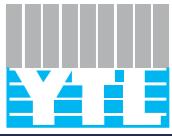




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YTL GROUP

Building The Right Thing



Sustainability Report **2018**

YTL GROUP



YTL GROUP
Building The Right Thing

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MAKING A GOOD FUTURE HAPPEN

The Journey Continues...



Sustainability Report **2018**

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- Be Part of the Solution



About This Report

GRI 102-1, 102-12, 102-13, 102-46, 102-50, 102-51, 102-52, 102-53, 102-54

This is the 12th standalone YTL Group annual Sustainability Report¹. The report parallels and complements our Annual Report 2018.

The report has been prepared in accordance with the Global Reporting Initiative Standards ("GRI Standards") - Core Option and this is the first year we are utilising the GRI Standards as a Guiding Principle in our reporting framework. The report covers our diverse achievements in creating economic, environmental and social (EES) values for a wide array of stakeholders. We present the key priorities of our sustainability framework aligned with our core business strategies and constant push for performance improvements.

YTL Corporation Berhad (YTL Corp) and its subsidiaries (YTL Group) holds memberships in the Business Council for Sustainable Development in Malaysia, Malaysian-Dutch Business Council, and Global Compact Network Singapore. YTL Corp is a signatory to the Paris Pledge for Action, a pledge for Non-Party stakeholders to support the Agreement to create a pathway to carbon-neutral growth and a carbon-free future. YTL Corp and YTL Power International (YTLPI) are also constituents of the FTSE4Good Bursa Malaysia Index.

This report and our previous reports can be downloaded from YTL Group's corporate website at <http://www.ytl.com>

Our subsidiaries and associated companies have also produced their own reports, available on their official websites listed below, which provide more information about their sustainability policies, practices, performance, risks and opportunities.

Wessex Water - <http://wessexwater.co.uk/>

YTL PowerSeraya - <https://ytlpowerseraya.com.sg/>

Starhill Global REIT - <http://www.starhillglobalreit.com/>

Reference and Guidelines

We follow the Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to the Sustainability Statement in Annual Reports and where possible, we have referenced material issues with regards to EES aspects. It also has complied with the Sustainability Reporting Guide issued by Bursa Malaysia and Sustainability Reporting Awards (MaSRA) Guidelines for Malaysian Companies. We have also reviewed how our Sustainability Framework is aligned with the United Nations Sustainable Development Goals (SDGs).

Coverage

This report covers the YTL Group's corporate structure as reflected in the holding company's Annual Report. The information in this report covers business units in which YTL Group holds a majority stake and/or has direct managerial control over operations in Malaysia, Singapore, Indonesia and the United Kingdom. We also include sustainability initiatives from other business units and some associated companies in greater detail.

Reporting Period

This report covers YTL Group's performance from 1 July 2017 to 30 June 2018 (unless otherwise specified). All information in this report corresponds with our Annual Report for the parallel year.

Assurance

We have not sought external assurance for this reporting period and will consider it for our future reports.

Feedback

We welcome your comments, thoughts, and remarks, which can be directed to:

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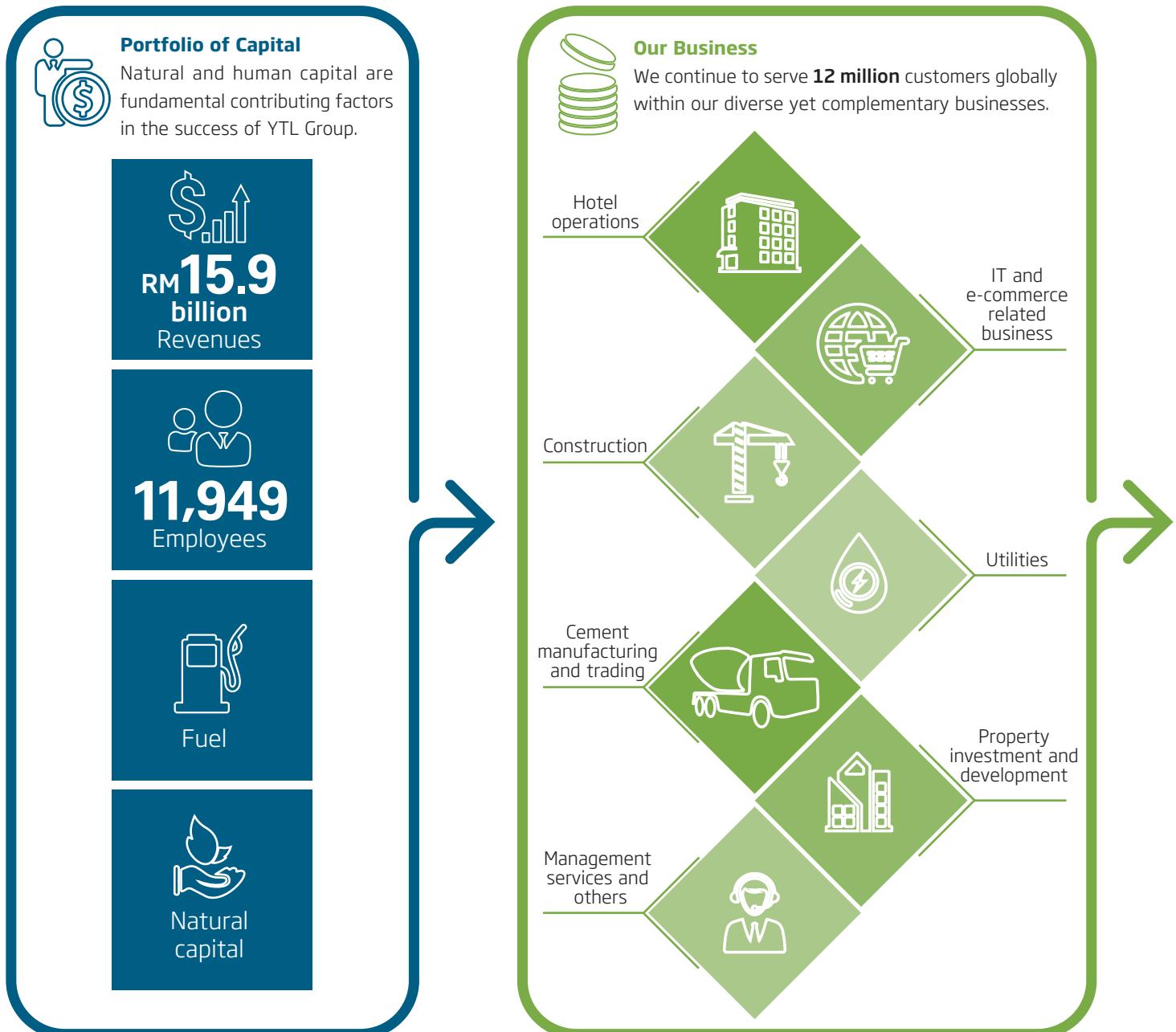
¹ Sustainability Reports prior to 2017 were under YTL Corp, but were later changed to YTL Group

About YTL Group

GRI 102-9, 102-10, 102-49

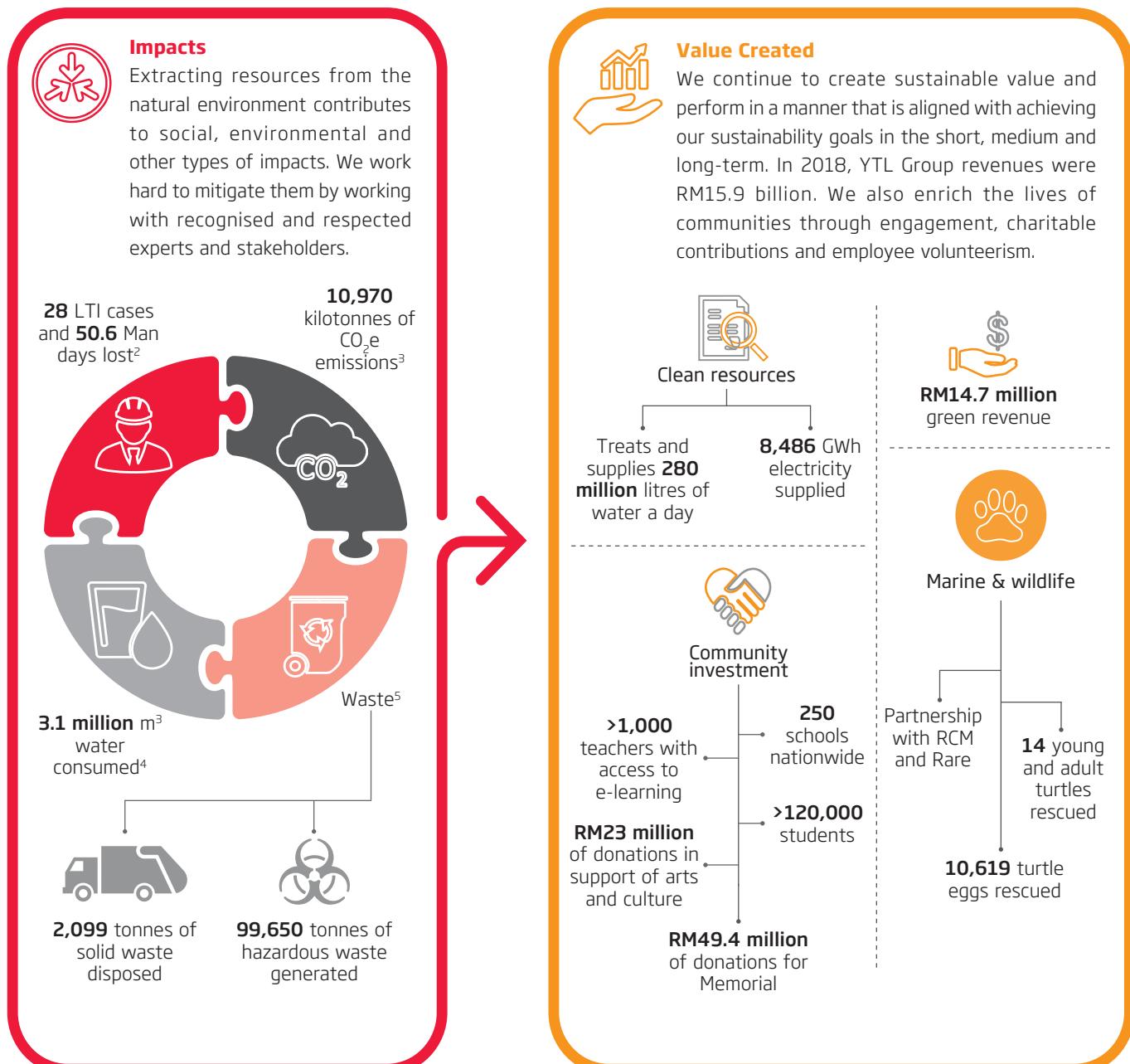
YTL Group is an integrated infrastructure developer with extensive operations in countries including Malaysia, the United Kingdom, Singapore, Indonesia, Australia, Japan, Jordan and China. The core businesses of the YTL Group comprise utilities, construction, cement manufacturing and trading, property investment and development, hotel operations, information technology and e-commerce related business and management services and others.

