paiton Power Generation Complex in East Java, Indonesia. The plant consists of two electricity generation units with a net installed capacity of 610 MW each. The Paiton Power Generation Complex is on Indonesia's most developed and populated island, Java, and supplies power to Indonesia's national utility company, PT Perusahaan Listrik Negara (Pesero or PLN), under a 30-year power purchase agreement. The plant is operated by PT YTL Jawa Timur, a wholly-owned subsidiary of the Group.

In line with its corporate aim to reduce carbon emissions, the site is committed to maintain a high generation efficiency which results in less carbon emissions per MWh electricity generated. The plant achieved 891 tonnes CO₂e/GWh. After 13 years in operation, the high generation efficiency can still be achieved by implementing good operation and maintenance practices, periodic performance tests, efficiency monitoring and through work improvement teams. The average Plant Efficiency

CO₂ Emissions (ton/GWh)



figures in 2011 were maintained at 38.6% which is considered high for the type of Sub Critical Pulverised Coal-Fire (PC) Boiler Power Plant. In 2012, the site initiated a process to implement a holistic Energy Management System to further enhance the efficiency of its energy conservation programme.

Maintaining high plant efficiency means keeping the CO₂ emissions from the power plants low. The graph here shows that CO₂ emissions from Paiton II's Power Plant are low⁴.

⁴ Reference: Electrical Power Research Institute (EPRI), in 2010 issued the average Specific CO₂ Emission (ton/GWh) based on survey results (for Sub Critical PC Boiler Power Plant) to be at 931 ton/GWh. Paiton II's data in 2011 is 891 ton/GWh.



YTL PowerSeraya's Combined Cycle Co-Generation Plant at Jurong Island, Singapore

HIGH THERMAL EFFICIENCY CO-GENERATION POWER PLANT AT YTL POWERSERAYA, SINGAPORE

Improving energy efficiency and reducing its carbon footprint is not new to YTL PowerSeraya. Over the past two years, YTL PowerSeraya has managed to lower its carbon footprint, fulfilling its 10% carbon footprint reduction target. It achieved this through utilising state-of-the-art technology, followed by improvements in overall plant efficiency and switching to less carbon intensive fuels.

The commissioning of the High Thermal Efficiency Co-Generation Combined Cycle Plant (Co-Gen CCP) in October 2010 enabled YTL PowerSeraya to harness waste

heat produced from the electricity generation process in the Co-Generation Plant and utilise water from its in-house desalination plant and treated wastewater (i.e. NEWater) to produce high-pressure steam which YTL PowerSeraya sold to neighbouring industrial customers on Jurong Island.

At the same time, YTL PowerSeraya is also embarking on an Energy Management System to extract greater energy efficiencies from the power generation operations at its plant. This will ensure readiness of YTL PowerSeraya to meet the requirements of the upcoming Energy Conservation Act in 2013, and further enhance its sustainability focus within the organisation.

ENVIRONMENTALLY SUSTAINABLE PRACTICES AT YTL HOTELS

Various energy-saving practices have been employed at our hotels to reduce the Group's overall carbon footprint. In addition to our standard practice of encouraging all employees to switch off electrical appliances and lighting when not in use, many lights at our hotels at public areas

have been retrofitted with motions sensors so that they are switched on only when needed. A combined effort of replacing incandescent and halogen bulbs with lower wattage bulbs and the installation of heat exchange equipment to generate hot water from waste chiller heat (with chiller scheduling to run on minimum demand) has reduced energy consumption.

Protection of the Environment

WESSEX WATER'S CARBON MANAGEMENT

As part of its carbon management strategy, Wessex Water (Wessex) has continued to take action to reduce its emissions through a combination of avoidance measures and energy efficiency. Energy saving has been a major focus of Wessex's operations during 2011-2012, with 13GWh of electricity consumption savings over the year. This saving has been achieved as a result of its onsite audit programme, installation of more automatic meter reading (AMR) meters⁵, fitting control measures on equipment (treatment equipment, heating & lighting), installing real time control systems at our larger sites and the introduction of "The Energy Bonus".

The Energy Bonus is a scheme designed to engage all employees at all levels who can actively help reduce energy consumption. To ensure its people have the knowledge required to save energy on their sites, they introduced various employee engagement approaches and activities ranging from interactive energy audits, energy calculators, and regular reports to competition between the teams via energy league tables.

As a result, this programme contributed to highly engaged employees who supported the Company in achieving a significant financial saving of £1 million (RM4.95 million) this year.

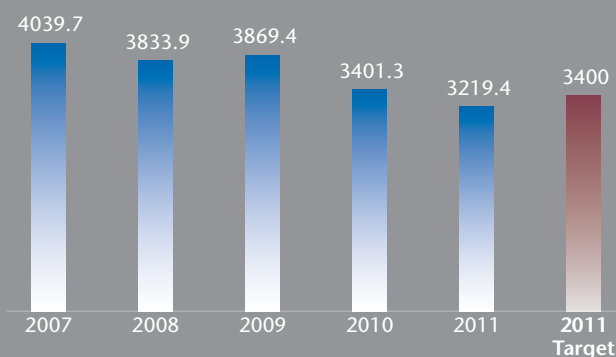
STARHILL GLOBAL REIT AND YTL POWERSERAYA ENGAGE EMPLOYEES IN ENERGY CONSERVATION

Starhill Global REIT and YTL PowerSeraya believe that Office Employees have an equally important role in reducing the Company's carbon footprint. They are encouraged to adopt measures to conserve energy and embrace sustainable office resource practices as part of their Eco Office Initiatives. These include:

- Photocopiers / printers placed on standby mode to reduce electrical usage;
- Computers / laptops set in default auto-sleep mode when not in use;
- Reminding employees regularly to switch off all lights when not in use; and
- Keeping office air-conditioning and hot water dispensers switched off after office hours.

About 400 YTL PowerSeraya employees at this office have certainly made an impact where substantial savings and CO₂ emission reductions were recorded. The chart summarises the overall CO₂ reductions in the office and the power generation operations.

Energy Consumption per head (kWh per annum) at YTL PowerSeraya



OPERATING AN ENERGY EFFICIENT RAILWAY SERVICES BY ERL AND E-MAS

YTL Corporation is a major shareholder of Express Rail Link Sdn Bhd (ERL), a railway development company which was awarded the concession to finance, design, construct, operate and maintain the KLIA Ekspres, KLIA Transit, and other ancillary activities related to railway services. The system is a modern electrical rail system operating the 57km stretch between Kuala Lumpur Sentral Station and Kuala Lumpur International Airport. The trains' operation and maintenance is efficiently managed by ERL's wholly owned subsidiary, ERL Maintenance Support Sdn Bhd (E-MAS).

Besides ensuring that these services are safe, reliable, and economical, ERL and E-MAS aims to provide environmentally friendly high speed rail services to and from the airport and city. Both organisations recognise the need to do so and thus have put in place key energy saving initiatives to improve the positive environmental impact of its operations. The trains have been installed with energy meters to monitor equipment and driver performance which resulted in 5.3% reduction in energy cost per trip. Furthermore, energy saving initiatives at its office building have resulted in an average saving of RM800,000 per year or equivalent to around 2.5 million kWh per year.

⁵ Use of AMR meters have further improved Wessex's ability to obtain inaccurate information about energy use, enabling the Company to quickly identify increased energy usage at sites and solve issues highlighted by this use that may have previously gone undetected.



**Investment
in Renewable
Energy**

The BioBug, developed by Wessex Water's subsidiary GENeco, runs on biogas generated from the sewage treatment process

As part of our carbon management strategy we have continued to focus on improving our renewable energy generation. The root of YTL's renewable energy power generation was first nurtured under YTL Power International's (YTLPI) subsidiary, Wessex Water (Wessex) in the UK. Wessex already had a strong footprint in renewable energy power generation by the turn of the century, with installed capacity of almost 11MW of biogas power generated by the digestion of human waste sludge in its Avonmouth, Bristol plant since the 1970's. Subsequently, a portion of the biogas has been scrubbed further and bottled to be used as a fuel to power the service vehicles of Wessex. The first prototype in the UK was revealed in 2011 called the "BioBug", a converted flex fuel VW Beetle which can run

on both petrol and also on biogas from digested human waste sludge. Wessex has also invested in wind turbines and has further invested R&D funds into the exploration of other forms of renewable energy related to its core business of water treatment and supply, on track to meeting its target of 100% renewable energy to power its treatment and supply processes.

Additional renewable energy and heat projects under YTL Power International (YTLPI) can also be found at PT Jawa Power, where municipal sludge waste from livestock is digested for the capture of methane for use in stoves and for flaring. Other projects in PT Jawa Power include micro hydro power generation (see page 45).

Protection of the Environment

YTL Cement has also embarked on several initiatives to tap into renewable energy throughout its operations in Asia. It has a waste-heat recovery project in its subsidiary in China, Zhejiang Lin'an Jin Yuan Cement Co Ltd, where it plans to generate an additional 7MW of power from waste heat recovered from the cement kilns. In addition to this, YTL Cement in Malaysia has installed storage and feeder systems to supply waste materials such as rubber tyres as a fuel for the furnaces to replace fossil fuels. It has also conducted trials using other forms of waste materials such as palm oil empty fruit bunches, palm kernel shells, waste solvents from manufacturing companies, and industrial sludge pellets. In all instances, emissions from the burning of rubber tyres or other alternative fuels are strictly monitored to ensure that they meet national standards set by the Department of Environment.

Our Group will continue to explore and plan for investment in renewable energy as part of our commitment to reduce the carbon intensity of our power generation, manufacturing and treatment processes worldwide.

SUPPORT FOR THE USE OF GREEN VEHICLES AT WISMA ATRIA, SINGAPORE

In line with our support for sustainability and the use of green vehicles in Singapore, three units of parking lots were reserved for shoppers driving Electric Cars. These lots are conveniently located and clearly signposted, with electrical power points for drivers to charge their vehicles while they shop at Wisma Atria. They are also given priority access to the car park in the event that the car park is full.



Electric car parking lots at Wisma Atria

Carbon Credit and Clean Development Mechanism Consultancy by YTL-SV Carbon

In 2008 YTL Corporation acquired a controlling stake in a Danish-owned carbon consulting company SV Carbon Sdn Bhd, which was later renamed YTL-SV Carbon Sdn Bhd. Whilst the consulting company was initially primarily involved in assisting clients in the registration of Clean Development Mechanism (CDM) projects with the *United Nations Framework Convention on Climate Change* (UNFCCC) under the Kyoto Protocol, it later turned to a more focused approach to the promotion of carbon mitigation via renewable energy projects in Asia under both compliance and voluntary mechanisms. This involved first mapping the carbon intensity of a client's plantation, production process, or energy use, and then proposing ways to convert solid and liquid waste matter into renewable forms of energy, or proposing forms of renewable energy to replace fossil fuel generated or grid energy.

To date, YTL-SV Carbon has assisted numerous clients around Asia to register 19 UNFCCC CDM projects, and other voluntary projects. Whilst the previous projects also included composting of palm oil waste, the current portfolio of projects is dominated by biogas, biomass and hydro power projects in and around South East Asia. The first credits have already been issued for the CDM projects and the subsidiary will continue to promote renewable energy projects with strong carbon mitigation characteristics following December 2012, regardless of the future of the CDM under the Kyoto Protocol.

In 2011, YTL-SV Carbon was awarded the "Best Carbon Markets Brokerage, Asia" Award at the World Finance Carbon Market Awards 2011. YTL-SV Carbon is an affiliate member of the Roundtable for Sustainable Palm Oil (RSPO).

Visit www.ytl-svcarbon.com for more information on the specialist services YTL-SV Carbon provides.



Biogas is used for cooking stove



Biogas Reactor



Microhydro power generation

Improving Livelihoods of Local Communities through Green Energy Development Projects

In 2012, PT Jawa Power established an initiative to promote Green Energy Development in the area around its power plant. Two projects were carried out, a micro hydro project and a community biogas project. The micro 2kW hydro project has been successfully commissioned and is in operation in the local village of Ds. Kedung Sumur Pakuniran, Probolinggo, a remote area where villagers are unable to receive electricity supplied by the state electricity company, Perusahaan Listrik Negara (Pesero or PLN).

Employees at PT Jawa Power developed an ingenious micro hydro unit to replace the old one which had not been in operation for a long time. This new unit became highly efficient, reliable and safe. As a result, PT Jawa Power has identified and will be implementing an additional five micro hydro units in the near future from now until the end of 2013.

PT Jawa Power initiated a unique community biogas project in Dusun Pesisir Village, East Java where 20 local students from SMA Tuna Luhur (a company-owned school) became involved in this extra-curricular renewable energy programme. A total of 10 additional biogas units were installed and has commenced operations. This biogas plant which utilises cows manure as waste has provided the villagers with an alternative source of fuel twice daily for cooking. The biogas reactor made from used oil drums with capacity of 1,200 litres requires only three cows and is intended for a small family. Overall, this project has proven a success as it has allowed the local community to have better access to fuels and supports them in improving their livelihoods.

Protection of the Environment

Water Efficiency

Water is the main source of nourishment for life on this planet and its importance can never be overestimated. According to the *second UN World Water Development Report* published in March 2006, if present levels of consumption continue, two-thirds of the global population will live in areas of water stress by 2025. Increasing human demand for water from population and economic growth coupled with the effects of climate change mean that the future of our water supply is not secure. As of now, 2.6 billion people do not have access to safe drinking water.

In running our global operations, we recognise this growing water scarcity problem. Therefore, promoting water efficiency is an important part of our overall strategy and efforts to ensure that human demand and water supplies are in balance and that the risk of disasters such as droughts and floods are reduced. We believe that sustainable and effective water resource management ensures accessibility of this precious resource for all.

PROMOTING WATER STEWARDSHIP

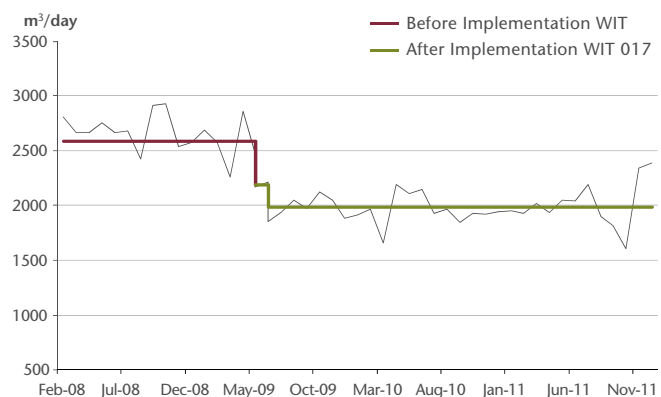
At YTL, we strive to be responsible stewards of water and to reduce the impacts of our business on the water supply around us. We encourage all of our Business Units to ensure a water-sustainable operation by minimising water use, exploring alternative ways to generate clean water, developing efficient ways to recycle water from our operations and protecting surrounding water sources where feasible.

We are pleased to report that many of our Business Units have conducted successful water conservation and efficiency programmes at their operational sites involving employees, customers, consumers, local businesses and communities. For instance, many of our resorts have rainwater harvesting systems already in place. The water collected is mostly used for general cleaning and watering gardens. As part of

their environmental management system, YTL Hotels also installed leakage detectors to identify underground water pipe leaks where necessary plumbing and repair work are immediately carried out to avoid further wastage. The use of recycled water is also a common practice among many of our subsidiaries. At one of our properties in Singapore, Wisma Atria, for instance, makes use of locally-recycled water, NEWater, which accounts for 40% of the building's total domestic water consumption for general services. NEWater is used for Wisma Atria's air-conditioning, cooling of the tower system and fire sprinkler system.

Another example of a water conservation programme can be shown by our subsidiary, PT Jawa Power. The programme, which began in 2009, entails the recycling of all used water generated from the plant operations. The water usage at the power station is mostly used in the plant for coal dust suppression systems, plant cleaning, ash lagoon maintenance and equipment cooling, among others. To date, this water conservation programme has shown promising results with an average of up to 30% reduction of water usage. The reduction in water usage in turn has resulted in chemical and electrical power savings thus minimising the plant's overall impact on the environment.

Daily Plant Water Consumption at PT Jawa Power - Paiton II Plant





YTL PowerSeraya's Desalination Plant

WATER EFFICIENCY AT YTL POWERSERAYA SINGAPORE

It has been notable that any power plant would consume a considerable amount of water on a daily basis. Over the years, our power plant at YTL PowerSeraya Singapore has sought to be water efficient in its operations, as well as to be water sufficient through greater use of water from its in-house desalination plant.

