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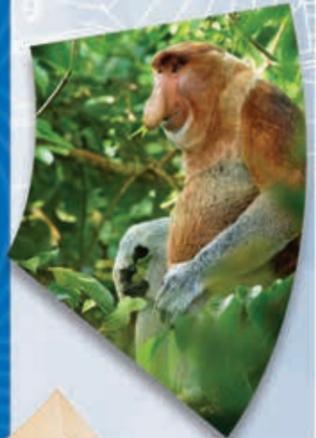
YTL GROUP

Sustainability Report 2016



**YTL GROUP**  
BUILDING THE RIGHT THING

Sustainability Report 2016





**YTL**  
**CORPORATION**  
**BERHAD** (92647-H)



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***Making A Good Future Happen*** reflects our vision for what the YTL Group sustainability initiatives aim to achieve internally and externally across the four pillars of YTL's sustainability framework – Marketplace, Environment, People and Community

## Managing Director's Letter to Stakeholders



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

### DEAR STAKEHOLDERS,

Last year I wrote about our concerns regarding the impact of geopolitical rivalry on the environment, communities and global stability. In addition to competition for ever more scarce resources such as food and fuel, there is the additional risk of fragmentation and isolationist sovereignty. The risks to international cooperation have been heightened by the United Kingdom's (UK's) vote to leave the European Union (EU), and climate change could be one of the victims as we shift to a more volatile multipolar world where threats of resource security becomes a priority for most countries. In the fallout from BREXIT, Britain's new Prime Minister, Theresa May has already scrapped the Ministry for Climate Change, and there could be other casualties in fragmentation. Extreme weather could still play a part in driving local agendas to mitigate climate change risks, but protectionism and political crises could still pose a challenge for global cooperation on reducing carbon emissions.

This couldn't have come at a more stressful time for global climate change as temperatures peaked at a scorching 53.9°C mid-2016 in Basra, Iraq; floods and droughts devastated livestock and crops worldwide; NO<sub>2</sub> levels in Hong Kong and

Seoul hit dangerous levels due to the higher use of polluting vehicle fuels such as diesel; and some Middle Eastern cities forecasted that they would run out of water before 2020.

On a more positive note, China and the United States (US) have both ratified the Paris Agreement. But this could be too little too late – it is now widely believed that we have moved from the Holocene geological age into the Anthropocene epoch – a period where human activity is the dominant influence on climate and the environment.

For these reasons and more, YTL continues to promote sustainable business practices amongst our businesses and stakeholders, and the environment remains a central pillar of our sustainability strategy. In this year's letter, I will attempt to look objectively at two issues that have repeatedly surfaced and continue to trouble me. The first one is waste, where high-level solutions are desperately needed. The second is renewable energy and in particular solar, where solutions are within our grasp and now establishing themselves as viable mainstream energy generation sources.

## Managing Director's Letter to Stakeholders

### GIORDANO BRUNO, GALILEO & THE IMPORTANCE OF FREE THOUGHT

Giordano Bruno's promotion of cosmic pluralism and Copernicanism in the sixteenth century led to his reputation as a martyr for science, followed by his heresy conviction and death. Fortunately, it also marked the beginning of free thought and emerging sciences. Bruno was burned at the stake for heresy in 1600 in Rome, whilst one of his successors in emerging science, Galileo survived his suspected heresy conviction with a less painful house arrest. We need to rise above entrenched beliefs to accept that we live in a dynamic and fast-changing natural environment with viable solutions for climate change already visible or just over the horizon. Embracing new ideas and unorthodox processes is as important now as it was in the sixteenth century, and this continues to be a cornerstone of YTL's sustainability strategy throughout the Group.

### WILLFUL WASTE, WOEFUL WANT

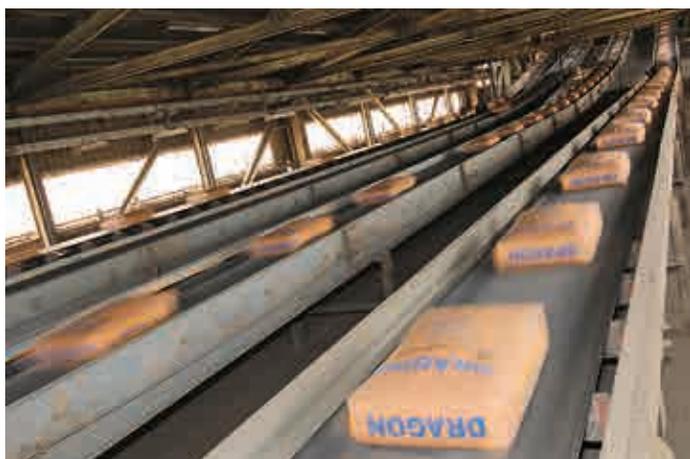
A global issue that remains critical is the problem of waste. If worldwide food waste was aggregated, it would generate more greenhouse gases than the fourth largest country in the world. Whilst the US and Australia throw away more food than any other countries, the EU comes in a close third throwing away nearly 100 million tonnes of food every year, or a shocking 175kg per person.

Governments are now trying to intervene. In Italy and France, laws were passed introducing tax incentives and fines respectively. In Malaysia, seven states have introduced mandatory separation at source for all households and business establishments, and on the voluntary side around the globe, technology is making it easier to deal with waste where apps and websites are serving to link up waste food supply with demand. YTL has made waste use and treatment a strategic part of our business units since the 1990s when YTL Cement started using waste aggregates such as Pulverised Fly Ash (PFA) and Ground Granulated Blastfurnace Slag (GGBS) in blended cement products. This was followed by Wessex Water, a subsidiary of YTL Power International, using human sewage sludge to produce biogas for gas engines, fleet vehicles and for supply to the local gas grid.

After ramping up biogas generating capacity at Wessex Water's Avonmouth facility to 12MW, we then decided to aggregate these activities in a subsidiary of Wessex Water called GENeco to manage this process and also to collect food waste from retail, commercial and residential sources to produce additional biogas instead of letting methane from degraded organic waste flow into the atmosphere. Currently, we are mopping up around 47,000 tonnes of food waste annually and supplying additional gas for distribution to the local grid, and at the same time providing farmers with organic fertilisers, a by-product of the digestion process.



Nearly 30% of food from supermarkets, restaurants and homes ends up in landfills



A portion of clinker is replaced with GGBS for DRAGON cement which significantly lowers embodied CO<sub>2</sub> hence reducing the environmental impact



GENeco's biogas powered vehicles in front of its anaerobic digestion treatment plant

## Managing Director's Letter to Stakeholders



*Bottom ash paving blocks*

Our focus on waste did not stop here, as we extended our efforts to other properties where for example, used cooking oil is turned into biodiesel by a third party processing company. In some commercial properties, waste is segregated and recycled, although not all of the organic waste finds its way into digesters or composting mounds due to the lack of local infrastructure. Niseko, Japan is different however, with mature processes to separate and treat waste already well established and complied with. We segregate waste at our properties in Niseko Village into 17 different categories. For organic waste, composting processes like that found in Niseko are being put in place elsewhere, and we continue to divert waste away from landfills where possible. In Java, Indonesia we have also salvaged the waste PFA and bottom ash from our power plant. These are being used respectively for blended cement products and in the production of paving blocks, a result of our own R&D efforts in YTL Jawa Timur (YTLJT).

### CONFRONTING MARINE DEBRIS

Another disturbing development is the amount of plastics in the oceans which has now reached an alarming level of close to an estimated six trillion pieces, equivalent to around 100 million tonnes. Around eight million tonnes of plastics are dumped into the oceans every year, and just five countries, namely the People's Republic China, Indonesia, Philippines, Thailand and Vietnam, are responsible for over 60% of it. Disturbingly, the Pacific Ocean is thought to have a mass of plastic waste the size of Europe caught in gyres or rotating ocean currents.

Around the time of writing this letter in mid-2016, in Hong Kong a so-called "glacier of trash" drifted around nearby islands and one particular patch could even be seen from space. In one week alone, various government departments in Hong Kong collected over 70 tonnes of waterborne rubbish, mostly carried down the Pearl River Delta from cities in Guangdong after heavy rains hit the region.



*Marine debris*

Worryingly, the ecosystem of the Coral Triangle is also under threat from pollution. It is home to almost 80% of all coral species, approximately 40% of coral reef fish species, and other important pelagic species such as whales, sharks, dolphins, rays, and tuna. Six of a total of seven known species of marine turtles can be found in the Coral Triangle. To add to this, almost 150 million people's livelihoods depend on the Coral Triangle, and it is estimated that the sum of the world's oceans are worth around USD24 trillion making them equivalent to the world's seventh largest economy.

Of major concern to conservationists and environmentalists, marine inhabitants and birds now ingest trash (mostly plastic) that humans throw into rivers and oceans, and we are collecting their carcasses on our shores like we once collected sea shells at low tide. Every year, more than 100,000 turtles experience slow and painful deaths. It has also been reported in scientific journals that fish, like small children with sugary snacks, have developed an appetite for plastic particles. By poisoning the oceans and animals who have made it their home, we are at the same time poisoning ourselves by eating the toxins in ever greater quantities that we have previously disposed of irresponsibly through the food chain. This miracle material, plastic has now turned on its creator.

In response to the threat to turtles, we set up the Gaya Island Resort Marine Centre (GIRMC) in our Gaya Island Resort in Sabah to rescue turtles afflicted by ingesting plastic waste. However, dealing with the late stage symptoms is only part of the solution. We are currently looking at how to stem the causes of the waste at source, and we are working on a long-term programme in a multi-stakeholder grouping to engage with relevant parties in critical areas where marine debris is now resulting in a global environmental disaster. The majority of the trash and debris that covers beaches and floats in oceans comes from storm drains and sewers, as well as from shoreline and recreational activities such as picnicking and beachgoers. Abandoned or discarded fishing nets and gear are also a major problem because this can entangle, injure, maim, and drown marine wildlife as well as damage property. We will hopefully be able to report significant progress on this initiative in due course.

## Managing Director's Letter to Stakeholders



Plastic was found in a dead turtle's digestive organs during an autopsy at GIRMC (Photo courtesy of Scott Mayback)



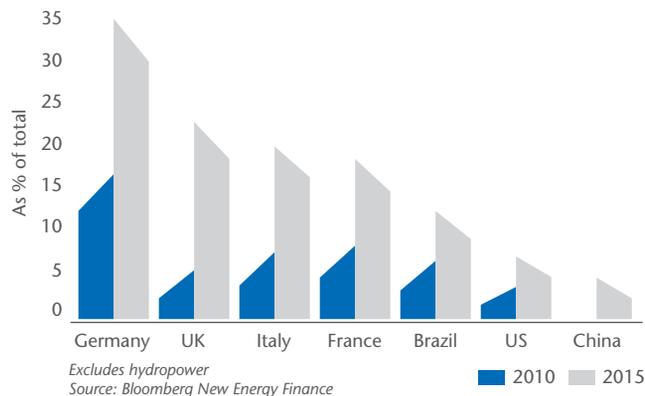
GIRMC's Marine Biologist, Scott Mayback nursing an injured turtle

### RENEWABLES & SOARING SOLAR

G20 countries collectively produced 8% of their electricity from solar, wind and other renewable energy in 2015 up from 4.6% in 2010, and China remained the world's largest clean energy market, accounting for nearly a third of the USD330 billion invested in clean energy globally in 2015. Germany and the UK led the G20 countries in terms of energy from renewables in 2015 at 36% and 24% respectively, whereas the EU as a whole grew to 18%.

Solar prices continue to fall, and are now around 80% below equipment costs recorded in 2010. Aside from the impressive sunlight to electricity conversion efficiency of 34.5% set by researchers in the University of New South Wales, more mainstream improvements in efficiency were recorded at 24.1% achieved by SunPower which means that efficiency will continue to rise rapidly at the same time as unit costs fall. This could result in as much as an astounding 70% improvement over and above traditional solar panels which currently only reach between 15% to 18% efficiency.

#### Power Generation from Renewables



In Chile, records were broken again as bids for the 120MW Atacama desert solar plant fell to 2.91 cents USD/kWh just months after a Dubai 800MW solar plant rolled in at an average cost of 2.99 cents USD/kWh – this was substantially below coal-fired power plant costs, and for Atacama was priced at almost half the cost of coal for the same bidding.

India set an astounding target of 175GW for renewables by 2022 up from 100GW set in 2014, and Obama continued his pledge to bring solar to low income homes, and also championed the Environmental Protection Agency's Clean Energy Incentive Program (CEIP). Hawaii continued to lead the way in US solar penetration (with rates between 9% and 12%), despite the challenges faced by going off the grid in order to avoid some bottlenecks and higher costs.

## Managing Director's Letter to Stakeholders

In stark contrast to 2016 presidential hopeful Donald Trump, Hillary Clinton reiterated her belief in climate change and pledged to support the development of renewables. Whilst political characters seek to boost their green credentials, SunEdison Inc's bankruptcy filing in 2016 and SunPower's dismal 2016 results should not lead us to turn away from renewable energy goals or solar aspirations in particular – SunEdison's aggressive acquisition binge drove its debt to unmanageable levels, and it was the largest US bankruptcy of the year with over USD16.1 billion in debt, whilst SunPower was hit by sharply lower margins.

China renewables continued to march ahead, and wind power capacity reached 140GW, and is further targeted to reach 250GW by 2020. In the meantime, China's solar photovoltaic (PV) capacity rose by 22GW in the first half of 2016 to 65GW, and it is expected to hit 150GW by 2020. Year on year, China could exceed a 300% increase in installed solar PV in 2016 alone, making the 2020 goal highly achievable.



*Wessex Water HQ in Bath with 250kW rooftop solar panels*

For the YTL Group, utility-scale solar PV started more recently due to the preceding high prices of equipment, and we embarked in earnest on solar installations in the Group in 2016. Wessex Water installed 250kW rooftop solar panels which supplies over 12% of the HQ's energy requirements.

In Asia, as part of our rural renewable energy programme we have also constructed 70 smaller scale solar PV sites in Java, Indonesia where we provide renewable energy to communities to ensure the safe passage home and longer homework hours for the community and students respectively. Apart from solar but as part of the rural renewable energy programme, we have also built 314 biogas installations (using cow dung for the digesters) and 33 micro hydro units which provide a mixture of



*YTLJT rural renewable energy programme sites*

## Managing Director's Letter to Stakeholders



The United Nations' Sustainable Development Goals

energy, cooking gas and lighting for off-grid communities. In 2016 we extended this initiative to Malaysia with our first micro hydro unit in Sabah which will deliver 25-30kW of energy for approximately 500 people in Kampung Iburu near Sipitang. We hope to scale this up under the “**YTL GENESIS (GENERating Energy Sustainably in Society) – Let there be Light**” programme.

On a more commercial scale, we are also currently looking at a number of additional sites on our hospitality, retail and industrial properties where solar PV is feasible both for building integrated and ground-mounted systems. These utility-scale projects are currently in nascent stages of development. However, I look forward to reporting on the progress of these installations in the 2017 Sustainability Report.

### CONCLUDING THOUGHTS

Whilst we will unlikely face heresy charges as did Bruno and Galileo as we look for answers to the two troubling problems of waste and sustainable energy, there is always the risk of failing to adequately balance stakeholder interests. Nevertheless, this is not going to dissuade us from continuing to search and implement proactively on all four pillars of our sustainability

strategy. As part of this commitment, YTL Group has taken on the role of an official delivery partner in Malaysia of the United Nations' Sustainable Development Goals alongside global firms such as Google, Salesforce, The Huffington Post, etc. The Global Goals consist of 17 goals that aim to end poverty, fight inequality and injustice, and fix climate change among others by 2030, and our partnership underscores the Group's commitment to social progress and sustainable development.

I would like to thank our stakeholders for sharing the same vision and passion for a sustainable future, and for collectively working towards **Building the Right Thing** and **Making a Good Future Happen**.

May God continue to guide us in our journey.

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

**Managing Director**  
**YTL Corporation Berhad**

# About YTL Corporation Berhad

YTL Corporation Berhad (YTL Corp) is an integrated infrastructure developer with extensive international operations in countries including Malaysia, the United Kingdom, Singapore, Indonesia, Australia, Japan and China. The core businesses of the YTL Group comprise utilities, construction contracting, cement manufacturing, property development and investment, hotel development and management, e-commerce initiatives and internet-based education solutions and services.

YTL Corp is amongst the largest companies listed on Bursa Malaysia Securities Berhad (the Kuala Lumpur stock exchange) and is one of the 30 component companies of the FTSE Bursa Malaysia KLCI, the stock exchange's primary benchmark index. YTL Corp has also had a secondary listing on the Tokyo Stock Exchange since 1996 and was the first non-Japanese Asian company to list on the Tokyo Stock Exchange.

A strong focus on sustainability has always been a cornerstone of the business ethics and success of the Group. In every area of business, we seek to create long-term value for all stakeholders and to producing world class products and services at competitive prices to a global market, underpinned by the mantra of **Building the Right Thing** and striving to **Making a Good Future Happen**, whilst being committed to responsible business practices.

This corporate philosophy in what we do to ensure the development and evolution of a sustainable business has enabled the YTL Group to build up a growing customer base of more than 12 million customers globally over the last 30 years.

## AWARDS AND ACCOLADES

Over the years, YTL Corporation has been recognised globally. The prestigious awards and acknowledgements are testament to our key achievements, excellent practices and innovation at the core of the YTL Group Companies' modus operandi.



Dato' Yeoh Seok Kian, Executive Director of YTL Land and Development accepting the Best Real Estate Developer in Euromoney Real Estate Awards 2015 from Marcus Langston, Senior Manager, Asia Pacific of Euromoney Magazine



Mr Ralph Dixon, Director of Environmental Investments, YTL Corporation receiving the Strongest Adherence to Corporate Governance and Best Annual Report in Malaysia at the 6<sup>th</sup> Annual Institutional Investor Awards for Corporates 2016



Wessex Water team receiving the UK National Site Awards 2016 conferred by Considerate Constructors Scheme on their Taunton Ham sewage treatment works



Mr Kevin Lee Weng Fei, Senior Manager of Sustainability and HSE from YTL PowerSeraya receiving the National Environment Agency's Private Sector category EcoFriend Awards 2015 from Dr Amy Khor Lean Suan, Senior Minister of State, Ministry of Environment and Water Resources and Ministry of Health



Mr Wichard von Harrach, President Director of PT Jawa Power, receiving the Green Rating Award 2015 at PROPER (National Rating Programme in Corporate Environmental and Community Development Programme) from Indonesia's Ministry for Living Environment and Forestry

[Read more about our business operations and full list of awards and accolades on our website.](#)

# Our Approach To Sustainability

## MANAGING SUSTAINABILITY

Sustainability is driven within our corporate structure through the YTL Group Sustainability Committee (YTL GSC). Led by the Managing Director, the YTL GSC was established to facilitate the embedding of sustainable practices in our organisation. The YTL GSC comprises representatives from the Group’s Sustainability Division and Senior Management from all of the Group’s Business Units. The YTL GSC is responsible for overseeing and ensuring strategic sustainability and setting high-level direction and focus. Sustainability issues are managed and communicated at all levels of the Group through various stakeholder engagement activities.

We constantly review our approach to ensure that key sustainability challenges impacting our stakeholders, businesses and society at large are addressed across our value chain. We are dedicated to our Group’s core values – honesty, hard work, moral responsibility, togetherness and vitality, and remain focused on our sustainability framework as indicated below.

## MATERIALITY

Determining materiality helps us to identify and prioritise which issues to focus our efforts on. We use previous findings, which fall within the four key themes of our sustainability framework – Marketplace, Environment, People and Community, to serve as guidance for the Group’s future sustainability direction and reporting processes.

With the new Bursa Malaysia Sustainability Reporting Guidelines, we aim to conduct another full materiality assessment, and publish the results of the exercise in our next report.

## STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an integral aspect of our business and sustainability goals. We consistently seek the views and opinions of our employees and external partners and ensure their feedback is given the right consideration for continuous engagement and improvement. Our stakeholders are why we exist. And thus, when they speak or act, we listen.



**YTL Sustainability Framework**



# EMBRACING THE MARKETPLACE

## Our Commitment

Striving to establishing a reputation as a trust-based organisation that upholds ethical, sustainable and responsible business practices

## Our Approach

- Delivering profitable business growth through effective risk management and compliance
- Operating sustainable and responsible supply chains and procurement processes
- Strengthening responsible stewardship of products and services
- Investing in sustainable innovation and solutions
- Respecting and actively engaging with business partners, customers and communities

## Highlights



YTL Corp won an award in recognition of **Strongest Adherence to Corporate Governance** and **Best Annual Report**



Wessex Water achieved the highest quality of **99.96% compliance** with drinking water standard



YTL Communications, **1<sup>st</sup> in Malaysia to launch VoLTE** with low price, high-end spec 4G LTE smartphone

## Embracing the Marketplace

Driven by YTL's core values of honesty, hard work, moral responsibility, togetherness and vitality, we are constantly on the lookout for ways to improve our business practices; to make them more efficient and sustainable in delivering our promises to over 12 million customers worldwide.

**"Making A Good Future Happen"** implies adopting greater controls and compliance over processes and procedures governing our entire operations from Kuala Lumpur to Bristol and beyond; to safeguard sustainable long-term growth which will eventually translate into profitable business growth and value for our stakeholders.

### CORPORATE GOVERNANCE

Dedicated to our core values, YTL seeks to uphold the highest standards of business ethics and corporate governance in all of our operations, as well as the protection of shareholder value. Our Board of Directors oversees all of the Group's affairs and constantly reviews corporate governance practices to remain compliant, relevant and productive.

### EFFECTIVE RISK MANAGEMENT AND COMPLIANCE

In YTL, we take great pride in what we do. Despite the challenging economic conditions, our achievements and strong financial profile are attributed to our commitment to adopting comprehensive risk assessment and management systems that are regularly evaluated and improved on in consideration of economic, environmental and social impacts.

Our risk management system focuses on managing the principle risks that could threaten the Group's performance and growth whilst continuing to keep an eye on emerging risks and opportunities. By adhering to laws, regulations, guidelines and specifications relevant to the business units, it helps to reduce business risks that occur either directly through fines or indirectly through impacts on reputation.