OUR VALUE CHAIN STRATEGY



OUR SUSTAINABILITY COMMITMENT

MAKING A GOOD FUTURE HAPPEN – Our pillars remain as Marketplace, Environment, People and Community. Sustainability sits at the heart of everything we do, and operating sustainably is an integral and vital component of our business strategy. Our goal is to provide our customers with world class products and services that meet or exceed their expectations whilst minimising the harmful impacts on the environment and local communities. It is also a reminder that the journey towards a truly sustainable future continues for us and our stakeholders.



² Wessex Water, YTL PowerSeraya, YTL JT

³ Wessex Water, YTL PowerSeraya, YTL JT

⁴ YTL PowerSeraya, YTL JT, SGREIT

⁵ YTL PowerSeraya, YTL JT, SGREIT, Wessex Water

About YTL Group

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS AND OPPORTUNITIES

Risks	
 Climate Change Risks	Climate change poses market, physical, and regulatory risks significant to the long-term sustainability of our businesses. The reinforcement of the United Nations (UN) Paris Agreement has set the planet with a clear path and direction towards a low-carbon future. At YTL Group, we are committed to stepping up our existing initiatives to continuously reduce the carbon footprint across our operations.
 Political, Economic, Environmental and Regulatory Risks	Adverse developments in political, economic and regulatory conditions (including changes in environmental legislation and regulations) in Malaysia, Singapore, the UK, Indonesia, China, Australia, Japan and other overseas markets in which YTL Group has operations could materially and adversely affect the financial and business prospects of the company.
 Legal and Compliance Risks	Policy, regulatory and changing political and economic conditions may trigger unexpected business disruptions and adversely affect the financial and business prospects of YTL Group. Misalignment between businesses and IT strategies, may lead to inappropriate prioritisation, misused opportunities, and limited business value.
 Financial and Investment Risks	YTL Group is exposed to foreign currency exchange, interest rate, credit, price and liquidity risks. With the objective of optimising value creation to shareholders, the strategies adopted to manage these risks are mostly to minimise potential adverse impacts on the financial performance of YTL Group. These include entering into forward foreign currency exchange contracts, entering into floating-to-fixed interest rate swaps, a comprehensive insurance programme and adherence to financial risk management policies. We aim to balance the short and long-term interests of our businesses, when investing in projects. For investment decisions, we consider the economic, social and environmental risks and opportunities as well as the political, sovereign and technical risks.
 Human Capital Risks	Retention and acquisition of the right talent is essential in manpower planning in order to achieve optimal service delivery and to meet business growth demands. The loss of human talent impacts the company's daily operations and its ability to sustain growth. Appropriate measures are taken which include the provision of training programmes, offering attractive incentives to employees and competitive remuneration. The lack of robust succession planning can also lead to the loss of critical skills.
 Health and Safety Risks	We regard safety as extremely important and recognise that our primary responsibility is to ensure safe and healthy working conditions for our employees and stakeholders. Health and safety is of paramount importance to us with processes and procedures implemented through staff training, regular monitoring to maintain compliance with regulations and Standard Operating Procedures (SOPs), and to protect people from harmful conditions or situations.

Opportunities



Low-Carbon Economy

Transitioning to a low-carbon economy could unlock a USD23 trillion investment opportunity by 2030 in emerging markets alone⁶. Malaysia has pledged to reduce 45% of carbon dioxide (CO₂) emissions intensity by 2030 to address climate change and global warming. This was also reported in the 11th Malaysia Plan, and the Government is increasingly moving towards a green growth economy.

Our long-term commitment to a low-carbon economy is economically rational and consistent with the ultimate emissions objectives. For our subsidiary, YTL PowerSeraya, carbon emissions reductions were achieved through a progressive switch from heavy fuel oil to less carbon-intensive natural gas. Moving forward, the company is also exploring solar rooftop solutions and addressing the issue of carbon tax proposed by the Singapore Government which will take effect in 2019.



Growth in Cleantech Innovation

The International Energy Agency (IEA) predicts that renewable energy will comprise 40% of global power generation by 2040. The growing need to increase energy efficiency and decrease carbon emissions has led to increased investment in clean technology. It is encouraging to note that energy efficiency, transportation and renewable energy accounted for 70% of the rapidly growing Green Bonds market that reached USD95 billion in 2016⁷, over USD150 billion in 2017 and is expected to cross USD1.5 trillion by 2020.

YTL Group's green revenue accounted for 21% of its total revenue for the period under review according to FTSE4Good Bursa Malaysia index. This indicates that clean energy is becoming an integral part of our business and presents vast potential for us to grow in the green economy.



Circular Economy

The growth of the economy and the well-being of various ecosystems can no longer be based on the wasteful use of natural resources. Extracting maximum value from waste requires exploring new technologies and enabling cooperation throughout the value chain. Taking a circular or closed loop thinking approach enables us to integrate our green values with business insights even more effectively.

Our water and sewerage business in the UK, Wessex Water has recycled 100% of 52,121 tonnes of sewage sludge as biofertiliser for farmers. Each year it treats 75 million m³ of sewage waste and transforms it into biofertilisers and renewable energy to power 8,300 homes.

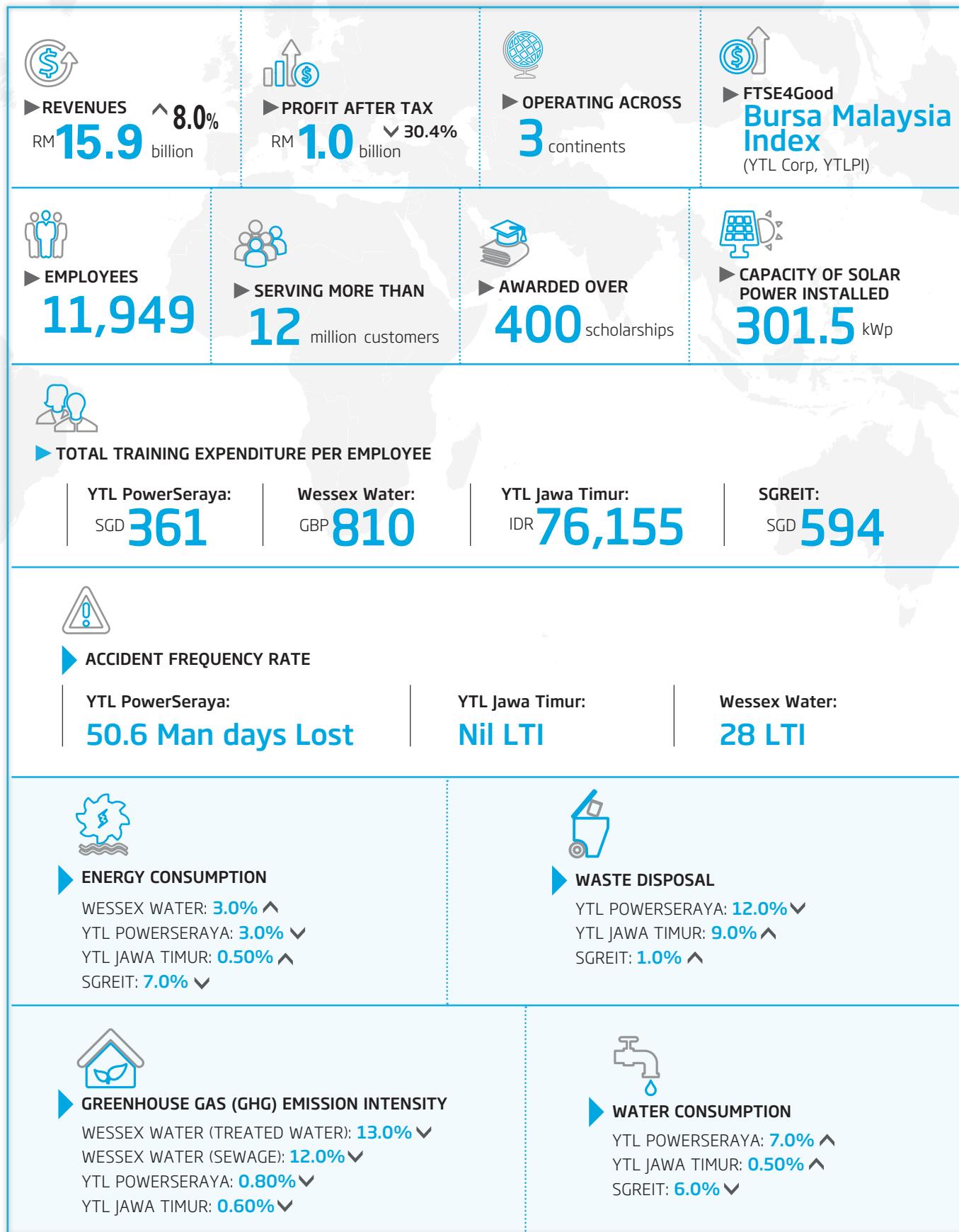
Through the Bio-Bee vehicle project - the UK's first truck that collects commercial food waste and runs on biomethane derived from that same waste has gathered over 350 tonnes of food waste across Bristol, which is approximately corresponding to 200 tonnes CO₂ saved, equivalent to 75 cars taken off the road on a yearly basis.