A few years ago, a significant proportion of the water consumed for power plant operations was from freshwater sources via the country's piped water system. Today, approximately 98% of the water consumed for our plant operations originated from our in-house desalination plant with the remaining 10% from locally-recycled water known as NEWater.

In terms of water efficiency, the water intensity has dropped by ~ 5%, reflecting a better use of water resources for every unit of energy produced at the power plant. The energy (in MWh) includes the electricity generated as well as the energy component required to generate high pressure steam that is sold to customers. The net water consumed is the water used to generate electricity and high pressure steam at the plant minus the steam that is effectively delivered via a dedicated pipeline to customers.

Protection of the Environment



Conducting complimentary water audit with a customer



"Save-a-flush" bag



WaterSave Shower

EDUCATING THE COMMUNITY AND CUSTOMERS ON WATER EFFICIENCY

Our water and wastewater treatment subsidiary in the UK, Wessex Water (Wessex) has been actively involved in reaching out to its customers across the South West of England to promote water efficiency among the local communities and schoolchildren. Over the last year its Education Advisers met with more than 13,500 pupils at schools or at its education centres. They delivered lessons about Wessex's water and sewage treatment as well as activities on environmental topics and how to save water.

As part of its ongoing customer engagement initiative, Wessex provides educational information to customers through its website, social media such as Facebook and Twitter as well as print publications. Wessex has been notable in its efforts of capitalising the growth of social media in reaching its 1.3 million customers.

In 2011, Wessex launched its very own *Bag it and Bin it* app, which is a free to download mobile application that educates consumers on what should and should not be thrown down the toilet. As at early 2012, the app has been downloaded by more than 20,000 users.

Wessex has an online water and energy calculator which encourages its customers to be aware of their water usage and take action to systematically reduce it. Wessex provides the support by running events on water efficiency, free home water audits as well as distribution of free "WaterSave" packs which include a "save-a-flush" bag, a shower timer, a shower regulator and a self-audit form. Wessex also supports the local businesses by providing free water audit services to encourage water efficiency and identify any areas where they can reduce their usage to ensure sustainability of their operations.



Centrio 2 at Pantai HillPark

Materials Used



Centrio 1 at Pantai HillPark

We firmly believe in the importance of sustaining natural resources for both present and future generations. In pursuing our commitment to minimise the impact of our operations on the environment, we have continued to:

- Initiate methods and processes to reduce materials consumption;
- Source and use alternative materials to reduce the consumption of non-renewable natural resources;
- Promote the use of recycled material for our products;
- Encourage sustainable construction by increasing the use of renewable materials; and
- Where possible, recycle all waste materials.

In striving to do all of the above, we make sure that quality of our products and services is never compromised.

Protection of the Environment

SUSTAINABLE DESIGN, MATERIALS AND CONSTRUCTION AT OUR PROPERTY DEVELOPMENT

The Group, through our property development arm, YTL Land and Development Bhd (YTL Land), remains committed to our promise of developing truly branded homes with innovative and sustainable living concepts, built to the strictest of standards for the wellbeing of all homeowners within the Group's communities. The use of restoration, green materials and methodologies are prevalent throughout YTL Land's developments. This is evident in the design of Centrio at the Group's Pantai Hillpark development, for example, which incorporates a number of sustainable design strategies, such as rainwater

harvesting and building orientation to ensure maximum user comfort with reduced environmental impact. Shera boards at external areas reduced construction time by being more durable and easier to install than timber decks. ALC (Autoclaved Lightweight Concrete) brick was used for internal walls to reduce loading and improve insulation, with a relatively low environmental impact by saving energy during transportation (at one fifth the weight of regular concrete). Other structures such as the bridges, canopies, swing meeting cubes and trellises were constructed in steel. Centrio is a development that has been designed to be sustainable and was also built sustainably.

USE OF ALTERNATIVE RAW MATERIALS AND FUELS AT OUR CEMENT MANUFACTURING OPERATIONS

It is widely known that cement production is naturally one of the most natural resource intensive industries. Limestone, sand, clay, aggregates and gypsum provide the mineral resource base for our cement products. Our use of these resources can affect biodiversity and ecosystems, directly or indirectly throughout the life cycle of a quarry. Recognising this, for the past five years, our cement manufacturing arm, YTL Cement, has embarked on the use of industrial gypsum to replace a substantial part of the natural gypsum used for cement production. This effort is consistent with the Company's aim to support efficient management of natural resources as well as striving to continually reduce costs

without compromising on the quality of our cement products. Other initiatives include replacing the use of iron ore with copper slag which is an industrial waste and by-product.

YTL Cement also supports the use of alternative fuels and recycled raw materials as substitute for coal as the main source of energy. The use of alternative fuels has helped reduce the use of coal and at the same time served as a useful alternative to utilise recycled materials. In addition, YTL Cement has carried out fuel replacement of Light Fuel Oil (LFO) with Residual Fuel Oil (RFO). The use of these materials have helped to reduce carbon emissions and at the same time, reduced the cost of production.



(1)



(3)



(2)

Fuel switching from coal to biomass waste:

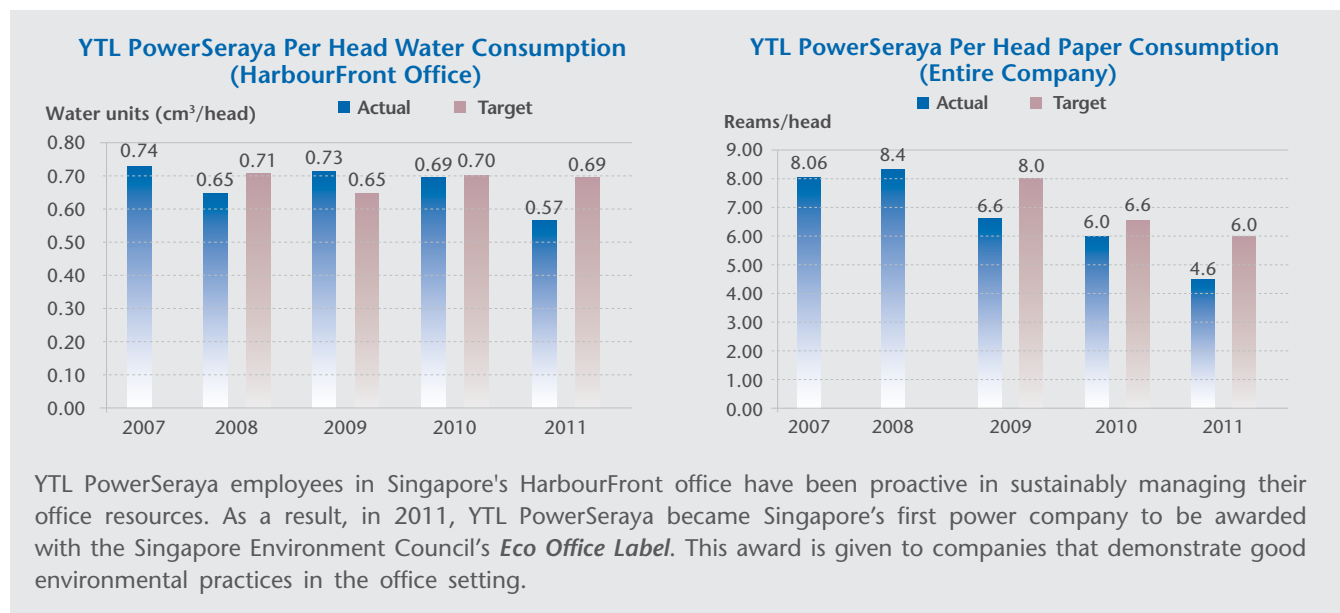
- (1) Empty Fruit Bunch (EFB)
- (2) Palm Kernel Shell (PKS)
- (3) EFB and PKS Briquettes and Pellets

Waste Management

Disposing of waste in an environmental-friendly manner is important to our diversified businesses. Depending on the nature of their businesses, different Business Units will have in place waste management policies and plans for hazardous and non-hazardous wastes as stipulated by their respective local regulatory requirements. For example, YTL Cement has an Environmental Policy outlining proper waste management procedures and inventories on how much industrial waste is generated and reused. There is typically no waste generated through cement production as by-products. However, there is some industrial waste due to maintenance work such as used or spent refractories, lubricants, and burst paper bags, most of which are recycled. Waste refractories, burst bags, and spent oil are almost 100% recycled, while used refractories are crushed and reused as part placement for the raw materials

used in cement manufacturing. Used oil is reused as chain open lubrication at coal and remix reclaimers, and is also sold to recyclers. Used grease and contaminated gloves go back into the firing stream to become partial replacement of fuel, whilst burst paper bags also go as fuel into the firing process.

On a Group level, we remain committed at minimising waste generation and avoid incinerating and landfilling waste. We believe that “reduce, reuse and recycle” is a key component of waste management and where possible have undertaken various efforts across all Business Units to engage all employees to do this in an effort to reduce the amount of waste disposed. We believe this will raise the level of environmental awareness amongst our employees as well as inspire them in joining the fight against producing waste.

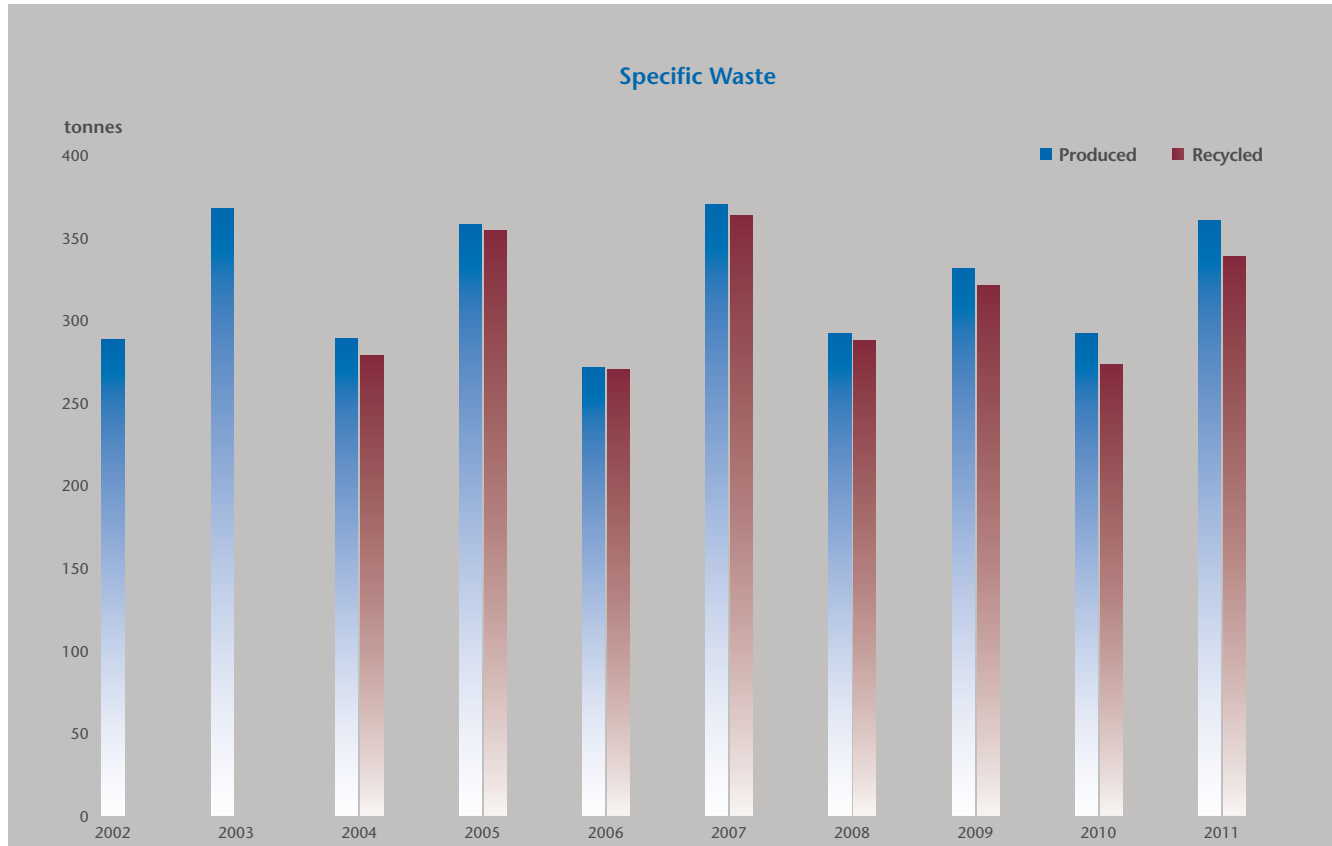


ERL AND E-MAS CONTINUE TO REDUCE, REUSE AND RECYCLE

ERL Maintenance Support Sdn Bhd (E-MAS), ERL's wholly owned subsidiary which operates and maintains the ERL railway services continues its "3R Project" as part of its commitment to environmental protection.

- Reduce** – Minimise the usage resulting in a smaller amount of waste, or using natural resources wisely through conservation.
- Reuse** – Use materials in their original form or pass them to others to use.
- Recycle** – Reusable material can be remade into either the same product or new products rather than being disposed of.

Protection of the Environment



Efficient Waste Management at PT Jawa Power, Indonesia

The station has a daily fuel consumption of approximately 13,000 tonnes of coal which in turn generates about 400 tonnes of ash per day (The coal has an ash content ranging from 2% to 5%), the bulk of which is fly ash – smaller, lighter particles of ash that are separated from boiler exhaust gases in the electrostatic precipitators. With the consistency of very fine powder, fly ash has the potential to pollute the air and groundwater as it contains traces of salts and metals, and the conventional method used to dispose of fly ash is to convert it into slurry and pump it into specially-built ash lagoons.

The Paiton ash-lagoon was built with impermeable asphalt layers to prevent contamination of ground water. Though this may have solved immediate disposal needs, it was observed that it could still be susceptible to long-term environmental problems.

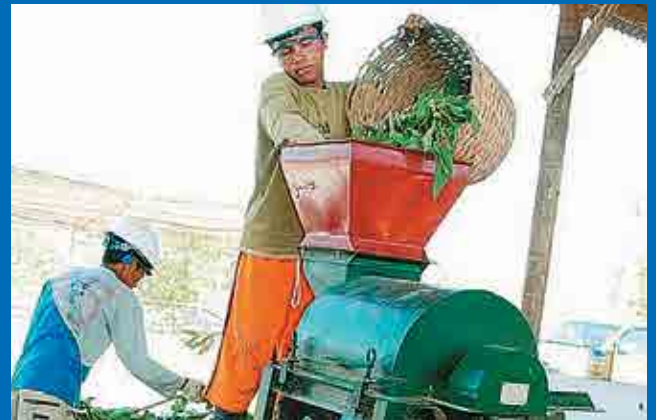
Hence, in 2003, Jawa Power’s Paiton II station began selling fly ash to nearby construction and cement processing plants to be used in production. Fly ash is an inexpensive replacement for cement used in concrete and actually improves the strength of the final product. Beginning with only 26% utilisation of total fly ash generated in 2003, the utilisation rate increased to 99% by 2011. Paiton II expects that in future, all the fly ash generated by the power station will be used.

Efforts have also been made to recycle other hazardous waste (called ‘specific waste’), such as wastewater treatment plant sludge, used oil, and used batteries, resulting in 87.86% of specific waste being recycled in 2011. Other specific waste that cannot be recycled, such as chemical laboratory waste, contaminated waste, fluorescent lighting and machine-made mineral fibres (MMMF) are handled by a licensed waste disposal contractor. The entire process is managed in a proper manner to ensure that storage time, transportation and the waste disposal process are in compliance with prevailing environmental regulations.

Encouraging Employees and Families in Sustainable Waste Management

PT Jawa Power has an Operator Housing Complex (OHC) which houses over 150 of its employees and their families. Located 7km away the PT Jawa Power Station, the complex generates approximately 1 tonne of waste per day, 60% of which is organic waste. Disposing of this waste responsibly remains the Company's top priority. Therefore, the Company built an Integrated Waste Management area within the local community.

Employees and their families in the OHC are educated on waste segregation. Recyclable non-organic waste from the OHC such as plastics, papers, metals and rubbers are segregated, collected, and delivered to recycling companies. Organic waste is separated and turned into compost to be used as fertilisers which in turn reduces the use of chemical fertilisers. Composting avoids the release of methane gas that would otherwise be released if organic wastes were disposed of in an open landfill.