### PRODUCT STEWARDSHIP AND INNOVATION

#### WE don't rest on our laurels...

Although we are one of Malaysia's largest listed companies with a broad footprint in three continents, we are still committed to continuous learning that could further optimise our line of products and services across diversified businesses. Our aim as a company is to supply the highest quality products and to deliver world class services at competitive prices that meet and where possible exceed our customers' expectations. Innovation remains one of the Group's strategic focus areas, and significant investment in research and development (R&D) is a crucial factor in ensuring long-term sustainability.

YTL Communications (YTL Comms) continues to push the envelope with the debut of **Yes** 4G LTE (Long-term Evolution) network; a high-capacity 4G LTE internet service supporting multi-activities such as downloading or streaming movies, and making calls – all at the same time. More than RM4 billion has been invested in building the all-IP (Internet Protocol) network spanning 4,300 base stations covering 85% of Malaysia's population.

To complement its latest network, YTL Comms has been working with its technology partners; Samsung, Qualcomm, China Mobile, Google and Elitecore Technologies to develop LTE solutions and products. On the same day in June 2016 as the launch of **Yes** 4G LTE network at The Majestic Hotel Kuala Lumpur, **Yes** also launched its flagship **Yes** Altitude, a full-fledged 4G LTE smartphone.



*The all-new **Yes** Altitude Smartphone – one of the most affordable 4G LTE smartphones in Malaysia*

Further details of our Statement on Corporate Governance, Risk Management and Internal Controls are available in the YTL Corporation Berhad Annual Report 2016 and on our website

## Embracing the Marketplace

“I would like to congratulate YTL for being the first telco to launch VoLTE nationally in Malaysia. All these augurs well for the nation’s future, and this will certainly accelerate the achievement of the Government’s broadband initiatives to increase national broadband penetration and help reduce the cost of devices and utilisation charges to make it more affordable to all consumers. This will also further help to close the digital divide between urban and rural communities.”

**Datuk Seri (Dr) Salleh Said Keruak**  
**Minister of Communications and Multimedia**



(from left to right) The grand launch of **Yes** 4G LTE and **Yes** Altitude by YTL Comms CEO Wing K Lee, YTL Corp Executive Director Dato’ Yeoh Seok Hong, YTL Corp Executive Chairman Tan Sri Dato’ Seri (Dr) Yeoh Tiong Lay, Minister of Communications and Multimedia Datuk Seri (Dr) Salleh Said Keruak, YTL Corp Managing Director Tan Sri Dato’ (Dr) Francis Yeoh, YTL Corp Executive Director Dato’ Yeoh Soo Keng, and YTL Comms Deputy CEO Jacob Yeoh

YTL Cement is one of the leading eco-friendly and innovative cement producers in Malaysia. Customer focus and value creation remain their priority in R&D. Innovative products using alternative materials with lower carbon intensity have been successfully launched and adopted by the market. YTL Cement’s brands of bagged cement, Orang Kuat, Dragon, Castle and Wallcem are now leading brands in the local market.

To date, YTL Cement Terminal Services has managed to substitute Ordinary Portland Cement (OPC) usage with Ground Granulated Blastfurnance Slag (GGBS). GGBS is widely used in ground improvement works and has been used for Changi Airport Terminal 5 and the MRT Depot in Singapore to name a few. Currently up to seven products produced by Slag Cement and Slag Cement (Southern) are certified with the Singapore Environment Council’s Green Labelling Scheme and/or SIRIM Eco-Labeling Scheme. This year, YTL Cement won a Merit Award for the Best Product Excellence category at Global CSR Awards 2016, recognising their product – manufactured sand (M-Sand) as a replacement for natural sand in the production of concrete.

YTL Cement is vertically integrated from the production of M-Sand to cement and ready-mixed concrete. As such, the Company is in a strong position to harness its advantage for product innovation and value creation to meet customers’ requirements. With the impending completion of Pahang Cement Line 2, YTL Cement is ready to further strengthen its position by creating new and innovative products to meet the challenges of different market segments, ranging from very high early strength products, low heat and watertight concrete for water retaining structures, to self-compacting concrete that requires zero vibration.



High early strength cement and concrete allow for faster formwork construction and removal



Smoother and better finishing due to the use of flowing concrete

## Embracing the Marketplace



Watertight concrete ensures no leakages for water retaining structures

No stranger in pioneering lifestyles, YTL Land & Development (YTL L&D) is on course for another successful year. Rated as Malaysia's Best Real Estate Developer (Overall) in Euromoney Real Estate Awards 2015, YTL L&D is poised to bring forth aspirational lifestyles with their list of renowned projects in Kuala Lumpur like The Capers and The Fennel in Sentul West, Reed and Lake Fields in Sungai Besi, as well as Shorefront in Penang, most of which were sold out during their preview ahead of the official launch. This is a positive sign, reflecting investors' confidence in the Company, brand and projects.

In line with YTL L&D's philosophy and long-term vision for the urban rejuvenation of Sentul, the luxury living of Sentul East and Sentul West masterplan was further augmented with the soon-to-be-developed international school in partnership with the British Council. The plans were announced as part of the launch of a Year of Education between the United Kingdom (UK) and Malaysia in 2016, capitalising on strategic opportunities to create a living environment that is sustainable, engaging and inviting for the growing young urban population.



The Shorefront in Penang



The MOU signing ceremony between YTL L&D and the British Council for the new development of international school

Their pursuit of excellence and better quality offerings is a long-term process requiring regular assessment, modification and regulation to increase efficiency and productivity. As a socially responsible organisation, their sister company, YTL Construction Singapore (YTLC SG) has not ceased to impress both customers and stakeholders with its quest in adopting green practices within its enclave for three years in a row as a certified Green and Gracious Builder Award (GGBA) recipient since 2013. Similarly this year, YTLC SG maintained a Merit status; a reflection of increased awareness and proactive measures in adopting green practices throughout their value chain.

Apart from GGBA, Syarikat Pembinaan Yeoh Tiong Lay (SPYTL) and YTLC SG is also eyeing the Construction Quality Assessment System (CONQUAS) accreditation developed by the Singapore Building and Construction Authority (BCA) to measure the quality level achieved in line with a target score of 80% for a completed project and for projects valued at RM500,000 and above. During the year under review, Reed in Sungai Besi was certified with a CONQUAS score of 75.3%. Positive feedback was received from clients, even though the score achieved was slightly below the target set.

Building Information Modelling (BIM) is a technology widely-adopted by the design team at SPYTL and YTLC SG to ensure accuracy and efficiency in planning and design, construction processes, as well as to gain a competitive advantage through innovation. Along with this advancement, the architects can now work on innovative design, quality and value-added construction work, particularly in ways to measure and reduce the use and wastage of resources to help build faster, more accurately with less wastage and with higher quality. These include a number of projects, namely The Kasara Niseko Village Townhouse, an upcoming 20-storey 254-room hotel in Jalan Kamunting, Dang Wangi, and a new office building in Bukit Bintang amongst others.

## Embracing the Marketplace



Kasara Niseko Village Townhouses

Innovation and resilience are among the key drivers that motivate our UK counterpart Wessex Water to succeed in strengthening its position as the UK water industry's leading company for customer and environmental performance. To keep up with evolving technology and the quest for sustainable resources, Wessex Water's partnership with the University of Bath in the Water Innovation and Research Centre (WIRC) continues to champion research in water technologies and resource management.

Current projects in WIRC's water treatment theme include:

- Testing natural systems for cleaning wastewater;
- Heat recovery from water;
- Turning sewage into fuel;
- Fate and risk of pharmaceuticals and metabolites;
- Using new technologies to clean water;
- Drinking water quality and water resource protection using oxidative water treatment; and
- Membrane science and engineering.



Wessex Water Partnership's committee in its inaugural meeting last January to discuss ways to protect the interests and needs of their customers



A dedicated platform for Wessex Water's employees to share their ideas

In addition, "Eureka!", an internal awards scheme for employees to share their ideas on how to work better continued to yield constructive ideas throughout FY2016. The most successful ideas included:

- Insulation of chemical storage tanks to maintain the life of the chemicals and reduce the run-time of pumps;
- Installation of variable speed drives for blowers at sewage treatment works; and
- A novel reworking of a spindle on a valve to improve the ease and safety of maintenance.

### SUPPLY CHAIN SUSTAINABILITY AND RESPONSIBLE PROCUREMENT

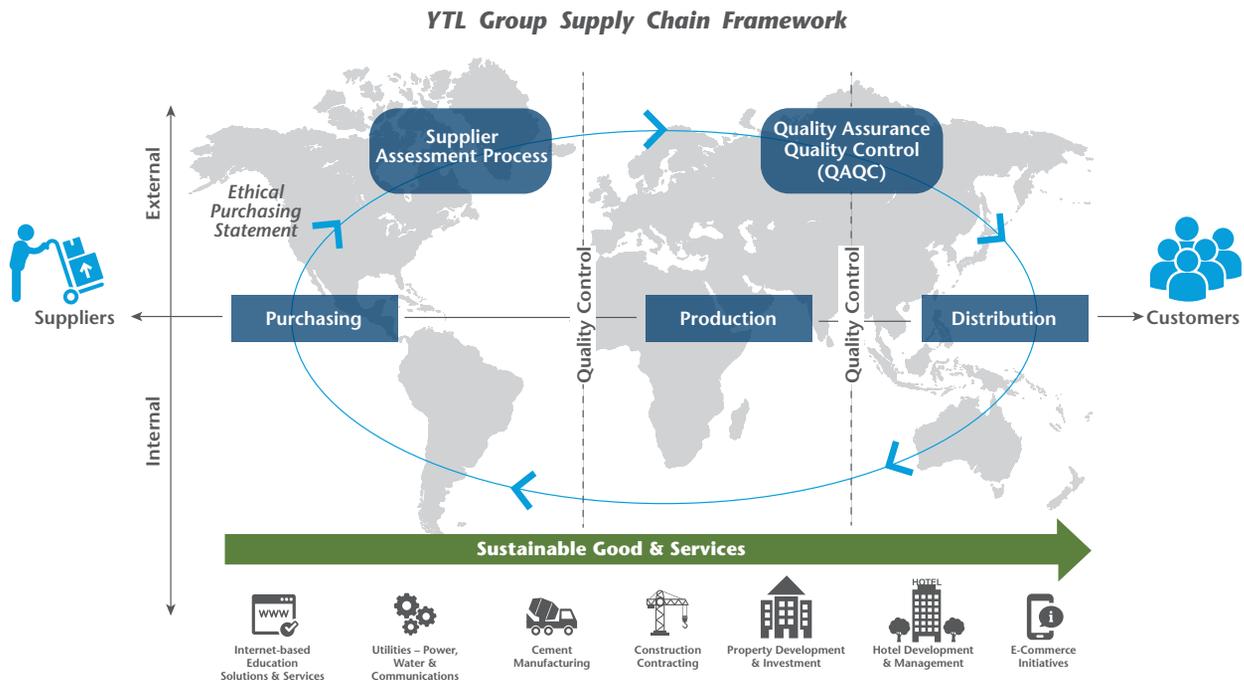
This year, we continue to uphold our long standing commitment in developing products and services responsibly. Thus, we are constantly looking for opportunities to incorporate our social and environmental principles into practice across our supply chains.

YTL has high standards of quality control in place throughout our processes – adopting a precautionary approach from the procurement of raw materials to the sales of products and delivery of services as illustrated on the next page. Our priority is always given to locally produced items and responsibly-sourced products and services in order to reduce transportation-related emissions and to support the local economy, whilst also meeting financial key performance indicators (KPIs).

Our real estate investment trust (REIT), YTL Starhill Global REIT's Myer Centre Adelaide, the largest Central Business District (CBD) shopping mall in Adelaide, Australia has developed an Ethical Purchasing Policy for incoming Cleaning Services contractors. The policy outlined that all tenderers should disclose their purchasing practices and standards that place high priority on promoting safety, protection of the environment and human rights as part of their tender submissions starting March 2016. This requirement formed part of the overall score when assessing tender submissions.

Meanwhile at YTL PowerSeraya, they have been striving to incorporate responsible practices in the goods and services procured for the Company. Suppliers/vendors providing goods and services to the Company are required to abide by the terms and conditions stated in the contract documents. The terms and conditions issued at the Request For Quotation (RFQ) stage (covering items such as compliance to local laws and regulations relating to environmental, health and safety laws, the use of illegal foreign labour, the use of child labour, and fair wages for their workers) are more stringent for contracts of higher value and for works and services. For suppliers of works and services of higher contract value, the Code of Conduct for Contractors and Contract Workers in the Power Station (specifying guidance on safety, health and welfare) is also issued to them at the RFQ stage for their compliance.

## Embracing the Marketplace



### Social Purchasing

After 60 years of operations, we have lived through more than a half century of steep learning to understand customers’ evolving needs. Today’s customers are more knowledgeable and demanding, they want to know where their goods are coming from, and they wish to make their own judgement of the quality and value. This makes transparency in procurement and supply chains more vital than before. Social purchasing looks at the multiple social impacts of procurement activities such as buying local or from fair trade suppliers, employment opportunities, poverty reduction, social inclusion and community and local economic development.

For this, our hospitality arm YTL Hotels, known for its excellent service, continues to reassess and prioritise its supply chains to strive to exceed customers’ expectations and still focus on the communities they serve.

The Surin Phuket (TSP), located at the tranquil Pansea Beach on the West Coast of Phuket Island, with 103 cottages and suites dotted along the beachfront and forested hillside, continues to uphold their commitment in sourcing supplies responsibly. Being in Thailand, predominantly an agricultural country, this provided the resort access to a vast array of crops and other local produce. The resort supplies of vegetables and fruits are derived from local farmers as part of TSP’s efforts in supporting local farmers and the local agriculture industry.

As reported previously, the other YTL resorts such as Pangkor Laut Resort, Gaya Island Resort, Cameron Highlands Resort, Niseko Village and others are also continuing to embrace

socially conscious sustainable purchasing proactively with their local communities. These serve to educate guests and support local communities with policies and programmes that have been adopted by our own resorts and industry peers. Good practices are made even better if they propagate successfully and become business as usual rather than exceptional activities.

YTL Cement, the manufacturer of green cementite Slagcem and Slagcem GGBS, certified as low CO<sub>2</sub> and eco-friendly cements under Singapore Green Label and SIRIM Eco-Label walked the talk by purchasing from socially responsible and recycling minded GGBS supplier/factories to ensure the quality of their products was assured.



*Sourcing local kitchen supplies is one of the key components of our social purchasing practice*

## Embracing the Marketplace

### ENGAGING OUR CUSTOMERS

At YTL, our customers, partners and communities are the quintessential elements of our success. None of our business units can thrive without equitable treatment of them, be it in profit-making ventures or sustainability efforts that require broader support since very often the effects can only be seen over a longer period of time.

Thus, in engaging our customers, not only do we need to provide them with superior services and quality products, but we also need to get their buy-in for our sustainability goals and initiatives. These are imperative to building long-lasting relationships as demonstrated throughout our 60 year journey.

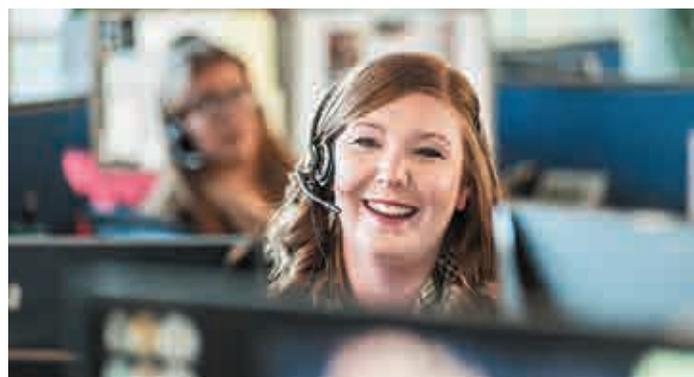
#### Reaching Out to Customers

For many consecutive years, Wessex Water has topped the water and sewerage company league table in Ofwat's service incentive mechanism (SIM) satisfaction survey – an annual survey carried out to measure the performance of water companies in England and Wales.

In terms of key achievements in customer service during FY2016, Wessex Water:

- Received the fewest complaints of any water and sewerage company;
- Retained the UK Government Customer Service Excellence award;
- Achieved a service rating of "very good" or "good" from 96% of customers;
- Through the assistance programme, **tap**, helped more than 21,000 vulnerable customers pay ongoing charges and repay debt;
- Introduced another 20% discount for pensioners on the lowest incomes;
- Demonstrated their commitment to accessible and inclusive services for all by retaining the British Standard for inclusive services provision (BS 18477) and the Louder than Words charter mark; and
- Continued to support financial capacity and money management projects in community, through Money Matters awards, involving offenders due to leave prison, the over 60s, secondary school children and under 30s, including young families and those with mental health issues.

YTL Hotels is known for providing bespoke experiences with their five-star facilities and service, putting customers first at all times. Having customers' needs in mind, YTL Hotels tries to cater to those needs in everything they do from the hotels' design and facilities to sourcing for the best bedding and toiletries and the finest ingredients for a one-of-a-kind gastronomic experience. As a token of appreciation to loyal customers, the Business Development and PR teams of JW Marriott Hotel Kuala Lumpur (JWMKL) and Ritz-Carlton Kuala Lumpur (RCKL), hosted a week-long celebration in conjunction with JWMKL's Group Global Customer Appreciation Week happening concurrently worldwide. The celebration started with a personalised visit, armed with specially baked cookie jars as gifts from respective kitchens and ended with evening parties at RCKL's newly renovated penthouse.



96% of Wessex Water's customers rated their service as either "very good" or "good"



YTL Hotels personalised service aims to provide comfort and convenience for guests

## Embracing the Marketplace

### CORPORATE STATEMENT

The YTL Group has established itself on a foundation of good business ethics, corporate governance, and respect for stakeholders in all our business dealings. YTL believes in sustainable progress and embeds our core values within our Group's growth and development. This corporate strategy is applicable to all YTL-owned entities, divisions, associated companies, and operating units, and thus acts as the guiding principles for responsible business and advocacy within the Group.

#### Human Rights and Ethics

YTL is committed to a strong code of conduct, professionalism, and ethical integrity in all of our business dealings and operations. We ensure that basic human rights are upheld for our employees and all partnering stakeholders, and are in accordance with the Malaysia Employment Act and any local regulations and employment act, and include the following areas:

##### 1. Child/Forced Labour Prevention

- Employment of minors (under the age of 14) is strictly prohibited as per regulations under the Children and Young Persons Act 1966 Malaysia. We value children as the leaders of tomorrow and reflect that through our various child education and empowerment initiatives.
- All employees are hired based on the principles of freely-chosen employment. No forced labour is imposed on any persons at any level of work within our business units.

##### 2. Non-discrimination

- Employee hiring is conducted through a fair and transparent process strictly based on merit and suitability for the job. We do not discriminate against people based on race, religion, gender, social status, disabilities, etc., and are dedicated in maintaining a safe and harassment-free workplace.

##### 3. Freedom of Expression

- Employees are granted the flexibility to express their opinions freely and safely through their line managers and via suitable platforms such as the employee engagement survey, company intranet, and HR communication channels. Feedback and constructive criticism are treated with respect and confidentiality, and raised or cascaded to the relevant parties for follow up and action.
- We do not prevent our employees from being associated with any external bodies/entities, so long as it does not jeopardise the Company's reputation and/or hinder their performance at work.

##### 4. Employment Rights

- The work-life balance of our employees is of paramount importance at YTL. We ensure employees are not subject to excessive and unreasonable working hours (as per labour laws), and are provided sufficient benefits for their health and well-being.
- Employees' right to a minimum wage and fair compensation is ensured, and monthly remuneration is paid on time. We similarly recognise employees' rights to freedom of association and collective bargaining.
- Privacy data and personal information are kept strictly confidential and are not released to any parties without the prior consent of our employees, customers, and external partners. Our privacy policy can be found here: <http://www.ytl.com/privacypolicy.asp>

##### 5. Business Ethics and Compliance

- YTL conducts all business transactions and negotiations with transparency, and the Group is strictly opposed to any form of bribery and corruption at any level. We implement a strict code regarding giving and receiving gifts and hospitality which may insinuate a conflict of interest.
- We only provide the optimum level of service and products we can offer at all times, and approach our businesses with a competitor's spirit of fair trade and openness. We believe in healthy competition in the market and fully comply with all local regulations and legal requirements at all locations in our business dealings.

## Embracing the Marketplace

### Environment

YTL is dedicated to providing quality products and services whilst minimising our impacts on the environment. We recognise the adverse impacts of environmental degradation and climate change, and strive to pursue purposeful measures in ensuring our businesses are genuinely sustainable and in compliance with legal environmental requirements. We contribute towards this cause through the following activities:

1. Reducing greenhouse gas (GHG) emissions.
2. Promoting energy efficiency and renewable energy.
3. Improving water efficiency.
4. Managing waste streams and ensuring responsible disposal or reuse.
5. Optimising resource efficiency.
6. Conserving terrestrial and marine biodiversity and ecosystems.

### Health and Safety

Protecting the health, safety and welfare of our employees and all stakeholders affected by our operations, including contractors and customers remains an established and shared responsibility that is essential to our reputation as a leading and trusted employer. We achieve this through:

1. Strict compliance with health, safety and legal requirements for each respective industry.
2. Establishing health and safety processes which are enforced and communicated at all levels of the Company.
3. Providing the appropriate equipment to perform all work safely and reducing health and safety impacts through specific mitigation measures and action plans.
4. Maintaining a clean and safe environment at all work locations.
5. Keeping up to date with global health issues and trends and providing support to the relevant bodies to tackle resulting issues.
6. Ensuring a comprehensive security system and plan is in place at all work locations.

### Commitment to Ethical Purchasing

In order to empower communities and reduce emissions, YTL is committed to engaging local suppliers and providing employment to locals at all locations where possible. Our procurement and sourcing teams are trained to identify suitable suppliers that adhere to our requirements through effective due diligence, and communicate our sustainability goals to them. We ensure our suppliers (and their respective sub-contractors/suppliers) practice responsible ethics and business dealings in the following areas:

#### 1. Environment

- Fully comply with local environmental regulations in all business activities.
- Measures implemented to optimise resources and minimise waste.
- Operations avoiding the use of toxic and/or hazardous substances where possible, and ensuring responsible usage and disposal in cases where they are used.
- Clear commitment and frameworks to reduce GHG emissions and minimise pollution levels.
- Suppliers employ environmentally friendly technology and/or processes within their operations.