In 2015, YTL Cement through Perak-Hanjoong Simen, Malaysia and YTL Cement's Dama Plant in China successfully generated steam from residual energy to produce electricity to power the plant's own consumption.

⁶ Source: International Finance Corporation (2017)

⁷ Source: The Green Bond, Q1 2017, SEB and Moody's (2017)

Sustainability Highlights



Awards and Accolades

Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Corp, presented with CEO of the Year Award at Asian Power Awards 2017



Wessex Water receiving the Sustainable Development Award for an unprecedented third time at the Queen's Awards for Enterprise 2018



Ruth Yeoh, Head of Sustainability and Director of Investments of YTL Corp (third from left) pictured here after receiving the SeaKeepers Asia Achievement Award 2018 for YTL Hotels together with Julian and Sandra Chang, and SeaKeeper of Singapore Award 2018 Recipient, Dr. Karenne Tun



Representatives from YTL Hotels and YTL Jawa Timur presented with both Platinum and Silver Global CSR Awards 2018 for their excellent leadership and remarkable community programme in Lombok, Indonesia respectively



YTL Corporation Berhad receiving the 2018 Global Responsible Business Leadership Awards for Community Empowerment Excellence

YTL Corporation being awarded CSR Malaysia Awards 2018-Company of the Year (Conglomerate) for championing IT education and welfare initiatives



GENeco, a subsidiary of Wessex Water, proudly displaying Awards for Excellence in Recycling and Waste Management 2018 in the 'Organic Recycling Business of the Year' category for their zero waste to landfill initiative



Our Approach to Sustainability

MANAGING SUSTAINABILITY

GRI 102-16

Our approach to sustainability is about building value that is worthy of lasting. Aligned with the four pillars of sustainability, we consistently reinforce the implanting of sustainability as part of our DNA so that we can keep Building The Right Thing (BTRT) and Making A Good Future Happen. We still have much more to do in embedding sustainability across our businesses but our commitment is to move forward strategically and deliberately. The following value-added Sustainability Framework forms the basis of our long-term sustainable business practices.



Our efforts towards incorporating sustainability into our day-to-day operations are aligned with five of the 17 United Nations Sustainable Development Goals (SDGs) and YTL Group Corporate Statements (Human Rights and Ethics, Environment, Health and Safety, and Commitment to Ethical Purchasing).

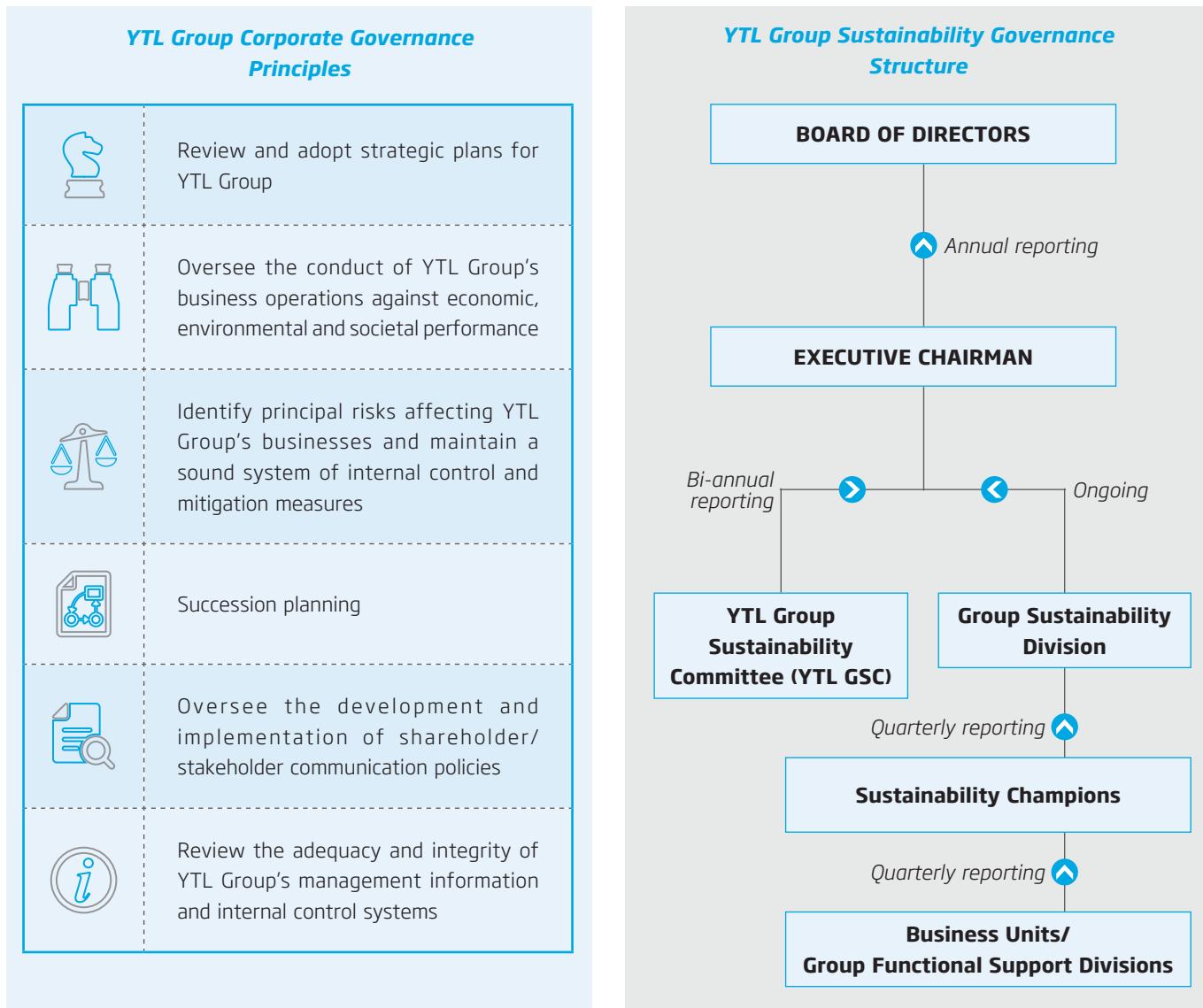
GOVERNANCE STRUCTURE AND PRINCIPLES

GRI 102-11, 102-16, 102-18, 202-2

We firmly believe that good corporate governance is fundamental to the smooth, effective and transparent operation of a company. Comprehensive corporate governance practices are ingrained in our management structure and value systems, ensuring YTL Group operates according to the highest ethical standards and develops in the most sustainable manner possible. At the summit, the Board of Directors (the Board) are responsible for supervising and advising on the sustainability governance structure to ensure corporate governance policies and practices are implemented within the company. YTL governance framework is guided by the principles and recommendations of the new 3rd edition of Malaysian Code on Corporate Governance (MCCG) 2017, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Further details are set out in the **Corporate Governance Overview Statement** and the **Statement on Risk Management and Internal Control** in YTL Corp's Annual Report 2018. The Annual Report and YTL Corp's Corporate Governance Report 2018 can be downloaded from our website at www.ytl.com, as well as the website of Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

Our Approach to Sustainability



Composition of Governance, By Gender

	Male	Female	
Board of Directors	10	2	
Senior Management	225	70	

Composition of Governance, By Age

	Board of Directors	Senior Management
	<40	0
	40-49	0
	50-59	4
	60-69	8
	Total	12
		295



84% Proportion of Malaysians in our senior management

Our Approach to Sustainability

STAKEHOLDER ENGAGEMENT

GRI 102-40, 102-41, 102-42, 102-43, 102-44

We constantly engage with our stakeholders through various channels, formally and informally. Driving meaningful dialogue with our stakeholders is crucial to our success as a company. Issues raised by stakeholders are prioritised and validated with relevant key personnel and functional representatives, including our Board. It continues to be YTL Group's process of engaging and maintaining dialogue with our stakeholders to address the most pertinent issues. The following table encapsulates a list of key stakeholder groups, various methods of engagement, key issues which are raised, and how we respond.