Compost used as fertiliser



Organic waste is composted

WESSEX WATER TARGETS ZERO WASTE TO LANDFILL BY 2020

In 1996, Wessex Water (Wessex), one of the most efficient water and sewerage operators in the UK committed itself to becoming a sustainable water company. Wessex set an objective of "zero waste to landfill by 2020" as part of its long term Sustainability Vision.

Throughout 2011 to 2012, Wessex continues to focus on reducing the amount of waste produced and increasing the levels of waste diverted from landfill. To date, 83% of wastes have been diverted from landfill due to a range of activities, such as its grit and screenings treatments. As part of its sewage treatment process, Wessex screens out material from sewage that could harm the treatment process such as grit, as well as sand, rags and plastics. Wessex adopts similar processes to composting to treat this waste so that it minimises the volume of waste and treats it to an acceptable level for use in land reclamation, rather than sending it to landfill. As a result of this initiative, Wessex received the second highest award of "National Green Champion" from the Green Organisation at the Green Apple Awards 2011, which recognises and promotes environmental best practices in waste reduction and recycling work.



Green Apple Award

Protection of the Environment

Biodiversity

Our long term business success depends on our ability to understand and manage biodiversity issues. It is for this reason that we include Biodiversity in our report even though it is not considered to be a material issue.



Hard and soft coral growths in tropical reef

At YTL, we encourage all our Business Units to preserve, protect and conserve biodiversity at all of our sites in Malaysia, Asia and beyond.

In Malaysia, Section 34A of the Environmental Quality Act, 1974 states that developments that have significant impact to the environment are required to conduct Environmental Impact Assessments (EIA). Hence, YTL as the leader in infrastructure developments, is committed to comply with statutory and regulatory requirements in all its future developments. For example, in developing Gaya Island

Resort in Kota Kinabalu, Sabah, vegetation clearing on the site was only carried out as and when necessary upon guidance and approval from Sabah Parks who deployed a strict tree-selection method whereby vegetation with medicinal, ornamental and aesthetic value were left untouched. The final resort layout was determined on site by the architect to suit site conditions ensuring preservation of the existing flora and fauna as well as natural geographic formations such as rock outcrops, inland water bodies, and so on to minimise vegetation clearing.



PT Jawa Power employee as a volunteer diver seen here monitoring the coral growth using LIT method-line intercept Transect

MANAGING SEA WATER CONDITIONS

PT Jawa Power periodically evaluates its sites through its Environmental Management Plan and Environmental Monitoring Plan through a comprehensive environmental survey as part of its pollution prevention programme and to ensure that it complies with the relevant regulatory framework. At its power plant, cooling water is extracted from and returned to the sea. PT Jawa Power has consistently monitored its discharge water quality at all water discharge sources via an online system that is cross-checked monthly by accredited independent laboratory samplings. All parameters are managed within regulation limits and any deviation from standards is addressed immediately for remedial action. Due to its strong environmental management, in 2011, PT Jawa Power achieved full regulatory compliance with respect to its water management and quality.

In addition to online monitoring, a sea water biota survey that studies plankton, zoo plankton, macro zoo benthos, coral reef, and sedimentation rates is performed every three months as part of the Environmental Monitoring Plan under Indonesia's Environmental Impact Assessment (AMDAL). After the Plant's 12 years in operation, aquatic life continues to thrive in the ocean and marine ecosystems around the power station. PT Jawa Power's employees also volunteer as divers to regularly survey the health and state of the reefs in support of these sustainability programmes.

MARINE BIODIVERSITY SURROUNDING THE PAKA AND PASIR GUDANG POWER STATIONS, MALAYSIA

At our power stations in Paka and Pasir Gudang, we have employed the technology necessary to maintain the ambient temperature of the bodies of water that border the stations, ensuring the sustainability of marine life in these areas. Emissions of CO₂ and NO_x are monitored continuously using automated equipment. If levels of these

contaminants rise above their normal levels, then steps are taken to correct the problems since these changes are also an indication that the plant is not running at optimum conditions. Similarly, the temperature and chemical composition of liquids discharged to the marine environment are monitored regularly to ensure that the discharges will cause minimum disturbance to the marine ecosystems near to the plants. All of the emission levels are reported regularly to the Department of Environment (DOE).

Protection of the Environment

LAND BIODIVERSITY

In 2011, PT Jawa Power initiated a mangrove and reforestation programme where over 15,000 trees were planted covering an area of around 10,000 m². Planting of mangroves scientifically improves water quality as mangroves are capable of absorbing organic pollutants while helping in the stabilisation and prevention of soil erosion. PT Jawa Power collaborated with Badan Lingkungan Hidup of Probolinggo Regency, a local environmental authority in this programme where PT Jawa Power contributed trees and soil fertilisers, whilst the local authority identified and provided forestry areas that need to be planted. Due to the success of this programme, PT Jawa Power aims by end of 2012 to increase the plantation areas to 15,000 m² and to extend the programme in the coming years.

The collaborative programme at PT Jawa Timur is an excellent example of communities working together for the benefit of the environment and humanity. It also validates our belief that building partnerships with government agencies (NGOs), non-governmental organisations, working with conservation bodies and engaging with local or global stakeholders allows us to develop more responsive and comprehensive biodiversity and habitat rehabilitation plans. These actions contribute to our credibility in the local community which in turn enables us to operate effectively in a sector which depends on sustainable use of resources.

Another example of YTL's commitment to land biodiversity is the conservation efforts at Singapore's Sentosa Cove, undertaken by YTL Land and Development Berhad (YTL Land) in Singapore. In 2008, with major developments taking place at the island, many trees were earmarked to be felled and the surrounding land cleared. As part of YTL Land's conservation efforts, the Company adopted Khayak Trees that were over 25 years old from the main road of Sentosa Island and transplanted them at YTL Land's maiden luxury residential development in Singapore. This transplanting exercise is a first-ever by any developer in Sentosa Cove and it has set Sandy Island apart from any other developments in this gated marina community. Sandy Island, a haven of tranquillity tucked away in one of the world's most exclusive locations, is situated on its own island within Sentosa Cove. The mature Khayak Trees now reside along the central driveway surrounded by lush greenery, giving shelter to the 18 villas and the pathways fronting them creating an oasis of privacy and calm that reflect the true experience of resort living.



Mangrove plantation programme by PT Jawa Power

In addition to this, across diverse Business Units, we have also successfully run various biodiversity and conservation programmes in partnership with many NGOs such as the World Wide Fund for Nature (WWF) and Reef Check Malaysia (RCM), to name a few (details can be found in the *Conservation in Partnership* section of this report).



Sandy Island tree transplanting programme by YTL Land

WESSEX WATER BIODIVERSITY ACTION PLAN

Wessex Water's Biodiversity Action Plan is the first corporate initiative of its kind to be based on the UK Biodiversity Action Plan. It uses the long tradition of wildlife conservation work within Wessex Water (Wessex) and has developed into a comprehensive package of activity including:

- providing funding to projects carried out by wildlife organisations under the Partners Programme;
- action to minimise the impact of building new infrastructure such as treatment works and pipelines; and
- work to enhance biodiversity on Wessex Water land such as the sites of treatment works.

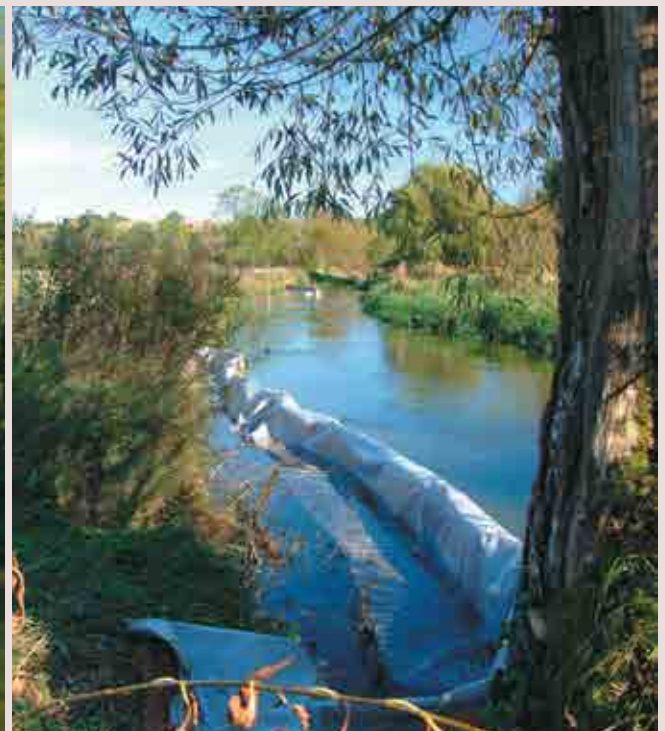
Wessex is currently meeting and exceeding the target in the new England Biodiversity Strategy regarding our Site of Special Scientific Interest (SSSI) landholding. Since November 2011, 98% of its SSSIs are now either in favourable or unfavourable-recovering status (exceeding the target of 95%).



Lapwing

During Phase 4 of its Biodiversity Action Plan, Wessex continues to support its conservation partners in the region through the Partners Programme. Each of the seven projects they funded have been progressing well, and have successfully contributed to the overall aim of conserving and enhancing species and habitats in its region.

Wessex have just completed the first phase of its five-year biodiversity project aimed at understanding the importance of 16 of its sites with the greatest potential for birds, bats and invertebrates. The first phase involved very detailed surveying of the sites to understand the species which its sites support. The projects have attracted volunteers to supplement the professional surveys and provide local species information in understudied areas.



Restoration work is taking place to improve the quality of rivers such as the River Avon, Hampshire

Protection of the Environment

Conservation in Partnership



A Marine Biologist at Pangkor Laut Resort maintaining the Coral Nursery

As stewards of our good earth, YTL has long supported conservation efforts through various leading non-governmental groups in meeting our aim of furthering biodiversity conservation efforts in Malaysia, Asia and beyond. We believe these partnerships help us address issues that we may not have the expertise, skills or resources to manage on our own. Therefore, in addition to investing in green technology, we are also continuing our support towards our long-term conservation partners like The Nature Conservancy (TNC) and Rare Conservation (RARE), as well as local environmental organisations including Reef Check Malaysia (RCM), World Wide Fund for Nature Malaysia (WWF-Malaysia), Malaysian Nature Society (MNS) and Treat Every Environment Special (TrEES).

REEF CHECK MALAYSIA - REEF CONSERVATION AND REHABILITATION ON MALAYSIA'S WEST COAST

YTL continues to support Reef Check Malaysia (RCM) through funding and project implementation. Pangkor Laut Resort (PLR) collaborates with RCM to implement action plans for coral reef conservation, the creation of safe snorkelling zones and reef rehabilitation around Pangkor Laut and more widely around the seas and islands of Pulau Pangkor itself.

With support from RCM, PLR established an annual employee volunteering programme where RCM experts conduct awareness talks for resort employees as well as beach clean-up activities along the island. Now in its fifth year, the programme has involved over 400 employees and volunteers to date.

Although the initial focus was on Pulau Pangkor Laut and Pulau Pangkor, the programme has subsequently been widened to include possible conservation actions at the nearby Pulau Sembilan, a group of nine islands that are one of the last significant coral reef areas on Malaysia's West coast, but which have no protection status.

SCHOOL EDUCATION PROGRAMME

RCM also supports PLR in establishing "Rainforest to Reef", an outreach programme for the local schools. The programme aims at raising awareness of the value and importance of marine ecosystems, and to encourage conservation in a wider sense. Activities include talks and activities for school children and a guided snorkelling tour to nearby Pulau Giam which allows the children to appreciate the local marine life. Since the programme began in 2008, over 120 children from three schools in Pulau Pangkor have participated in this and the "Rainforest to Reef" programme will continue to 2013.

COMMUNITY

RCM also supports YTL in conducting stakeholder engagement programmes within the local community which involves various groups namely the Pangkor Fishermen’s Association, Fishing Boat Owners Association and the Snorkel Boat Operators. The objective of these exercises are to raise awareness of the poor condition of the marine environment around the islands and to identify possible improvement projects. Further consultations are planned, in particular to discuss the establishment of marine protected area at sites around Pangkor.

REEF REHABILITATION

RCM’s initial visits to Pulau Pangkor highlighted the poor state of marine resources around the island. Although many tourists to Pangkor participate in snorkelling trips, there is little for them to see. The main snorkelling site, Pulau Giam, is in very poor condition with little surviving coral and few fish. Snorkelling trip operators voiced their concerns over irresponsible operators setting up businesses in snorkelling excursions, and having a heavy impact on the reefs.

RCM provided training for interested operators on how to manage “eco-friendly” snorkelling trips to try to encourage more responsible guiding. A two day course was delivered to snorkelling guides. Following on from the training, RCM discussed with local guides options for site improvement, Rehabilitation with coral fragments collected from nearby sites was agreed as the best approach. As a result, a two-part programme was designed to establish a “coral nursery” and subsequently to transplant collected corals to a designated rehabilitation site.

In November 2010, RCM, together with PLR, established a coral nursery at Pulau Pangkor, in front of PLR. Coral fragments or “nubbins” were collected from nearby healthy reefs and attached to a nursery matrix. This step was essential to allow maintenance of the nubbins to ensure they remain free of silt and algae which could otherwise smother and kill the corals. Employees from the resort were involved in the maintenance programme, with scuba divers cleaning the nursery every three days and reporting on growth and mortality rates.

In April 2011, further discussions with local snorkelling guides identified possible transplant sites and it was agreed that a “safe zone” should be established to protect the transplant site and prevent boat entry and anchor damage. In October 2011, the nurseries were transported to the transplant site at Pulau Mentagor, just off the west coast of Pulau Pangkor. Many snorkel boat operators were involved in preparing the site. With support from YTL, the completed transplant site was established as the “Pangkor Safe Snorkelling Zone” (SSZ) and launched together at a campaign targeted at snorkelling guides, tourists and the local community to raise awareness of coral reefs values, how they are being damaged and what can be done to conserve them.

In December 2011, RCM participated in the *Pesta Laut Pangkor Exhibition* to create awareness of the Pangkor Safe Snorkeling Zone to the locals and tourists. The exhibition received good response from the general public. The Chief Minister of the state of Perak commended YTL and RCM for its joint contribution towards reef rehabilitation and conservation projects in the state.

RCM conducted a follow-up visit to Pangkor Island in January 2012 by continuing its communications programme with the locals. They found that the snorkelling guides association demonstrated a strong commitment to conserving and rehabilitating reefs at Pangkor Island by collectively agreeing to leave the site alone until 2013. The snorkelling guides have also agreed that only certified eco-friendly snorkelling guides will be allowed to bring tourists to the site.

FUTURE PROGRAMMES

In addition to ongoing programmes at Pangkor, YTL funding also supports other RCM projects, which include:

- Annual survey programmes, where each year 100 coral reef sites in both Peninsular Malaysia and East Malaysia are surveyed to assess the health of coral reefs and identify changes to the reefs;
- EcoAction - surveys conducted by volunteers who are trained to conduct Reef Check surveys. YTL is supporting part of the costs of the training;
- Education - RCM conducts annual awareness and education programmes in schools and colleges around Malaysia. Part of the costs of these programmes are funded by YTL.

Protection of the Environment

MALAYSIAN NATURE SOCIETY - BELUM TEMENGOR FOREST COMPLEX (BTFC)

YTL continues to support the Malaysian Nature Society's (MNS) conservation strategy which has four pillars: conserving key habitats and sites, saving species and building a knowledge base of key species, advocate for effective management of sites and empowering people.

The work contributes to one of those strategic goals through a broad range of actions: conservation science, conservation planning, policy and management, integrating biodiversity conservation objectives in sectors such as forestry and international development cooperation.

CARING FOR MALAYSIA'S RAINFORESTS

Forests represent about one third of Malaysia's natural coverage and their role in maintaining biodiversity and ecosystems is huge. Malaysia is one of 12 mega biodiversity countries and in recognising this treasure trove, YTL's funds were utilised to support the conservation initiatives of the Belum Temengor Forest Complex (BTFC) which is one of the remaining large contiguous forest landscapes in Peninsular Malaysia.