#### 2. Health and Safety

- Fully comply with local health and safety regulations and provide full support to the governing bodies.
- Identify the health and safety impacts of their products/services and formulate appropriate mitigation plans and standard operating procedures.
- Ensure safe work conditions for contractors/suppliers, and other stakeholders.

#### 3. Social Rights and Ethics

- Consider human rights in all production and procurement dealings (i.e. no workforce discrimination based on gender, ethnicity, etc.; no use of forced or child labour; adhere to stipulated minimum wage; and freedom for workers to be members of trade unions).
- The emotional, physical, and mental well-being of workers is cared for through a fair and healthy working environment in terms of opportunities, workload, remuneration, etc.
- Support locally produced raw materials, consumables, products and services, where possible.
- Educate and encourage suppliers, contractors and service providers to offer cost effective and sustainable products and services.



# PROTECTION OF THE ENVIRONMENT

## Our Commitment

Integrating environmental sustainability into our strategy and core business decisions that protect and improve the natural environment for future generations

## Our Approach

- Reducing GHG emissions
- Promoting energy efficiency and renewable energy
- Improving water efficiency
- Managing waste streams and responsible disposal or reuse
- Optimising resource efficiency
- Conserving terrestrial and marine biodiversity and ecosystems

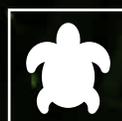
## Highlights



Wessex Water, the **Industry Leading Performer** according to the UK Environment Agency's Environmental Performance Assessment



Completed **33 micro hydro units, 314 domestic biogas domes** and **70 solar energy units** by YTL Jawa Timur



**5 turtles** have been rescued, rehabilitated and released by Gaya Island Resort Marine Centre

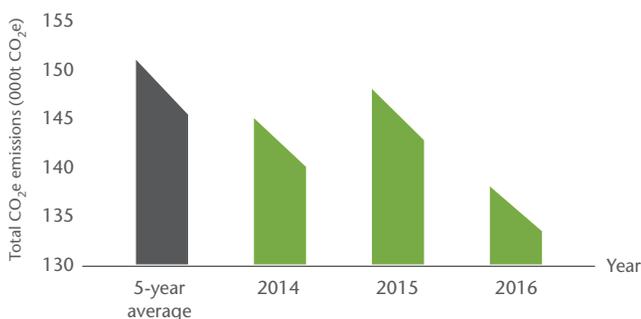
# Protection of the Environment

The world is careening towards an environment never experienced before by humans, with the temperature of the air and oceans breaking records, sea levels rising and greenhouse gases (GHGs) surpassing a key tipping point. Many more subsequent challenges come along with all these changes, such as freshwater depletion, biodiversity loss, etc. It seems that mankind’s success in development has come at the expense of other species and the surrounding environment. However, it is imperative to note that our daily life is highly dependent on the well-being of the entire planet. If we put a price tag on ecosystems, the estimated value could be up to USD33 trillion per year, or nearly double the current world’s economy. With such a figure, it is not hard to understand the momentous value of the environment, which is often beyond monetary measurement. It is not impossible to coexist with nature whilst developing ourselves – the keyword here is sustainability.

With the role of corporates being one of the key topics of discussion in the last United Nations Framework Convention of Climate Change (UNFCCC) Conference of Parties 21 (COP21) in Paris last November, one thing is clear – **corporates can and need to do more**. More and more companies are now setting targets for themselves to align their emissions pathways with the 2°C limit, as well as heading towards a more sustainable approach to environmental conservation.

As a conglomerate involved in diversified businesses, YTL has accepted the call to jointly lead the environmental sustainability agenda. We believe that whilst technological progress is inevitable, effective policy and rational change are necessary to run sustainable and environmentally friendly businesses. Here in YTL, we have been investing in clean technology and business innovation; developing solutions to enable economic growth whilst reducing emissions and water consumption; committing to reduce the environmental impacts in our own operations; and developing strategic partnerships to solve some of the toughest environmental challenges. As we move ahead on our sustainability journey, we endeavour to take our sustainability agenda to the next level with the intention of truly **“Making A Good Future Happen”**.

**Wessex Water Annual CO<sub>2</sub>e Emissions**



## CLIMATE CHANGE, ENERGY EFFICIENCY AND RENEWABLE ENERGY

An ambitious yet realistic target of anthropogenic GHG emissions reductions remains an unwavering key priority on the international climate change and sustainability agenda. It was exhilarating to watch the progress last year as nearly every country in the world discussed a national climate plan at the UNFCCC. Countries pushed each other to do more and went beyond the agreed limit of a 2°C global temperature rise and decided to collectively aim for 1.5°C. More than 100 nations joined the so-called “high ambition coalition” to make this happen. Most significantly, the Paris Agreement directly referenced the United Nations’ Sustainable Development Goals (UN SDGs), also adopted last year, thus joining the twin global visions of climate protection and “a good life for all”.

In response to these recent advances, a number of corporates and governments have channelled increasing attention towards incorporating values of climate change mitigation and adaptation within their development plans. Thus, drawing on years of commitment towards this cause, YTL has been continuously seizing opportunities to reduce emissions by minimising our energy usage, improving efficiency and opting for more renewable energy alternatives.

## GHG Emissions Reduction and Enhancement of Plant Energy Efficiency

A subsidiary of YTL Power International, Wessex Water aims to achieve carbon neutrality and generate even more of their own renewable energy in the coming years. Their net GHG emissions fell to 138 kilotonnes carbon emission equivalent (CO<sub>2</sub>e) in FY2016 – the lowest since FY2000. This reflects the combined effect of the effort set out below and the lower carbon dioxide (CO<sub>2</sub>) intensity of the United Kingdom (UK) grid electricity compared with FY2015.

**Wessex Water Annual Renewable Electricity Generation**



## Protection of the Environment

Wessex Water's overall electricity consumption over the years has also gradually decreased. This is the result of constant monitoring of detailed consumption information in the plant, and analysis through the energy data hub that reveals sites using excessive electricity and in turn helps focus on corrective measures.

As part of Wessex Water's initiative to go carbon neutral, they have completed the installation of advanced anaerobic digestion (AD) and associated electricity generation at Trowbridge sewage treatment works, which is expected to generate just under seven gigawatt hours (GWh) of renewable electricity per annum, avoiding approximately 3,400 tonnes of CO<sub>2</sub> annually.

Wessex Water has also installed 961 solar photovoltaic panels with a total capacity of 250 kilowatts (kW) on the roof of their Bath operations centre which is projected to supply around 12% of the building's annual electricity demand. The energy generated will also prevent the release of 113 tonnes of CO<sub>2</sub> per year. Another innovation from Wessex Water in energy saving is their pioneering technique in renovating sewers. This technique uses a "cured-in-place pipeline" which involves existing ageing sewers being relined with a sock-like material without the need for major excavation. Particularly when lining sewers, it reduces 81% CO<sub>2</sub> emissions compared to open cutting. All in all, Wessex Water has achieved the target of 21% of their energy produced by self-generation.



Wessex Water is powering their office at Claverton Down using renewable energy generated from sunlight

On the other side of the globe, through meticulous preventive maintenance planning and continuous technological improvements, YTL Jawa Timur (YTLJT)'s Paiton II Power Plant achieved an average plant thermal efficiency of 38.9% and CO<sub>2</sub> specific emission rate of 898 tonne/GWh in 2016, comparable to when it first commenced commercial operations, despite being in operation for over 16 years.

Year	CO <sub>2</sub> Specific Emissions (tonne/GWh)	Paiton II Thermal Efficiency (%)
2002 (baseline)	867	38.18
2014	890	38.79
2015	887	38.45
2016	898	38.90

YTLJT pursued new innovation enhancements in their plant for reducing GHGs and improving energy production. These included:

- Major overhaul of compressor to improve efficiency
  - Projected energy savings 45.9 MWh
- Installation of new gas-gas heater steam soot-blowing unit within the flue gas desulphurisation system to reduce electricity consumption of the induced draft fan motors
  - Projected energy savings 4,473 MWh/year
- Change in HVAC (heating, ventilation and air-conditioning) system operational timing as follow up action of previous additional split air conditioning units
  - Turning off HVAC during weekends at office
  - Projected energy savings 59 MWh/year
- Improving lighting efficiency
  - Automatic turning off lights in the boiler area during daytime – saving 697 MWh/year
  - Replacement of fluorescent lamps (58W) with LED lamps (25W) – saving 1,585 MWh/year
- Recycle wastewater used as service water
  - Installing a new piping system including a new pump from clearwell (wastewater) to service the water tank via carbon filter, to minimise annual electricity consumption of desalination reverse osmosis feed pump. Annual electricity consumption can be reduced by around 20%.
- Replacement of static classifier with new dynamic classifier at mill to improve pulverised fuel (PF) fineness and mill capacity
  - Annual electricity consumption reduced by up to 1%

## Protection of the Environment

For YTL PowerSeraya in Singapore, the GHG intensity of its power plants remained relatively unchanged in FY2016 from the previous year at 0.389 tonnes/MWh. In addition, the overall plant thermal efficiency decreased slightly by 0.45% in FY2016 due to a drop in the amount of high pressure steam generation and a slight increase in the proportion of energy produced from oil-fired power plant units.

Year	Total CO <sub>2</sub> e Emissions (tonnes/MWh)
2014	0.409
2015	0.385
2016	0.389



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

### Powering More Sustainable Source of Energy for the Community

This year, Wessex Water took part in the Open Energi's dynamic demand system at its Ham sewage treatment works. This involved instantaneous, temporary adjustment of the site's energy use to maintain a balance on the local electricity grid demand and supply in real time. It is an effort by Wessex Water contributing to the UK nationwide energy efficiency drive.

Wessex Water's subsidiary, GENeco was granted the 2015 UK AD and Biogas Industry Awards under the "Making the Most of Biogas" category as the first UK commercial gas to grid plant, which can supply 8,300 homes in Bristol. To date, GENeco's gas to grid plant has injected more than 7.5 million cubic metres (m<sup>3</sup>) of biomethane into the gas network. Their UK first Bio-Bus fuelled by biomethane gas produced from a mixture of food waste, commercial liquid waste and domestic sewage, won them the Low Carbon Champions Awards 2015 under the Low Carbon Road Transport Initiatives of the Year category. The judges said: "GENeco has managed to capture a lot of the public's imagination with a ground-breaking innovation which uses a mix of waste that otherwise wouldn't have another use."

In 2012, YTLJT launched their Alternative Energy Development project with one mission in mind – to improve the livelihood of underprivileged rural communities within the Paiton area through the providence of clean and sustainable energy. Through this initiative, the YTLJT team began to reach out to surrounding villages in an effort to understand their most pressing needs and identify the most suitable renewable energy systems that could be implemented in their respective locales. The project has since achieved commendable results (previous data reported in 2015 Sustainability Report), with YTLJT constructing and commissioning a total of 33 micro hydro units, 314 domestic biogas domes and 70 solar energy units to date. In light of the continuous efforts of this project, they received the Gold Award in Best Community Programme category at the Global CSR Awards 2016.

Project	Number of units installed from the beginning of project until the end of 2016	Installed capacity (kW/number of cows/WP*)	Total electricity generated (kWh/year)	Reduction of CO <sub>2</sub> e (tonnes/year)**
Micro Hydro	35	90 kW	788,400	702
Domestic Biogas	370	740 cows	135,050	5,614
Solar Energy	78	23,030 WP	20,174	18

**Note:**

\* WP stands for Watt Peak, the peak output power achieved by a solar module under full solar radiation

\*\* Jawa Bali Electricity Grid CO<sub>2</sub> emission factor = 0.891 tonnes CO<sub>2</sub>/MWh

## Protection of the Environment



YTLJT employees running a power load control test for one of their micro hydro units



Cow dung being loaded into a biogas reactor unit



Solar cell lamps installed at a fisherman harbour at Binor Village, Paiton

Inspired by YTLJT's good work and immense success, the YTL Group sought to replicate the initiative for the benefit of Malaysia's indigenous rural communities that are not connected to the national grid. As a result, the "YTL GENESIS (GENERating Energy Sustainably In Society) – Let There Be Light" programme was started as an endeavour to bring electricity to off-grid rural communities and, most importantly, to achieve the overarching goal of meeting their most pressing needs through sustainable solutions.

In 2015, YTL Corp collaborated with local non-profit organisation Lightup Borneo (LUB) – a grouping of volunteer engineers dedicated to providing electricity to remote villages through small-scale renewable energy systems – to install a micro hydro unit which will serve *Kampung Iburu*, a *Murut* community village located in Sabah. *Kampung Iburu* is one of over three thousand villages in Malaysian Borneo which still lives in darkness after the sun sets. There are about 50 houses and a population of 200-250.

The generation capacity of the system is expected to be 25-30kW, thus providing each home with roughly 500W of electricity. At present, the main diesel generator set which powers the village church, community hall and Pastor's house consumes roughly 200 litres (1 drum) of diesel per month, equivalent to about RM320/month (current diesel price is RM1.60/litre). Thus, with the micro hydro system in place, the village can save up to RM3,840 per year from the main generator in diesel costs alone, not including the other diesel generator sets installed in other family homes.

In a show of enthusiasm and sincerity, the villagers committed to work throughout the entire project whilst being aided by volunteers from YTL and other institutions. In total, the project cost was funded by YTL employees, YTL Group Companies and other stakeholders through an internal fundraising initiative, where YTL Corp generously matched one for one, every Ringgit Malaysia contributed by employees and YTL Group Companies.

A vital part of LUB's approach in the implementation of their projects is to ensure that the beneficiaries are directly involved and constantly informed from start to finish, with the intention of fully understanding their needs and allowing their opinions and voices to be heard. Thus, with guidance from LUB, the villagers were given the responsibility to undertake most of the major construction-related works such as fabrication of the water wheel and related fixtures, construction of cable posts and monitoring of excavation works. This deep involvement has instilled a sense of ownership within the community, which will go a long way in the sustainability and longevity of the project and future collaboration.

## Protection of the Environment



*Drainage excavated to ensure constant flow with sufficient gravity-feed energy to power the micro hydro at Kampung Iburu, Sabah*



*Discussion between Kampung Iburu villagers, LUB and YTL Sustainability Division personnel on their progress and planning for the micro hydro project*

### Creating More Energy Efficient Commercial Buildings

YTL Starhill Global REIT, YTL's real estate investment trust based in Singapore, monitors and maintains the environmental performance standards of their building systems at the Wisma Atria shopping mall and office block through compliance with the Mandatory Energy Usage Reporting to the Singapore Building and Construction Authority via Building Energy Submission System. Besides, YTL Starhill Global REIT and YTL Starhill Global Property Management office has achieved Eco-Office recertification for 2016 for another two years awarded by the Singapore Environment Council and City Developments Limited.

In Australia, the facilities management team at Myer Centre Adelaide (MCA) has replaced the cooling towers and chillers that service the retail areas of the building. Also, a project was undertaken to install software to optimise the operation of this plant. The software allows continual adjustment to the settings of the plant to suit the changing conditions of the building. This leads to greater operating efficiency and a more comfortable environment for employees and customers. After running for 12 months, it was observed that the plant used less energy to provide more cooling for the building.

YTL Hotels also joined other YTL Group Companies in energy saving by simple yet effective steps. For example, The Surin Phuket (TSP) switched all their guest room light bulbs to LED bulbs. Tanjong Jara Resort (TJR) also made an effort to have better control over the lighting by reducing up to five hours per day in public areas with the installation of new digital timers.

### YTL Corporation's Carbon Consulting Subsidiary

Over the years, YTL-SV Carbon (YTL-SVC) has been a strong advocate for the implementation of carbon reporting and transparent disclosure as a tool for environmental protection, energy saving, cost reduction, and risk management. This work continues through, among others, the Technical Standards Working Group of the Business Council for Sustainability and Responsibility Malaysia and technical committee on country-specific carbon reporting standards under Standards Malaysia. YTL-SVC engages with the Malaysian business community on the benefits of carbon management, reporting and trading through talks, training sessions, stakeholder engagement and thought leadership commentaries, as well as providing expert advisory support to climate change-related private and public initiatives.

Malaysia has set internal targets to reduce 45% GHG emissions intensity by 2030 relative to 2005 levels. On top of that, Bursa Malaysia introduced a sustainability index (FTSE4Good Bursa Malaysia Index) with GHG management as a key component; whilst MYCarbon Programme under the Ministry of Natural Resources and Environment, Malaysia just finished its second carbon reporting cycle. In the beginning of 2016, the Government also announced incentives for corporate entities participating under MYCarbon. Hence, the push towards active and accurate management of GHG emissions is coming from all sides.

YTL-SVC thus stands equipped to assist and guide Malaysian businesses in general and the YTL Group in particular, in this new environment.

## Protection of the Environment

### Positive Beginnings for Revival of the Carbon Markets

- Continuous efforts to resuscitate the ailing market through the NAMA<sup>1</sup> framework, World Bank Pilot Auction Facility and others.
- Voluntary carbon offsets, still consistently trading above USD2/tonne.
- World Bank’s Carbon Pricing Coalition joined by more than 1,000 companies to call for a price on carbon.
- Provision for a market-based mechanism under Paris Agreement that would soon allow countries to trade internationally transferred mitigation outcomes (known as “ITMOs”).
- Ratification of Paris Agreement by 55 nations including US, China and India.
- New Emission Trading Systems (ETS) in Asia and North America. 17 ETS already in place around the world by 2016, covering more than four billion tonnes of GHG emissions.
- Asia’s upsurge in emissions trading:
  - Nine new systems launched in the past three years including those in Korea, Japan, Kazakhstan among others.
  - China and Turkey ETS under consideration.
  - Thailand and Vietnam establishing roadmaps for phased implementation of ETS by 2020.
  - Indonesia plans to implement Nusantara Carbon Scheme by 2018 and a pilot market for selected sectors after 2019.
- North America sees fresh interest in carbon markets:
  - The Canadian provinces of Manitoba and Ontario to implement an ETS, signifying further expansion of Western Climate Initiative carbon market of California and Québec.
  - US Clean Power Plan approved.
  - Chile to set up a carbon trading system from 2017 in collaboration with World Bank.

- Mexico set to launch pilot ETS ahead of a full scheme in 2018.
- EU undergoing restructuring, to ensure their continued role in reducing GHGs.

### Earth Hour Advocacy

YTL has been a consistent advocate of the annual Earth Hour event. 2016 was no different, with many divisions rallying behind the Group’s commitment to raising environmental awareness through this global cause. YTL subsidiaries, once again, offered their support by switching off the lights at their respective buildings during the designated hour and leveraging on the extensive influence of social media platforms to share their respective pledges, messages, and activities – all in line with the year’s theme “Shine a Light on Climate Change”.

Some of the Group’s business units celebrated this occasion with a little bit of spice. For instance, Lot 10 gave out free fruit juice to the public on condition that they had to cycle to make their own blend of juice on an innovative designated bicycle juicer. On the other hand, FrogAsia employees launched several recycling stations made of egg cartons which were set up at strategic spots around the office. YTL Communications also set up a Facebook Pledge application, allowing social media users to pledge their resolutions in contribution to Earth Hour and the idea of energy conservation. Each pledge submitted was entitled to reward vouchers from **Yes 4G** partners.

The Lot 10 Shopping Centre (Lot 10) team chose to inspire the public by reusing and repurposing old items into something useful. The mall encouraged people to upcycle used furniture and showcased it for a week in the mall. Lot 10 also organised a street style flea market, Eco Bazaar to promote environmentally conscious living through showcasing environmentally friendly products, renewable solutions, green technology and services in March 2016.



ERL customers celebrating Earth Hour 2016



Customer cycling in front of Lot 10 entrance generating electricity to run the juicer for a free drink

<sup>1</sup> NAMA is the acronym for Nationally Appropriate Mitigation Actions. More information can be found at <http://unfccc.int/focus/mitigation/items/7172.php>

## Protection of the Environment

### RESOURCE EFFICIENCY AND WASTE MANAGEMENT

We often observe over-consumption patterns in this age of modernisation and industrialisation, and proper planning in resource management is essential to avoid unnecessary wastage. Responsible and sustainable use of resources is vital to ensure the next generation’s welfare and quality of life is not being compromised in light of rapidly depleting natural resources.

In YTL, many of our operations involve the use of natural resources such as fossil fuels and water. The ultimate goal of achieving sustainability in our daily operations is to leverage the resources we have and make full use of them whilst maintaining the quality of our products and services. Thus, we are constantly finding alternatives to optimise our efficiency by employing a minimum amount of resources with the aid of responsible and efficient waste management systems.

### Reducing Operational Waste and Promoting Effective Resource Usage

In FY2016, Singapore’s YTL PowerSeraya power plant achieved three significant zeros in their resource and waste management – zero oil spill incidents, zero hazardous waste under the Basel Convention and zero waste transported internationally as well as zero gypsum produced. They have also shown significant reductions in their industrial waste, where 24.6% less industrial waste (including both toxic and non-toxic waste) was disposed as compared to the previous FY.

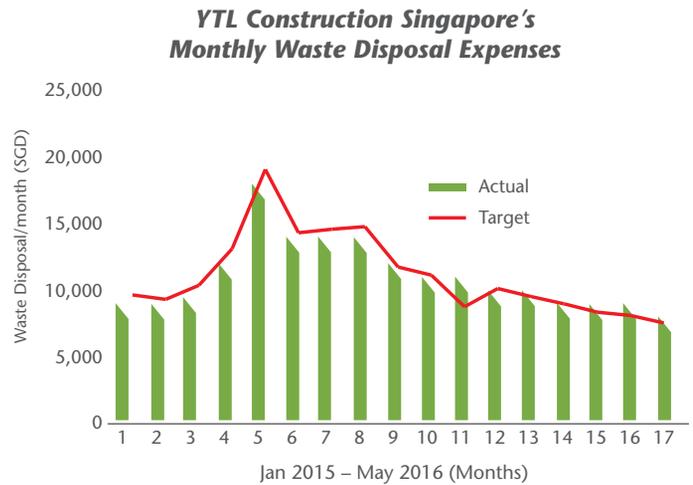
Being in a resource-intensive industry, YTLJT has been a champion in response to the 3Rs (Reduce, Reuse and Recycle) practice for years. This year, they continued their effort to reduce paper usage and other general waste generation such as plastic, bottles and food packaging. In 2015, paper usage decreased by 51.6% compared to the period before the campaign implementation. Aside from that, 100% of transformer oil and turbine oil used in their power plant operations are consistently purified to lengthen their life, thus reducing the need for disposal. Other hazardous waste from the power plant such as used batteries and waste oil are all sent to a third party recycling company.