Stakeholder Engagement for YTL Group

Stakeholder Groups	Modes of Engagement	Frequency	Key Concerns Raised by Stakeholder	Our Strategy
 Employees	<ul style="list-style-type: none"> Intranet, newsletters and broadcasts Town halls and Leadership Conference Trainings Annual performance appraisal Recreational and team building sessions 	Annually, Quarterly, Ongoing	<ul style="list-style-type: none"> Corporate vision and core values Business strategy and direction Reward and recognition Training and career development Welfare and benefits Respect of human rights and ethics Workplace health and safety 	<ul style="list-style-type: none"> Opportunity for career development Employee benefits and medical coverage BTTR initiatives #YTLBiggie Peer-to-peer sharing session
 Customers	<ul style="list-style-type: none"> Website and social media Marketing and promotional programmes and events Feedback channels such as emails, phone calls, hotlines and surveys Product launches and roadshows 	Ongoing	<ul style="list-style-type: none"> Product and service quality Competitive pricing Customer experience Safety and security 	<ul style="list-style-type: none"> General Data Protection Regulation (GDPR) Innovative product Reliable customer service
 Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meetings Investor relations events Annual reports Analyst briefings Website updates 	Annually, Quarterly, Ongoing	<ul style="list-style-type: none"> Economic performance Company growth and value chain Business strategy and direction 	<ul style="list-style-type: none"> Appreciation events Supply chain seminars FTSE4Good Bursa Malaysia Index Consistent profit generation Malaysian Code on Corporate Governance 2017
 Suppliers, Business Partners and Industry Groups	<ul style="list-style-type: none"> Regular meetings and site visits Product launches and roadshows Supplier briefings and trainings Supplier assessment system Workshops and networking functions 	Ongoing	<ul style="list-style-type: none"> Sharing best practices Compliance with rules and regulations Health and safety excellence Fair treatment of suppliers and business partners Ethical and responsible conduct Opportunities for business collaboration 	<ul style="list-style-type: none"> Increased compliance audits Appreciation night Supply chain seminar
 Government and Regulators	<ul style="list-style-type: none"> Official meetings and visits Industry events and seminars 	Ongoing	<ul style="list-style-type: none"> Compliance with rules and regulations Opportunities for business investment Community investment 	<ul style="list-style-type: none"> Public-Private Partnership Foreign investment

Our Approach to Sustainability

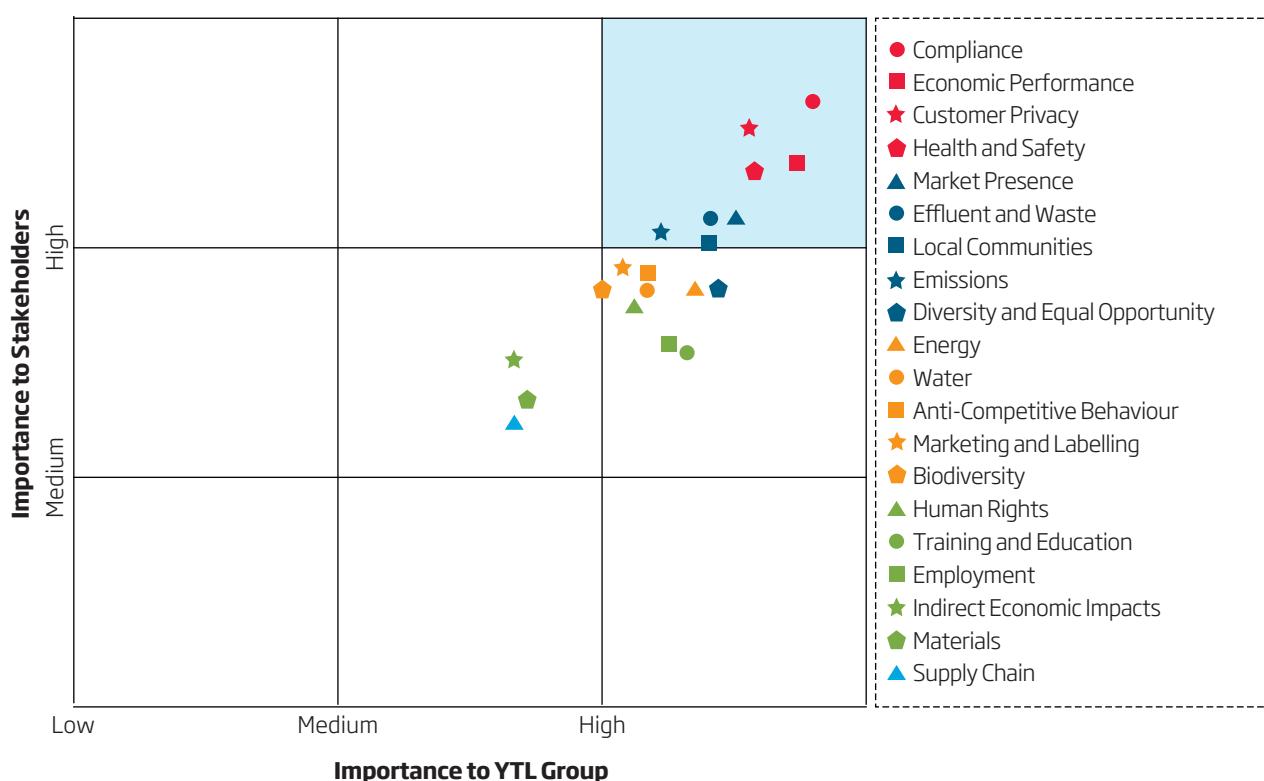
Stakeholder Groups	Modes of Engagement	Frequency	Key Concerns Raised by Stakeholder	Our Strategy
 Media	<ul style="list-style-type: none"> Press releases Official launches and corporate events Media coverage Website and social media 	Ongoing	<ul style="list-style-type: none"> Economic performance Company growth and value chain Business strategy and direction New projects and future prospects 	<ul style="list-style-type: none"> Regular media engagements Announcement of Quarterly Financial Results
 Communities	<ul style="list-style-type: none"> Community outreach programmes Charitable contributions Website and social media 	Ongoing	<ul style="list-style-type: none"> Minimising environment and social impacts Community investments including donations, volunteering programmes 	<ul style="list-style-type: none"> Corporate donations Corporate Social Responsibilities Support local SMEs

MATERIALITY

GRI 102-47, 103-1, 103-2, 103-3

To successfully deliver our business value proposition to our stakeholders, we have identified and responded to material issues where possible. We endeavoured to create a systematic approach for our materiality engagement. Last year, we commissioned a materiality survey that sought the opinions of our key internal stakeholders. In 2018, we reviewed our materiality from YTL Group's perspective and found the materiality matrix still remained relevant to our businesses and stakeholders. Moving forward, a fresh review of our material issues and sustainability matters will be undertaken in order to ensure that addressing each material issue is kept active and up to date.

YTL Group Materiality Matrix



Executive Chairman's Letter to Stakeholders

GRI 102-14



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

DEAR STAKEHOLDERS,

In the process of mapping our YTL Group sustainability strategy, it is critical that we take note of the significant and emerging global trends in order that we continue to meet commitments to our numerous stakeholders in a balanced manner. Whilst there are occasional unanticipated inflection points in doing business that temporarily force a change in approach, the non-negotiable components of our strategy and obligations to building the right thing in a sustainable manner remains unchanged.

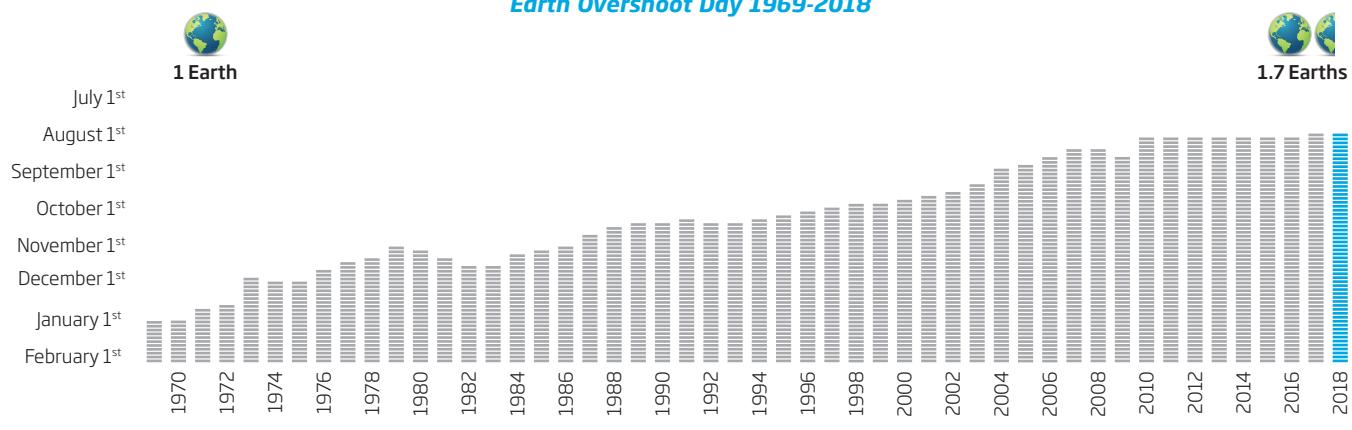
We remain passionate and committed to our targeted Sustainable Development Goals (SDG 4 - *Quality Education*, SDG 8 - *Decent Work and Economic Growth*, SDG 12 - *Responsible Consumption and Production*, SDG 13 - *Climate Action* and SDG 14 - *Life below Water*). However, despite our best intentions and efforts we have not been able to deliver on all of them fully in the past year for a number of reasons, and hence the journey and deployment of human and financial capital continues.