This forest complex is one of the few remaining sites in Peninsular Malaysia that is large enough to support viable large mammal (i.e. the Malayan Tiger, Malayan Tapir, Asian Elephant, Gaur) and bird (i.e. Hornbills, Green-Pigeons, Pheasants) populations. BTFC is also contiguous with the Bang Lang National Park/Hala-Bala Wildlife Sanctuary (Thailand) in the north creating a large forested landscape where approximately 10,000 indigenous people depend on this forest complex to sustain their livelihoods.

The outcomes have been very positive, and some of the key highlights and achievements of MNS contribution towards BTFC over the last two years are as follows:

- Production of the Belum Temengor Integrated Master Plan to effectively manage this vast forest area;
- Launched the Save Temengor Campaign (2010 to 2011) where 82,000 signatures were obtained to advocate Perak State government to stop logging and protect Temengor for future generations;
- Mobilisation of local communities through the set-up of the Gerik Conservation Resource Centre;
- Photo Exhibition of Nomads in Belum-Temengor Rainforests – Modernity, Change and Their Future;
- Numerous forest walks to document the on goings in the Belum Temengor Forest Complex;
- Numerous media trips to heighten the concerns of Belum Temengor Forest Complex; and
- Communication platform through the Gerik blogsite at mnsgerikrc.wordpress.com.



'Modernity, Change and Their Future' – Photo Exhibition of Nomads in Belum-Temengor Rainforests at the Gerik Conservation Resource Centre (Photo courtesy of MNS)



Facilitated by RARE Conservation, Lobo Village schoolchildren at Triton work together to create a banner calling for marine conservation (Photo courtesy of RARE)

RARE CONSERVATION - YTL FELLOWSHIP FOR A RARE PLANET

RARE Conservation (RARE) believes that conservation is about people and their involvement with and understanding of nature. RARE designs conservation programmes that aim to benefit both people and nature, and ensure that change is both embraced and sustained. It is due to this sound approach that YTL Corporation and the Yeoh Family have most recently supported RARE mainly through the “YTL Fellowship for a Rare Planet – Asia”.

RARE estimates that YTL Fellows in Asia and the Pride campaigns they lead will directly impact approximately 2,000,000 of the world’s poorest people who are most vulnerable to climate change and to the depletion of fisheries, forests, and other natural resources upon which they depend. There is also ecological significance of the areas in which YTL’s grant is making an impact.

YTL FELLOWSHIP

On 21 June 2010, YTL launched an unprecedented community-based conservation programme, the “YTL Fellowship for a Rare Planet”. The Fellowship fund in support of RARE amounts to a commitment of USD2 million – one of YTL’s largest conservation gifts to date. Over the four years covered by the grant, the fund was used to train and equip over 100 new leaders across Asia, primarily in Malaysia, Indonesia, China, and the Philippines, using RARE’s proven training models.

In July 2012, YTL Fellow Fazrullah “Kwai” Abdul Razak arrived in Bogor to begin his Pride training along with 11 other Fellows. His Pride campaign focuses on protecting Tun Sakaran Marine Park (also known as Semporna Islands Park) situated off the south coast of Sabah. Established in 2004, the park covers 35,000 ha of sea and coral reefs, 10,000 ha of land, and eight islands. It is Malaysia’s largest marine park.

From when the Fellowship began in August 2010 until July 2012, the YTL Fellowship has supported and positively impacted 63 of the Pride Campaigns (over 26% of the total number of campaigns ran by RARE).



Protection of the Environment

THE NATURE CONSERVANCY

Similar to the philosophy and approach that RARE embraces, The Nature Conservancy (TNC) works to protect ecologically important lands and waters for nature and people. TNC addresses “the most pressing conservation threats at the largest scale”. As such, YTL has contributed funds for TNC’s initiative in the forests and coral reefs of Southeast Asia.

One of the programmes is the five-year Responsible Asia Forestry and Trade (RAFT) programme, led by TNC which came to a close in December 2011. Together, RAFT partners have helped to strengthen the overall enabling environment for forest management in the region while helping over 1.3 million hectares of forest and to earn Forest Stewardship Council certification, with two million more hectares on the way. Interest in further support for the second phase of RAFT is now being considered by Australia and the UK as they pass legislation requiring sustainable sourcing of timber products. This is a tremendous development.

To build conservation expertise in the region in matters concerning water (marine environments), TNC established the Bali-based Coral Triangle Center (CTC) to provide hands-on training to conservation practitioners, policy-makers, and others involved in managing marine resources. In April 2011, TNC reached a major milestone when the CTC was legally established as an independent regional training and learning center. The center’s mission is now being carried out by an Indonesian foundation staffed by local experts, including many former TNC employees. By empowering local people to help build the skills and resources of their peers, TNC believes that they can have a much greater impact in the region, helping to ensure that conservation results will last into the future. The CTC continues to collaborate closely with TNC through the three-year Memorandum of Understanding.

To build the capacity of conservation practitioners, the TNC also held a training workshop on writing scientific reports in September 2011 in Bali. Monitoring staff from TNC, WWF, Conservation International, Wildlife Conservation Society, three local NGOs (Reef Check, Terangi Foundation, and Locally-Managed Marine Area (LMMA) network) and government partners from Bali, Raja Ampat, and Wakatobi attended the workshop. The workshop resulted in ensuring that field staff and partners produce high-quality scientific reports and data that aim to strengthen marine conservation work in Indonesia.

TREAT EVERY ENVIRONMENT SPECIAL

Treat Every Environment Special (TrEES) continues with its community recycling efforts, for which it has received funding from YTL in 2008, through YTL’s Climate Change Week initiative. The TrEES environmental programme seeks to reconnect the public back to nature; to demonstrate the impact their activities have on the country’s biodiversity and the role they play in its conservation.

In 2010, TrEES collected approximately 50 tonnes of paper, plastics and metals from the participating welfare homes in their Recycling Programme. In 2011, they have collected an additional 20 tonnes of materials. In addition, TrEES also serves as a Reference Centre providing advice and assistance to individuals, community groups and organisations to help them in their efforts to establish recycling and waste reduction programmes in their communities/organisations. Efforts include YTL’s recycling initiative at the Earth Hour Celebrations, and Resident Groups from TTDI, Kelana Jaya, Hulu Kelang and Mont Kiara. TrEES works in partnership with diverse community groups including the government, local communities, NGOs, Community-based Organisations and the private sector towards the sustainable development and management of local environmental and biodiversity resources in Malaysia. Its projects range from grassroots and action-oriented projects to policy advocacy projects.

Through TrEES, YTL has also successfully implemented a recycling programme at the Group’s Headquarters in Kuala Lumpur, and TrEES continues to collect recyclables from YTL’s Offices at both YTL Plaza and One Oriental Place. After the Earth Hour Initiative, TrEES has also expanded its collection to include recyclables from YTL’s commercial properties at Lot 10 and Starhill Gallery in KL.

TrEES are also implementing community waste management programmes based on the 4Rs (“Rethink, Reduce, Reuse and Recycle”), targeting the Malaysian public through community recycling centres and schools in the Klang Valley, as the Klang Valley is the most densely populated area in Malaysia and generates the most rubbish. Activities planned include:

- Identification of suitable sites for expansion of the number of recycling centres;
- Setting up infrastructure for new recycling centres;
- Training and motivation for centres and schools;
- Increasing the amount of recyclables collected and the number of people recycling;
- Logistics and collection management; and
- Education and public outreach programmes on reducing rubbish and promoting recycling



Tanjong Jara Resort invite their Hotel Guests to quietly observe turtles laying eggs on the Coast

TURTLE CONSERVATION AT TANJONG JARA RESORT

YTL Hotels' Tanjong Jara Resort (TJR) conducts regular excursions for guests to the Ma' Daerah Turtle Sanctuary in Kemaman, Terengganu. Set within the Paya-Kerteh rookery, this initiative was set up in 1999 by the Department of Fisheries Malaysia, BP and WWF Malaysia to maintain the area's importance as a turtle-nesting haven for the four species of marine turtles found in Malaysia.

Working with the sanctuary, the resort is informed when a turtle approaches the beach and begins the egg laying process. Taking a maximum of six people on each trip, the resort ensures that guests are well briefed on marine turtle conservation and practices during the 45-minute car journey to the sanctuary.

Upon arrival, guests may observe the turtle laying her eggs, without disturbing the process. Once the eggs are laid and the turtle makes her way back to the sea, the eggs are collected and taken to the hatchery to be buried. Since factors such as depth of the buried eggs come into play, the sanctuary workers pay close attention, mirroring the depth of the original nest. If the visitors are lucky, they may also observe hatchlings coming up out of the sand at this point and release the babies to sea.



Turtle hatchlings

This activity is popular with young families and crucial in building awareness of turtle conservation in the minds of the community and future generation.





EMPOWERING

Our People

“ We believe that we are a force for good. That is why we value integrity as well as competency in all our employees, so that they may bring about positive change through our products and services ”

– Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, CBE, FICE,
Managing Director of YTL Corporation Berhad

Empowering Our People



ERL built a high-performing Operations Team (see page 70)

The essence of a sustainable company lies in its people. As a conglomerate that employs over 9,000 people globally, we believe that our tremendous economic growth has been mainly attributed to having the right people successfully driving the Group into the next phase of growth and development. Our approach to human resource is simple. We believe in growing the capabilities of our workforce by attracting, developing and retaining the right people – this is crucial to the sustainability of our business.

RESPECT FOR DIVERSITY AND AN INCLUSIVE CULTURE

Our employees come from all over the world with different cultural backgrounds and have diverse skill sets – attributes that are necessary to run a diversified, global operation, and more importantly, to explore future growth opportunities around the world. To benefit from diversity, an organisation needs to have an inclusive environment where everyone feels respected. We provide this by instilling the spirit of mutual respect, understanding and unity at the workplace. We value people’s differences and our diverse culture means we respond to challenges more effectively as individuals, as communities, and as a business.

EQUAL OPPORTUNITIES

We are committed to equal opportunities at all levels of our businesses, both at recruitment stage and through opportunities for promotion and development. At Group Level, we are working towards embedding a culture of performance management. This approach provides opportunities for employees and managers to discuss performance, opportunities for development and a chance to raise any issues or concerns. This reflects our commitment to treat everyone fairly and consistently, responding to their needs and supporting their career progression.

EMPLOYMENT OF LOCAL RESIDENTS

Operating in more than 10 countries, it is our aim within the Group to recruit locally so that our business at each site can navigate through the local context competently and reflects the diversity of the local population. Our main focus is the job fit and competency of the potential employee for the targeted role, and where feasible we will recruit local talents to fill in the role.

EMPLOYEE BENEFITS

YTL provides wide-ranging benefits for all full time employees which includes leave entitlements, outpatient treatment, Group Hospitalisation Schemes and Group Personal Accident Insurance. We also provide employees with a 13th month wage supplement on a discretionary basis as well as Employees’ Share Options Schemes.

The Employees Provident Fund (EPF) Act 1991 (Act 452) grants all Malaysian employees retirement benefits. The EPF is a comprehensive social security savings plan introduced by the Malaysian Government to enforce savings by salaried workers to help EPF members save towards a secure retirement. YTL contributes according to statutory percentage based on employee’s salary as stipulated by the EPF. The total amount contributed from the Group during the year under review is RM2.69 million per month by the Company and RM2.37 million per month by the employees.



“ I started out as a Guest Service Agent at Vistana Kuantan in 1998. After four years I was promoted to Duty Manager and as part of my personal development, was transferred to Tanjong Jara Resort as the Assistant Front Office Manager. Three years of on-the-job learning and development at the luxury resort I returned to Vistana Kuantan as Front Office Manager. Time sure flies when you are having fun! My journey with YTL Hotels just goes to show that if you are hungry for success and enjoy the fast-paced work environment then YTL Hotels is for you. ”

NURULAZURA BINTI JAHIDAN
Front Office Manager, Vistana Kuantan

Empowering Our People

TRAINING AND DEVELOPMENT

At YTL, we place highest importance in ensuring that our people are continuously equipped with the necessary leadership, skills and knowledge, as well as to ensure their wellbeing to keep us at the forefront of our business. It is also within our YTL culture to share and replicate best practices amongst employees or Business Units. We believe this supports the professional and personal development of our people.

Various programmes were held which focused on upgrading the competencies of our people and to increase their productivity whilst creating a talent pool for effective succession planning. Investments are made in structured on-the-job training, workshops and seminars covering areas ranging from management, technical, communication, leadership to soft-skills. We have in place Internship Programmes in various Business Units to identify and develop future leaders.

FY2011/2012, YTL PowerSeraya invested about SGD756,064 in training which is about the same levels as the previous year. Most of the training dollars went into technical skills training for the employees at the power plant as well as to increase the productivity in the workforce. A considerable amount of training was also allocated for leadership development.

As in previous years, YTL PowerSeraya's FY2011/2012 training investment of SGD1,923 per employee is higher than Singapore's National Average of SGD872¹ per employee. The training expenditure as a percentage of remuneration in the last three years (FY2008/2009 to FY2011/2012) stood in the 1.5% to 2.3% range, higher than the National Average of 1.1%¹.

¹ Source: Ministry of Manpower, Singapore, Manpower Research and Statistics Department's publication titled *Employer Supported Training 2010* (published September 2011).



“ The YTL Group is a diversified conglomerate with great dreams and aspirations. It continuously promotes learning and hard work but at the same time encourages a balance between family and work. With its diversity, YTL Group provides an excellent career path and growth opportunities. I have spent more than five years in YTL Power International and the journey is amazing; I learn new things every day and this process has never stopped since day one of my journey. I pray that I can continue to play a vital role in shaping a wonderful future for this company. ”

JASON POK HOOI LOONG
Senior Analyst, YTL Power International Berhad

INTERNSHIPS

YTL through its various Business Units has an ongoing Internship Programme where interns from tertiary institutions gain real-life work exposure in the diversified Business Units, guided by a senior officer.

JOBLESS YOUNGSTERS GAINED JOBS THROUGH OUR AWARD WINNING SCHEME

Our waste to energy company GENeco, a subsidiary of Wessex Water launched its "Getting into Renewables" Employment Programme in 2010 in partnership with the Prince's Trust which was open to young people who were unemployed, have struggled at school, been in care, or in trouble with the law. Following its success, the initiative that was the first of its kind in the South West of England to address the industry's skill shortages scooped "People Initiative of the Year" at the Water Industry Achievement Awards. This programme was praised by the Award's judges as "a clear example of a successful, innovative recruitment, training and staff retention initiative that all parts of the industry can learn from".

Sean Hill, GENeco's recycling manager, said: "As part of our sustainability commitment, supporting our local community is vitally important and our aim is to create jobs which would be both challenging and demanding. Each of the six candidates were allocated a suitable role working with a Senior Manager who was committed to their development helping with targets and daily pressure. The apprentices had the opportunity to tackle all aspects of our work and gained experience and skills in departments such as operations, asset and strategy planning and our scientific laboratory."

Since the programme, five of the six apprentices have secured full-time employment with GENeco.

Rick Libbey, regional director for The Prince's Trust in the South West, said: "Too many young people in the South West are struggling to find a job. With the help of companies like GENeco, we are able to help these young people gain the skills and confidence they need to achieve their potential. We are extremely grateful to GENeco for helping to change the lives of these six young people for good."



Ryan Phillips, Assistant Scientist (right) and David Penn, Asset Data Technician (left) who were among the unemployed young people from Bristol and Bath offered jobs with Wessex Water



Empowering Our People

ENGAGING OUR EMPLOYEES

Employee involvement is essential for the sustainability of our businesses. We recognise the need to ensure that we develop a highly engaged, motivated and committed workforce. As with any large conglomerate, with a diverse workforce spread over three continents, we face challenges in keeping everyone connected, orientating new employees, and building a deep understanding of the Group's business objectives and directions.

Recognising this, the Group's Human Resource Team gather key senior managers and leaders across all business groups in a 2-day YTL Leadership Conference. This annual forum serves as a platform for leaders to present progress on their respective projects or Business Units as well as exchange thought-leadership matters. Organised with different themes every year, this conference is chaired by our Chairman, Tan Sri Dato' (Dr) Yeoh Tiong Lay with discussions moderated by our Managing Director, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, together with YTL's Board of Directors. The forum has proven to encourage the exchange of ideas, enhanced interaction and collaboration among employees, as well as to support effective communication efforts across the Group. The senior Managers would then cascade relevant updates and information to their respective Business Units via various communication channels - face-to-face, through town hall sessions, employees' newsletter and regularly updated employee web portals.