Some business units have shown innovative change in their daily operations to optimise resource usage which has directly reduced unwanted waste. Express Rail Link’s wholly-owned operation and maintenance company, ERL Maintenance Support (E-MAS) introduced the “Transformer Oil Filtering Programme” on their trainset’s transformer. Roughly 780 litres of transformer oil is used to lubricate the transformers which age due to ongoing natural catalytical process. Thus, through conditional monitoring,

periodically filtering the transformer oil (instead of changing it frequently), could sustain the oil quality, reduce the oil ageing factor and contribute to the reduction of the oil disposal volume.

Similarly, Wessex Water also ratcheted up an enviable record in managing operational resources and has an ambitious and challenging target of sending zero waste to landfill by 2020. The biggest waste stream in Wessex Water’s operations are soil and stones from construction projects; sludge from sewage treatment, 100% of which is properly treated and recycled to farmland; and grit and screenings from sewage treatment. Sewage sludge is reused and Wessex Water has achieved over 98% landfill diversion across all other waste streams, including 100% of their office waste. Much of the 2% of their industrial waste that goes to landfill comprises hazardous substances such as contaminated soil and construction waste that are difficult to reuse or recycle.

YTL Construction (Singapore) monitors their waste disposal volume in their project at Westwood, Orchard Boulevard Singapore. Throughout the 17 months of monitoring from 2015 to 2016, the total waste disposal expenditure was within the range of the targeted amount. This is a result of effective work planning and implementation with close monitoring to prevent the production of unwanted waste which contributes to extra spending. The waste includes metals which are recycled, whereas concrete and general construction waste are disposed of through proper channels.



The hospitality industry has been viewed as a high waste generation industry. However, many of YTL hotels and resorts have been conducting in-house recycling efforts including Pangkor Laut Resort (PLR), TJR and Vistana Kuala Lumpur Titiwangsa (VKLT). Over the years, waste from YTL Hotels was prevented from entering landfills in Malaysia due to recycling

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efforts. For instance, VKLT who measures their recycled paper waste by categorising them as newspapers, magazines and cardboard boxes, noted a 21% reduction in the monthly waste collection charges. VKLT also introduced refillable shampoos, shower gels and hand wash liquid bottles to further reduce the heavy plastic bottle usage prevalent in the hospitality industry. To date, they have been able to reduce the disposal of 21,000 plastic bottles on a monthly basis. In addition, PLR collected a significant volume of recyclables including 56kg of tin cans, 1,408kg of plastic bottles, 2,664kg of paper cartons as well as 2,549kg of plastic bags in FY2016.



Pangkor Laut Resort recycling bins to reduce waste disposal volumes

### Reusing In-house Resources to Drive Self-sustaining Practices

The YTLJT's Paiton II Power Plant operates a Wastewater Treatment Plant (WWTP) that produces sludge – the second biggest quantity of generated waste after coal ash in coal-fired power plant operations. YTLJT's team has discovered the sludge was largely made up of fine coal particles, which contain high calorific value that can be recovered. Thus instead of disposing this hazardous waste, the team has been feeding the sludge to their boiler to burn as an alternative fuel source. The site managed to burn 100% of 143.21 tonnes and 65.04 tonnes of the generated sludge, in 2015 and up to the end of June 2016, respectively.

Likewise in Malaysia, YTL Cement's Slag Cement and Slag Cement (Southern) have been using 100% recycled fuel oil (RFO) as an alternative fuel to power their grinding operations since 2013. Also in Peninsular Malaysia, Perak-Hanjoong Simen plant employs a waste heat recovery system that collects waste heat from the plant's kilns. The recovered energy is then used for pyro and grinding processes. Approximately 69,084 MWh of energy was recovered through this process in FY2016.

Our YTL Hotels team is also doing well in reusing in-house resources employing simple yet sustainable steps. PLR upcycled the resort vehicle's worn rubber tyres into flower pots and vases for landscaping and gardening purposes. This is particularly encouraging especially from a resort operating on an island with limited resources, where resource optimisation is done to reduce dependency from external sources. On the other hand, Spa Village Resort Tembok Bali (SVRTB) composts their grass cuttings and uses the compost to fertilise the lawns. This method brings surprising results – it helps retain water and ensures the roots stay hydrated for a longer time, which saves water in the long run. They also collect sawdust from their maintenance department on a daily basis and use it as topsoil to grow their gardening seedlings.



Pangkor Laut Resort upcycling used tyres as plant pots



Spa Village Resort Tembok Bali collecting sawdust to be used as topsoil to grow their seedlings

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### Recycle to Make Full Use of Valuable Waste

Since 2003, YTLJT has been recycling their fly ash from their coal combustion operations. In 2015, 90,804 tonnes or 96.7% of fly ash produced was sent to be mixed directly with Portland cement at the mill of a nearby cement factory. In order to further optimise their coal ash utilisation, YTLJT has initiated a study conducted by their in-house Work Improvement Team to establish a "Paving Block Production" unit which enables maximum utilisation of bottom ash (another waste product from coal combustion). The site finally obtained its legal permit from the Indonesia's Ministry of Living Environment and Forestry on 16 March 2016, since then the facility has been able to produce 116,431 paving blocks with a raw material composition of 80% bottom ash, 12% fly ash, and 8% cement in just over three months of production.



*Paving blocks made from waste fly ash and bottom ash from the power plant*

Since last year's successful "Waste Bank Programme" in the Operator Housing Compound (OHC), YTLJT continued their journey focusing on fostering a culture of recycling among their employees by also extending this project to the power plant area itself. Every respective power plant operation section nominates a person to coordinate the general waste management, where a "waste account" is opened and participants are then assigned monetary values based on their weight-to-money ratios. Operating just like any other bank, the saved money can be withdrawn regularly by the respective participants for own use. Since the launch of waste bank programme at OHC of YTLJT power plant, more inorganic waste (e.g. plastic, paper, glass and metals) were recycled and/or reused.



*YTLJT's waste bank collections from the store area*

In a similar move, Lot 10 and Starhill Gallery in Kuala Lumpur, Malaysia sell the used cooking oil from their food and beverage vendors to a third party oil recycling company that processes the used oil to make biodiesel which has been ongoing since 2015. Approximately 7,784kg of used oil was sold from these two malls in FY2016.

### Proactive in Regional Waste Management and Education

Besides practising optimal resource and waste management in their own operations, many of the YTL business units go the extra mile to help nearby communities to either improve their current waste management efforts, or to educate the public. In August 2015, Wessex Water successfully called for more than 1,500 pledges from nearby Bristol communities to "love their loo" where instead of flushing wet wipes they would bin them to prevent toilet and sewage system blockages. This was done after Wessex Water discovered 13,000 blockages in their region, most of which were caused by wet wipes and cost around £5 million to resolve.



*Employees of Wessex Water advising customers to bin wet wipes instead of flushing them*

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Furthermore, Wessex Water's subsidiary, GENeco was awarded the Responsible Waste Management award on their successful track record for offering cost effective, sustainable solutions for their organic waste. They also help their customers reduce or even eliminate their dependence on landfills. A "Feed Me and Win" campaign was launched to encourage the Bath and North East Somerset and Bristol City districts citizens to stop sending their food waste to landfills and do their bit to recycle as much as possible. Households who recycle the most are rewarded with a tour around GENeco's impressive AD facility.

TSP and PLR regularly organise resort and beach cleaning as part of their efforts to manage the waste and debris around their resort area. As most of the marine debris was brought in by high tides and rains, this has to be done regularly and it also sends an alarming signal for us to be more conscious about marine and waterborne waste. Approximately 20-25 employees were involved in each cleaning session which covers the entire resort area – from beaches, hills, walkways, the jungle and public areas.

Besides their own resort area, TSP employees extended their efforts by collaborating with other nearby resort workers in the Surin area to conduct a monthly public beach cleaning at Surin Beach involving 30-50 representatives from participating resorts.



*The Surin Phuket employees returning from scheduled beach cleaning*

The Gainsborough Bath Spa (TGBS) Director of Marketing and Communications, Peter Rollins sits on the Board of the Bath Business Improvement District (Bath BID) and has played an active role in a regional project called "Recycling & Reducing Waste in Bath". This initiative was aimed at 600 businesses in the Bath city centre including TGBS to facilitate the reduction of waste. As a result, they saw an increase of recycling, further reduction in waste going to landfill and finally helping to make the historic city centre of Bath look cleaner and tidier.

### Waste and Sustainability Workshop

During the annual YTL Leadership Conference in 2015, YTL Sustainability Division was given the privilege to conduct a workshop on sustainable development and YTL's initiatives in this regard. In line with the Malaysian Government's recent legislative implementation on waste segregation and recycling in selected states, the team decided to run a "Waste and Sustainability" session to increase awareness on critical waste-related issues and its impact on society and the environment at large.

The workshop kicked off with a brief introduction on the concept of sustainability and how it has gained prominence through the years as a vital element in modern-day development, including being the driving force behind the recent UN SDGs agenda. This was followed by a run through on the new Solid Waste and Public Cleansing Management Act in Malaysia which was officially launched on the 1 September 2015, where waste separation at source was made mandatory for all domestic households in Putrajaya, Kuala Lumpur, Pahang, Malacca, Negeri Sembilan, Kedah, Johor, and Perlis.

Other highlights included a casual quiz on recycling and an interactive group activity to reinforce the message of waste reduction, and a special presentation by guest speaker Mr Mohammed Saddiq, Managing Director of GENeco, who shared the Company's award-winning achievements in converting waste to wealth and the exciting new initiatives it is embarking on. The workshop concluded with a call to action for all participants who were challenged to champion the environmental agenda in their respective workplaces and divisions.



*Group discussion on waste reduction during YTL Sustainability Division Waste Workshop at the annual YTL Leadership Conference 2015*

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Recycled waste products showcased during the workshop

### Adhering to Proper Environmental Management Standards

YTL business units especially those in industrial activities always monitor and improve their environmental performance by adhering to international and national environmental management standards. Guided by the Group’s Environment corporate statement, all key business units in YTL are certified with ISO 14001 standard in Environmental Management Systems.

Knowing that excessive industrial atmospheric emissions are harmful to the environment, YTLJT constantly monitors their atmospheric emissions, including Sulphur Oxides (SO<sub>x</sub>), Nitrogen Oxides (NO<sub>x</sub>) and particulate emissions through a continuous emission monitoring system to ensure it is well below the set safety standard. Atmospheric discharges are from two chimneys of 220m height, where the power plant is equipped with low NO<sub>x</sub> burner system, electrostatic precipitator (ESP), and flue gas desulphurisation plant. During the reporting period, the average reading of stack emissions were all well below the regulated limit.

Similarly, YTL Cement’s Dama plant in China successfully reduced their dust emissions by changing their cooler and kiln ESP to bag filters. The current dust emission rate from both cooler and kiln are 14 mg/Nm<sup>3</sup> respectively which is now well below the standard set by the China Government for the cement industry of 20 mg/Nm<sup>3</sup>.

Wessex Water practices responsible sewage sludge treatment and disposal, complying with national and European standards, before sending it for farmland use, where all sludge is treated to a high standard by adding lime or through AD. This helps to stabilise the sludge, reduce odours and remove pathogens which is then safe to use in farmland.

### WATER EFFICIENCY

Next to air, water is known as the second most essential element to sustain life. However, with the exponential growth of world population, clean water accessibility is gradually attracting serious concern worldwide. According to the United Nations, more than one billion people (most of them in Asia), are still without safe drinking water. With less than 1% of total global water sources available as freshwater sources for the seven billion world population, it is extremely important to manage every drop with care.

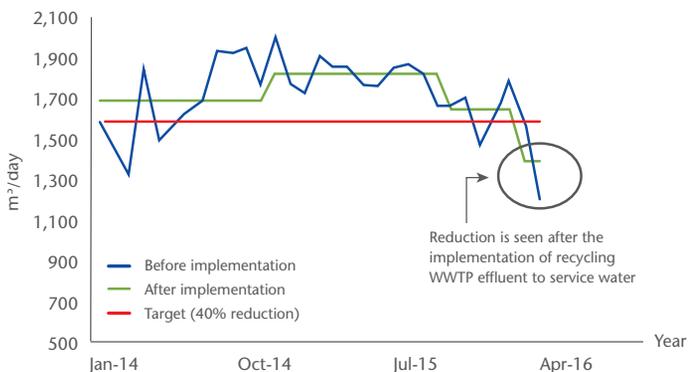
As a company involved in industries that take water management seriously, the YTL Group is always exploring alternatives in conserving water usage, maintaining good water quality as well as protecting surrounding water sources.

### Water Conservation in Power Plants

Being a responsible operator, YTLJT’s Paiton II Power Plant carefully monitors the quality of discharged water to the sea using an online system. Monthly water discharge sampling is conducted by the local environmental authority (Environmental Body of Probolinggo Regency) and samples are sent to an independent laboratory for regulatory compliance evaluation. During the year under review, 100% compliance to regulatory levels was recorded by YTLJT.

Continuing the Water Conservation Programme since 2009, YTLJT has been unceasingly striving to reduce their wastewater discharge, chemical usage as well as electricity consumption in their operations. In 2016, they pledged to achieve “Zero Wastewater Discharge” and YTLJT’s team has showed gradual improvement every year which we detailed in the 2015 Sustainability Report. Their most recent effort was in recycling the wastewater treatment plant effluent to service a water tank that resulted in a reduction of 47.9% in their total water usage.

### Daily Plant Water Consumption at Paiton II Power Plant



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In FY2016, YTL PowerSeraya's Power Plant achieved a 16.6% reduction in their total water consumption where 90.8% of the water used is desalinated water, 6.9% recycled water and 2.3% municipal water. On a side note, their total volume of wastewater discharged increased by 17.3% to 114,503 m<sup>3</sup> due to more collection of rainwater.

### Managing Water Within Water

Wessex Water has been a champion in enhancing their overall operational efficiency especially when it comes to their key product – potable water. To host and serve up to 1.3 million customers by supplying over 280 million litres of water daily, effective water management measures such as leakage reduction, catchment management and managing customer demand have constantly helped optimise overall water usage by the plant.

One of the highlights for Wessex Water is their ongoing integrated water supply grid project which is due to be completed in 2018. This is the largest project of its kind and aims to meet future water supply demand in the served region by improving the resilience of water supply to customers especially in instances of droughts with the introduction of two sources instead of one. It also helps in reducing abstractions from sensitive groundwater sources as agreed by the Environment Agency to improve flows in some rivers and protect the surrounding ecology. The water supply grid is over 200km (124 miles) in length. Some of the major progress of this project commissioned during FY2016 includes:

- All the pipelines for the trunk main system from Corfe Mullen to Salisbury have now been installed;
- New storage tanks at Snowsdown (Blandford), Summerslade Down (near Warminster), and Littledown, near Shaftesbury, Camp Hill (Salisbury) are completed; and
- Pumping stations at Monkton Deverill (near Warminster) and Sturminster Marshall in East Dorset are substantially completed with major redevelopment of Codford water treatment works well underway.

Wessex Water also made good progress with their infiltration reduction plans to cut the risk of groundwater entering public and private drains. More than 107km of sewers were inspected in 2016, with 4.2km permanently sealed to avoid unnecessary infiltration and contamination. They also installed event duration monitoring on 91 combined sewer overflows during FY2016 to provide accurate spill frequency data and to better understand their role in catchments.



Section of the grid project during construction (top) and as completed (bottom)

In taking care of water quality, Wessex Water has achieved 100% compliance with water abstraction licences from the UK Government during FY2016. They have also begun a 5-year programme to monitor the presence of chemicals in final effluent and the receiving water courses. This allows them to understand the sewage impacts in contributing to different chemical concentrations in the surrounding environment. Wessex Water works closely with the Environment Agency and Natural England to standardise the operation of their Source Apportionment-Geographical Information System (SAGIS) river water quality model. The SAGIS model is capable of deriving robust estimates of pollution source contributions that would be essential for water businesses in the region.

For flood management, Wessex Water invested £8 million to reduce the risk of flooding at 91 locations in FY2016. Looking at 1.36 incidents per 10,000 properties, Wessex Water achieved

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their target in minimising internal flooding due to blockages in public sewers. Sewage flooding is rare but when it does occur it can be devastating, so tackling it remains a key objective for them. Thus, they have introduced a new performance commitment which measures the overall flood risk due to inadequate capacity (potentially causing internal or external flooding). Aside from improving internally, Wessex Water works with local authorities as they produce surface water management plans and strategies to review flood management plans. Flood management requires sophisticated and detailed work by many parties and thus these liaison meetings are increasing in frequency. Wessex Water is being consulted more than previously by the planning authorities responsible for approving sustainable solutions.

### Promising Progression among Premises

Wisma Atria, one of the YTL Starhill Global REIT shopping malls in Singapore has been implementing a Water Efficiency Management Plan (WEMP) as part of the mandatory requirement set by the Public Utilities Board (PUB) of Singapore. Through this, building owners are capable of identifying areas to reduce consumption and improving water efficiency through the understanding of water usage breakdown within the building. Another initiative, the usage of private water meters for essential areas in Wisma Atria, is also mandated by the PUB. This installation provides an early warning mechanism for possible pipe leakages through the monitoring of water consumption via private meters.

Our YTL Hotels, specifically TSP has also joined the cause in enhancing water efficiency by implementing several small changes. For instance, their gardeners have begun to use treated wastewater to water the plants around the resort. TSP also extended this initiative to resort guests by encouraging them to reuse towels and bed linen daily as an initiative to save water.

## BIODIVERSITY

The Earth is comprised of rich biodiversity networks and complex ecosystems, where each species, regardless of its size, plays an important and crucial role in the overall system. Nearly half of the world's economy is derived from biological and organic resources. It also provides vast potential for medical discoveries, economic development, and most importantly, the adaptability to environmental changes such as climate change. Whilst humans dominate the planet, we are the one species who can be responsible for preserving biodiversity to seek a lasting balance between development and sustainability.

In keeping with YTL's ethos as a steward of our good Earth, we give our complete dedication to helping ecological endeavours, knowing that the ecosystem provides a critical role and vital function in mankind's ability to survive.

### Conserving Terrestrial and Marine Biodiversity

#### Terrestrial Species

In view of the stiff competition for hornbill nesting sites due to the limited number of suitable tree trunks for their nest habitat, PLR's in-house naturalist department launched the Hornbill Nesting Box Project in 2015. To date, exciting results have been observed. Made from recycled wood, one out of five units of trail boxes located near the reception area has successfully acted as breeding boxes for the Oriental Pied Hornbill (*Anthracoceros albirostris*) – in this instance the hornbill emerged with a chick on 4 May 2016, and more good news is expected for the upcoming breeding season later this year. Currently, the team is working on a proper research programme to study both hornbill species population on the island, the Oriental Pied Hornbill and the threatened species listed by International Union for Conservation of Nature (IUCN) – the Great Hornbill (*Buceros bicornis*).



Male Oriental Pied Hornbill feeding a female hornbill that is hatching eggs in the nesting box

The Gaya Island Resort (GIR) naturalist team uses a new approach for mangrove planting methodology to achieve higher mortality rates and faster growth rates. Recycled plywood from construction sites is used to create wooden boxes for sapling growth. The team aims to build 100 wooden boxes where 50 are to be used for *Rhizophora apiculata* and another 50 for *Rhizophora mucronata*. Each box will contain 9-18 saplings. This method encourages saplings to increase their height rapidly within a short period. Only saplings taller than 1m height will be selected and transplanted to the wooden boxes. The planting will be carried out after 30 days so as to

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ensure the saplings have sufficient time to settle. Success of this project will mean that the local habitat attracts more wildlife to the site as a continuation of GIR's conservation projects.



GIR's innovative planting of mangrove saplings in plywood boxes made from waste material

As an effort to protect endangered flora in the region, YTL Cement is working closely with the Forest Research Institute Malaysia (FRIM) to study and conserve the endemic limestone flora species of *Paraboea bakeri* (Gesneriaceae) at Bukit Sagu. This is an endangered perennial herb with velvety leaves that grows on shaded rock surfaces covered with thick moss cushion. It is an extremely rare species and endemic to Bukit Tenggek and Bukit Sagu, Kuantan, Pahang. During an expedition carried out by FRIM officers to Bukit Sagu, they were elated to find several *P. bakeri* wildings for ex-situ cultivation. The seeds were collected for germination in tissue culture media to obtain a large quantity of plantlets for reintroduction into similar natural habitats.

### Marine Species

With constant monitoring of sea water quality around YTLJT's Paiton II Power Plant, it has been proven that the discharged water quality is suitable for aquatic life to thrive and it has been doing so for the past 16 years. Among the monitored seawater quality indicators are temperature, suspended solids (SS), total dissolved solids (TDS), seawater pH, biological oxygen demand (BOD), chemical oxygen demand (COD), and heavy metals which have been constantly monitored within safe levels.

Marine biota and coral reefs around the power plant between 2-4km from the discharged canals are also surveyed every three months to monitor population counts. More than 100 types of marine organisms were identified and recorded which included phytoplanktons, zooplanktons, macrobenthos and even reef fish. More than ten families of coral reefs have been observed and monitored for the past 16 years as well.

On the other hand, The Gaya Island Resort Marine Centre (GIRMC) also advocates coral reef conservation. They started with corals around the resort where they have their own in-house coral nursery platform to recover damaged and bleached corals before being planted back on the reef upon approval from Sabah Parks. Only broken corals that may not survive are selected to undergo the rehabilitation process on the underwater steel frame planting platform made of recycled materials. The establishment of this nursery provides resort guests and the general public an opportunity to learn more about coral conservation efforts.



A GIRMC employee checking on the newly planted coral reef at the nursery platform



Coral nursery platform made up of recycled materials

As part of the "Animal Orphans Turtle Release – Oliver" programme, GIRMC released a sub-adult green turtle (*Chelonia mydas*) from Tavajun Bay on 2 October 2015. This was a combined effort between The Green Connection Aquarium, Sabah Wildlife Department, and the UK Television show Paul Ogrady's Animal Orphans. Oliver had been an exhibit in the

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Green Connection Aquarium, and was scheduled for release. They have also released another turtle – *Nick Jr.*, GIRMC’s first rescued hawksbill turtle (*Eretmochelys imbricata*), which is critically endangered. *Nick Jr.* was caught by a local fisherman and brought to the centre for observation. *Nick Jr.* was released after a 30-day period since he was found to be in good health.