The impacts of increased global protectionism, and also instances of extreme weather and tragic casualties specifically during the hot summer of 2018 in the northern hemisphere, fires in the Arctic circle, floods in India and the worst drought in Australia in one hundred years are themes that seem to echo more loudly from one year to the next. We cannot ignore that climate change had a pivotal role in the fall of the Roman Empire and Angkor, and that it could continue to affect developed and developing nations alike in the 21st century. Once again, Earth Overshoot Day moved a little earlier - this marks the day when humanity's resource consumption for the year exceeds Earth's capacity to regenerate those resources in the given year.

On reporting and transparency, I am pleased to say that this is our first Global Reporting Initiative (GRI) report. We also now have two YTL Group companies represented in the FTSE4Good Bursa Malaysia Index of just 56 Malaysian companies - the first was YTL Corporation Berhad (YTL Corp) included in 2017 and the second was YTL Power International Berhad (YTLPI) added in June 2018.

Executive Chairman's Letter to Stakeholders

Earth Overshoot Day 1969-2018



Source: Global Footprint Network National Footprint Accounts 2018

Global Protectionism

True global protectionism first reared its retrogressive head when Britain's Corn Laws were enforced between 1815 and 1846 imposing steep import duties, and favouring political power associated with land ownership. The Corn Laws also had negative impacts on other sectors such as manufacturing, and reduced the disposable income of the British public. One hundred years later in this period of populism and growing authoritarianism, the values of free trade and open societies are again under attack. Tariffs tend to discriminate on the basis of where the items are produced and in some cases encourage unhealthy lobbying. This in turn can result in diminishing productivity and lead to worsening economic growth, negatively affecting the very people they are designed to protect.

A 21st century William Gladstone may be what is needed to reverse the worrying trend in global politics where meritocracy is taking a backseat to authoritarianism. In 2017 and 2018 we saw in equal measure how divisive politics and populist movements are changing the world. Protectionism and political crises may be reaching a climax now and a tipping point from which the world will either recoil and retract, or succumb and dive headlong into recession. Posturing and threats have become a mainstay of global politicking, and the politics of rage is now pervasive.

It is against this turbulent backdrop that we continue to operate and nurture our sustainability strategy as part of our Group's operations. Protectionism has not seriously impacted the irreversible march of sustainability, renewable energy and clean technology in the markets in which we operate, and we continue to have faith in the power of the free market economy to provide necessary checks and balances in the face of emerging trade barriers, and for competition, innovation and technology to continue to bring costs down.

Education, Educators & Charity - A Tribute to Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

The recent passing of my beloved Father and our Chairman and Founder, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay has allowed us to reinforce and extend our pledge to Quality Education at Group level and through YTL Foundation.

Empowering teachers is one of the key pillars of our commitment to education and largely justifies the time and resources that my late father Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay gave to education in Malaysia and around the world. Aristotle said of teachers that "those who educate children well are more to be honoured than they who produce them; for these only gave them life, those the art of living well." Through YTL Foundation, we continue to spearhead our vision of providing access to quality education for all, regardless of social standing, location, gender, race or religion. Equal opportunity for every child is one of the core principles underpinning our efforts to provide communication tools, appropriate learning environments, and networks for teachers, students and parents to share and grow together.



A mock-up Frog Classroom shown here at the forum held in conjunction with the celebration of 150 Frog Classrooms around Klang Valley

Executive Chairman's Letter to Stakeholders



— YTL Cement's blended slag cement using waste aggregates poured for the foundation of Resorts World, Sentosa

We continue to carry out Frog Classroom makeovers for urban and rural schools, and at the time of writing, we have managed to renovate and equip 250 classrooms in and around the Klang Valley, with a target of 1,000 schools or classrooms by 2020. This includes major renovations and implementing Frog VLE (Virtual Learning Environment) with the support of Chromebooks and networks. We also continue to measure and monitor the effectiveness of the makeovers and find that the results justify extending the programme further throughout the country.

The Poison in Plastic

It was around the turn of the century when Alexander Parkes and Leo Baekeland invented Parkesine and Bakelite respectively. Parkesine was the first thermoplastic, and Bakelite was the first fully synthetic plastic based on a synthetic polymer made from phenol and formaldehyde. Consequently our love affair with this miracle packaging substrate was born, and one which would eventually lead to the poisoning of our ecosystems and eventually ourselves. Branding also started in earnest in the 1800's during the Victorian era, and evolved hand in hand with packaging. Branding and packaging were likely the result of two things; convenience expected by the consumer matched by producers aiming to provide product quality, consistency and unique positioning or branding.

It was around one hundred years after the advent of packaging that Jacques Yves-Cousteau said "water and air, the two essential fluids on which all life depends, have become global garbage cans." It is possible that by 2050 there will be more plastic in the oceans than fish by weight if the world continues to dump approximately 20 million tonnes a year of plastic into the oceans. Our generation will have to either live with the guilt of having watched the wanton destruction of various habitats and specifically of the marine ecosystems, or to spend the balance of our days trying to find ways to reverse and restore these very habitats and clean up and arrest the scourge of plastic pollution.

A broad range of smart public policies and appropriate recycling infrastructure are needed in addition to aggressive campaigns to reduce consumption. This means radical change in our consumption habits, packaging solutions, regulations and a universal commitment to reducing, reusing, refusing, recycling, etc. The future of waste will likely be determined by systemic change and solutions which will be a key feature in sustainability of the circular economy or closed loop system, rather than a simple bandwagon effect. The creativity of ocean plastics being recycled to make credit cards, clothes, shoes, laptop computer cases, etc. are some of the ways of dealing with the symptoms of plastic pollution. However, it is the causes that need to be urgently dealt with.

Executive Chairman's Letter to Stakeholders

Asia is probably considered ground zero in this battle on waste. Over 95% of plastic in the world's oceans originates from just ten rivers, and eight of those rivers are in Asia, with the other two, the Niger and the Nile, in Africa. The Yangtze River, leading the table, dumps an estimated 1.5 million tonnes of plastic into the Yellow Sea every year. In our hospitality business we are doing our part in moving towards providing refillable glass bottles using reverse osmosis (RO) water from our own plants, eliminating the use of wooden chopsticks and single-use plastic packaging and consumables. Our hotels and properties have also recently decided to join the global movement to stop offering plastic straws in all properties to take at least one relatively redundant but damaging contaminant out of the supply chain. There are many more initiatives to be rolled out in quick succession, and we aim to eliminate all single-use plastic items by 2025.

Eradicating the waste in existence is another approach to removing harmful contaminants from the environment. In our cement division we have extended our use of waste materials as aggregates and alternative fuels even further, whilst ensuring that any impacts on the environment, on local communities and in the workplace are mitigated. From being a leader in the import of waste ground granulated blast furnace slag (GGBS), copper slag, industrial gypsum and the use of local pulverised fly ash (PFA) and silica fume, we are now committed to a fully circular model for using waste in our cement plants to produce slag cement or Portland Pozzolana Cement (PPC), which is a variation of Ordinary Portland Cement (OPC), in addition to OPC.

In the use of alternative fuels derived from waste products, clinker kilns provide an ideal controlled environment with high temperatures and sufficient retention time for processing waste and hazardous materials, and breaking them down into their component oxides and subsequent recombination into clinker material. This has allowed us to process additional scheduled waste materials, including spent garnet from tank cleaning and waste oil and sludge in the oil and gas industry, and waste from chemical plants such as sulphur.



YTL Jawa Timur made good use of waste produced from their power plant by paving jogging tracks at Randutatah Sea Pines and Mangrove Centre with blocks made with fly and bottom ash

Similarly, waste bottom ash previously sent to a landfill at our coal-fired power plant in Java, Indonesia is increasingly used in-house to produce paving blocks as mentioned in my 2017 letter. The quantity varies between 8.5% and 10.5% of the total bottom ash produced, diverting it from the landfill and at the same time producing a sustainable building material. Currently the plant has produced over 1.5 million paving blocks and is extending the programme further. Fly ash from the coal-fired plant is also almost completely used as a concrete aggregate by two local cement companies in Java.

At Wessex Water's subsidiary, GENeco, we have been further developing our flex fuel vehicle fleet powered partly or entirely by biomethane derived from food waste. From the Bio-Bug and Bio-Bus, we have now created the Bio-Bee vehicles which currently operate in and around Bristol, both collecting food waste and running on food waste. Whilst only a fraction of the 45,000 tonnes of food waste used in the anaerobic digestion facility is currently collected by the Bio-Bees, we are planning to expand the fleet of Bio-Bees further.