In addition to the high-level engagement, the Human Resource team at respective Business Units have dedicated themselves to ensuring their organisation effectively creates the kinds of employee engagement initiatives and experiences that emphasises our values and culture as a Group which fosters unity amongst our people.

As part of YTL's values, we inculcate two-way communication with employees and regularly seek feedback from our people. There are a number of Employee Satisfaction Survey (ESS) being administered by respective Business Units, in an effort to measure how well we are progressing as an employer. In June 2012, YTL Hotels rolled out its first ESS involving 2,085 of its employees with a commendable response rate of 90%. The survey aims to identify any gaps for improvement. Although 81% of respondents reported as "being satisfied" with the Company, YTL Hotels used the survey results to highlight other issues of concern to respective leaders at its hotels so that corrective measures can be undertaken in realising its objective to be an employer of choice for the hospitality professionals.

BUILDING A HIGH-PERFORMING OPERATIONS TEAM: HOW ERL DID IT!

Since 2004, ERL Maintenance Support Sdn Bhd (E-MAS), a subsidiary company of Express Rail Link Sdn Bhd (ERL) has successfully and consistently operated at 99.7% average on-time service performance. To ensure that ERL continually provides effective railway operations and reliable system maintenance, all employees have been cultivated with good attitudes and taught customer etiquette so that excellent performance can be delivered. Here are some of ERL's winning approaches:

Start the day off right

The employees practice positive greetings before they start work because it sets the tone for rest of the day.

Discuss feelings

Letting off steam with a dramatic outburst erodes relationships within the team and is unacceptable because it could eventually become a practice when the employees deal with customers. It will affect their work performance and the performance of others. Employees are advised to remain calm and to discuss E-MAS matters in private and never in front of customers.

Try to do the right thing

When dealing with unhappy customers, employees are advised to listen carefully, avoid interrupting customers or jump to conclusions, and to always try to find an amicable solution. It is all about good customer service.

Get to know the whole person

The senior members of staff are encouraged to get to know their subordinates or other employees. Good relationships should be nurtured by respecting each individual regardless of their performance at work. Employees' efforts should be acknowledged and an environment of recognition and appreciation encourages staff to maintain consistently high levels of service.

LIFE IS NOT JUST ABOUT WORK

When our employees at YTL Starhill Global REIT Management Ltd and YTL Starhill Global Property Management Pte Ltd come to work, they know that it can never be dull. Apart from the usual fast-paced working environment, they are often treated to many fun activities which includes Salsa dancing, Zumba classes, Salad making workshops, Power Snack workshops and many more. Senior Vice President of Human Resources and Administration, Sandra Lee believes that such unconventional employee engagement initiatives can foster and ignite creative thinking among its people as well as help them to achieve a healthy lifestyle and better work-life balance.



Salad making workshop



Zumba class



Salsa dancing



Eureka! scheme winner Ivor Whittle

IMPROVING THE HEALTH AND WELLBEING OF OUR EMPLOYEES

Wessex Water (Wessex) has a strong belief that its employees are essential to its success in meeting its sustainability targets. Regular training ensures employees stay up-to-date with new technologies and processes whilst enhancing their competencies and awareness to carry out their roles in a safe environment. Periodically reviewing and ensuring that the Company provides competitive employment packages helps in maintaining a motivated workforce. The last year presented continuing challenges because of the economic situation and the variable weather conditions. Its employees worked exceptionally hard though frost, drought and flood to continue providing outstanding service to customers. As a result, they showed themselves to be the best in the business and ensured the ongoing success of the company.

INNOVATIVE WORKING

Wessex encourages its employees to be innovative in their ways of working by enabling them to share their innovative ideas through its "Eureka!" suggestion scheme. This scheme, which has been running for seven years, encourages its employees to suggest ways to improve efficiency and quality. Financial rewards are given to those whose ideas have been successfully implemented. Since the programme began, participation has grown and over the last year 143 entries were submitted with 26 employees receiving £100 for their suggestions. Three overall winners were awarded a combined total of £10,000.

Wessex also has an innovation and technology forum which brings together experts from across the business to try out ideas that may lead to new ways of working in the future. This forum continues to grow and is successful at trialing ideas, equipment and technologies which may provide the treatment solutions of the future. The forum also aims to promote innovative work and to fund prospective projects. During the year, seven projects were funded including several trialing systems to improve the efficiency of phosphorus removal and de-sludging, which will reduce energy consumption and costs, and also reduce overall carbon footprint.

Empowering Our People

EMPLOYEE ENGAGEMENT THROUGH COMMUNITY OUTREACH

YTL PowerSeraya has traditionally engaged its employees in most of its community outreach initiatives. In March 2012, 16 employees from YTL PowerSeraya volunteered their time to take 40 children from Child@Street 11 to the new Maritime Experiential Museum at Resorts World Sentosa, Singapore. Child@Street 11 is a non-profit organisation which helps young children from low-income families. This annual outreach activity is organised under the National Electricity Market of Singapore (NEMS) and aims to galvanise volunteers from the energy industry under the umbrella of NEMS to organise outings for children from Child@Street 11.



YTL PowerSeraya's employees with the children from Child@Street 11 at the Maritime Experiential Museum, Singapore



Ms Ruth Yeoh, YTL's Head of Sustainability led the YTL Singapore employees and their families at the "Bare Your Sole" walkathon on June 2012

YTL GROUP IN SINGAPORE COME TOGETHER FOR "BARE YOUR SOLE 2012"

June 2012 saw 112 employees and their families from seven companies of YTL Group in Singapore – YTL Starhill Global REIT, YTL PowerSeraya, YTL Construction, YTL Concrete, YTL Hotels, YTL Land and YTL Singapore stepping out bare-footed on Singapore's tarmac to support Habitat for Humanity's (HFH) "Bare Your Sole 2012" charity campaign. HFH is an international organisation focused on helping to build decent housing for the underprivileged around the world; where many children deprived of proper footwear had to live in squalor and work on the streets.

Alongside 5,000 other participants, our YTL troops walked through 2.5 km stretch (some even agreed it to complete the 5km stretch) at the newly-opened Gardens by the Bay, Tanjong Rhu. Ruth Yeoh, YTL's Head of Sustainability and who led the YTL team in this walk, believes it is important that the Group encourages its employees in getting involved with the company's sustainability initiatives especially those that support the local communities.

"We know that with the demands of work and life, it is not always easy for every individual to do this. Therefore, we at YTL provide this avenue for our employees to do their part and for them to use the opportunity to do something meaningful and fun with their family and friends", enthused Ruth.

With Wisma Atria as the official venue for participants to collect their goodie bags, the entire event has raised over SGD300,000 which will go towards supporting the less fortunate in Singapore and across Asia Pacific.

WORKPLACE HEALTH AND SAFETY

The health and safety of our employees is of paramount importance to us. We believe that being a good employer starts with providing a safe working environment. Therefore it has been the Group’s practice to cultivate an Occupational Safety and Health (OSH) Culture among employees across all business groups.

The nature of operations at the Group’s power stations, cement plants and other operations poses various safety and health risks to persons working within the compounds. YTL Power Services Sdn Bhd (YTLPS), a wholly-owned subsidiary of the Group and the operation and maintenance Company for the Malaysian power stations, is just one example of how the Group is putting OSH practices into action. YTLPS has been committed towards OSH since its inception in 1993, drawing up an OSH policy and incorporating OSH practices in all aspects of its operations. These measures were taken even before the OSH Act (OSHA) was gazetted in Malaysia in 1994. Over the years, the Management has continually and regularly reviewed OSH practices and procedures for continuous improvement. OSH-related inductions and trainings are often organised for employees at all levels and extended to third parties such as suppliers and contractors. Visitors are continually engaged and supervised where necessary.

During the year, all employees attended a mandatory OHSAS 18001:2007 training that covered important issues and misconceptions associated with OSHA compliance. The training emphasised that everyone including non-technical employees have a role to play in health and safety matters. Besides training, internal audits were organised to prepare the employees for the first stage audit.

Achieving a strong OSH culture calls for a concerted effort in the roadmap towards obtaining certification of the OHSAS 18001:2007, as well as the Integrated Management System which brings together the Quality Management System (QMS), Environmental System (EMS), and Occupational Health and Safety Advisory Services (OHSAS) into one cohesive system, which YTLPS is currently working to obtain.

The following operations at YTL have achieved Occupational Safety and Health Management System OHSAS 18001:2007 Certification:

1. YTL Power Services Sdn Bhd
2. PT Jawa Power
3. YTL PowerSeraya Pte Ltd
4. Wessex Water Limited
5. Perak-Hanjoong Simen Sdn Bhd
6. Pahang Cement Sdn Bhd
7. Slag Cement Sdn Bhd
8. Slag Cement (Southern) Sdn Bhd

Wessex Water (Wessex), our UK-based water and sewerage treatment company focuses on ensuring all employees are prepared to respond to emergency incidents, as they have to deal with many potentially dangerous situations on a day-to-day basis. Its employees, supported by a dedicated team of health and safety professionals, are given comprehensive training on handling health and safety issues in challenging environments. Employees are also exposed to a series of technical and regulatory training so that they are able to provide the highest level of service to its customers. Wessex regularly reviews its health and safety policy arrangements and safety documentation to ensure it follows best practices.

At YTL PowerSeraya in Singapore, a Workplace Health Sub-Committee focuses on arranging fitness and health-related activities ranging from bowling to dragon-boating to health-related talks during lunchtimes. A small gym is also available in the premises of their corporate office as well as in their power station for the convenience of their staff.

In raising awareness on health issues and to encourage people to play an active role in creating and sustaining a healthy and safe workplace, YTL Starhill Global REIT Management Ltd and YTL Starhill Global Property Management Pte Ltd has organised two healthcare programmes on flu vaccination and Cardiopulmonary Resuscitation (CPR).



Cardiopulmonary Resuscitation (CPR) training



Flu Vaccination administration

Empowering Our People



Annual Safety Week at YTL PowerSeraya

WORKPLACE SAFETY PROGRAMMES AT YTL POWERSERAYA

YTL PowerSeraya organises an “Annual Safety Week” to emphasise the importance of safety at the power plant. Themed “Personal & Process Safety = Zero Accident”, this year’s campaign saw employees being awarded Certificates of Appreciation for their efforts in implementing successful safety programmes at their respective work areas. The annual safety performance was also shared with employees and contractors.

YTL PowerSeraya believes that it is everyone’s responsibility to take ownership of their own safety as well as the safety of others working within the site. Therefore, at the Launch Ceremony held on 1 August 2011, a new *Safety Handbook* for employees and contractors was launched. The handbook provides comprehensive coverage of both personal and process safety, including basic safety rules and regulations, emergency response procedures, chemical safety handling procedures and specific process safety procedures. The safety and health policies and regulations of the Company are also included.

OTHER SAFETY INITIATIVES CONDUCTED AT THE YTL POWERSERAYA POWER PLANT

1. A bi-monthly “Safety Drive”, a series of safety programmes carried out by different departments which includes:
 - a) Electrical Safety at Work;
 - b) Safe Use of Lifting Appliances and Vehicles;
 - c) Enhance Process Safety; and
 - d) Partnership with In-House Contractors on Occupational Health & Safety.
2. Employees and contractors are educated on the importance of safety in their daily operations. New employees and contractors are required to attend a safety orientation training programme before they commence work at the power plant.
3. Safety training is also included as part of YTL PowerSeraya’s training plan which includes courses such as “First Aid Training”, “Safety for Lifting Supervisors” and the “Confined Space Safety Assessors Training” conducted at the Ministry of Manpower’s accredited safety training centre.
4. Every year a large-scale emergency evacuation drill is organised in the power plant aimed at getting employees and contractors to appreciate their respective roles and responsibilities in an emergency evacuation situation. The Singapore Civil Defence Force (SCDF) is involved in the drill to familiarise and test out each other’s emergency response procedures and response timings.

SPOTLIGHT ON HEALTH AND SAFETY TRAINING AT WESSEX WATER

Wessex Water (Wessex) believes that properly trained and skilled employees are essential to the successful running of its business and it aims to provide them with the appropriate levels of skills, competencies and awareness to carry out their roles in a safe environment. As well as ensuring its employees are prepared to respond to emergency incidents, on a day-to-day basis they have to deal with many potentially dangerous situations. To support them, Wessex remains committed to achieving the highest possible health and safety standards.

They do this through a dedicated team of health and safety professionals. They also give comprehensive training to all employees working in these environments, ensuring the most suitable equipment is available for use and all required information is available for employees. They also continue to review its health and safety policy arrangements and safety documentation to ensure they follow best practice. Providing the highest standards to its customers and meeting increasing regulatory standards requires the use of more technical equipment in their everyday processes. To ensure its employees are suitably

trained to operate the new technology found on sites they have embarked on a series of technical and regulatory training sessions. Over the year approximately 200 employees carried out plant and equipment training or reassessment, 400 employees undertook a programme of best practice training, 113 completed National Vocational Qualifications (NVQ)s and more than 1,600 of its people were given tool box talks by their managers across the company covering approximately 80 different subjects.



Wessex Water provides waterjet spray training for new employees



Wing K Lee, Chief Executive Officer of YTL Communications participates and leads his team at the Kuala Lumpur Rat Race

YES CULTIVATES SPORTSMANSHIP AND HEALTHY LIVING

YTL Communication (YTL Comms), through its *Yes* 4G brand believes in playing a part in supporting and cultivating fun, good sportsmanship and healthy living to foster a healthier community. Finishing a walk or a marathon can be a challenge but finishing the race is a

great accomplishment to every single individual. *Yes* believes in harnessing community values and work-life balance. Every YTL Comms employee is encouraged to participate in sporting events. These included the Star Walk, Rat Race and various nation-wide marathons. This year, *Yes* has sponsored and supported the Ipoh Star Walk, Penang Star Walk and the PJ Half Marathon in Malaysia.





EMPOWERING

Our Communities

“The world we live in worships short-termism. Our global economy is driven by instant rewards, quick fixes and unethical gains. Political and business leaders who know too little of sustainability lend themselves to gamble with our nations, societies and environment towards an empty future. The world needs to make it a little easier to walk in the light. Business can lead the way by growing social responsibility as part of corporate DNA and culture and becoming a force for good.”

– Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE,
Managing Director of YTL Corporation Berhad

Empowering Our Communities



YTL has transformed the landscape of Bukit Bintang Kuala Lumpur

The diverse nature of the industries in which we do business enables us to touch the lives of millions of people across the globe. Social responsibility is one of our key values and something we take very seriously. We believe empowering communities means helping people develop ways that are not merely beneficial but also sustainable. At YTL, we aim to create sustainable communities and engage with local authorities and communities by:

- supporting the development of the country's own arts and culture by helping to showcase the uniqueness of our heritage and providing an alternative medium for artistic expression and communication;
- playing an active role in the development of our future generation of leaders by supporting educational initiatives; and
- supporting the local communities within which we operate through work with charities and community groups.

We understand that today's increasingly competitive and challenging business environment means that we will need to work harder to ensure our people and stakeholders are not only rewarded but protected from the risks these challenges may bring about. This shared vision fuels our commitment to operating in a responsible and sustainable manner, and to give back to the societies and people who form an integral part of our journey.



Artwork displayed at Starhill Gallery

PROMOTION OF ARTS AND CULTURE

The YTL Group is a passionate supporter of the arts and is dedicated to encouraging the development of our own arts and cultural scene in Malaysia, to showcase the uniqueness of our heritage and to provide an alternative medium for artistic expression and communication.

STARHILL GALLERY ARTS FESTIVAL

Starhill Gallery Art Festival 2011 was held from 15 August to 30 September 2011, in conjunction with the 1Malaysia Contemporary Art Tourism (1MCAT) 2011 and under the auspices of the Malaysian Ministry of Tourism. An integral part of the festival is the Starhill Gallery Visual Art Awards which promotes Malaysian contemporary art by providing a creative platform for young, emerging artists to showcase their talents. Themed “Inspiration of Tomorrow”, the painting competition attracted 30 entries from the nation where it was later displayed in an art exhibition held on Adorn Floor in Starhill Gallery.

Proceeds from the sale of these paintings were donated to House of Joy, a home for underprivileged children in Malaysia, to help support its art-related activities. Among the 28 qualifying submissions, the top three were selected and won RM10,000 each.

In support of art activities for underprivileged children, artist Susanna Goho-Quek from House of Suzie Wong also hosted a special art lesson for underprivileged children from the House of Joy on 24 September 2011 at Starhill Gallery. An established children’s art educator, author and illustrator, Susanna Goho-Quek is also the founder of the “ImpArt Programme” which trains underprivileged teenagers to become apprentice art instructors for younger children.