GIRMC releasing *Nick Jr.* on Malaysia Independence Day 2015 led by their in-house Marine Biologist, Scott Mayback with resort guests

For the past three years, GIRMC has been discovering new species of wildlife around and on the island. The new findings for 2016 were:

- Amphibian species recorded at Gaya Island reached seven with the latest addition from a family of Dicroglossidae;
- Reptile (snake) species recorded at Gaya Island reached 26 with the latest addition from the families of Homalopsidae and Colubridae; and

- Aquatic life research was initiated through the finding of a unique species of fish, micro aquatic glass fish from the family of Sundasalangidae. There are only seven species known throughout the world and it is known to be one of the smallest fish species currently inhabiting the seas. All seven species are found within the Sunda region and all are endemic. Currently, aquatic life findings at GIRMC reached three additional species with the latest addition from the Hemiramphidae and Eleotridae families.

Continuous efforts will be made to study ways to conserve these precious and sometimes endemic species in the area.

In this regard, PLR recently worked with Marecet Malaysia, a marine mammal’s conservation NGO in observing, monitoring and reporting dolphin migration, feeding and movement around the island. The first sighting was on 31 May 2016, where groups of Indo-Pacific Humpback Dolphin (*Sousa chinensis*) – a near threatened species listed by IUCN were seen crossing the PLR channel.

### Rehabilitation of Community Biodiversity

Back in 2013, YTLJT initiated the development of a conservation area near the village of Randutatah, which is located around 12km from the Paiton II Power Plant. As part of their efforts to prevent further coastal erosion, they targeted to plant a 6km stretch of 8,000 sea pines and 20,000 mangroves along the Probolinggo coastline every year to cover a grand total of 55km along the coastline over subsequent years. YTLJT is now developing a nursery centre for the sea pines and mangroves. The sea pines and mangroves from Randutatah are now spreading to other places along the Probolinggo coast where the furthest location is the Tongas coast which is almost 60km away from the power plant.

In 2016 YTLJT signed an agreement with the local Probolinggo Government to develop 11 hectares of the Randutatah coastal area to be a conservation, eco-tourism and recreational zone. This would not only bring benefits to younger generations and local coastal communities but also enhance the area’s biodiversity and help in the reduction of coastal erosion. From their continuous monitoring work, the biodiversity index<sup>2</sup> in the area has been ameliorating ever since and more improvement is expected following this recent partnership.

<sup>2</sup> Biodiversity Index or Shannon Diversity Index is a quantitative measure that reflects how many different types of species there are in a dataset, and simultaneously takes into account how evenly the basic entities (such as individuals) are distributed among those types.

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Time lapse photos taken in 2015 (top) and 2016 (bottom) at Ranutatah area where sea pines are seen growing healthily

Wessex Water is a strong advocate for biodiversity and conservation – in part because the Wessex Water area is rich in wildlife and has a large number of areas protected by international and national designations, but also because the services provided by functioning ecosystems provide huge benefits to wider society. Over the last five years, Wessex Water has surveyed their key conservation sites extensively, making changes to their management for biodiversity. So far, most of their landholdings above ten hectares have been surveyed, amounting to just over 60% of their land area, achieving their performance commitment for the year.

Their management of nearly 300 hectares of land designated as a site of specific scientific interest (SSSI) ensured that the condition of these vital habitats exceeded government targets; 99.5% of their SSSIs were assessed as being “favourable”, or “unfavourable but recovering”.

In 2015-2016, Wessex Water appointed a part-time conservation, access and recreation (CAR) officer to help improve elements of their landholding for the public. The role is to oversee and coordinate CAR projects at some of their largest and most visited sites, and those of greatest importance for wildlife and heritage.

To date, this included:

- An assessment and improvement plan for the children’s play area at Sutton Bingham reservoir;
- Investigation of alternative public rights of way at Tucking Mill reservoir;
- Improvements to the bird hide at Bleadon Levels nature reserve; and
- Evaluating a number of further projects for delivery over the next four years.

As reported previously, Wessex Water continues to support wildlife projects funded by their Biodiversity Action Plan Partners Programme up to £80,000 per year and will be supporting the following projects between 2015 and 2020.

### Partnerships in Conservation

#### Lang Tengah Turtle Watch

TJR formed a new exclusive partnership with Lang Tengah Turtle Watch, a local NGO to conserve the region’s endangered sea turtles. In July 2016, a turtle hatchery located on the TJR beach front was launched. The hatchery’s simple wooden trellis structure provides views of the nests, whilst keeping predators at bay. The hatchery provides resort guests the chance to learn more about these magnificent creatures, about the dangers they face and the conservation efforts taken to protect their hatchlings from poachers, as well as giving them the opportunity to return to their natural habitat, the sea.



An education corner teaching guests about turtles in TJR

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One of the Tanjong Jara Resort guests visiting the nesting area adopted by guests

To date, this new project has seen the release of 693 hatchlings from nine out of the current 24 nests, with many more to come. A nest adoption programme is also made available, where guests' pledges will save a nest and the eggs from poachers preventing them from being sold as food in local markets. Guests that are part of this programme will receive regular email updates with photographic progress reports and an invitation to return to the resort to witness the hatching of their nests.

### Save Wild Tigers

One of YTL's long-term partners in conservation, Save Wild Tigers (SWT) once again made history in fundraising following last year's gala dinner at The Majestic Hotel Kuala Lumpur. This time, they held the biggest tiger awareness and fundraising event in Europe – a stunning Gala Dinner at the iconic Savoy in London. The event was preceded by an art exhibition and auction at the Café Royal in London, curated by Christian Furr, the youngest artist to be officially commissioned to paint Her Royal Highness Queen Elizabeth II. YTL once again was a major supporter, donating two five-star resort holiday packages for the live auction.

Since then, SWT has launched several targeted campaigns spread throughout the year. Notably, the release of a moving international 60-second short film about Tiger Bone Wine<sup>3</sup>. The film has and continues to be aired on the YTL-owned high-speed train or KLIA Ekspres as well as at YTL Hotels across the world. In conjunction with this, SWT has also launched a

high profile media campaign working with Australia's top five wine critics. The published reviews will help generate awareness of the "world's worst wine".

Another exciting recent initiative launched by SWT globally is "The Kitty"<sup>4</sup> – an all new YouTube channel dedicated to cat videos, which will help to generate funds for tiger conservation. The campaign is aptly named "Watch Cats and Save Wild Tigers", this works using a creative passive mechanism where each time someone watches a cat video on "The Kitty" YouTube channel, a small amount of money is automatically donated to SWT. SWT will again be partnering YTL for the upcoming tiger conservation fun run in Kuala Lumpur.



An infographic produced by Save Wild Tigers on why tigers worldwide are being illegally poached

<sup>3</sup> To view "Tiger Bone Wine" short film, please visit: <https://www.youtube.com/watch?v=shsIDsoUA-w>

<sup>4</sup> Watch "The Kitty" video at <http://kitty.savewildtigers.org>

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### Reef Check Malaysia

Known for its efforts in sustainable coral reef management, Reef Check Malaysia (RCM), which is also a YTL NGO partner, has an annual survey programme covering over 200 reef sites around Malaysia, educates local communities in coral reef management and has established reef rehabilitation projects at five locations in Malaysia.

Besides the rehabilitation programme at Pangkor, YTL also supports RCM's work at the nearby Sembilan Island. Results from the Sembilan Island Survey for 2016 were generally positive, showing that the relative health of the reefs in the Sembilan Island has been maintained, with the percentage of live coral cover (hard coral and soft coral combined) very similar to levels recorded in 2015 and earlier years. Several interesting sightings were made, including the high abundance of butterfly fish and increase in Snapper populations. In addition, a number of seahorses were observed, which are usually a rare sight at the Sembilan Island. These were spotted at four out of the nine sites surveyed.

As part of their continuous efforts to seek more innovative reef rehabilitation approaches, RCM has experimented with a new coral planting method at Pangkor, which is also acting as a trial to expand the existing coral reef rehabilitation area. In early February 2016, YTL Cement sponsored a total of 50 new concrete blocks that were deployed at Mentagor Island, Pangkor and also at a site adjacent to the jetty of PLR. In addition to the blocks at PLR's jetty, ropes were also used as an experimental rehabilitation method. The results of recent monitoring work done by RCM at PLR's jetty showed that corals transplanted onto concrete blocks were thriving, with survival rates as high as 77%; similarly, the survival rate of transplanted corals at Mentagor Island was 73%. An experimental method using ropes will be reviewed as the position of the site is too shallow, and it is easily exposed to silt and sediment. RCM will continue the monitoring before deciding on the next course of action on this approach.

As part of its education programmes, RCM has worked with SK Pulau Gaya at Kota Kinabalu to conduct an 11 month long education programme. The programme covers various environmental topics including the biodiversity of marine ecosystems. The sessions were conducted twice per month, for Standard Five students (age 11). A mix of slide presentations, video screenings and interactive sessions were used throughout the courses. Pre and post-activity surveys were also conducted on each topic, to gauge the students understanding of the topics covered upon completion of the programme.



Reef Check Malaysia deploying new concrete blocks at the PLR jetty



Transplanted corals growing on one of the concrete blocks at the PLR jetty



A Reef Check Malaysia outreach and education programme with the SK Pulau Gaya students and GIRMC's Marine Biologist, Scott Mayback



# EMPOWERING OUR PEOPLE

## Our Commitment

Striving to be an Employer of Choice

## Our Approach

- Embracing diversity and inclusiveness, and fostering fair and equitable workplace conditions
- Nurturing human capital by growing workplace capacity and skills, and bridging gaps through learning and development
- Caring for our employees through active engagement
- Creating a well-balanced workplace – Health, Safety and Well-being

## Highlights



More than **11,000** employees globally



YTL Corp selected as one of **Top 75 Companies** in Malaysia people would love to work for



YTL Communications clinched the **Malaysia Best Employer Brand Awards 2016**

# Empowering Our People

Thriving during YTL’s 60 year journey, the Group understands the importance of engaging and empowering our people as they are the key resources and drivers in achieving the organisation’s success. As we move forward, we constantly revisit our approach in addressing the needs of our employees in adapting to the nature of a diverse workforce. We view each and every employee equally and thus we not only strive to find the right person for the right position, but also help to nurture and grow with them.

From experienced employees to apprentices and graduates, we continue to nurture pools of diverse talent via an all-rounded approach of engagement and capacity building, tailored to each individual’s needs. Besides taking care of employee benefits and welfare, we aim to cultivate a supportive and progressive environment that encourages strong team cohesion, innovation and creativity as well as trying to maintain employee motivation and loyalty.

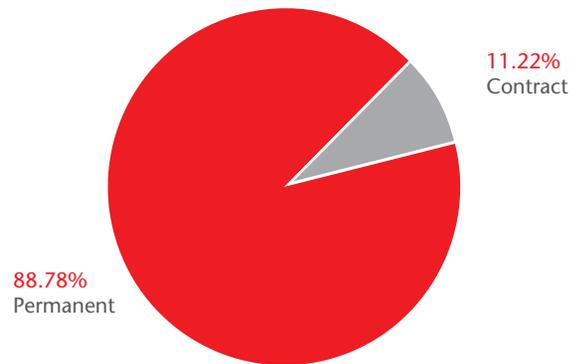
## EMBRACING DIVERSITY, INCLUSIVENESS AND FOSTERING A FAIR WORKPLACE ENVIRONMENT

As a global company that operates across three continents, YTL takes extra care of our most important assets – our employees. We ensure that everyone is working in a climate of inclusivity and equality. Operating within such a diverse portfolio, we oppose any form of discrimination or other practices in embracing equal opportunity for everyone regardless of race, religion, gender, sexual orientation, disability and nationality. Similarly, we do not tolerate any form of child and forced labour and take extra precautions to avoid this from happening in our businesses. Interweaving these practices into our operations helps us to harness talent from a wider pool capable of improving our competitive advantage. Please refer to our corporate statement of Commitment in Human Rights and Ethics in the Marketplace section within this Report.

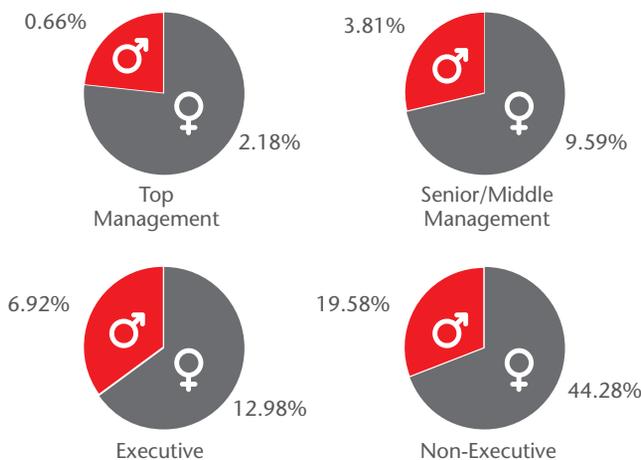
**Age Profile**



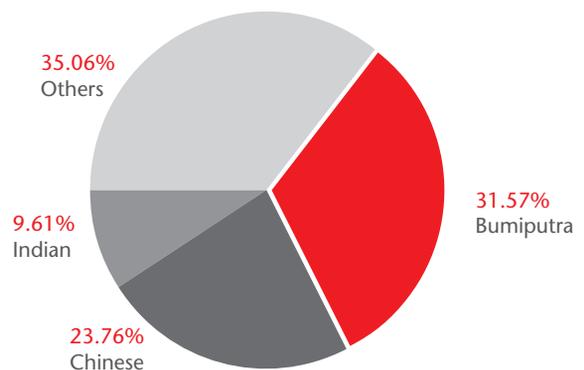
**Employment Type Profile**



**Gender Profile**



**Ethnicity Profile**



## Empowering Our People

We also walk the talk by applying the value of equality and inclusivity in recruitment, career development and advancement, rewards, as well as ensuring the welfare of all employees. Wessex Water values the differences that a diverse workforce brings and is committed to creating an inclusive workplace for all employees and those who work with the Company as suppliers, contractors, consultants or customers. In FY2016, promoting diversity and inclusion was again the key focus where the Company implemented a range of diversity initiatives including the promotion of flexible working policies, the introduction of job share contracts and flexible retirement ages for those wishing to ease their way into it. Wessex Water has developed and piloted a new aspiring leaders development programme aimed at building confidence in potential leaders of the future. This year, Wessex Water became a member of the Business Disability Forum and continues to progress issues for their employees with disabilities. Wessex Water publishes their diversity scorecard every year as well as delivering their very own diversity action plan for public consumption.

Our Singapore entity, YTL PowerSeraya is a signatory of the Tripartite Alliance of Fair and Progressive Employment Practices (TAFEP) that upholds fair employment practices. Through this, the performance management system ensures that employees are rewarded based on their performance and contributions to the Company. A well-established training plan provides employees with equal opportunities for training and development. At the same time, training needs analysis is conducted every year as part of the annual performance appraisal exercise to ensure that every employee is adequately trained to perform their job functions well and to help them develop to their fullest potential.

In addition, we primarily hire locals to generate greater benefits for the respective local communities whilst adhering to the principles of diversity and inclusion. Besides providing locals with more job opportunities, it also helps our businesses to navigate across their communities more efficiently with the assistance of a diversified local workforce. Hiring locally also means employees spend less time commuting to work which thus contributes to less travelling time and better productivity.

Across the entire YTL Group, we see the need to push for more gender equality by reflecting on the ratios – 59 women for every 100 men in the Malaysian labour market – which is one of the lowest (118/140), based on the World Economic Forum's Global Competitiveness Report 2015-2016. Hence, several group wide measurements were done to improve this situation. As an example, we constantly monitor the female to male ratio

of our employees from different employee categories. It is worth noting that there is an increase in the percentage of women in the senior and middle management level – from 3.6% to 3.8%.

A remarkable initiative was carried out by YTL Corp in order to address gender equality, which is one of the United Nations' Sustainable Development Goals (UN SDGs) that the Group is constantly involved with. "Women at YTL", also known as W@Y, is a network designed for YTL female employees to grow and reach their full potential.

The first event by W@Y was on 27 January 2016 and officiated by Datuk Yasmin Yusuff, one of Malaysia's well known multi-talented and inspirational women. Offering candid life experiences to the attendees, Yasmin shared her experiences about juggling work, family and friends whilst prioritising her health to be able to go the extra mile in giving back to society.

Later on, W@Y held another successful event again in the year entitled "7 Amazing Ways to Create Your Own Happiness", led by Xandria Ooi and Sue Chan. It was a light-hearted and fun-filled event, where the participants were taught how to create their own "sunshine", with a shoe-trying session at the end to top it off.

Lastly, W@Y organised an autism awareness talk with 54C, The YTL Learning Space entitled "Knowing the Signs of Learning Differences". The talk covered a range of areas including statistics of learning differences, signs of autism, diagnosing autism and places of support. One of the key take-home points was that although autism is more common than expected and can be easily misdiagnosed, there are various centres and schools in which professional help can be sought.



Group photo with Datuk Yasmin Yusuff, one of Malaysia's well known multi-talented inspirational women during the launch of W@Y

## Empowering Our People



Xandria Ooi and Sue Chan, Outfluent founders sharing their thoughts with YTL female employees on ways to create self-happiness



Participants captivated during a presentation by Tan Cheong Yi, Head Psychologist of Oasis Place at 54C

Physical facilities improvements that are gender responsive were demonstrated by ERL Maintenance Support (E-MAS), a subsidiary of Express Rail Link (ERL) in a recent initiative. They added dedicated rest areas for both female and male employees. The female rest area is designed especially for those who are on shifts with a more comfortable, safe and secure resting area. There are also rooms made available for the convenience of nursing mothers. Equally, new resting areas for male train drivers were prepared. Both facilities renovations were carried out by internal personnel.



E-MAS new resting area for female employees

## NURTURING HUMAN CAPITAL

With a diverse workforce spread across the globe, each YTL business unit plays a key role in nurturing their respective human capital by an approach which culturally fits the local context. We view all our employees' personal and career goals equally important to the organisation by ensuring the right person is in the appropriate role. Thus, we constantly review and communicate with our employees to understand their performance and needs in order to customise relevant training and development support for capacity building.

## Employee Benefits, Awards and Recognition

As a responsible employer, working in constantly changing industries makes for a challenging career, and therefore looking after the well-being of employees is critical to us. At YTL, we offer comprehensive and flexible packages set out by our Group HR handbook, which includes a competitive salary and bonuses, learning and development, granted leave entitlement, retirement provisions, medical benefits, group insurance plans and Employees Share Options Schemes (ESOS). Some of our business units also provide benefits to temporary or part-time employees as we believe their basic welfare should also be taken care of.

In FY2016, YTL Group HR conducted a Compensation and Benefits Workshop for all Head of Departments in order to develop compensation and rewards programmes. It was a well-structured programme with a good balance of topics such as wages, benefits and rewards which supports an organisation to remain competitive in today's market and ensure future sustainability.

YTL PowerSeraya implements a merit-based compensation system so as to track employees' performance as well as to reduce the gender pay gap. As at FY2016, the ratio of base salary (Male:Female) for the entire Company stood at 1:0.8. This compares favourably with the Singapore's Gender Pay Gap of 1:0.711 (Male:Female) based on the World Economic Forum's Global Gender Gap Report 2015.

In an attempt to reward and recognise employees' efforts in their work, The Gainsborough Bath Spa (TGBS) introduced the YTL Hotels' Five-Star<sup>5</sup> Award Programme and the Manager of the Quarter Award Programme in January 2016. The awards aim to provide well-deserved recognition, appreciation and reward for specific examples of exemplary work performance, behaviour and/or attitude, such as displaying excellent customer service, going the extra mile, or suggesting a new initiative which substantially improves practices, procedures, revenue or the overall customer experience. TGBS management hopes

<sup>5</sup> All YTL Hotels employees are known as "Stars" as the Company believes they are the main drivers in delivering award-winning and five-star service to guests.

## Empowering Our People



Group photo of Dato' Mark Yeoh, Executive Director of YTL Hotels with the winners of YTL Hotels' Five-Star Award Programme and the Manager of the Quarter Award Programme, organised by The Gainsborough Bath Spa

showing appreciation and rewarding their Stars will contribute greatly to the team's morale, making them feel valued and engaged whilst contributing to a well-balanced workplace that helps improve employee retention.

The first awards event took place in the form of Celebration Afternoon Tea with 40 people including nominated employees and managers from TGBS and Thermae Bath Spa as well as the Executive Director of YTL Hotels, Dato' Mark Yeoh who attended the productive evening. The Stars were awarded prizes that would improve integration and product knowledge between the two business units, where winners from Thermae Bath Spa were able to experience a meal in Johann Lafer at The Gainsborough restaurant or a treatment in The Spa Village; whereas TGBS winners experienced either a Twilight package or a treatment at Thermae Bath Spa. An announcement was made during the evening where the Star of the Year won a trip to Malaysia to stay at a YTL property of their choice.

In FY2016, Wessex Water launched a new employee appraisal scheme which measured both performance outcomes that have been achieved and the behaviours that were demonstrated. Each employee was assessed against the BEST (Behaviours, Excellence, Service, Teamwork) values in the way they work and interact with colleagues, customers and other stakeholders. The BEST values also act as a core to shape a positive and vibrant working culture among employees.

### Training and Development

YTL promotes and encourages employee career development by providing opportunities to those who are keen to grow and build a career with us. We encourage lifelong learning that supports their continued employability and assists them within our capacity. All employees are entitled to participate in programmes for skill enhancement if deemed suitable and relevant to their individual roles and the Company's purpose.

Every year, employees receive regular performance and career development reviews. Through reviews like this, they act as pointers for the Company to come out with designated training programmes that suit the needs of individual employees whilst ensuring it is aligned with the Company's direction.

Our Singapore entities, YTL Starhill Global REIT and YTL Starhill Global Property Management believe the need to constantly strengthen the education and training infrastructure in building a sustainable skills pipeline throughout the employee life cycle. The Company nurtures their people to stay relevant with their skill-sets and to take on larger roles, so as to be future ready. Similarly, YTL PowerSeraya promotes lifelong learning to their employees in the form of attaining higher qualifications from certificates up to Masters programmes to eligible employees with bonding requirements. They also prepare employees near retirement age with pre-retirement seminars.