Bio-Bee, operated by GENeco, is the first truck in UK that both collects and runs on commercial food waste

Executive Chairman's Letter to Stakeholders

Energy for Cooling & The Long Tailpipe

Ironically, in mid-2018 the European (EU) and UK food, drinks and livestock industries were beleaguered by a shortage of food grade CO₂ which is a cheap by-product of ammonia production. Although of a far larger magnitude, global CO₂ emissions rose in 2017. It was apparent that despite the surge of solar and wind projects, certain coal projects had a negative impact on the fuel mix in the power sector which has barely changed in 20 years. The use of natural gas grew by around 3% globally and in China a massive surge of 15% in 2017.

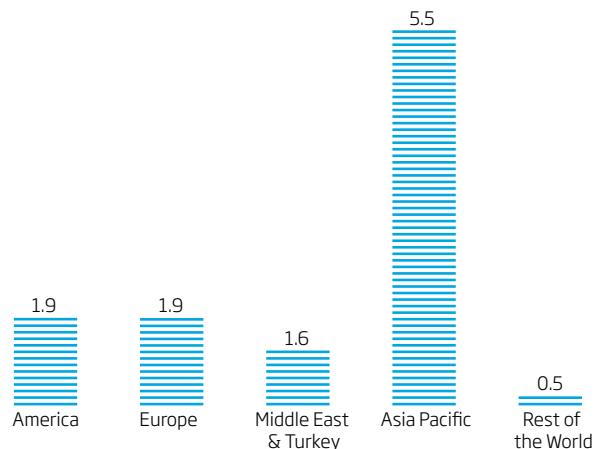
Global wind and solar capacity installed as of 30 June 2018 just passed the 1TW, or 1 million MW mark, and is forecast to pass the 2TW mark by 2023 at an almost 50% lower cost than the first TW. If we add hydro and other renewables, then we would have passed 2TW already, but the highest growth in capacity of 65 times since 2000 came from wind and solar.

As the global use of air-conditioning systems increases, demand for energy to power them could match the current capacity of Japan, the United States (US) and the EU combined. Efficiency in air-conditioning systems could be one of the leading energy saving innovations as the developing "hot" world catches up with the developed world. Whilst almost 90% of homes in the US and Japan already have air-conditioning, the penetration rates in Indonesia and India are 7% and 5% respectively.

A similar demand trend is developing in the passenger car market, where the costs per kilometre for an electric vehicle (EV) are roughly half that of gasoline and diesel, and hence driving demand for EVs and further power generation. Horse drawn carts or carriages were replaced by motor vehicles somewhere between 1920 and 1940 depending where in the world you looked. A similar trend is emerging with EVs where the more affordable new Tesla models may be the equivalent of the Ford Model T.

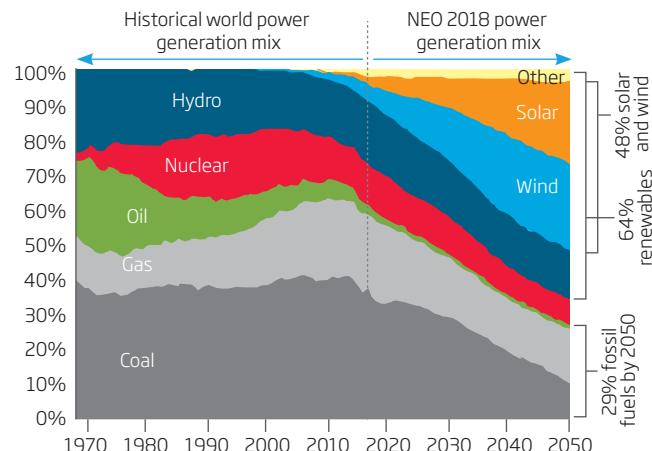
The number of electric and plug-in hybrid cars on the world's roads exceeded three million in 2017, a 54% increase compared with 2016, according to the latest edition of the International Energy Agency's Global Electric Vehicles Outlook. China remained by far the largest electric car market in the world, accounting for half sold last year. Nearly 580,000 electric cars were sold in China in 2017, a 72% increase from the previous year. The US was the second-highest, with about 280,000 cars sold in 2017, up from 160,000 in 2016. Nordic countries remain leaders in market share. Electric cars accounted for 39% of new car sales in Norway, making it the world leader in electric vehicle (EV) market share. In Iceland, new EV sales were 12% of the total while the share reached 6% in Sweden. Germany and Japan also saw strong growth, with sales more than doubling in both countries from their 2016 levels. Advances in rapid charging for EVs are also changing the potential demand for EVs. New technology may allow for rapid DC charging where 15 minutes could provide 500km EV autonomy, and also allows for bidirectional charging where vehicles can source from the grid when the price is low, and opens the door to vehicle-to-grid charging when prices are higher.

Investment in Power Generating Capacity by Region, 2018-2050 (USD trillion, 2017 real)



Source: Bloomberg New Energy Finance

Power Generation Mix



Source: Bloomberg NEF, IEA

Executive Chairman's Letter to Stakeholders

On the flip side of the emergence of electric vehicles, by 2030 when around 30% of all vehicles sold are EVs, the very initiatives by governments around the world that encourage the use of EVs could lead to a tax shortfall of close to USD100 billion by 2030, according to the International Energy Agency. The impacts will be further exacerbated by 2040 when the proportion of EV sales increases to 55%. It seems that governments will have to find a way to plug this hole using other taxes such as congestion charges and toll roads or electronic road pricing systems.

A recent study in China has shown that airborne pollution from vehicle emissions is not only causing serious health issues, but may also be contributing to diminished intelligence in children. Hence the argument for the long tailpipe is even less robust, and reinforces the belief that power generation with controlled conditions and emissions continue to be the logical way to feed increasing global demand for energy. The evidence showing damage to people's health caused by kerosene and wood or charcoal fires is indisputable. Hence, YTL Group continues to expand its portfolio of both off grid and utility scale power generation.

For off grid communities in and around Paiton, Java, we continue to build the rural renewable energy programme for villages within 50 km of our power plant, and have increased our micro-hydro units to 39, biogas units to 580, and solar installations to 65 units. From these installations alone, we manage to avoid around 10,000 tonnes of CO₂ per year and reduce the consumption of diesel and kerosene. Avoided medical issues and other benefits for local communities are the real although generally unquantifiable advantages of this programme.

YTL's power subsidiary has been advocating the use of natural gas since the early 1990s when it built the first Combined Cycle Gas Turbines (CCGT) plants in Malaysia, and subsequently converted most of the generating capacity in YTL PowerSeraya from Heavy Fuel Oil to CCGT in Singapore. In our grid or utility scale energy expansion, we believe that well-managed power generation from our portfolio of CCGT, super critical coal plants, biomethane from waste, and other sustainable sources have a role to play in the mix of expanding capacity. YTL PowerSeraya in Singapore currently has almost 95% of output from CCGT and now rarely uses the Heavy Fuel Oil generation equipment. Including YTL Cement's two Waste Heat Recovery (WHR) plants in China and Malaysia of around 8 MW each, and GENeco's modest biomethane capacity from the UK operations, this will bring our total Group power generation capacity to over 5 GW.



Using biomethane drawn from cow manure, villagers are able to cook, and at the same time reduce GHG emissions and the use of kerosene



Electricity produced by micro hydro units are regulated by a load controller, designed by YTL Electrical Control and Instrument Team



One of the solar lamp units built at Watu Panjang village, as part of the renewable energy programme for rural communities with no access to grid electricity



YTL PowerSeraya, a utility arm of YTL Group in Singapore now uses natural gas in its Combined Cycle Gas Turbine (CCGT) instead of Heavy Fuel Oil in the steam plants for most of their generation capacity

Executive Chairman's Letter to Stakeholders



The wastewater treatment plant in Avonmouth, which is operated by GENeco, treats 75,000,000 m³ of sewage waste every year

Greenhouse to Hothouse

Various impacts on the agricultural sector will necessitate even more aggressive intervention. The effect on crops posed by moving into a hothouse state, hardening of soil as a result of chemical fertilisers, higher salinity levels, and the stresses of a demand supply imbalance are all changing the face of the agricultural and livestock industries. The farming industry has been slow to harness the power of digital tools that continue to disrupt other industries, but there are changes afoot. The Food and Agriculture Organisation (FAO), a UN agency, estimates that food production needs to rise by almost 50% by 2050 to meet growing demand. Breeding in agriculture in the 1940s has evolved from an art resulting in a doubling of yields in oil crops, pulses and seeds to a high-tech science, where bioengineering advances will push through the ceiling previously reached.

In Wessex Water and GENeco we work with farmers and agricultural organisations to address the impact of fertilisers on soil quality and crop yields, and help find organic alternatives derived from our human and food waste sludge treatment processes. By analysing water catchment areas, runoffs from streams, rivers and farmlands, we are able to improve the use of solutions derived from organic waste. Similarly in Java, Indonesia, the sludge from the biogas units is used as an organic non-chemical fertiliser (BIOTAMOR) for local crops.

Concluding Statements

Regulators, legislators and consumers have equally significant parts to play in driving the sustainability agenda globally. Apart from persistent pressure being brought to bear on the timber and agricultural sectors, in early 2018 even the London Bullion Market Association announced that refiners and miners will have to provide data on a range of environmental benchmarks including usage of energy and water, pollution impacts, greenhouse gases, and also report on health and safety in their operations.

Similarly, investors are making a difference in the way companies' measure and report impacts. Total funds with responsible investing strategies hit USD22.9 trillion in 2016, up 25% in two years according to the Global Sustainable Investment Alliance. Financial reporting is a normal part of the healthy functioning of most capital markets, and now it is becoming more widely understood that social and environmental reporting will be too. This is another reason why we have decided to produce this, our first GRI report, in 2018, as part of the first step in providing even more transparency and closer adherence to recognised global reporting standards whilst at the same time protecting the interests of our various stakeholders.