Starhill Gallery Arts Festival 2011

Empowering Our Communities

CELEBRATING THE TRANSFORMATION OF BUKIT BINTANG

On 1 December 2011, YTL presented the public our fourth Concert of Celebration with legendary Grammy Award winning Spanish singer Julio Iglesias at Bintang Walk, Kuala Lumpur in appreciation of the communities living and working in our city. This year's Concert of Celebration was particularly special because it marked a celebration of YTL's milestone in Starhill Gallery's development and also its transformation of Bukit Bintang's architectural landscape.

When YTL acquired Starhill Gallery back in the late 1990s, neither the mall, nor Bukit Bintang was anything like the present. With the support of the Government, YTL built Bintang Walk and over a decade helped transform this area into what is the Bond Street equivalent of Kuala Lumpur. This "Gallery of Rich Experiences" was recently refurbished to present a new architecturally impressive and iconic façade that symbolises its worldwide appeal and contribution to Kuala Lumpur's transformation as a world-class city. The night witnessed Starhill Gallery being re-launched, and the entire stretch of Jalan Bukit Bintang was filled with thousands of music lovers and fans who were serenaded by the Latin legend in the open air of Bukit Bintang. The entire performance was streamed online to the wider world, powered by YTL's Yes 4G.

Since the early 1990s, YTL has traditionally staged Concerts of Celebration for the public. As an established and ardent supporter of the arts, we have presented some of the most renowned artistes in the world during our Concert of Celebration series which includes:

- The Three Tenors – Jose Carreras, Placido Domingo and the late Luciano Pavarotti – in Bath (UK) in 2003;
- Britain's top tenor, Russell Watson, accompanied by the Adelaide Symphony Orchestra, at our Sentul Park development in Kuala Lumpur to celebrate YTL's 50th Anniversary in 2005; and
- The world-renowned Italian singer Andea Bocelli, joined by special guests Australian pop singer Delta Goodrem, Slovenian soprano Sabina Cvilak and acclaimed flutist Andrea Griminelli, at the Singapore Botanic Gardens to mark the expansion of the Group's operations into Singapore.



“With this concert, we can celebrate Starhill Gallery's innovative transformation with everyone. This will be our 'Big Thank You', to all associated with Bukit Bintang, for many years of kind support and good will shown to YTL.”

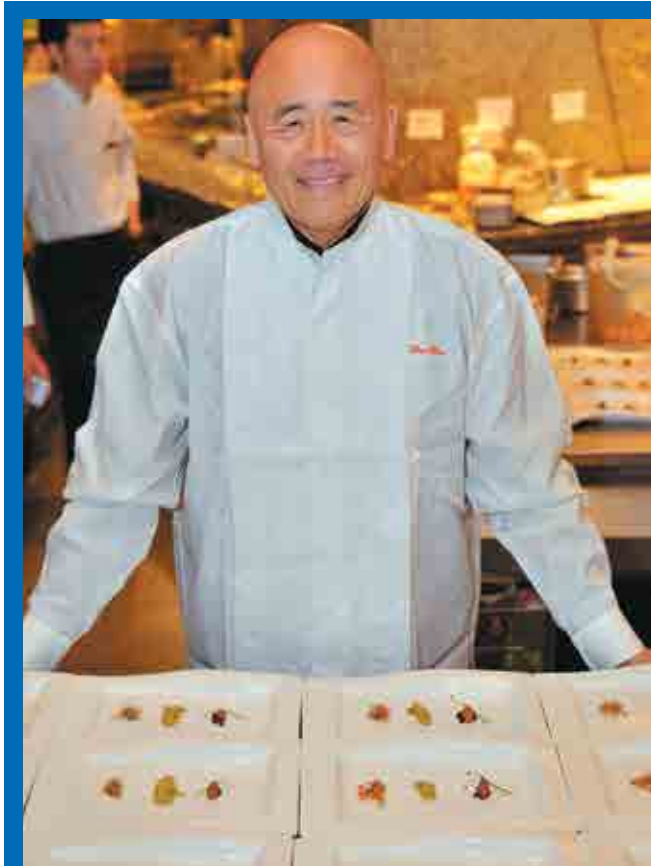
*Tan Sri Dato' (Dr) Francis Yeoh,
Managing Director, YTL Corporation Berhad*



Julio Iglesias



Open air concert hosted by YTL Corporation Berhad



Chef Ken Hom with his 'Sustainable' cuisine



"Cuisine and Couture" opening night

A MIDSUMMER NIGHTS' FEAST AT STARHILL GALLERY

Starhill Gallery hosted its fifth edition of the Midsummer Nights' Feast at one of YTL's restaurant, Shook!, from 12 to 18 July 2012. Themed "Cuisine and Couture" the gourmet festival's opening night showcased the culinary skills of the best known Pan-Asian Master Chef in Europe, Chef Ken Hom, who was flown in especially for the occasion from Paris. Guests at the Midsummer Nights' Feast had the chance to experience the sumptuous creations of Chef Ken Hom (who also has a passion for creating sustainable cuisine) for the evening.

Apart from Chef Ken Hom, diners at the gourmet festival were also treated to cuisines by Master Chefs from around the world, including Florent Passard from France, Manabu Ogawa from Japan and Kevin Cape from China.

Empowering Our Communities

A GOURMET HERITAGE VILLAGE AT LOT 10

In December 2009, Malaysia's first "Gourmet Heritage Village" called "Lot 10 Hutong" opened its doors to the public.

YTL worked very hard to ensure that famous Malaysian food that had been around for generations were brought in under one roof at YTL-owned Lot 10 shopping centre. Now a renowned destination for heritage food, the place recreates eateries of the golden olden days and has managed to resuscitate the enjoyment of heritage food for the continued enjoyment of future generations. Lot 10 Hutong is doing a great service to the nation by not only driving tourism but also protecting Malaysia's Food Heritage. It is preserving a cultural and culinary legacy for the appreciation of our future generations which may be forgotten, if neglected.

Lot 10 Hutong's success is notable with its number of diners and visitors standing close to 1.2 million (January 2011 through to July 2012). The Lot 10 Hutong concept has also been replicated all over Kuala Lumpur, and is being sought

after abroad, especially in China. YTL's Lot 10 Hutong was set up in Guangzhou, which occupies the first five storeys of the 41-storey Tsai Lan tower offering the finest selection of Taiwanese and Malaysian cuisines and premium food brands from Hong Kong and the region. Next expansion plan includes Chengdu in China and Singapore, before expanding to the rest of China, with a vision that each shopping mall that YTL acquires will have a "Lot 10 Hutong" to complement it.

THE KUALA LUMPUR PERFORMING ARTS CENTRE

Opened in May 2005, KLPac is Malaysia's only fully-integrated performing arts centre located at the Group's Sentul Park in Kuala Lumpur. KLPac is the result of a strategic partnership between Yayasan Budi Penyayang, YTL Corp and The Actors Studio, under the patronage of the late Y.A.B Datin Paduka Seri Endon Mahmood, Wife of the Former Prime Minister of Malaysia, Tun Abdullah bin Haji Ahmad Badawi. It was built for the common goal of nurturing and developing the performing arts in Malaysia and caters to a broad spectrum of artistes and audiences with its diverse artistic and educational programs.

Since its inception, KLPac's calendar has been filled with a multitude of both local and international performances from music and dance festivals to theatrical productions and art exhibitions. The "Academy@KLPac" has attracted students to its wide range of performing arts courses, facilitating the education of artists as well as audiences. The centre's 70,000 square feet of space houses facilities including a 500-seater main theatre, a 200-seater experimental theatre, nine studios, an IndiCine theatre for independent film, a set construction workshop, and a café and bar area.

Visit www.klpac.org for more details.

THE ACTOR'S STUDIO AT THE ROOFTOP, LOT 10, KL

Located at the newly-renovated Lot 10 Rooftop, The Actor's Studio (TAS @ Lot 10) ups the ante in the Malaysian arts scene. Spanning over 8,000 square feet, the premise features a 250-seat theatre and places the audience far closer to the action than the local arts scene is used to. Using a Japanese design inspired by the Kabuki Tradition, the 'Hanamichi' stage in the new theatre has a wide 'catwalk' extending from the centre of the background of the stage, giving it a 'T' shape and good acoustics.

Lot 10 also has the advantage of convenience and access with the Bukit Bintang monorail station located directly outside the building, encouraging public transport access which in turn helps to reduce transport emissions into the atmosphere.

Visit: www.theactorsstudio.com.my for more details.



“There is actually sophistication and an art to it. If you don't do (cook) it properly, you will not be able to appreciate the real thing. It is a "living art" inside your body and has to be prepared just right. That is why the majority of the stores in Hutong are run by the third and later generations who have learnt the art.”

Tan Sri Dato' (Dr) Francis Yeoh
16 March 2012

SUPPORTING EDUCATION INITIATIVES

The YTL Group continues to play a strong role in growing and safeguarding the potential of our future generation of leaders. Through our various educational programmes and initiatives, we support education and learning, offering scholarships to deserving individuals and through empowering our local universities through connectivity.

YTL Education (YTL Edu), the Group's education driver, brings these commitments together under a single arm, with a dedicated vision to transform education and empower the next generation by providing world-class Internet-based education solutions and services through YTL Communications (YTL Comms).

YTL Comms, our telecommunications arm, is committed to bridging the digital divide between urban and rural communities while improving the quality of life for all Malaysians through providing world-class technology.

Visit www.ytlcomms.my/EN/education.aspx for more details.

SCHOLARSHIPS TO DESERVING STUDENTS AND INDIVIDUALS

YTL FOUNDATION

The YTL Foundation was established in 1995 with the objective of promoting higher education in Malaysia by offering scholarships to deserving individuals who would otherwise be denied of higher education due to financial constraints. Given the opportunity, we believe such individuals will be able to achieve their full potential and assume leadership positions to contribute towards the nation's economic development.

YTL POWER INTERNATIONAL BERHAD SCHOLARSHIP FUND

The YTL Power Scholarship Fund was established to complement the YTL Foundation with the objective of promoting higher education by offering scholarships to qualified students who are pursuing full-time foundation and degree courses at University Tenaga Nasional (UNITEN), a local university in Malaysia offering courses in Engineering, IT, and Accounting. In 2011, a total of five scholarships were granted to students taking up places at the university.

YTL POWERSERAYA SCHOLARSHIP

The YTL PowerSeraya Scholarship was set up in 2008 and each year, between two and six outstanding undergraduates from the Nanyang Technological University are selected to receive a bond-free scholarship worth SGD8,000 per annum. In 2011, the company gave out scholarships to four undergraduates (from Chemical & Biomolecular Engineering, Environmental Engineering and Accountancy programmes). These scholars were also given internship opportunities at YTL PowerSeraya. Scholars are chosen from students pursuing courses at the College of Engineering, College of Science and the Nanyang Business School from their second year of study. While students are selected primarily on their academic and CCA (Co-curricular activities) performance, those who have handled environmental projects or contributed significantly to the community are strongly considered for the scholarship programme.

YTL CEMENT SCHOLARSHIP FUND

The YTL Cement Scholarship Fund was set up in 2007 with the objective of promoting higher education by offering scholarships to qualified students who are pursuing full-time degree courses at Universiti Malaya, Universiti Sains Malaysia and Universiti Teknologi Malaysia. Given the opportunity, such individuals will be able to achieve their full potential and assume leadership positions to contribute towards the nation's economic development.

Each year, up to 10 outstanding undergraduates will be selected to receive a scholarship worth RM10,000 per annum over the duration of their course, usually four years. In 2011, nine undergraduates from Chemical, Electronic & Electrical and Mechanical Engineering programmes were selected.

The first batch of scholars who completed their studies under this Scholarship Fund are now working at at YTL Cement for one year and are excelling at their respective fields. These scholars were also given internship opportunities at YTL Cement's various cement plants, including its integrated cement plants at Perak and Pahang.

Empowering Our Communities

SCHOLARSHIPS FOR OUR EMPLOYEE'S CHILDREN

In celebration of the illustrious life of Puan Sri Kai Yong Yeoh, wife of the YTL Group's Founder Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay and accomplished Academician, a Book Prize named in her honour of her lifelong contribution and passion in educating youths and her unflinching dedication in nurturing children into well-rounded individuals and her outstanding contributions to society through community services, was launched in 2011 by YTL Corporation Berhad. The **Puan Sri Kai Yong Yeoh Book Prize** is open to the children of YTL Group's employees worldwide who demonstrate outstanding abilities both academically and in other areas of excellence, with the purpose of motivating them to achieve their full potential and inspire others around them.



Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad at the Book Prize launch

YTL DEVELOPS TALENTS IN THE HOSPITALITY INDUSTRY

The YTL International College of Hotel Management (YTL-ICHM) nurtures talents in the hospitality industry by providing a well-balanced education in the area of hospitality. Students are taught within a fully operating hotel, in a campus which essentially functions as a "live classroom". They have an opportunity to learn from industry experts. YTL Hotels and Properties then provide industry placements for students which form an integral part of the syllabus.

Well-qualified students will be awarded scholarships to pursue the Diploma of International Hotel Management at YTL-ICHM. Academic performance and interview evaluations form the basis of selection and upon graduation; scholars are required to contribute to YTL Hotels by becoming a valued employee in any of the YTL Hotels properties for a period of time. The Scholarship Award is central to YTL Hotels and Properties capital development programme as it aspires to be one of the top employers in the hospitality industry.

SCHOLARSHIP DISBURSED FOR 2011/2012

During the year under review, nine new scholarships were granted to students taking up places at the YTL-ICHM.

Diploma	No. of Students	Scholarship Amount (RM)	Total (RM)
2011	5	25,000	125,000.00

Outstanding students have the opportunity to pursue their final year degree in ICHM at Adelaide, Australia, which is being funded through similar scholarship awards by YTL-ICHM.

Degree	No. of students	Scholarship Amount (AUD)	Total (AUD)
2011	2	33,060	66,120.00
2012	2	33,060	66,120.00



Students exposed to real-life experiences at our hotels

CONTRIBUTIONS TO UNION OF POWER AND GAS EMPLOYEES (UPAGE)

FY2010/2011, YTL PowerSeraya donated a combined sum of SGD77,000 to Singapore’s Union for Power and Gas Employees (UPAGE) Endowment Fund and the UPAGE Bursary Awards. The UPAGE Annual Bursary Awards are awarded to the children of UPAGE members based on their academic performance and financial needs of the family. The UPAGE Endowment Fund was set up with the support of unionised companies under its care (including YTL PowerSeraya) to provide an additional source of funds that will help union members in the form of subsidies and benefits such as welfare grants and training and development courses.

NITHIAH NANDAN BOOK PRIZE

In 2011, book prizes worth SGD1,000 each were awarded to four of YTL PowerSeraya employees’ children at the Nithiah Nandan Book Prize ceremony. Set up in 2007, this book prize was created in honour of the late Mr. Nithiah Nandan, former executive of the UPAGE for his support of lifelong education and dedication to serving others. The book prize recognises the exemplary performance of these children who have excelled in their areas of interest outside the academic field or who have made meaningful contributions to the community or the environment. As at December 2011, thirteen of YTL PowerSeraya’s employees’ children have received this book prize.



Lightbulb launch at Kolej Tunku Abdul Rahman



LIGHTBULB INITIATIVE

YTL believes in nurturing and advancing Malaysia's future generation of leaders through education and Mobile Internet. Recognising this, in May 2012 YTL Communications (YTL Comms) launched “Lightbulb”, an initiative designed especially for students at the Malaysian Institutes of Higher Learning. It seeks to inspire and foster entrepreneurship, utilising the Internet as the platform. It supports creative development of ideas and helps kick-start innovative projects by youth by offering funding worth RM10,000 for successful proposals in areas including IT and Engineering, Education, Social Media and Content. We believe this support will help tremendously in unleashing the potential of today’s youth through education, creativity and entrepreneurship, technology, and mobility of the Internet via high-speed mobile 4G.

Visit www.lightbulb.com.my for more details

Empowering Our Communities

EMPOWERING UNIVERSITIES THROUGH HIGH-SPEED CONNECTIVITY

Education Partner Programme (EPP), an initiative by our telecommunications subsidiary, YTL Communications Sdn Bhd (YTL Comms) continues with an addition of three higher learning institutions this year. Launched in 2010, EPP aims to bring 4G¹ converged services offering data, voice and mobility to 20 of Malaysia’s public and selected private universities in Malaysia through its Yes network.