## Empowering Our People

Likewise, Wessex Water provides essential training to their employees. Their current and future management and leadership continues to be a priority. A series of management development schemes, leadership programmes as well as accredited level five and level seven management programmes were conducted to support new managers all the way up to senior managerial level. They also ran a two-day development centre for nominated high potential employees to help with their career development. Other training modules covered health and safety, technical and craft programmes. They also supported employees to complete professional development through a range of accredited professional development bodies relevant to their industry. Currently, they have 30 employees undergoing such courses.

TGBS and Thermae Bath Spa also support their employees who attend the UK National Vocational Qualification Programme where employees are sponsored to upgrade their vocational skills. The Surin Phuket (TSP) organised an annual English training course for their resort employees which is held for three months during the low season. Employees ranged from F&B attendants, kitchen employees and the front desk who took part in the training to build up their confidence in conversing with international resort guests in English. As a result, they have received positive feedback from resort guests on their level of fluency in English.

### Grooming Through Apprenticeships

ERL offers a yearly three to six months long industrial trainee programme for undergraduate students or fresh graduates. The programme aims to provide the trainees with a broad overview of ERL operations and to gain working experience in a professional environment. Up to September 2016, a total of 21 trainees have been recruited with ten of them still undergoing the programme at the time of writing. From previous batches, two trainees were offered permanent positions at ERL upon completion of the programme.



ERL industrial trainees celebrating the Company's 14<sup>th</sup> anniversary

Similarly, E-MAS has an industrial trainee placement programme designed for higher learning institution students in the final or respective practicum requirement year of their Diplomas/Degrees. It is a platform to let students reflect on the theories learnt and to apply skills acquired to actual working conditions. The intake takes place throughout the year in accordance with the respective learning institutions industrial placement schedule with a minimum attachment period of 12 weeks but not exceeding one year. Openings are to all E-MAS departments which suit the candidate's academic backgrounds, and where customised training schedules are prepared by respective departments. To date, ten trainees have completed their training with E-MAS and have accepted the Company's offer for employment.

Wessex Water currently has 41 apprenticeship roles for the year and they are recruiting their 100<sup>th</sup> modern apprentice. On average, they have successfully managed to retain up to 90% of apprentices since 2006, including 12 apprentices who graduated from training and secured permanent positions within businesses during 2016. They also ensure vacancies are promoted to all ranges of young people across the entire region. In March 2016, to coincide with UK Apprenticeship Week, Wessex Water held their inaugural apprenticeship open day, their biggest apprenticeship drive, in order to reach out to more young people about the opportunities they offered. More than 120 potential apprentices visited their operations center and they gained overwhelmingly positive feedback. One participant wrote;

"I just wanted to email you to say you were brilliant on Saturday, my children were very impressed and my 12-year-old daughter now wants to be a civil engineer!! The day did exactly what I wanted it to do for them, which was to open their minds up to all the possibilities that are out there."

Wessex Water also works closely with their leading apprenticeship providers to support local women's entry into the engineering and construction industries. Over 12% of their technical apprentices (Utilities; Electrical, Mechanical and Instrumentation; Construction; Operations Supply and Waste) are female, this exceeds both regional and national benchmarks for women in these trades.



Wessex Water reaching out to more youngsters to work with them through one of their Apprenticeship Drives

## Empowering Our People

All directorates now train apprentices; with seven new areas appointing or advertising for apprentices this year; Information Security, Operations Supply and Waste, Finance and Treasury, GENeco, Control Room, Management Systems, and Construction. During 2016, Wessex Water had double the previous years' intake of apprentices, from 19 to 43, and will have over 70 active apprentices by the end of the year.

Joe Charlton, Utilities Apprentice was awarded Bristol and Bath Outstanding Apprentice: Construction, beating the likes of Jeff Way, Electrical and Helm Construction Apprentice. Wessex Water was also a finalist in the Outstanding Large Employer Category, and Customer Service Adviser (CSU) Apprentice Jodie Kesterton was a finalist in Outstanding Apprentice: Service Industries.



Joe Charlton, proud apprentice at Wessex Water

Wessex Engineering and Construction Services (WECS) has been the first of the directorates to adopt the new Higher Level Apprentices and this year has appointed four young people onto a university level apprenticeship, which is being developed in partnership with Weston College.

Wessex Water is joining forces with other employers through the Apprenticeship Trailblazer process and will be leading the development of at least two new water industry apprenticeships over the coming months. Wessex Water also chairs the local government recognised, Apprenticeship Ambassador Network, bringing employers and education closer together to ensure good quality candidates and promote apprenticeships to the future talent of the region. Through this network, Wessex Water has had a presence at the main government announcements around apprenticeship reforms including the launch of the Apprenticeship Delivery Board at 10 Downing Street.

On the other hand, YTL PowerSeraya recruited two polytechnic graduates under the Singapore Government's "SkillsFuture Earn & Learn<sup>6</sup>" programme in 2016. This programme is designed to give fresh graduates from polytechnics and the Institute of



YTL PowerSeraya interns attending the Energy Connect Seminar 2015

Technical Education (ITE) a head-start in careers related to their discipline of study. The 18-month programme allowed these two new full-time employees to gain on-the-job experience whilst furthering their advanced diploma studies in power engineering on a part-time basis.

### Ameliorating the Underprivileged

Our Group extended employment opportunities to underprivileged groups such as school dropouts and deprived groups. For example, E-MAS' annual Greenhorn Talent Programme (GTP) since its inception from 1 April 2013 has been benefitting young people by providing a second chance to groups of SPM leavers and Diploma or Certificate dropouts. This not only helps to equip interested young people gain working knowledge and experience within the railway industry, but also to prepare them for future employment. The pilot test was conducted in the Rolling Stock Department and supported by other shared service departments such as HR, IT, and Safety. To date, three batches of ten apprentices have successfully completed the 12-month apprenticeship programme. All successful graduate apprentices were offered permanent positions as technicians which also reduced the time needed for E-MAS to fill in the technical vacancies. The current intake is ongoing and will end around March 2017.

On the other hand, JW Marriott Hotel Kuala Lumpur (JWMKL) and Ritz-Carlton Kuala Lumpur (RCKL) have spearheaded a special move within the YTL Group by employing human trafficking victims in Malaysia. This is one of the Government's efforts to address human trafficking as part of the work to fulfil the requirements of Trafficking in Persons Report set by the United States (US). JWMKL and RCKL have employed 30 victims as full-time employees with the help of the US Embassy and the Ministry of Women, Family and Community Development, and Ministry of Youth and Sports. It is the first of its kind action among Malaysian hotels and we hope this will light up more awareness for other Malaysian employers.

<sup>6</sup> More information can be found at [www.skillsfuture.org/what\\_is\\_skillsfuture.html](http://www.skillsfuture.org/what_is_skillsfuture.html)

## Empowering Our People

### CARING FOR OUR PEOPLE THROUGH ACTIVE ENGAGEMENT

YTL recognises that a modern company should engage its employees and always allow their voices to be heard to create a better working culture that is employee-driven. Besides team engagement, we also emphasise individual enrichment not only through rewards and recognition but also enhancement programmes to help add value to fellow employees. We want our people to be proud of their work through these engagements, and to ultimately make a difference in their personal lives.

#### Employee Communications and Feedback

Annually, several group-wide Employee Satisfaction Surveys (ESS) were carried out by respective business units to gauge the satisfaction levels of our employees in work as well as a measure to evaluate our performance and seek improvements.

At YTL, we view all types of employee feedback mechanisms across the organisation as essential in creating effective communication channels. Besides the fixed period survey, there are also platforms for ad hoc feedback such as personal grievance feedback procedure and whistleblowing policy. Thus it is important to keep our employees informed about the existing procedures as well as to educate them on their rights to speak up. For instance, YTL PowerSeraya ensures all their new employees are well informed about their Company's whistleblowing procedures and grievance handling channels during induction. According to their FY2016 record, no discriminatory incidents were raised via the grievance handling channels.

Some of our business units came out with special initiatives to promote effective communication besides just relying on formal platforms. YTL PowerSeraya held quarterly employee-management dialogues as well as informal sessions with executives and non-executives. They have an in-house newsletter – "What's buzzing" and a "Monthly CEO's message" to further enhance internal communication by keeping everyone in the loop about happenings in the Company.

E-MAS also initiated a "Luncheon with CEO" activity where ten employees were randomly picked by the CEO every quarter to have a meal together. The programme is part of E-MAS' intention to foster and maintain closer employer-employee relationships and engagement. For this business year, five luncheon sessions have been held with two more planned for the fourth quarter. Informal sessions like this have enabled 45 randomly selected employees so far to communicate with the CEO without any barriers.



*E-MAS employees sharing a light moment with their CEO, Thomas Baake at the "Luncheon with CEO" event*

To bring this to another level, E-MAS launched the E-MAS Improvement Programme (EIP) in December 2015 to encourage its personnel to suggest and channel their ideas to improve the Company's operations. This initiative brings the typical verbal communication between employer and employees to another level by turning words into actions. All employees are encouraged to contribute or participate in the programme. Since then, five successfully implemented suggestions from employees have received monetary rewards and certificates. Most of the suggestions are related to process improvements, which include the creation and design of special tools that are capable of reducing manpower requirements, improving productivity and reducing train downtime during repairs. Through this, E-MAS employees feel a sense of belonging and satisfaction since their engagement is enhanced and the programme helps trigger creativity and problem solving skills.

#### Employee Self Enrichment and Giving Back Programmes

This year, JWMKL and RCKL came out with a list of employees giving back programmes to show appreciation for their hard work. For example, they prepared Bubur Lambuk, a local delicacy for all employees on 14 July 2015 as part of their breaking fast meals. 500 employees in total benefitted as they saved energy in preparing food after a long day of fasting. Besides, their "Let Us Pamper You Week/Associate Appreciation Week" that includes five days of activities such as a Cafeteria Special Menu, Gift Exchanges, and Gifts to 300 employees also add in colour to their daily routines. All JWMKL and RCKL employees were part of the "Living Our Core Values/Living Our Employee Promise" campaign, where sessions were conducted to educate employees on well-being in finance and careers as well as physical and emotional management.

## Empowering Our People



JWML and RCKL employees volunteered to help prepare Bubur Lambuk for their fellow colleagues

In June 2016, Myer Centre Adelaide (MCA), YTL Starhill Global REIT's shopping mall, launched a new initiative to all commercial real estate services (CBRE) employees in Adelaide called the "CBRE Active" which aims to boost employee engagement and involvement in activities that combine teamwork, collaboration, fun and fitness. Among the planned activities were fun runs, corporate challenges and team training sessions. Similarly, YTL PowerSeraya also held their annual management work planning retreat, business or support group team building events and activities throughout the year to enhance team cohesion.

### Connecting the Dots, Bridging the Gap

The annual YTL Leadership Conference (YTL LC) has been an effective platform for YTL's future leaders to gain valuable insights from Top Management and Directors on the direction of the Group, and to network with colleagues from the various local and international business units under the Group. It is an event that is capable of bringing everyone in the Group together and explores possibilities to address changes and challenges hand in hand. Typically a one-day event, the YTL LC was made extra special in 2015 in conjunction with the Group's 60<sup>th</sup> Anniversary, spanning two days and featuring a myriad of stimulating sessions including presentations on the Company's strategic vision and plans, and talks delivered by prominent and field-leading guest speakers from both Malaysia and around the globe. On top of that, participants were treated to various exciting activities, workshops, and competitions in addition to being pampered by services provided by the respective hotel venues, namely the JWML and The Majestic Hotel Kuala Lumpur.

2015 YTL LC was themed in accordance with the UN SDGs which was launched in the same year as a reflection of YTL's aspirations to position itself as a catalyst and driver of the



YTL Leadership Conference 2015 – an annual gathering for YTL fellows from different business units crafted to inspire improved productivity and innovation



YTL LC attendees participating in breakout workshop sessions



A panel dialogue which involved five young professionals from different YTL business units sharing their experiences at work

## Empowering Our People

sustainable development agenda. The conference placed a lot of attention on the equipping and preparation of the next generation of leaders on how to adapt and remain relevant in the face of rapid technological progress and global cultural change whilst balancing the need for responsible development and environmental preservation. The focus on empowering future leaders was further emphasised through a panel dialogue session held on the second day, where five young professionals from different YTL divisions were given the opportunity to share their personal experiences with the Company and their respective opinions on the Company's position and growth moving forward. In the same vein, a competition called "The Global Goals Pitch" allowed employees to submit project proposals on how they wish to contribute towards sustainable development and community empowerment, with the best ideas winning a cash prize of RM5,000 each to kick-start their initiatives.

YTL had the privilege of hosting three acclaimed speakers throughout the conference who not only provided cutting-edge insights on real world issues but also inspired the crowd with invaluable lessons from their life experiences. Dato' Sri Idris Jala, current Minister in the Prime Minister's Department, led the way with his talk entitled "Big Fast Results", where he shared his journey on how he navigated Malaysia Airlines' phenomenal turnaround during a tough loss-making period as CEO using an approach he has adopted throughout his life – breaking down problems to their lowest common denominator and solving them from the bottom up. Lord Michael Hastings, Global Head of Corporate Citizenship for KPMG International, delivered a gripping message on the tragic realities and present-day dilemmas of 21<sup>st</sup> century progress that have and continue to confront generations to come, and how we as a human race have a moral responsibility to make a positive difference. This was delivered in his session "Straight Talk about Twisted Realities – Citizenship, Duty, Prosperity". Finally, in "What is the Real Conversation about Diversity?", Dr Loredana Padurean, Faculty Director for Action Learning at the Asia School of Business in Kuala Lumpur, shared her take on global racial diversity and how her experiences interacting with countless groups of people from all around the world taught her that there exists an inexplicable bond between all people, regardless of background, history, culture, and race.

The conference concluded on a high note, where a grand gala dinner was held at TMHKL for all participants in celebration of YTL's 60<sup>th</sup> Anniversary and Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay's 87<sup>th</sup> birthday. All in all, 2015 YTL LC was a meaningful and memorable event as participants were taken through the Group's history from its humble beginnings in 1955 to the success story it is today – a testament to the Group's commitment and dedication to our core values, and *Building The Right Thing*.



Winners of "The Global Goals Pitch" competition



Lord Michael Hastings delivering a motivational speech at the YTL Leadership Conference



Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay and his wife presenting The Grand Giveaway of an all-expense paid trip to The Gainsborough Bath Spa to the winner, Wan Zamzuri Bin Wan Zain from YTL Communications

## Empowering Our People

### Giving to Gain

Some of our employees volunteered together with fellow colleagues for good causes which has proven to be an effective way for self-enrichment. For example, 20 employees from ERL and E-MAS volunteered to take on another Frog Classroom Makeover Programme for 2016. This time, the volunteers helped makeover a classroom at SMK Bandar Baru Salak Tinggi, Sepang and the project was even more meaningful as the classroom caters to students with special needs and learning disabilities. Besides clearing and cleaning the classroom, they also assisted in the wiring works, painting, installation of desks and chairs as well as artwork doodling and decorating the Frog Classroom. Renovation work on the classroom began on 21 May 2016 and was completed on 3 June 2016.

Identically, YTL e-Solutions and YTL InfoScreen collaborated with the YTL Sustainability Division in making over two classrooms at SJKC Jalan Davidson, Kuala Lumpur during the year of 2015. Over 40 employees were involved from the beginning of the design work through to renovation. The volunteer employees made sure they involved the students in early brainstorming sessions to understand their expectations so as to effectively incorporate their point-of-view and for them to feel included in the process. Positive feedback from employees was that it was “hugely inspirational to be part of the movement bringing modern ideas to revitalise old learning methods, and was also a good lesson in the power of teamwork for us within a tight schedule” as one volunteer noted.

YTL Power Services also joined forces with others to help makeover classrooms at Johor, namely SMK Teluk Kerang, Pontian and SMK Dato' Usman Awang, Perling. A total of 42 employees from YTL Pasir Gudang Power Station volunteered from September to December 2015 in two makeovers. The employees felt extremely satisfied and happy when they were able to witness the joyful faces of the students and teachers upon completion of the classrooms within the allocated budget and time. This is the kind of employee enrichment that we are always seeking.

YTL Jawa Timur (YTLJT) employees also participated in several volunteering projects across local communities which they have been doing for many years. Not only are they able to help the locals, but they have also made this one of their habits for self-enrichment. Among the activities they carried out were volunteering in their own micro hydro and solar energy programmes with local villages, also providing free tutoring services to orphans and poor children in the Paiton area, and distributing aid to victims of natural disasters around Probolinggo area and other humanity missions following local earthquakes and volcanic eruptions. More recently, YTLJT employees



ERL and E-MAS employees at the final inspection of SMK Bandar Baru Salak Tinggi Classroom Makeover



One of the YTL volunteers engaged with students from SJKC Jalan Davidson seeking feedback on their new classroom design

volunteered to help construct a 60-meter long suspension bridge in Kedungsumur village, Pakuniran sub-district, Probolinggo. This teamwork brought tremendous satisfaction and closer bonding for the employees as well as delivering useful outcomes for local communities.

### MANAGING WORKPLACE HEALTH, SAFETY AND WELL-BEING

Of paramount importance in our business activities is the health and safety of our employees and everyone affected by our operations. As a responsible employer, YTL is committed to building and maintaining a safe working environment for employees, visitors and contractors in the workplace across all our entities, regardless of location, conditions, and/or circumstances. We also drive work-life balance goals in our businesses to encourage a healthier workforce.

## Empowering Our People

### Leading in Industrial Health and Safety

Guided by the Group's Health and Safety corporate statement, our key business units are certified to the global standard – Occupational Health and Safety Management Systems (OHSAS 18001). We incorporate meticulous risk management exercises within our operational frameworks especially in higher risk industries, developing and instilling a strong health and safety culture that targets zero accidents among all our business units, employees and contractors. We monitor all accidents and incidents reported to evaluate where resources should be allocated to effectively address any problem areas.

As a leading and trusted employer, Wessex Water continues to develop and embed a strong culture of health, safety, and welfare in their day-to-day operations. The Operations Centre was awarded the British Safety Council International Safety Award 2016 with distinction for their performance during 2015. The submission scored 59/60 and it is the sixth year that the Company was recognised by the Council for demonstrating their commitment to preventing workplace injuries and ill health. Wessex Engineering and Construction Services (WECS) has been entering the Royal Society for the Protection of Accidents (RoSPA) annual occupational health and safety awards since 2008 and hold a number of gold and silver awards. In 2016, WECS again was selected as winner by the RoSPA awards judging panel as it was identified as having unique, interesting and transferable lessons to contribute to the rest of the UK industry, including an innovative and unique approach to changing behaviour, expanding the OSH awareness of teams whilst also engaging and using them as a source of innovation.



WECS won RoSPA's Sir George Earle Trophy 2016, the UK most prestigious OSH award

In conjunction with the World Day for Safety and Health at Work on the 28 April 2016, YTL PowerSeraya emerged as one of the recipients in the USAFE Sparks Award, organised by the Singapore National Trades Union Congress (NTUC) Workplace Safety and Health council, the NTUC LearningHub, and the Employment and Employability Institute (e2i). The award

recognises the Company's contributions to achieving excellence in workplace safety and health. A number of efforts undertaken include:

1. In-house safety induction course for employees and contractors to gain a better appreciation of common hazards at the plant, safety rules and regulations and evacuation procedures in emergency situations;
2. Safety training and information-sharing to raise awareness and adoption of workplace safety measures, incidences of near-misses and accidents, working safely at heights, hot weather and in confined spaces; and
3. Annual safety day and health screening exercise for employees, resulting in a positive safety behaviour change where the accident frequency rate (AFR) and accident severity rate (ASR) were recorded below the Singapore national average in the past three years.



YTL PowerSeraya employees attending Safety Day 2016 to celebrate the year's safety performance, and employees that have made contributions towards enhancing safety and health in the power plant. The event also provides a platform to share the Company's safety and health challenges and focus for the coming year

Over the years, the YTL Power Services management has not left things to chance and has regularly reviewed OSH practices and procedures for continuous improvement. Since 2010 YTL Power Services has been OHSAS 18001 certified. OSH-related inductions and training have been organised for employees at all locations (Stations and Head Office) and functional levels. Third parties such as contractors and visitors are also required to attend OSH induction training prior to entering YTL premises. In 2015-2016, a number of training events were organised which included: Hazard Identification, Risk Assessment and Risk Control (HIRARC), handling scheduled waste, preventive maintenance and hazardous application, chemical safety and spill control and fire-fighting refresher training to the station personnel.

YTLJT conducts an annual Safety Campaign which not only involves their own employees but also their contractors, in order to achieve their goals of "Zero Accident" and "World

## Empowering Our People

Class" status respectively in terms of OSH performance. The Company held three programmes under the campaign, namely Contractor Safety Awareness, Permit and Safety Documents Awareness, and Internal Fire and Rescue Challenge. These programmes were held to promote and encourage good OSH awareness and practices in their Paiton II Power Plant in the hope of eliminating on-site accidents and incidents.



*A regular workplace safety drill for emergency preparedness*



*A contractor safety audit carried out to ensure contractors uphold their duties and meet regulatory compliance*

Similarly, with a target of zero accidents, YTL Cement extended their workplace safety and health programme by embarking on positive safety behavioural change initiatives which included:

1. Engagement with all employees and contractors through annual safety, health and environment (SHE) day, weekly health exercises, SHE toolbox talks and internal sports activities. This was implemented to enhance awareness, understanding, cooperation, and commitment to good SHE behaviour and practices.
2. Competence training, such as forklift operation, authorised entrant and standby persons for confined spaces, authorised gas tester, non-destructive testing, radiation safety, and etc.
3. Health screening exercises for employees, inclusive of audiometric testing, lung function test, basic medical examination and chest x-ray.

### Work-life Balance

YTL Hotels, YTL Starhill Global Property Management, Lot 10 Shopping Centre and Starhill Gallery, on the other hand, approached OSH from a different angle, promoting a healthy lifestyle among their employees by organising sports and health-related activities throughout the entire year. Each event, ranging from one to three hours, was held at the office, hotel properties and/or other external venues for selected activities which included the Top Chef Challenge, "The Robin Hood" Challenge, Sports Chanbara, Psychology of Dreams, The Puzzle Room, wellness week, free eye screening, Workplace Health Programme, first aid and fire drill training, and many more. The initiatives were embraced and well-received by the employees which helped them in their quest to keep fit and bond with colleagues.