Executive Chairman's Letter to Stakeholders



A bird's eye view of the strong turnout of enthusiastic volunteers at the YTL Tree Planting event held at Sentul Park



Seen here YB Isnaraissah Munirah binti Majilis, Deputy Minister of Energy, Science, Technology, Environment and Climate Change (MESTECC), Tan Sri Dato' (Dr) Francis Yeoh, Executive Chairman of YTL Corporation Berhad and Mr. Amin Abdullah, Chief Executive Officer of Yayasan Hijau Malaysia chatting about the challenges of climate change en route to the YTL Tree Planting event

The obligation and necessity in building the right thing can reap both spiritual and tangible rewards, and it remains a key cultural pillar of our values in YTL Group. Sustainable conduct is about making responsible, appropriate and informed choices given the constraints and settings we find ourselves faced with.



Source: Global Sustainable Investment Alliance

As a Group we are not there to force habits or preach culture, but to nurture Godly values and inculcate responsible behaviour with all of our stakeholders. We hope that we all do our best to mitigate negative impacts on the environment and society in an ethical manner consistent with our values of honesty, hard work, moral responsibility, togetherness and vitality. May God continue to guide us on our journey to Making a Good Future Happen.

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

Executive Chairman
YTL Corporation Berhad

EMBRACING THE MARKETPLACE

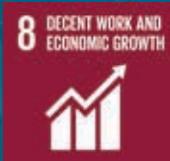
Our Commitment

Reinforcing YTL Group's reputation as a trust-based organisation that upholds and advocates the highest ethical, sustainable and responsible business practices

Our Approach

- Delivering profitable growth through effective risk management and compliance
- Maintaining responsible supply chains and procurement processes
- Advocating responsible stewardship of resources, products and services
- Investing in sustainable solutions and innovations
- Actively engaging with business partners, customers and communities

Aligned To



Highlights



HACCP certification attained by The Majestic Hotel Kuala Lumpur



ISO 27001 certification attained by YTL Communications, YTL PowerSeraya and YTL Power Services



Wessex Water received the Customer Service's ServiceMark with Distinction



Embracing the Marketplace

GRI 102-9, 204-1, 418-1

At YTL Group, we strive to create economic value as well as social and environmental value through our sustainability management so as to contribute to the nation's development. Our presence benefits communities in many ways and we consider local development a key part of being a sustainable and competitive company. We create employment opportunities and improve local employability by delivering training and education programmes that upskill local people, and nurture long-term economic prospects, whilst at the same time creating integral value for our businesses wherever they are based. This is in line with our commitment towards achieving SDG 8 - *Decent Work and Economic Growth*. We are proud that YTL Group is regarded as one of the key contributors to the Malaysian economy, both directly and indirectly.

EFFECTIVE RISK MANAGEMENT AND COMPLIANCE



OUR GOAL: To promote good business practices and governance whilst minimising impacts from risks

YTL Group is committed to establishing a sound system of risk oversight and management to safeguard the company's assets and ensure significant risks are adequately assessed and managed. We have constantly strived to advance risk management practices as an important agenda in all our business portfolios and activities. This demonstrates our readiness and commitment in effectively implementing risk management and a high standard of corporate governance.

We developed a risk management framework which allows the management teams to handle risks within defined parameters and standards in order to enhance stakeholder value. In line with industry best practices, a holistic risk management process has been carried out through regular risk review analysis, internal control systems and adherence to YTL Group's risk management policies.

Further details are set out in the **Corporate Governance Overview Statement** and the **Statement on Risk Management and Internal Control** in YTL Corp's Annual Report 2018. The Annual Report and YTL Corp's Corporate Governance Report 2018 can be downloaded from our website, as well as the website of Bursa Malaysia Securities Berhad at www.bursamalaysia.com.

Corporate Statement Business Ethics and Compliance

YTL Group conducts all business transactions and negotiations with transparency, and we are 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 or present a conflict of interest.

We provide the optimum level of service and products we can offer at all times, and approach our businesses with a 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.

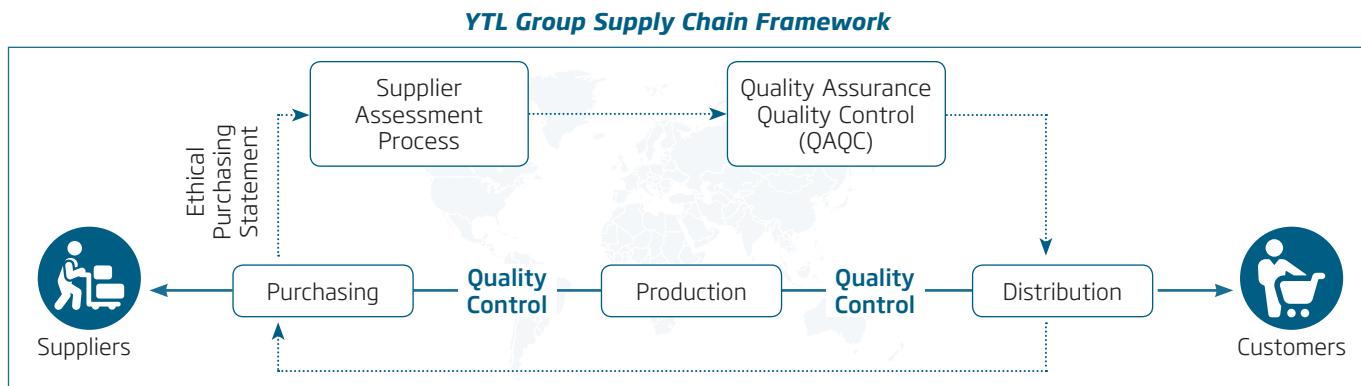
SUPPLY CHAIN SUSTAINABILITY AND RESPONSIBLE PROCUREMENT



OUR GOAL: To promote responsible and sustainable supply chains

Suppliers form an important part of our business, and we are committed to conducting business in an ethically, legally and socially responsible manner. We have high standards of quality control in place qualifying new suppliers for the sale of products and delivery of services.

As part of our standard practice and YTL Group Corporate Statement with regards to ethical purchasing, all suppliers are required to follow specific guidelines, policies, rules and regulations as laid down in contracts. Rules provide specific requirements related to business conduct including human rights clauses pertaining to payment of wages, child labour, forced and compulsory labour, corruption, sexual harassment, health, safety and environmental impacts. Suppliers are required to adhere to all government laws and are monitored on a regular basis to ensure compliance at all times. We conduct several informal checks at sites. Those exhibiting unethical behaviour that contravenes with our socio-environmental policies are given warnings which may lead to penalties and/or termination.



Local and Overseas Procurement Expenditure

	Local	Overseas	Total
No. of Vendors	471	23	494
Percentage (%)	95	5	100
No. of Vendors	1,811	121	1,932
Percentage (%)	98	2	100
No. of Vendors	319	70	389
Percentage (%)	77	23	100



An average **90%** of our total procurement expenditure was spent on local suppliers

In 2018, we engaged with numerous local suppliers in countries where we operate. Being located in several different countries, most of our requirements are met locally, although we do not have a policy that favours locally based suppliers. We still uphold the spirit of meritocracy by providing all suppliers with equal access to procurement opportunities. This indicates that we support domestic economic growth, generate employment opportunities and improve the capacity of the workforce in each respective country.

During the year under review, Wessex Water in the United Kingdom (UK) performed a thorough gap analysis against the sustainable procurement standard ISO 20400:2017 which was verified by an independent expert. Taking recommendations forward, Wessex Water will enhance its supplier sustainability risk and opportunity assessment and develop a prequalification question bank for use during the supplier tender process. The company will also ensure that internal sustainable procurement work is recognised and communicated more consistently.

CUSTOMER PRIVACY

The use of data and data protection has become an integral part of life in today's world, which is essentially attributable to the advent of digital technology, making data collecting, editing, sharing and transferring easier than ever. Personal data, which includes identity card numbers, addresses, credit card and bank account details, is a valuable commodity as well as a dangerous weapon where misused. The enforcement of personal data protection laws is thus not only timely, but also necessary to protect the safety and privacy of customers who have been left too long at risk and sometimes at the scruples of companies and organisations when it comes to their personal data. At YTL Group, we treat the personal data of our customers, employees and other stakeholders with utmost respect and strive to ensure integrity at all levels.

With the new General Data Protection Regulation (GDPR), we have updated our Global Privacy Policy⁸ and we are committed to the protection of our customers' personal information which is collected and processed, as well as disclosed to YTL Group. The intent of the GDPR compliance is to give customers confidence that their personal data is protected. We are pleased to report that we have had no breaches of customer information during the reporting period.

⁸ For information about how we manage data and communications, please view our Global Privacy Policy for YTL Group at <http://www.ytl.com/privacypolicy.asp>

Embracing the Marketplace

PRODUCT STEWARDSHIP AND INNOVATION



OUR GOAL: To provide innovative and sustainable solutions to customers through partnerships with global local suppliers and contractors

From technology to hospitality, we strive to ensure that our products and services not only represent value for money but also provide a satisfactory experience for our stakeholders. We acknowledge the importance of sustainability as the key driver of innovation that will in turn bring technological advancement and progressive value propositions to YTL Group.