In response to the growing needs of a tech-savvy, mobile, knowledge-thirsty and highly-innovative generation, the EPP aims to provide new levels of interactivity between students and faculty via 4G intranet and ease of access to information through 4G mobile internet. This is in line with YTL’s belief that high-speed Internet access should be available to everyone, especially our nation’s future leaders. We also believe this technological support will enable the students to harness the potential of the World Wide Web as a source of knowledge and that ultimately such exposure will shape and enhance their worldview better.

Under the programme, students will enjoy high-speed, wireless broadband access from anywhere within their campuses. Each student will be provided with converged data and voice services totalling 300 megabytes (MB) per user, per month, for a period of three years. This innovative venture puts Malaysian universities on the world map as being among the first to offer the most advanced internet technology to its campuses. To date, YTL Comms has signed agreements with nine local universities to jointly deploy 4G networks throughout its campuses.

The EPP provides:	Campuses currently supported by the EPP:
<ul style="list-style-type: none"> Free 300MB of data or 100 minutes of calls or 100 SMS (equivalent to RM9) per month No activation fee No minimum usage 	<ol style="list-style-type: none"> Universiti Teknologi Malaysia Universiti Tunku Abdul Rahman Universiti Putra Malaysia Universiti Malaya Universiti Sains Malaysia Kolej Tunku Abdul Rahman Universiti Teknologi Mara Universiti Kebangsaan Malaysia SEGi University

¹ A 4G system provides mobile ultra-broadband Internet access, for example to laptops with USB wireless modems, to smartphones, and to other mobile devices.

“The EPP allows our students to do things differently and bring about a wave of positive change in YTL Comms 4G enabled education environment that will eventually contribute to the larger success of the nation.”

Tan Sri Dato’ (Dr) Francis Yeoh,
Executive Chairman of YTL Communications



OTHER INITIATIVES FOR EDUCATION

THE UNIVERSITY OF NOTTINGHAM IN MALAYSIA

In line with our plans for educational expansion, we have fostered a joint partnership with The University of Nottingham in Malaysia. The university is amongst the ten best universities in the UK, alongside institutions such as Oxford, Cambridge, Imperial College London, and the London School of Economics.

The University of Nottingham has opened pioneering campuses in Asia, with the establishment of a multi-million pound campus in Malaysia, followed by the official opening of the first foreign university campus in the People's Republic of China. The University's campuses in the UK, Malaysia and China are award-winners in themselves. With open parkland sites, gorgeous landscaping, and signature architecture, they offer an unrivalled setting for learning.

The University of Nottingham Malaysia Campus has a joint partnership with two local partners. The dedicated campus (which opened early in 2005) sits on a 101-acre site close to Semenyih, 30 kilometres south of Kuala Lumpur, and is the first purpose-built campus of a British university outside of the UK. Facilities include laboratories, library, sports complex, Student Association building, bookshop, cafés and convenience stores.

THE UNIVERSITI MALAYSIA SABAH

YTL's Executive Chairman, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, is currently Pro Chancellor of Universiti Malaysia Sabah (UMS) and attends convocations at this university annually, awarding certificates to its thousand-strong graduates. Universiti Malaysia Sabah was the first local university to be built in the town of Beaufort, Sabah.

The Group supports the UMS Foundation through donations, including a contribution of RM2.5 million towards the foundation in 2004. As the ninth university to be established in Malaysia, it has been progressing at a tremendous pace since its inception on 31 January 1994. The physical development of a permanent campus on a 999-acre piece of land began on August 1995 and was completed in 2000, with the university's occupation of the permanent campus beginning in 1999. The Malaysian Government then granted approval to the university to set up a branch campus in the Federal Territory of Labuan. Following further acquisitions of building facilities for teaching, learning, and research, there have been an increasing number of schools, centres and units at the university.

“ Over the last century, we've made rapid advancements in almost every field of human development. Our schools, roads, transportation, homes, offices, communications, and factories look vastly different today as compared to those of the past. But one area that hasn't changed remarkably is mass education. As technology and infrastructure everywhere else evolve, classrooms still look the same, while access to global knowledge and new, dynamic ways of learning remain the privilege of those with access to the Internet.

At YTL, we are strongly committed to doing our part in **bridging this digital divide and ending education inequity**. Where a child comes from and where he or she goes to school shouldn't have an impact on the quality of education he or she receives. We hope that with our partners, we will be able to help make quality education for all become a reality that will eventually contribute to the larger success of the nation. ”

DATO' YEOH SEOK HONG
Executive Director, YTL Corporation Berhad

Empowering Our Communities

TRANSFORMING SCHOOLS WITH VIRTUAL LEARNING ENVIRONMENT

In 2012, YTL Education (YTL Edu) formed a partnership with FrogTrade Ltd (Frog) to bring the Frog Virtual Learning Environment (VLE) to schools in Malaysia. The Frog VLE, one of the United Kingdom's leading VLEs, is a platform that enables more effective teaching and school administration through the Internet. With a proven track record of over 12 years, Frog has been adopted in schools located in countries across the globe, including the UK, France, Spain, Hong Kong, Switzerland, the Cayman Islands, Bermuda and Thailand.

What sets the Frog VLE apart from other technology-based learning systems is its focus on whole school improvement, through understanding how technology can transform teaching and learning, together with a clear roadmap and the commitment to getting there.

In line with YTL Edu's commitment to transforming education in Malaysia, FrogAsia Sdn Bhd (FrogAsia) was founded in early 2012 as the licensed reseller for the Frog VLE in the Asian region. The vision of FrogAsia is to equip schools throughout the region beginning with Malaysia, with the same leading tools for learning that are being used in countries such as the United Kingdom, leveraging on Frog's extensive track record.



Students at SK Sri Petaling experienced Frog VLE

At the end of 2011, FrogAsia, in partnership with YTL Comms, embarked on a project initiated by the Malaysian Ministry of Education, 1BestariNet, to provide a holistic learning solution to all primary and secondary government schools throughout the country. Under this project, schools will be equipped with the Frog VLE, customised to meet the needs of the local schools, as well as with connectivity to Yes, YTL Comms' high-speed 4G mobile Internet network. This integrated solution aims to spark a positive wave of change in classrooms all across the country, as schools and teachers are equipped with 21st century tools that will empower them to enhance what they do best – teach.

Visit www.frogasia.com/v2/ for more details.



Kate Heal, FrogAsia's Chief Operating Officer, visiting a pilot school

MALAYSIAN STUDENT LEADERS SUMMIT 2012

As part of our commitment towards growing and safeguarding the future generation of leaders, we have in July 2012 supported the 6th Malaysian Student Leaders Summit as its Bronze Sponsor. Held at the Intercontinental Hotel, Kuala Lumpur and organised by the United Kingdom and Eire Council of Malaysian Students (UKEC), the 3-day event saw participation of over 650 student leaders and distinguished speakers. Themed “The Malaysian Metamorphosis”, this year’s event was officiated by the Prime Minister of Malaysia, Yang Amat Berhormat Dato’ Sri Najib Razak. Guided by its aim of providing an avenue for non-partisan, intellectual and productive dialogue between Malaysian student leaders and



Student Leaders Summit 2012 encourages exchange of ideas

prominent national figures from a myriad of fields, the UKEC hopes that these student leaders will have a better understanding of the current issues facing the nation, and be better prepared to take on the challenges in charting the way forward for Malaysia.



JAWA POWER SUPPORTS LOCAL EDUCATIONAL INITIATIVES IN INDONESIA

PT Jawa Power continue to support ongoing education quality improvement programmes at two schools in the surrounding district of its power plant - SMA Tunas Luhur and SMP Bhakti Pertiwi, which are full-day, junior and senior high schools, respectively. Its efforts paid off when SMA Tunas Luhur (which is also a school built by PT Jawa Power) was awarded the “Adiwiyata School Award 2012”. The award is in recognition of schools that have succeeded in building a “green” culture and that have fostered an

environment of care amongst its students and teachers. Through PT Jawa Power’s support, it has helped the school put in place various environmentally-related activities within the school and surrounding communities.

PT Jawa Power launched a mobile library facility on 11 October 2011 which enabled schools in a remote area within Paiton greater access to quality reading materials. This initiative was lauded by Probolinggo Education Services as an “important step forward in improving the education quality for local students”.

Empowering Our Communities

YTL PARTICIPATES IN TEACH FOR MALAYSIA

In early 2012, YTL partnered with Teach for Malaysia (TFM) in supporting TFM's efforts at meeting educational challenges faced by our local schools. TFM is an independent not-for-profit organisation that is enlisting Malaysia's most promising future leaders in its mission to end education inequity. They do this through the empowerment of a pool of high-quality teachers and leaders. The organisation is also fuelled by its mission: that one day, all children in Malaysia will have the opportunity to attain an excellent education.

In sharing this mission, YTL has committed to a five-year sponsorship which we believe will support TFM in rolling out its noble initiatives. Our involvement, which went beyond philanthropic support, saw two of our leaders Datin Kathleen

Chew (Group Legal Counsel) and Yasmin Mahmood (YTL Comms Executive Director) taking part in "Teach For Malaysia Week". For a week, between 16 and 21 April 2012, the Ministry of Education and TFM opened the classroom doors of several high-need local schools to a host of famous faces.

For a day each, these public figures taught a class alongside one of the TFM Fellows, imparting their wisdom to the younger generation with an ulterior aim of highlighting to the public that "education is everyone's responsibility". Notable figures that participated in the campaign included Minister in the Prime Minister's Department, Datuk Seri Idris Jala, Comedian Harith Iskandar and Miss Universe Malaysia 2011 Deborah Henry.



Datin Kathleen shares her story with her "class"

DATIN KATHLEEN INSPIRES STUDENTS AT TFM WEEK

"My mother was a teacher and so were my maternal grandparents. My mother taught in a school in Kuala Selangor for many years where many of the students came from the rubber estates or fishing villages. At my mother's 70th birthday, I invited some of her students from Kuala Selangor, one of whom was a doctor. He told me that it was only through my mother's encouragement and her faith in his abilities that he became a doctor. She dissuaded him from his ambition of becoming a fireman at the fire station down the road from the school. I hope that I will be able to inspire at least one young person to believe in himself and aim beyond his comfort zone, just as my mother did."

This was a heartfelt story shared by our Teach for Malaysia's representative, Datin Kathleen Chew who spent one day teaching and inspiring the school children at SMK Jalan Reko, Kajang. She shared how education has always been close to her heart, as her own mother was a passionate educator. Datin Kathleen, in inspiring the children to think about their ambition in life gave her 'class' an opportunity to have their photos taken with a polaroid camera. Naturally, these children were excited with such exposure and shared their life goal with the class by pasting it next to their photos. Datin Kathleen, who was also the FrogAsia rep spoke about how technology is rapidly transforming the way we live and learn today. The children were given a snapshot of this by an opportunity to try out the Frog platform on brand new Google Chromebooks. Overall, the day was a real eye opener for both the children and us at YTL's FrogAsia.



"Cikgu Yasmin" (third from right) with her "students"

YASMIN MAHMOOD TEACHES FOR MALAYSIA

YTL Group and FrogAsia representative at Teach for Malaysia Week, spent one day in a class at a local school, SMK Tengku Idris Shah in Klang.

"Cikgu Yasmin", as the school children called her shared many inspiring stories about growing up with her devoted parents, who were both teachers from Pasir Mas, Kelantan. In encouraging her 'students' to work hard, she shared an anecdote on how she has progressed in her studies every year as a result of her hard work and determination. Growing up with parents who were trying to make ends meet taught "Cikgu Yasmin" to be very careful with her money: "Setiap kali saya mendapat 10 sen, saya simpan 5 sen, lepas tu saya akan berikan 5 sen selebihnya kepada ibu saya untuk membeli ikan bilis (Everytime I get 10 sen, I will save five and give the remaining five to my mother to buy anchovies for cooking)."

These two stories may have brought Cikgu Yasmin to where she is today, but what continues to drive her is a passion for education sparked by her parents, who later became Head Teachers as a result of their passion and dedication to the profession.

"I remember my mother going to school every morning with a comb, a toothbrush, and biscuits, so that during her morning walkabout, she would tidy up a child's hair, get one to brush his teeth, and feed those who couldn't afford breakfast. I grew up knowing that teaching is a passion, and a noble one at it. By participating in Teach for Malaysia week, I hope to channel some of that passion and help a child realise what good education can do for them."

ABOUT THE TEACH FOR MALAYSIA FELLOWSHIP PROGRAMME

The Teach For Malaysia Fellowship is a highly selective, two-year, full time and fully-paid leadership development programme focused on addressing education inequity in Malaysia through the efforts of outstanding youth leaders. It is modelled after the extremely successful Teach For America

initiative and is one of 19 partners of the prestigious global education network Teach For All. Since January 2012, Teach For Malaysia's first cohort of 50 Fellows have begun teaching in high need schools in Kuala Lumpur, Selangor and Negeri Sembilan.

Visit www.teachformalaysia.org for more details.

Empowering Our Communities

SUPPORTING URBAN RENEWAL THROUGH EDUCATIONAL EXCELLENCE

For the past five years, YTL Land and Development through its subsidiary Sentul Raya Sdn Bhd has been actively involved in community development through the *Bintang Cemerlang* programme. Since its inception in 2008, *Bintang Cemerlang* has been positively impacting the performance of deserving schools, with its emphasis on academic, arts and sport that is designed to nurture well-rounded future leaders. The programme's holistic approach to education for the younger generation is also set to strengthen the long-term development of human capital and sustainable communities while contributing to Kuala Lumpur's (KL) growth as a "World Class City".

The programme is the result of a smart partnership between Sentul Raya Sdn Bhd, Ministry of Federal Territories and Urban Wellbeing, *Dewan Bandaraya Kuala Lumpur* (DBKL or City Hall) and the Ministry of Education's Federal Territory Education Department. It's an important part of Sentul Raya's Urban Renewal project to transform Sentul into a modern and dynamic area through the growth of the local community. *Bintang Cemerlang* is supported under DBKL's "Local Agenda 21" programme to effect sustainable change in the city, to ensure a higher quality of life for its community.

The programme, began with eight schools in Sentul, has now grown to a total of 24 schools. The extent of the programme's reach has been significant as well. This year alone, *Bintang Cemerlang* has touched the lives of over 107,500 people, including students, parents and communities.

The *Bintang Cemerlang* holistic programme encompasses a wide range of activities that include UPSR, PMR and SPM workshops to equip students with the right tools for their exams including arts activities such as Eco Drum Circle – a camp aimed at encouraging environmental conservation and teaching music using recycled materials to inspire creativity and boost self-esteem while a series of sports and recreation activities instils leadership skills and promote the importance of healthy living.

The *Bintang Cemerlang* annual award ceremony is a celebration of achievements that is held once a year, to encourage healthy competition among participating schools. Apart from the excellence awards that were presented to students, the top-three schools were also recognised through the *Anugerah Sekolah Terbaik* (Best School Award) and the *Datuk Bandar Challenge Trophy*.

The 2012 ceremony was officiated by Guest-of-Honour, Dato' Raja Nong Chik, Minister of Federal Territories and Urban Wellbeing who also presented the awards to 240 deserving students including the coveted "*Piala Pusingan Datuk Bandar*" Award to the 2012 champion, Sekolah Kebangsaan Bangsar.

The long-term Urban Renewal vision of Sentul will see iconic developments within Sentul West and Sentul East gracing the skyline of KL. This is part of the Government's vision to transform the area into a sustainable modern township that will provide economic opportunities and improve social conditions for the community.