*JWMKL and RCKL employees receiving free eye screening during the Wellness Week*

YTL PowerSeraya involved their employees in work-life balance activities through their in-house Vibrancy Club such as weekly badminton, bowling, dragon-boating, park outings and fruit farm visits. They also started on their Flexi-Start Arrangement where 16.4% of non-shift employees were able to enjoy flexible working hours in 2016. YTLJT's recent programme on Soccer for Health and Life Skills development is also part of their in-house Sports and Social Committee (SSC) initiatives. This programme allowed their employees to be involved in soccer lessons with 25 soccer trainers from 25 soccer clubs with some 700 other members, within Probolinggo regency. On a similar note, YTL Cement's Perak Hanjong Simen (PHS) also held their internal sports competition events including table tennis, carrom and badminton to promote healthy lifestyles to fellow employees.



# ENRICHING COMMUNITIES

## Our Commitment

Striving to positively impact and enrich the lives of people where we operate

## Our Approach

- Promoting arts and culture by showcasing unique heritage assets and providing an alternative medium for artistic expression and communication
- Developing future generations of leaders by supporting educational initiatives
- Engaging and supporting local community groups, social institutions and non-profit organisations

## Highlights



Completed **51 Frog Classroom** Makeovers nationwide



**1,900 villagers** benefitted from YTL Jawa Timur's Water Conservation Community Programme



Saved **80,000 litres of water** a day through Wessex Water's education and water saving programme with **30,100 school children**

## Enriching Communities

### WE are the communities we serve...

In the YTL Group, we consider ourselves and our communities as one. We believe that our businesses and operations revolve around our communities. For these reasons, we feel the responsibility to work with and enrich our communities at every possible opportunity.

### PROMOTION OF ARTS AND CULTURE

At YTL, we recognise the importance of arts and culture in society. As Mahatma Gandhi once said, "A nation's culture resides in the hearts and in the soul of its people." To reinforce our commitment, over the years, we have supported numerous programmes and initiatives, be it on our home turf or in one of the countries that we have a presence in.

### Blooming In the Secret Garden

We firmly believe that art is not only a form of expression but also a catharsis for one's soul. YTL Land & Development (YTL L&D), our property development arm, dedicated a space for the arts and creative initiatives as an avenue for Malaysia's upcoming and established artists to showcase their talent at Sentul East Design Centre (SEED) located at d6 and d7, Sentul East, Kuala Lumpur.

Through support from YTL L&D, an employee of Syarikat Pembinaan Yeoh Tiong Lay (SPYTL), Alice Yee, had her dreams of her first solo exhibition finally realised. She shared 26 of her works from the rose series which captured the beauty of flowers and love in her exhibition called "Secret Garden", held at The Refinery Art Gallery, d6 from 24 October – 24 November 2015. "It is my desire to bring these feelings of wonderment to all of you," said Yee. Her interest in art started when she was a child but it was not until 12 years ago that she took up painting seriously by registering herself in an art course. Since then, she has never looked back.

The platform given to her was a stepping stone for her personal achievement in line with the Group's Sustainability Framework of Empowering People as well as promoting arts and culture in Malaysia.



Yee's art evolves from the love of detail through brush strokes from close-up vantages to landscape scenes (Photo courtesy of Ben Toh)



Awakening Love. 120cm x 90cm. Oil (Photo courtesy of Ben Toh)

“By nature, mankind is distinct with a multitude of colours, cultures, outlook, and talent just like roses which are infinite in their sizes and colours, some of which are blooming while others are still buds.”

**Alice Yee**  
Admin and HR Director  
Syarikat Pembinaan Yeoh Tiong Lay

## Enriching Communities

### Sunday Art Jam

During Sundays at the SEED, innovation and creativity are allowed to flourish with the weekly Sunday Art Jam by The Refinery Art Gallery – an art gallery featuring artworks from thriving local artists. This weekly event started in July 2014 and has attracted creative minds from various backgrounds, be it professionals and non-professionals to children who get together to paint their own masterpieces.



Diverse groups of people spending quality time painting their hearts out at the Sunday Art Jam (Photo courtesy of Ben Toh)

### Moo-ving the Herd to Niseko Village

In Niseko Village, Hokkaido, YTL Hotels was proud to co-host CowParade, the largest public art event in the world. The art installation which has been held in 79 countries featured 47 cows designed and decorated by Japanese and internationally acclaimed artists and designers. These were displayed around Niseko Village from 15 June to 15 October 2015. This quaint arts exhibition leveraged the Niseko brand profile and generated significant publicity for the mountain resort and the whole Niseko community.

Additionally, to further solidify Niseko Village's reputation as an all-season tourist destination, the resort threw its first summer festival dubbed the Niko Niko Niseko Village Festival on 29 August 2015. A number of activities were organised during the mid-summer month which included arts and crafts, live music, and fireworks displays.



The contemporary art installation set against a backdrop of traditional Japanese architecture



A heart thumping performance by the local drum troop at the Niko Niko Niseko Village Festival

## Enriching Communities

### Starhill Gallery Presents The Enchanting Orient

The Enchanting Orient, an inaugural event that fused ancient Chinese arts and culture with contemporary style and glamour was created and set in modern-day Malaysia.

Highlights of the four-day event starting from 7 July 2016, included an 18-metre long world renowned scenic masterpiece dotted with elaborate miniature dough figurines; a special exhibition of over 20 scenic Chinese ink artworks from Cheah Thien Soong's Lotus series and his collection of precious porcelain; Chinese tea appreciation sessions by one of the country's biggest Yunnan tea collectors; and private screenings of 1970's epic movies, all set against a backdrop of an authentic traditional cinema house recreated in Starhill Gallery. The event aimed to engage and immerse guests and public alike in Chinese culture period.



Miniature dough figurines depicting Qing Ming Shang He Tu



Private screenings of Red Dust and Farewell My Concubine

### Starhill Gallery Fashion Week 2016

For six years running, Starhill Gallery has been host to runways for the annual fashion week, also held in April 2016. This year, the less likely material of recycled plastic bottles took centre stage as models displayed designs of Dutch designer Monique Collignon's Haute Couture and Couture Light Collections. Throughout the four-day fashion event, a number of internationally renowned and locally acclaimed designers showcased their Spring/Summer collections.



Monique Collignon's collection utilises quality fabrics made from recycled plastic bottles by Waste2Wear

## Enriching Communities

### SUPPORTING EDUCATIONAL INITIATIVES

#### Building momentum together...

At YTL, we believe that education impacts everything we do, be it in a formal or informal environment. Throughout our 60 year journey, we have taken various initiatives to elevate the standards of education among our communities as well as encourage innovative approaches to help children reach their full potential. Our goal is for our communities to grow and prosper with us for the next 60 years and beyond.

#### Providing Scholarships and Financial Aid

**YTL FOUNDATION** believes that through better education, we can build a better society. To support this vision, YTL Foundation is committed to providing opportunities to deserving students who have shown great potential and displayed the YTL values of honesty, hard work, moral responsibility, togetherness and vitality.

In the year under review, YTL Foundation received over 200 applications for the “YTL Foundation Scholarship Programme”. The scholarship programme is structured to have two intakes in January and November to coincide with the start of the academic years for the various programmes YTL Foundation supports. Short-listed candidates are given an assessment which

comprises a psychometric test, interviews and group work. Whilst most of the awards are for programmes at local Malaysian institutions, YTL Foundation awards the Yeoh Tiong Lay Scholarship to an outstanding individual to pursue any discipline at an overseas university. Once selected, the scholars are enrolled into short programmes to increase their knowledge and understanding of YTL’s operations and culture as well as to develop skills to complement their tertiary education and prepare them for the workplace.



Successful scholars receiving certificates from Datin Kathleen Chew during the induction programme

#### Induction Programme

Successful scholars go through an induction programme to familiarise them with the organisation’s principles and values. It is also a good opportunity for the scholars to get to know one another.

#### A Force for Good

YTL Foundation aims to build a strong group of scholars who are supportive of one another and work as a force to make a difference. YTL Foundation aims to impart the values of the organisation and create opportunities for the scholars to work together and create camaraderie. Get-togethers are organised and a closed group Facebook page is created for the scholars to lend support to each other.

#### Internship Programme

Scholars are required to intern with any of the YTL Group Companies during their end of year break. The programme is designed to familiarise the scholars with the various industries under the Group as well as to introduce them to the work culture and to prepare them to be part of the YTL workforce following graduation.

## Enriching Communities

### YTL FOUNDATION SCHOLARSHIP PROGRAMME

#### Building Character and Critical Thinking Skills

YTL Foundation organised a "Hackathon" for the scholars during their summer break. The event was held over 2 ½ days with the scholars working intensively with employee mentors to find solutions for their chosen problem statements. The scholars were challenged to generate great ideas and come up with interesting solutions. They were exposed to various presentations and exercises during the Hackathon which encouraged character building and enhanced problem solving skills.

The winning idea, was an App called LUNA which provides a safe online avenue for students in schools to connect with each other, express and share ideas, as well as support and encourage each other. This is done through 'Chat' which gives students a means to communicate individually, in a group, or anonymously for counselling/guidance from student mentors. There is a forum (called 'Space') where students are able to discuss similar interests.



Scholars in the middle of a brainstorming session

In 2013, YTL Foundation pledged to sponsor 20 children from Dignity for Children Foundation to finish their five years of schooling. Donations were collected from YTL employees through a Christmas Campaign that was run three years in a row. YTL Foundation successfully raised a total of RM120,000 each year to cover the schooling costs.

**YTL POWER SERAYA**, our utility arm in Singapore also actively participates in two annual scholarship programmes, namely the Singapore-Industry Programme (SGIS) and the Energy-Industry Scholarship (EIS). Both scholarships are aimed at attracting and retaining young talent in the energy and power sectors. As of 30 June 2016, YTL PowerSeraya awarded a total of four SGIS and EIS scholarships respectively.

The App also has an 'Action' page, which provides basic guidelines for students to learn non-academic related skills, such as basic budgeting or event organisation and an 'Academy' page. The Academy page has a Virtual Classroom, which provides video lessons and other tools to help students with their academic performance.

The winning team received RM3,500 to develop their idea and will be given the opportunity to present their solution at the annual YTL Leadership Conference. Additionally, a cash prize of RM500 was awarded to the group with the best presentation and teamwork.



Team Rocket, the winning team of the "Hackthon" receiving their mock cheques for the best idea, presentation and teamwork

**YTL JAWA TIMUR (YTLJT)** stayed true to its commitment of providing support to bright and talented students from less fortunate families residing within Probolinggo and Situbondo who wish to continue their education. In 2015-2016, YTLJT offered full scholarships to 11 students from the Junior High School and 21 students from the Senior High School. In addition, YTLJT also provided education financial aid to 100 students for school registration and gave away over 2,000 school bags and 20,000 writing books to students in more than 120 schools within the Probolinggo and Situbondo areas.

**WESSEX WATER** continued to host undergraduates on one-year industrial placements who assisted with energy management, drinking water compliance monitoring and assessment of techniques to lower phosphorous levels in sewage effluent.

## Enriching Communities

### Nurturing Leaders of Tomorrow

The **PUAN SRI KAI YONG YEOH BOOK PRIZE** is open to the children of YTL Group employees. The Book Prize aims to encourage and cultivate creativity, originality and critical thinking skills as these are skills required to excel in college, university and in the workplace. In 2015, a total of 18 applications were received from Malaysia, Singapore and the United Kingdom (UK) for the two categories; 15-17 years and 18-21 years.

#### Puan Sri Kai Yong Yeh Book Prize Winners 2015

	15-17 years	18-21 years
Grand Prize Winner	Gracelyn Tan Jia En (Singapore)	–
2nd Prize Winner	Nadia Farah Saddiq (UK)	Leow Ian Han (Malaysia)
3rd Prize Winner	Thomas Andrew Henry Pymer (UK)	Divya Dusanthran (Malaysia)

The **NITHIAH NANDAN BOOK PRIZE** is another book prize awarded by YTL PowerSeraya to their employees' children in recognition of their exemplary non-academic achievements. In 2016, five children received the 2016 book prize. Since the inception of the award in 2008, 23 young people have received this prestigious book prize, which recognises the performance of youths who have made meaningful contributions to the community and/or to the environment.

The **ENERGY LEARNING HUB** (ELH) located at YTL PowerSeraya's adopted school, Greenridge Secondary School, received close to 5,000 visitors (as of June 2016) since its launch in 2009. The ELH serves as a resource centre for students to learn about energy and its association with climate change. The ELH has a potential outreach covering 11,000 students, 770 teaching staff and the larger Zhenghua Community where the hub is located.



Energy Learning Hub provides opportunities to students and residents of Zhenghua Community to learn about energy conservation

**PLAY** (Punggol Learning Adventure for Youths), YTL PowerSeraya's water education programme saw the participation of 240 students from eight upper primary and secondary schools across Singapore in FY2016. Developed in partnership with the Waterways Watch Society (WWS) in 2014, PLAY is an interactive learning programme that seeks to raise young people's awareness and knowledge of water issues at both the global and local levels. Under the PLAY programme, students cover an educational trail at the Punggol Waterways guided by a facilitator from WWS. During the two-hour session, students learn about water/climate change issues, the causes of water pollution in Singapore and also gain an appreciation of water as a precious resource through activity stations.



Children at PLAY learning how to value water as a precious resource

**REAP** (Responsible Energy Advocates Programme), YTL PowerSeraya's flagship sustainability programme, saw 65 students participated in FY2016. This brings the total number of students who have benefitted from REAP to 600 since it started in 2010. Under the programme, these students helped households save energy under a four-month energy monitoring period. Tertiary students also attend a fully sponsored workshop on sustainability and work on desktop projects centred on energy conservation, the latter of which are assessed by a judging panel.



REAP's participants experiencing hands-on learning in energy reduction strategies

## Enriching Communities

The **MATHEMATICS OLYMPIAD**, hosted by YTL Jawa Timur (YTLJT) is a joint programme with the Probolinggo education service to improve students' knowledge and achievements in science and mathematics. The annual maths competition was open to 4<sup>th</sup> and 5<sup>th</sup> grades of Elementary School, 7<sup>th</sup> and 8<sup>th</sup> grades of Junior High School, and 10<sup>th</sup> and 11<sup>th</sup> grades of Senior High School. In the year under review, 864 students from Probolinggo regency took part in the competition. Participants went through a pre-qualification event to identify those who could move on to compete at the East Java level. Those who succeeded at the national level were then able to participate in the International Math Olympiad in Singapore.



Students from the Probolinggo region sitting for the pre-qualification of the 2016 Math Olympiad

The **ADIWIYATA PROGRAMME**, the "Green School Award", another signature education programme by YTLJT, continues to spearhead environmental awareness in schools around Probolinggo via its volunteer programme that provides support to schools in implementing green projects. Started five years ago, with only 15 schools taking part, it has now expanded to over 60 schools, following the signing of an MOU (Memorandum of Understanding) between the Company and the Government of Probolinggo. During the year under review, SMAN 2 Situbondo achieved the "Adiwiyata Mandiri Green School<sup>7</sup>" status following the suit of SMA Tunas Luhur and SMA Negeri Dringu.

The **VINNIE CHAN AWARD** was launched at the Leaps of Knowledge conference to celebrate the legacy of Vinnie Chan, a FrogAsia employee whose life was tragically taken by dengue. A disease associated with stagnant water, dengue eradication has been outlined through the Global Goal 3 – Good Health and Global Goal 6 – Clean Water and Sanitation. However, fresh approaches are needed to achieve these targets and FrogAsia is encouraging our nation's bright young minds to come up with new ideas. Students are encouraged to submit their ideas, and the winning submission will receive a prize of RM1,000 to advance the idea.

<sup>7</sup> Adiwiyata Mandiri Green School is the highest award of Adiwiyata Green School programme in Indonesia

The **WORLD'S LARGEST LESSON**, is a worldwide initiative carried out to teach the United Nations' Sustainable Development Goals (UN SDGs) to schools all over the world. In collaboration with the Ministry of Education, FrogAsia as local delivery partner for the World's Largest Lesson, organised sessions at three schools across the country; SK Pelabuhan Klang, Selangor, SK Kota Warisan in Sepang, Selangor and SMK Seri Ampang in Kedah. The lesson at SK Pelabuhan Klang was taught by YBhg. Dato' Sri Dr Khair Yusof (Director General of Education, Ministry of Education (MOE)), the lesson at SK Kota Warisan was taught by YBhg. Dato' Sri Haji Khairil Awang (Deputy Director General of Education, MOE) and the lesson at SMK Seri Ampang was taught by YB Dato' Seri Mahdzir Khalid (Minister of Education, MOE). Over 13 schools joined in the sessions through Google Hangouts, including one from Taiwan and India each. They discussed topics such as Global Warming, Gender Equality and Social Justice. The lessons were recorded and the videos made available, along with lesson plans on the FrogStore, making the content accessible to 10,000 schools across Malaysia.



Students from SK Kota Warisan with YBhg. Dato' Sri Haji Khairil Awang, Deputy Director General of Education, MOE taking part in the World's Largest Lesson sessions

**LEAPS OF KNOWLEDGE** is a series of talks, conferences and events dedicated to broadening the perspectives of Malaysians in the education sector. On 28 May 2016, FrogAsia organised "Leaps of Knowledge: Your World ReimaginED", centred around the 17 Global Goals with participation by more than 600 students. The conference began with inspiring keynote speeches by Safeena Hussain, Founder and Executive Director at Educate Girls, John-son Oei, Founder of Extraordinary People Impact Community (EPIC) and d'Arcy Lunn, Founder of Teaspoons of Change. Students were then brought together in teams at workshops led by the Malaysian Global Innovation and Creativity Centre (MaGIC), to innovate and drive social projects in support of the Global Goals. The conference also had a carnival with booths themed after the Global Goals as a way to creatively introduce the objectives of the UN SDGs.

## Enriching Communities



Students listening attentively to the speaker from PCSB



Wessex Water provides free education to schools and colleges within its region via its three dedicated education advisers. In the last financial year, the advisers continued their services to schools and community groups, teaching topics ranging from the water cycle to what happens to waste once it has been flushed down the toilet. They also welcomed students to the eight education centres across Wessex Water's region. During the last year, almost 30,100 students benefitted from school visits and trips to water and sewage treatment works. Wessex Water also introduced a new initiative with schools to provide a water efficiency audit and helped them reduce identified waste.



*Leaps of Knowledge: Your World ReimaginED, FrogAsia's annual conference received overwhelming response from Malaysian youth*



*Children getting familiar with drinking water standards and issues during a session carried out by Wessex Water's education adviser*

**MOTIVATIONAL TALKS** conducted by Pahang Cement (PCSB), a subsidiary of YTL Cement, in schools located in and around Kuantan, Pahang, focuses on fostering intrinsic motivation in school children, teachers as well as parents. To date, PCSB has conducted 11 motivational talks to encourage students to be enthusiastic about learning whilst empowering teachers and parents to act as advocates for their students and children. In addition, PCSB also donated a total of RM18,100 to schools and the local community in the *Felda Bukit Sagu* area.



*Students have benefitted from school visits and trips to water and sewage treatment works*

## Enriching Communities



*The look and feel of a Frog Classroom*

### 21<sup>st</sup> Century Learning Environment

The **FROG CLASSROOM** programme by YTL Foundation aims to transform classrooms throughout Malaysia into 21<sup>st</sup> century learning spaces, designed to promote technology-enabled, and student-focused learning environments.

Since the very first Frog Classroom in 2014, the Frog Classroom makeover programme has grown to be a symbol of 21<sup>st</sup> century learning. YTL Foundation is targeting 1,000 classrooms nationwide. To achieve this goal, YTL Foundation is empowering teachers and parents to transform classrooms in their schools. YTL Foundation provides them with custom-made tables and chairs, two new air-conditioning units together with a project management toolkit and logistic support. YTL Foundation is also developing partnerships with other private foundations and corporations to build Frog Classrooms under the programme. At the end of the financial year, 51 Frog Classrooms have been completed nationwide.



*Deputy Minister of Education Chong Sin Woon (center), YTL Foundation Programme Director Datin Kathleen Chew (third from left), and ERL CEO Puan Noormah Mohd Noor (second from right) touring the Frog Classroom at SMK Bandar Baru Salak Tinggi, Sepang*

Partner organisations include:

- Media Prima Berhad – SMK Sri Permata, Petaling Jaya
- New Straits Times (Press) Malaysia Berhad – SK Sungai Serai, Kuang
- Bank of Tokyo-Mitsubishi UFJ (M) Berhad – SK(P) Jalan Batu, Kuala Lumpur
- AUO Sunpower Sdn. Bhd. – SMK Dato Dol Said, Malacca

**54C** is another initiative of the YTL Foundation which officially commenced in December 2015 in the heart of Bukit Bintang. 54C aims to provide a safe, fun and conducive learning space for the children of Bukit Bintang and YTL employees. The centre's colourful and engaging ambience captures the attention and interest of the young people who come to the centre. 54C, which was initially created to provide after school support for subjects like Maths, English and Bahasa Malaysia, has now evolved into a learning hub not only for students, but for teachers and volunteers as well.



*Frog Classroom students hard at work and enjoying the new equipment, classroom and environment*

## Enriching Communities

In the past year, the centre has hosted financial literacy sessions for students, Ukulele classes, character building and coding sessions for girls as well as various training and educational activities for those who interact with children on a daily basis. The centre also works with schools, other companies and non-profit organisations to address problems faced by children in the Bukit Bintang area.

The centre pilots over 12 distinct programmes which run mostly on a weekly basis. The centre has partnered with University Tunku Abdul Rahman (UTAR), United Nations High Commissioner for Refugees (UNHCR), FrogAsia, Girls for Good, Prudential and Taylor's College to run these programmes. There has been a total combined attendance of 1,800 for each of the programmes since the launch in December 2015. This consists of over 300 unique individuals, many of whom have attended a 54C programme at least ten times each. The average daily attendance is around 20 per session, mainly due to the capacity limits for each programme. 54C programmes are extremely popular with local children and teachers. It is easy to fill the quota for each programme.



54C's colourful and engaging ambience attracts children and young people to the centre

### Education and Partnership

**YTL FOUNDATION** supports innovation and creativity in teaching and learning. YTL Foundation currently provides funds for two social enterprises, Maker21 PLT and 100% Projects, who are working to improve education in the country. The funding for Maker21 PLT is for their Chumbaka programme in five underperforming schools in Selangor under which 20 students from each school undergo a year long programme of learning maker culture, particularly in electronics and programming, and finding solutions to real life problems through design thinking, culminating in their participation in the annual Young Innovate competition. 100% Projects on the other hand operates a crowdfunding website, [www.100percentproject.org](http://www.100percentproject.org) to enable teachers to seek funding for impactful classroom projects.

On a different note, YTL Foundation together with eleven other partners, co-founded the Malaysian Collective Impact Initiative (MCII), an initiative with the strategic goal of mobilising and coordinating the activities of all stakeholders so that collectively a systemic change in the Malaysian education system can be achieved. MCII provides the backbone organisation which undertakes research, collects data as well as engages and coordinates with stakeholders. As a first step, MCII worked with PricewaterhouseCoopers, one of the founding partners on a research project to understand the needs and gaps in education in two districts in Klang. Following the study, a pilot programme was carried out in two schools in Klang; SMK Pendamaran Jaya and SMK Tengku Idris Shah. During the course of the year, YTL Foundation funded Frog Classrooms and the Chumbaka programme in these two schools.



Datin Kathleen Chew with the other MCII funders

**ERL MAINTENANCE SUPPORT**, (E-MAS) signed an MOU with Asia Pacific University (APU) to conduct a feasibility study on harvesting wind energy produced from the movement of KLIA Ekspres trains, in line with the pursuit of providing an environmentally sustainable and energy efficient mode of transport. The collaboration has enabled students from APU to perform research work, as part of their final year projects.

## Enriching Communities

### SUPPORTING COMMUNITY INITIATIVES

Being a responsible company is critical for YTL, and it is our personal belief that goes beyond philanthropy as illustrated in our sustainability reporting since 2006. As an organisation built on both organic growth and acquisition, caring for the community is part of our culture; the same values that trickle down through the Group. Despite the challenging economic backdrop in 2016, we remain optimistic in pursuing our goals in enriching communities in a sustainable manner, from tackling poverty to continuous long-term welfare and support.

### Inculcating Healthy Lifestyles

**YTL COMMUNICATIONS** continues to promote regular exercise as part of a healthy lifestyle with their fourth consecutive participation in the *2015 Penang International Starwalk* organised by Star Publications in collaboration with the state government and various agencies. Subsequently, the *2016 Ipoh Starwalk* was held on 22 May 2016 which saw over 15,000 participants from all walks of life. The Company contributed RM70,000 in cash and two vouchers for a three-day, two-night stay at Pangkor Laut Resort (PLR), worth RM10,000 for the lucky draw.



Winner of The Penang Starwalk receiving her prize, a 3day 2night stay at Pangkor Laut Resort from **Yes 4G**

**YTL HOTELS** through PLR held the inaugural Chapman's Challenge – a community event to promote healthy lifestyles and environmental awareness. It was held to commemorate the adventures of Spencer Chapman, a British Colonel who hid in the Malayan jungles during World War II and made his escape as he swam out of Emerald Bay to a submarine waiting for him. Following in the footsteps of Chapman, the resort created a 6.2km run around the private island's roads and through the two million year old rainforest followed by a one kilometer swim out of Emerald Bay before finishing at the Chapman's Bar. The event was held on 14 May 2016 and saw 130 triathletes and guests from all over the world participating including the descendants of Chapman.



Irene Chong, Malaysia's national woman triathlete emerged as runner-up in the Chapman Challenge 2016

### Fundraising for Charity

**YTL POWERSERAYA** under its corporate citizenship programme, has been proactive in organising various activities since 2011. In FY2016, the Company raised over SGD31,000 for its adopted charities; Cerebral Palsy Alliance Singapore (CPAS) and The Goodwill, Rehabilitation and Occupational Workshop (GROW). During September 2015, the Company took part in organising the "Steptember" challenge – a campaign organised by CPAS that challenged its participants to take 10,000 steps a day to stay healthy and give back to charity. As a token of encouragement for employees to adopt healthy lifestyles, the Company absorbed the registration fees and donated another SGD5 for every 10,000 steps achieved in a day by every employee. Over SGD25,000 (company and employee donations) was raised from 118 employees who participated in the challenge.

**YTL STARHILL GLOBAL REIT** strongly believes in giving back to the community. As such, the Company encourages its properties to care for those in need – Myer Centre Adelaide did just that as reflected during its 25<sup>th</sup> anniversary celebration on 3 June 2016, raising AUD\$1,300. The mall invited shoppers to partake in a slice of its giant lamington cake whilst donating gold coins to Hutt St Centre; a non-profit organisation focused on helping homeless people rebuild their lives through the provision of social work and services. Each year, it serves over 50,000 meals and offers social work and support services to nearly 2,000 people. The mall also provides charity organisations with space to promote their causes via charity leasing which enables charitable organisations to run fundraising events or to sell goods.

The same was done by Wisma Atria in Singapore where it provided the space for "WWF Love Our Forest Roadshow", an exhibit to raise awareness and protect the planet by adopting sustainable lifestyle practices from 14-16 March 2016.

## Enriching Communities



The 25<sup>th</sup> Anniversary celebration at Myer Centre Adelaide



Myer Centre Adelaide's visitors sampling the giant lamington cake and donating gold coins to the Hutt St Centre

**YTL SINGAPORE** offices namely YTL Singapore, YTL L&D and YTL Hotels participated in the "WWF Adopt A Can" programme held from November to December 2015. To create a better future for the planet, the programme raised funds from employees and visitors who dropped their donations in a dedicated can placed at their corporate office.



WWF Donation Can at YTL Singapore's office

**WESSEX WATER** continues to work with various community initiatives such as WaterAid. Since WaterAid was established by the UK water industry in 1981, it has had an effective, long-term partnership with Wessex Water through its extensive and varied employee and stakeholder engagement as well as strong corporate support. The partnership covers a wide range of both fundraising and awareness activities.

Throughout the year, multiple events were held to raise more than £149,000 for WaterAid. The biennial race night saw a total of 330 guests and 50 volunteers enjoy a 1920s themed evening with betting on seven races raising £62,000. A further £28,000 was raised annually through the employee WaterAid lottery.

Wessex for West Africa is an ongoing campaign aimed to provide access to safe water, toilets and hygiene specifically to countries in West Africa. The campaign targets contractors, consultants and suppliers in helping to raise money over a one-year period by fundraising within their organisations. In 2016, Wessex Water held four business breakfasts, providing networking opportunities whilst also promoting WaterAid's work and fundraising activities.

**YTL HOTELS** via The Gainsborough Bath Spa (TGBS) launched in September 2015 marked its presence in community giving in the UK. The 99-room hotel has been committed to making an active contribution to the local community right from the start. To celebrate its opening, TGBS pledged to donate all its revenue from the soft opening on 1 July 2016 amounting to £10,000 to St John's Hospital that has been providing care and support to Bath's disadvantaged residents since 1174. In view of enhancing local lives, TGBS hosted the launch of a local business initiative known as the Bath Percent Club; a badge of membership and goodwill for businesses and firms operating in Bath. By signing on as members, companies pledged to donate a minimum of one percent or more of their profits to locally based charities in money or in kind.



Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman and Founder of YTL Corp and Dato' Mark Yeoh, YTL Hotels Executive Director presenting a cheque to representatives of St John's Hospital

## Enriching Communities

JW Marriott Hotel Kuala Lumpur (JWMKL) together with Ritz-Carlton Kuala Lumpur (RCKL) views the act of giving as a very important business practice. Thus, the hotels participated in various initiatives to assist local communities across different groups. This year saw the hotels donating leftover breads to the *Roti 1Malaysia* Charity Programme, an independent charity project aiming to reach out to as many underprivileged communities from multiple ethnic groups including orphanages, old folks homes, poor indigenous communities as well as refugee camps.

The challenging economic backdrop and a weak local currency has caused the price of school supplies in Malaysia to soar. With this in mind, the hotels' HR department together with 250 employees reached out to charity homes to cater to the needs of school children. Coupled with some contributions from guests and employees, they bought school supplies such as bags, watches and stationery for 150 children from Agathians Shelter, Rumah KIDS (Persatuan Rumah Kanak-kanak Ini Di Sayangi), Nur Qaseh Home Shelter, Yayasan Ozanam and Pertubuhan Kebajikan Kristian Aman Selangor.



Children from Agathians Shelter receiving new school supplies from JWMKL and RCKL

On another occasion, the hotels joined forces with Smile Asia Week in May 2016 with the aim of raising funds and awareness for children suffering from cleft palate and other facial deformities. Through this effort, the hotels sold over 700 cakes valued at around RM6,000 in conjunction with Mother's Day helping to fund over 200 surgeries.



The delicious Smile Asia Cake

Subsequently, an internal fundraising drive was carried out by respective HR departments from the hotels known as the "Hot Dog Sale" to mark World Children's Day during April 2016. The proceeds from the hot dogs sold to employees were used to purchase 100 books for 100 children with the goal of promoting literacy amongst children.

## Elevating Community's Income

YTL JAWA TIMUR (YTLJT)'s award-winning corporate social responsibility initiatives continue to bring about positive change in the lives of the communities they serve. During the year under review, YTLJT helped the community in *Taman Lestari* to establish a production facility for "Biotamor" organic fertiliser with the intent to collectively produce and sell the organic fertiliser. "Biotamor" is derived from dry slurry produced by biogas units. Laboratory tests show that the fertiliser has better nutrient contents compared to ordinary compost fertiliser. This programme has created a market value for cow dung and dry slurry. The biogas unit owners and the farmers groups have generated additional income from the sale of this fertiliser. YTLJT also supports the community in making appropriate packaging for "Biotamor".



The organic fertiliser being used to grow tomatoes

In another effort, YTLJT contributes for environmental preservation and community empowerment for the Pantai Harapan community of which the Company assisted in developing a nursery facility for sea pine seeds. This facility is targeted to meet the demand for sea pine planting in the area. The community obtains additional income from the sale of the seeds. Meanwhile, the planting of mangroves and sea pines along Rاندوتاتح beach area since 2012 has turned the area into a decent recreational area, thus providing the local community with the opportunity to earn additional income from selling food and drinks as well as charging parking fees for vehicles and motorbikes.

## Enriching Communities



Newly planted sea pines along the coastline of Probolinggo

**YTL HOTELS** is committed to creating inclusive value chains which integrate business and community interests. The Surin Phuket (TSP) for example, has been incorporating local hand-drawn batik as part of their signature gifts to guests as well as the usage of locally crafted wooden signs to mark the reusing of linen and towels. Meanwhile in Japan, Niseko Village established a dedicated store selling local omiyage or souvenirs, ready to go meals and beverages as well as other local products as part of their efforts to promote locally made goods. At the same time, The Green Leaf Niseko Village also features local seafood and seasonal Hokkaido produce gathered from the community in the same vicinity.



The Surin Phuket Resort guests receiving a warm welcome with the hand-drawn batik gifts made by local community members



The Sakura Lobby Shop located at the Green Leaf Niseko Village, is a convenience facility offering a wide range of souvenirs, drinks and snacks from Hokkaido

### Caring for the Community and Environment

**YTL's** mission to be a "Force for Good" is not just lip service, but it reflects the enduring values that guide our conscience and sustain our passion for creating better conditions for communities around us. In the YTL Group, it all starts from "**Building the Right Thing**" and having a strong and stable foundation that helps to foster a better future through the leaders of tomorrow – our children of today.

In support of our children's rights, Managing Director of YTL Corporation, Tan Sri Dato' (Dr) Francis Yeoh, who was also appointed as Board Member of the Global Child Forum (GCF), hosted a private dinner on the occasion of the GCF on Southeast Asia last May with guests of honour – His Majesty King Carl XVI Gustaf and Her Majesty Queen Silvia from the Swedish royal family. These two inspiring individuals initiated the non-profit foundation as part of their long-standing commitment to children's issues in 2009. Since then, GCF has hosted eight forums around the world, gathering global leaders, experts, NGOs, governments and academia to catalyse discussions on developing new business models that serve to protect children's rights around the world.

“We believe that technology remains the game changer. When abused, technology has brought untold suffering to many children. But in the hands of good people, it will spark new initiatives for change, and snowball into new legacies of hope for all our children.”

**Tan Sri Dato' (Dr) Francis Yeoh,**  
Managing Director of YTL Corporation  
and Board Member of the GCF



(from left to right) Dato' Yeoh Soo Keng, Tan Sri Dato' (Dr) Francis Yeoh, His Majesty King Carl XVI Gustaf, Her Majesty Queen Silvia, Her Royal Highness Tunku Azizah, Crown Princess of Pahang and Dato' Yeoh Soo Min

## Enriching Communities



*The girls from Rumah Ozanam having an enjoyable time with JWMKL and RCKL employees*



*Children from Rumah Anak-anak Yatim As-Sakinah having an outing at the beach of GIR*



*Old towel donation by The Surin Phuket Resort to Phuket Soi Dog Foundation*



*The Surin Phuket provides shelter and healthcare to stray cats within the resort's vicinity*

**YTL HOTELS** via JWMKL and RCKL celebrated International Women's Day with a twist by visiting Rumah Ozanam – an all-girls home for all races and creeds established in 1995 in Petaling Jaya, Selangor. The hotels' representatives spent time with girls aged 15-17 years old with the intent to inspire and motivate these young girls to achieve their dreams. Whilst they were there, they also prepared food with them such as fried mee hoon, pizza and sandwiches. To top it off, the hotels presented the girls with goodie bags comprising toiletries and grooming kits as token of remembrance.

On 24 November 2015, Gaya Island Resort (GIR) welcomed more than 15 children from Rumah Anak-anak Yatim As-Sakinah, Papar to tour the resort before a visit to the beach. The children were introduced to environmental conservation and waste recycling by the GIR Resident Marine Biologist Scott Mayback, and GIR Supervisor Hedy bin Sanny.

TSP also cares for the environment in many ways as demonstrated by their initiatives over the last few years. TSP launched "The Cat Project" aimed at improving the well-being of felines by providing proper shelter and healthcare including sterilisation in order to avoid overpopulation and the culling of stray cats within the resort's vicinity. At the same time, the resort also cares for dogs as seen in the "Old Towel Donation" which saw the resort donating worn out towels to Phuket Soi Dog Foundation for use during surgical procedures.

**SYARIKAT PEMBENAAN YEOH TIONG LAY (SPYTL)**'s Design Group Architecture Department will undertake the design for the proposed refurbishment and repair of the United Learning Centre (ULC) – an integrated education and accommodation centre providing education and board for over 90 Myanmar refugee children from different age groups located in a pre-war bungalow off Jalan Imbi. The rundown bungalow requires remodeling work in order to preserve the existing structure whilst utilising the space adequately in order to cater to future needs of the centre. In May 2016, SPYTL representatives from the Architectural Department visited ULC to conduct their first evaluation of the site and review the requirements of the centre's management.

Subsequently, a Hari Raya gathering with catered food and games for the children was arranged by the Architectural Department as part of the process of familiarising the team with the children and ULC's administrator, to enable them to directly engage with members of the community who most deserved assistance. The event also saw SPYTL's employees donating stationery, exercise books and colour pencils through individual contributions as they saw what a small difference they could make in the lives of the refugee children.

## Enriching Communities



SPYTL's employees celebrating Hari Raya with the children from ULC

**YTL JAWA TIMUR (YTLJT)** introduced Nature Conservation (Water Conservation) for the Selobanteng community living about 5km South East of the Paiton II Power Plant to provide water to 1,900 villagers during dry seasons. Through the programme, YTLJT constructed nine units of infiltration wells and five units of water storage tanks with the help of locals who also allowed their land to be used in the construction of the facilities. Carried out in three phases, the programme is expected to save and filtrate water into the land and at the same time help to cater to the people of Selobanteng supplying their daily water needs as well as to conserve water over the long-term.

**WESSEX WATER's** signature GRID Watermark Award continues to support community efforts to preserve the environment. In the year under review, Wessex Water gave £300 that enabled the purchase of bat boxes in the conservation and monitoring efforts of rare bats found at Drews Pond Wood Local Nature Reserve in Devizes, Wiltshire. Meanwhile, another £1,000 was given to Mere Rivers Group to purchase equipment that helps



One of the Watermark winning projects at Chewton, UK

to clear debris from streams such as tree stumps, thereby allowing water to flow more freely and encourage fish, birds and insect life to return to the waterways. Through the same award scheme, Greater Bedminster Front Garden Awards was accorded with a grant to encourage residents in Bristol to make the most of their front gardens.

In another effort, the Company awarded £500 as part of the Sustainable Watermark Award to help Cleeve Village hall install 10kW solar panels on its roof that in turn helps them to save about £1,500 a year in energy costs. Wessex Water also awarded £600 to the community gardens at Upton and Lytchett Minster Allotment Association to purchase water butts to help them save money.

Wessex Water played an important role in encouraging the community to take ownership of public facilities. During the last summer holidays, Wessex Water worked together with Bridgwater Police, local youth groups, the Young Men's Christian Association (YMCA), Boomsatsuma (an education arts company) and Sedgemoor District Council's Clean Surrounds to organise a community art project known as GraffitiTeam. The project saw a team of young people painting colourful artwork on the walls of Wessex Water's sewage pumping station building at Blake Gardens which previously was covered in offensive graffiti.

In December 2015, Wessex Water also offered a helping hand to its counterpart in Yorkshire to deal with sewerage issues resulting from floods that had affected 6,700 homes in Northern England. Seven experienced employees were deployed to lend their expertise using specialised high-pressure water jets to clear sewers and to help with clean-up.

## Enriching Communities

### Festive Treats



*BAKTI President, Datin Sri Rosmah Mansor led the tossing of yee sang together with other BAKTI members for prosperity and good luck*

### Lion Dance in Bath

In the UK, The Gainsborough Bath Spa (TGBS) and The Museum of East Asian Art co-hosted a Chinese New Year celebration that attracted over 120 visitors who were rarely exposed to Asian festivals. To further reinforce its Asian roots, TGBS entertained the guests with a traditional lion dance, an abridged storytelling session on the Monkey King, Chinese-inspired canapés for refreshments as well as “Ang Pows” with gold coins as a symbol of good fortune.

### Cheering Them Up with Yee Sang

In conjunction with Chinese New Year 2016, YTL Corp together with the Association of Wives of Ministers and Deputy Ministers (BAKTI) treated the residents of 14 welfare homes and organisations namely Rumah Charis, the Ti-Ratana Welfare Society and Rumah Amal Cheshire Selangor to a special high tea with a yee sang session as well as “Ang Pows” at the JW Marriott Hotel Kuala Lumpur (JWMKL). A total of RM70,000 was donated in aid of orphans, disabled people and old folks.



*Guests of TGBS in awe over the unique cultural experience of a lion dance held at the hotel during Chinese New Year celebration*

### Christmas Shopping Treats

In the spirit of Christmas, YTL Starhill Global REIT’s Wisma Atria treated 20 children from the Singapore Students Care Service to a shopping spree, light entertainment with Santa Claus, and lunch at Food Republic. A total of SGD2,500 was allocated for the children and with the help of ten employees, the children purchased new outfits and other necessities for Christmas.



*Children from Singapore Students Care Service enjoying themselves during a shopping spree at Wisma Atria*



*Volunteers from YTL Communications joining hands to cheer up the children from Yayasan SunBeams with exciting gifts and fun-filled activities*

### Entertaining the Orphans from Yayasan SunBeams Home

Orphans from Yayasan SunBeams Home, Kuala Lumpur received a warm visit from YTL Communications (YTL Comms) Deputy Chief Executive Officer Jacob Yeoh together with 20 employees on 15 December 2016. They brought along items collected from an internal charity drive carried out earlier which saw YTL Comms employees donating gifts, household items and groceries. Big Hug Burger – a YTL Comms marketing partner provided burgers for everyone at Yayasan SunBeams Home.

## Enriching Communities



### Charity Christmas Gift Wrap

YTL Starhill Global REIT's Myer Centre Adelaide in Australia set-up a gold coin charity gift wrapping service as part of its effort in raising funds amounting to AUD\$1,500 for the Leukemia Foundation's patient village in Northfield, from 15-24 December 2015.

*A volunteer from Leukemia Foundation helping visitors to wrap Christmas presents to raise funds*

### Donations, Buka Puasa and Moreh

Ramadan is known as the month of giving, and in the spirit of generosity Perak-Hanjoong Simen, a subsidiary of YTL Cement, donated RM10,000 to the local mosques and *suraus* and made contributions for *buka puasa* (breaking fast) and *moreh* sessions for employees, government agencies and local communities. This helped to foster unity and integrate business into the community.



*PHS employees celebrating breaking fast with local community members*



*The happy faces of children at Yayasan Chow Kit during the Merdeka Raya celebration by YTL Infoscreen and YTL e-Solutions*

### Feeding the Homeless in Ramadhan

The Majestic Hotel Kuala Lumpur, JWML and The Ritz-Carlton Kuala Lumpur took part in the #zerofoodwastage campaign championed by Tengku Zatashah Sultan Sharafuddin Idris Shah, the daughter of Sultan Selangor. The campaign urged hotels, restaurants and supermarkets to prevent food wastage during the month of Ramadan by giving away leftover food to the homeless via partnerships with NGOs – Kechara Soup Kitchen and Truckerz Society. Approximately 150 people benefitted from this campaign.

### Merdeka Raya for YCK Children

On 25 August 2016, 50 employees of YTL InfoScreen and YTL e-Solutions organised a Merdeka Raya celebration with over 100 underprivileged children from Yayasan Chow Kit (YCK) where the children were entertained with face painting, magic shows as well as a chance to enjoy the photo booths.

## About This Report

YTL Group Sustainability Report 2016 provides an overview of how we operate sustainably and how we manage our strategy and day-to-day business to address our sustainability commitments and performance – including the achievements, progress, challenges and setbacks we faced in 2015/2016.

As per our previous sustainability reports, the scope and methodology remain unchanged. Our report is structured using the four pillars of our Sustainability Framework, representing relevant subject areas and issues material to our stakeholders and the YTL Group.

This report is intended to provide a statement on non-financial data for YTL Group and complement our Annual Report 2016 which details the Company's business operations and financial performance. Together, the two reports, which are also available on the YTL corporate website at [www.ytl.com](http://www.ytl.com), aim to provide a clear and comprehensive representation of our annual progress creating economic, environmental and social value by addressing the interests of our stakeholders worldwide.

As part of our efforts for continual improvement, we appreciate and value your comments and thoughts regarding our sustainability initiatives, developments, reporting and communication. Please do send us your feedback at [sustainability@ytl.com.my](mailto:sustainability@ytl.com.my).

### YTL GROUP SUSTAINABILITY TEAM



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