Seated from left: Dato' Hamidah binti Maktar, Executive Director of Sentul Raya, Dato' Yeoh Seok Kian, Deputy Managing Director of YTL Corporation, Tan Sri Ahmad Fuad, Mayor of Kuala Lumpur, Dato' Hj. Ahmad Pheal Hj. Talib, Secretary General, Ministry of Federal Territories and Urban Wellbeing, Datuk Normah binti Malik, Deputy Director-General of DBKL, with the proud achievers at the *Bintang Cemerlang* 2012 Excellence Awards

OUR BINTANG CEMERLANG SCHOOLS (2008 TO 2012)

No.	Primary Schools	No.	Secondary Schools
1.	Sekolah Kebangsaan Convent Sentul 1	1.	Sekolah Menengah Kebangsaan Convent Sentul
2.	Sekolah Kebangsaan Convent Sentul 2	2.	Sekolah Menengah Kebangsaan La Salle Sentul
3.	Sekolah Kebangsaan La Salle 1	3.	Sekolah Menengah Kebangsaan Bangsar
4.	Sekolah Kebangsaan La Salle 2	4.	Sekolah Menengah Kebangsaan Seri Pantai
5.	Sekolah Jenis Kebangsaan (Cina) Chi Man	5.	Sekolah Menengah Kebangsaan Seri Permaisuri
6.	Sekolah Jenis Kebangsaan (Tamil) St Joseph	6.	Sekolah Menengah Kebangsaan Yaacob Latif
7.	Sekolah Kebangsaan Bangsar	7.	Sekolah Menengah Kebangsaan Padang Tembak
8.	Sekolah Kebangsaan Bandar Tasik Selatan	8.	Sekolah Menengah Kebangsaan Taman Seri Rampai
9.	Sekolah Kebangsaan Seri Cheras	9.	Sekolah Menengah Petaling*
10.	Sekolah Kebangsaan Yaacob Latif (1)	10.	Sekolah Menengah Kebangsaan Bandar Baru Sentul *
11.	Sekolah Kebangsaan Danau Kota (2)	11.	Sekolah Menengah Kebangsaan Sentul Utama
12.	Sekolah Kebangsaan Setapak	12.	Sekolah Menengah Kebangsaan (L) Methodist Sentul*

* New additions for 2012



Students and teachers at the “Kem Jati Diri”, a programme to inculcate self-esteem and promote teamwork

Empowering Our Communities

INSTILLING GREEN AWARENESS AMONG STUDENTS

SAVING WATER

Wessex Water (Wessex) has an established educational outreach programme reaching out to schools and the community. Since 1998, its full-time education advisers have helped thousands of students learn about the value of water, sewage treatment, and the environment. Lessons are tailored to individual school needs. Programmes are delivered in fun and engaging ways which often extends

beyond the pupil's involvement. One such example is the "Waterwatch Challenge" (see box article) where their families are encouraged to be involved too.

Wessex also has eight Education Centres across its operating region which serves as an important channel in engaging all its consumers to understand its services and water conservation initiatives. Over the last year, its Education Advisers met with more than 13,500 school children at schools or at its Education Centres.



Children are able to practice water conservation at home

WATERWATCH CHALLENGE

As part of Wessex Water's ongoing initiative to promote water conservation among school children, it is promoting its new Waterwatch Challenge, aimed at Key Stage Two pupils. Following a lesson on water conservation at school, the idea is that the school children will head for home and spread the water conservation message to all members of the family whilst carrying out a worthwhile homework project in the form of a water audit. Whilst Wessex appreciates that this idea is far from new they are hoping that the resources provided will make this an easy and enjoyable task for both teacher and pupils.

Each child is provided with a "water wallet" which includes a booklet on water conservation, tile stickers, a challenge chart to record water usage, a "flushometer" to track how many times the toilet gets flushed and bookmarks.



"Water Wallet" guides the children in doing their best to save water



1st Prize Household Winner receiving a cash prize from the Minister for the Environment and Water Resources, Ms Grace Fu (left)

SECOND RUN OF YTL POWERSERAYA'S REAP RESULTS

The Responsible Energy Advocates Programme (REAP) is a 3P (People-Public-Private) programme developed by YTL PowerSeraya. In partnership with the National Environment Agency and South West Community Development Council of Singapore, this sustainability programme aims to develop tertiary students in Singapore to be energy advocates. Officially launched in April 2011, REAP is centred on energy conservation and integrates the components of education, community service and project work to benefit students as well as the community.

In 2011, REAP witnessed 27 tertiary students help 50 homes in Singapore save energy. Under the programme, each household was given a sum of money to implement energy saving fittings. The commendable results were made possible through the help and hard work of the students who helped these homes in implementing energy solutions. They also encouraged residents to adopt behavioural change measures. The energy consumption of these homes were monitored over a three-month period. The results were that:

- 65% of the homes achieved energy savings;
- More than 30% of the homes achieved at least 10% energy savings;

- The top three households with the greatest energy savings in the July to September 2011 period achieved at least 30% energy savings with the top winner attaining an impressive 49% energy savings; and
- The top three households were recognised for their efforts in the REAP programme at the "South West Clean and Green Carnival" held on 19 November 2011.

Each winning household received their cash prizes from the Minister for the Environment and Water Resources, Ms Grace Fu, who graced the event.

GREEN CAMPAIGN AT PT YTL JAWA TIMUR

PT YTL Jawa Timur has been conducting Green Campaign which coincide with the World Environmental Day every year. The Campaign aims to promote environmental awareness amongst employees and their families and focuses on reducing paper usage, improving waste management and promoting electricity and water savings. The campaign also extends to schools in the Probolinggo Regency to raise awareness amongst teachers and students. During the year, PT YTL Jawa Timur, supported by the Probolinggo local authority, conducted a "Green School Competition" to educate participants on ways to improve their waste management systems, with rewards given in the form of facility improvements for schools which demonstrated improvements.

Empowering Our Communities

SUPPORTING COMMUNITY INITIATIVES

We recognise our duty to be a good neighbour and thus are an active partner of cities and communities, working closely with schools and charitable organisations to educate, support, and engage with projects within the areas in

which we have operations. From tackling poverty to helping children lead healthy and energetic lifestyles, we endeavour to build a better future for everybody.

EMPLOYEES IN THE COMMUNITY

Being involved in the local community is not something new to employees at YTL PowerSeraya. The Company encourages its people to do their bit by taking part in community-related activities, either organised by the Company or at their own accord. On 17 September 2011, 22 volunteers comprising six employees and their family members joined forces with other volunteers who came from all over the world to clean the 200-metre stretch of beach adjacent to the Pulau Ubin ferry jetty. This mass event was held in conjunction with the International Coastal Cleanup Day. Volunteers also had to record down what they collected in a data card for submission to the Raffles Museum of Biodiversity Research, the local coordinating agency for the Ocean Conservancy.

Since 2005, employees have also been participating in the social outreach programmes organised by the National Electricity Market of Singapore (NEMS). One such activity is where for one day, volunteers from the Energy Industry would organise outings for a group of children from Child@Street 11, a non-profit organisation which helps young children from low-income families. In 2011, YTL PowerSeraya volunteers accompanied the children to the Singapore Zoological Gardens.



YTL PowerSeraya's employees and their families at the International Coastal Cleanup (ICC)



Beneficiaries of the Wessex Watermark Scheme

WESSEX WATER WATERMARK AWARDS

Wessex Water (Wessex) Watermark Awards have been running for almost 20 years. It supports local groups and individuals by providing funds for environmental and conservation projects around the Wessex Water region – Somerset, Wiltshire, Dorset and parts of Hampshire and Gloucestershire. Wessex continues to support community projects, with around £6,000 donated to 25 projects in the region during 2011 to 2012. The grant scheme is organised by the Conservation Foundation and can help any organisation with their environmental projects.

WESSEX WATER COMMUNITY PLUSFUND

Wessex Water is keen to recognise the commitment that its people give to their local community and support them in their fundraising activities. Employees taking part in events in aid of any local charities can boost the “Community PlusFund”. Whether an employee is doing a sponsored run, parachute jump or cycle ride, the Community PlusFund will match every £1 raised up to a maximum of £250. Only applications from Wessex Water Employees raising money for local charities are considered. During the year, the total match funding was £8,400 to a total of 33 members of staff.



Empowering Our Communities

ENCOURAGING THE UNDERPRIVILEGED TO SUCCEED THROUGH CHARITABLE SUPPORT

YTL PowerSeraya subscribes to the SHARE (Social Help and Assistance Raised by Employees) programme, where employees donate to the Community Chest¹ on a monthly basis through a deduction from their salary. YTL PowerSeraya's support for the SHARE programme saw the Company being awarded the Bronze SHARE Award for three consecutive years since 2010. Currently, about 55% of the company's employees participate in SHARE programme. The period April 2011 to March 2012 saw employees contributing a total of SGD10,760.

On 8 May 2010, YTL Corporation organised a "YTL's Concert of Celebration 2010" at the Singapore Botanic Gardens. During the event, YTL presented Community Chest with a contribution of SGD850,000 which helped the organisation raise SGD55.2 million to meet the needs of the various community projects it conducts. Out of the overall funds raised by Community Chest, more than SGD25 million went towards developing and running programmes which nurture children and youth who are either at risk, or those with special needs, to succeed.

PT YTL JAWA TIMUR RESPONDS TO COMMUNITY NEEDS

PT YTL Jawa Timur and PT Jawa Power have been carrying out many community development programmes for the local communities in East Java, Indonesia, with a strong focus on educational improvement, income generation, health, and environmental improvement. The Group believes that it is necessary to equip the community with knowledge, tools and the right skills, so that it will make a difference in human capacity building of the Indonesian people whilst sustaining positive social and economic development of the nation. Activities carried out includes:

- **Helping the Community Generate Income through Cooperatives**

The programme focuses on assisting local cooperatives in developing small businesses, providing vocational skills training for the local community as well as providing assistance and guidance to small or micro businesses in licensing and banking matters. The Cooperatives have become a successful model for community participation in a self-help scheme to improve welfare, assisting the establishment of new small business activities and improving entrepreneurship skills. Activities which have been carried out include a workshop on fish farming, which attracted much local community interest and has led to several families running their own cat fish farms.

- **Health and Environmental Improvement**

The activities focused on intensifying the role of the Integrated Waste Management unit in Bhinor village, developing a mini biogas unit, beach reforestation, and participating in the improvement of community health facilities. Under guidance of Jawa Power and Jawa Timur, Bhinor's Integrated Waste Management Unit has commenced its commercial phase and has been regularly producing compost which is sold to consumers, used in nurseries, and used for planting organic rice. Jawa Power also contributes to raising environmental awareness amongst the younger generation through the "Adiwiyata" Programme in SMP Bhakti Pertiwi. The Waste Management Unit has also created an organic fruit and vegetables nursery plantation and it is expected that this will help generate additional income to the local community involved in the programme.

- **Community Care and Humanitarian Aid**

PT YTL Jawa Timur's "Community Care and Relations Programme" provides assistance to less fortunate families who live close to the power station and relief for natural disaster victims. In 2010, villagers at Banyuanget and Lubawang village received humanitarian aid from Jawa Power when a flood hit the two villages causing great property loss and damage to over 800 houses and a number of public buildings. The aid helped the victims in rebuilding their lives. Similarly, in 2011 the Company provided humanitarian assistance to the flood victims of the village of Banyuglugur, and also aided locals affected by the Mount Merapi and Mount Bromo volcanic eruptions.

¹ The Community Chest is a fund-raising arm of the National Council of Social Service with a purpose to ensure that every person within the society has an opportunity to live a life of dignity to his or her fullest potential.



School children participating in the mangrove planting exercise at Dusun Pesisir

INTEGRATED HEALTH AND ENVIRONMENT IMPROVEMENT FOR SUMBERANYAR VILLAGE

In 2011, PT Jawa Power launched and implemented an integrated health-environment, education, and income generating programme for Dusun Pesisir. Dusun Pesisir is located about 500 meters north of the Company's Operator Housing Complex (OHC). Currently, it has about 300 people living in three blocks. At the moment, they live in impoverished conditions. Improper cattle and domestic waste disposal made the condition worse. It is reported that some diseases caused by poor sanitation spread out in the area, such as Tuberculosis, Upper Respiratory Infection and skin diseases. The integrated programme therefore helps with the following:

1. Health and environment improvement; sanitation improvement, health-environment awareness campaigns,

social programmes, village road lighting, fresh water programmes, "green kampong" ("green village") and reforestation, alternative energy (biogas) and mangrove plantation;

2. Income generating programmes focusing on woman skills improvement, woman co-operatives improvement; and
3. Education programmes focusing on early childhood education improvements.

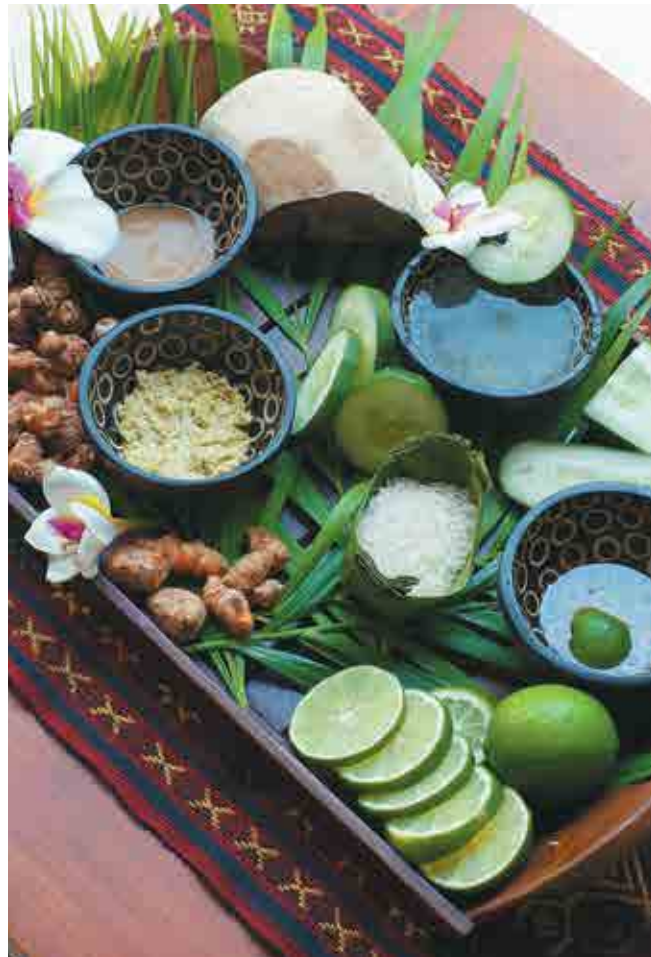
The purpose of this programme is to enhance community health and environment awareness, improve the women's skills to receive better incomes for their family and to give better early education for children. The ultimate goal is to improve community welfare.

Empowering Our Communities

YTL HOTELS SUPPORT LOCAL BUSINESSES

The Group's internationally-renowned, award-winning hotels and resorts have always encouraged sustainable practices. These include supporting the local community by using locally-produced and sourced food items and employing local people.

- At Spa Village Resort Tembok, Bali, local ingredients and seasonal produce are used in the resort's cuisine, whilst indigenous herbs are used in its spa treatments. Local staff from neighbouring villages are also employed for their skill and knowledge in traditional spa techniques. These efforts help in sustaining local communities whilst minimising imports and transportation.
- At the Spa Village at Pangkor Laut Resort, local fruits are sourced, whilst ingredients such as lemongrass and cinnamon – used in the various spa treatments provided – are grown in the resort's own herb garden.
- At The Majestic Malacca, local producers supply the hotel's handmade Nyonya 'kuih' – a type of local delicacy. The hotel also holds a cooking class to sustain the uniqueness of the Nyonya / Peranakan Heritage Cuisine.
- At both Pangkor Laut Resort and Tanjong Jara Resort, guests are taken on cultural tours of the local community and introduced to the locals' way of life, hence supporting the locals and local trade.
- Cameron Highlands Resort has begun producing an organic compost to use as fertilisers.



Local ingredients are used in spa treatments



The freshest seasonal produce are sourced from local communities

SPREADING FESTIVE JOY



Chinese New Year Lunch for the underprivileged in collaboration with BAKTI (the association of the wives of the Malaysian Ministers and Deputy Ministers)



YTL PowerSeraya's Christmas celebration with the GROW (Goodwill Rehabilitation Occupational Workshop) of Spastics



Vistana Kuantan employees celebrate Chinese New Year with the Tiong Hua Old Folks Home



Find Out More

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Education and the Next Generation

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Earth Hour

www.ytlcommunity.com/earthhour

Our Environmentalist Friends

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www.nature.org
www.wwf.org.my
www.trees.org.my

Did you know?



1 recycled tin can would save enough energy to power a television for 3 hours.



1 recycled glass bottle would save enough energy to power a computer for 25 minutes.



1 recycled plastic bottle would save enough energy to power a 60-watt light bulb for 3 hours.



70% less energy is required to recycle paper compared with making it from raw materials.



A member of the YTL Group

Recycling is an excellent way of saving energy and conserving the environment.

Do your bit. Be part of the Solution

Reduce, Reuse, Recycle. 

Find out more at www.ytlcommunity.com/climatechange