This year, our construction arm YTL Construction, formerly known as Syarikat Pembinaan Yeoh Tiong Lay, successfully secured the major multi-billion ringgit Gemas-Johor Bahru double-tracking project which involves construction of 197km of double tracks, stations, electric trains, depots, land viaducts, bridges, and electrification and signalling systems with a total value of RM8.9 billion. The project will demonstrate our commitment to push for excellence in developing sophisticated infrastructure in the country.



An artist's impression of the Gemas station design

Being one of the pioneering eco-friendly cement producers and suppliers in the nation, YTL Cement is committed to providing its customers with innovative products and minimising energy consumption and CO₂ emissions by improving processes and creating new blends. The expert team actively engages with various stakeholders through events such as seminars, competitions and workshops. During the past year, the company organised a seminar with the theme "Blend for the Best Performance" to provide a platform for technical exchanges of best practices in cement and concrete technology in the construction industry. The seminar has received encouraging feedback from a total of 370 participants.



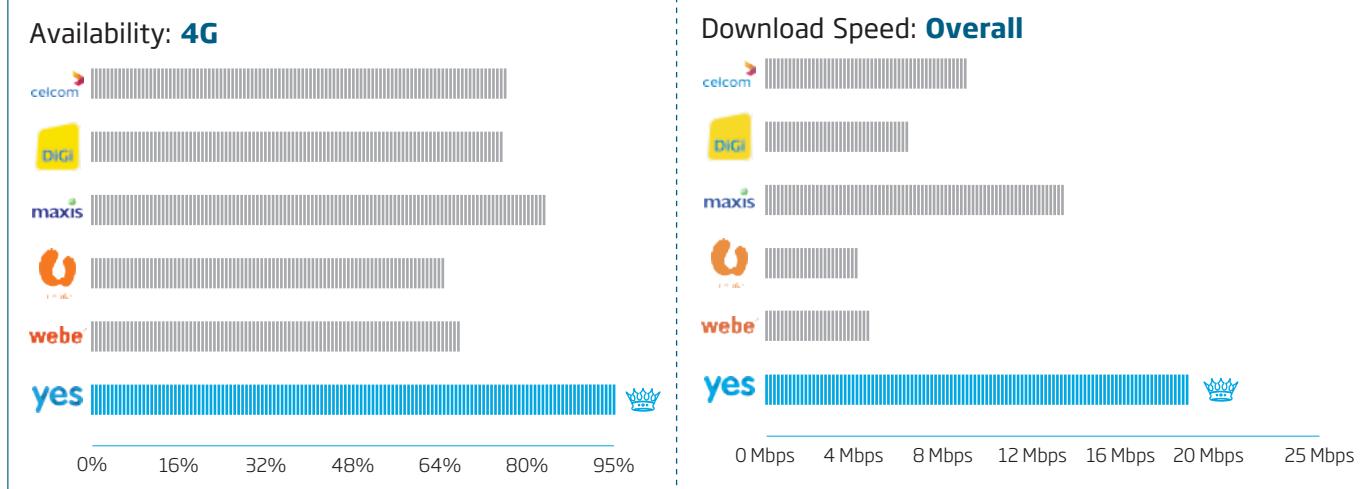
Laboratory testing and stringent quality control ensuring consistent products

In addition to continual efficiency improvements, the company's "Castle" (Portland Composite Cement) brand of bagged cement allows them to add the maximum allowable quantity of limestone additive to produce a better performing cement. With improvement in workability, productivity at the job sites is enhanced. This also resulted in lower cost of production at all four plants.

Our telecommunications business **Yes** continues to champion the transformative power of the Internet to close the digital gap between rural and urban communities as well as to create equal opportunities for people across the country to connect to the world and improve their lives.

In 2018, **Yes** was nominated by OpenSignal as the provider with the fastest overall download speed and the best LTE (Long Term Evolution) signal availability in Malaysia, according to OpenSignal's State of Mobile Networks: Malaysia's report. **Yes** not only tops the overall download speed, but also outshines the rest of the local telco operators in providing the best 4G LTE signal availability. This enables **Yes** customers to be able to connect to the 4G LTE signal at an astounding 93.2% of the time, ahead of its nearest competitor by 13%. **Yes'** high score surpasses the country's other four main operators' that provide LTE signal less than 74% of the time.

Yes' customers are able to enjoy average download speeds of 19.3Mbps, ahead of all other local operators and the global average 4G LTE download speeds of 16.6Mbps. With **Yes'** 85.6% nationwide population coverage, rural communities now have equal access to high-speed 4G LTE Internet at affordable rates comparable to those in urban areas.



— Comparison of overall availability and download speed among telcos

Our transportation arm, Express Rail Link Sdn Bhd (ERL), unveiled its latest KLIA Ekspres train with exciting new livery based on *Songket* motifs in March 2018. The two sets of new trains service the KLIA Ekspres while another four, the KLIA Transit. The new trains will complement the existing 12 trains, bringing the total number to 18. Overall, the total capacity of ERL will increase by 50% and allow it to offer a more efficient service and cater to growing ridership. Riders can expect less waiting time as the frequency of the trains has been improved to every 15 minutes during morning and evening peak hours on weekdays, down from 20-minute intervals.

On the hospitality front, our wholly-owned subsidiary YTL Hotels & Properties Sdn Bhd (YTL Hotels) strives to make our hotels both a destination and a memorable experience. During the reporting period, YTL Hotels and Marriott International signed agreements to develop four new luxury hotels in Asia; two to be located in Malaysia, flying the JW Marriott and Edition flags; whilst the other two are in Japan: an Edition and a W Hotel in Niseko Village, Hokkaido. To date, YTL Hotels' global portfolio has grown to 36 properties that are situated in Australia, Japan, Malaysia, Indonesia, Thailand, China, the Netherlands, France, Spain and the UK, of which eleven are Marriott International branded hotels.

We take pride in our five-star hotel, The Majestic Kuala Lumpur being awarded the prestigious Hazard Analysis and Critical Control Point System (HACCP) global certification in March 2018 for complying with the highest level of food safety standards and regulatory and statutory requirements. HACCP is an internationally recognised structured operating method that helps organisations in the food and beverage industry identify their food safety risks, prevent food safety hazards and address legal compliance. Achieving this certification reinforces the hotel's

commitment to strengthen its credibility and reputation, building customer satisfaction and trust, reduce operating costs and increasing operational efficiency.



— The latest KLIA Ekspres train with livery design featuring traditional *Songket* motifs of Pucuk Rebung, Tapak Sulaiman and Bunga Pecah Lapan began operations on 13 March 2018



— From L-R: Mr Arne Sorenson – President and Chief Executive Officer, Marriott International, Dato' Mark Yeoh – Executive Director of YTL Hotels, Mr Craig Smith – President and Managing Director of Asia Pacific, Marriott International and Tan Sri Dato' (Dr) Francis Yeoh – Executive Chairman of YTL Corporation following the official signing ceremony between YTL Hotels and Marriott International

Embracing the Marketplace

We are also committed to working with local businesses to support local economies and people. Having the produce come from reliable, sustainable and ethical sources also forms a part of the gastronomic and local experience that YTL Hotels offers guests. In some of the initiatives we work with Mangosteen, a regional social enterprise with a mission to empower organisations that work with women and children in the developing world. All gains from the use of the products are channelled to these organisations for charity purposes.

The Fennel at Sentul East, a 38-storey freehold residential tower by YTL Land & Development (YTL L&D), features dual-key concept units to cater to the growing young urban population in Sentul East. YTL L&D's commitment to create sustainable living concepts goes beyond meeting functional needs. The most unprecedented is the one acre of lush and natural landscape created by some 1,200 trees planted and nurtured within the development. On the podium, two Olympic length salt water infinity edge swimming pools blend in seamlessly with a host of lifestyle amenities ranging from gymnasiums, yoga pavilions, water features, reflective ponds, pocket gardens and child-friendly landscaped spaces-truly an oasis of serenity and welcome respite from the stresses of city life.

In April 2018, The Fennel garnered two prestigious awards during the PropertyGuru Asia Property Awards (Malaysia) 2018. The project won the Best Condo Development (Klang Valley) category, followed by a second win in the Best Condo Development (Malaysia) category. The recognition by the panel of eminent judges pay tribute to YTL L&D's commitment in the creation of architecture which is unique and leverages on the strong connections of design and innovation. The double win is also testament to the successful urban regeneration of Sentul by YTL L&D from a run-down aging district of Kuala Lumpur into a vibrant cosmopolitan hub by pioneering high standards of design and architecture which appeal to a new demographic of urban dwellers.



In Singapore, Seraya Energy, the retail arm of YTL PowerSeraya, continued to prove its resilience in powering the nation's development through innovative energy solutions. To facilitate the development of a highly competitive market with varied needs, Seraya Energy continues to look into developing the right capabilities and tools to support a high level of customer service. Renewable energy, in particular solar, is being explored as an energy solution to be offered to customers.

YTL PowerSeraya is also well-versed with the Singapore government's plans to introduce a carbon tax on upstream, direct emitters starting in year 2020 for 2019 GHG emissions. The Government's proposed carbon tax pricing of SGD5 per tonne of carbon dioxide emissions translates to an estimated annual SGD20 million in carbon taxes for the company. To address this issue, the Carbon Taskforce (CT) team was set up to engage with various stakeholders, particularly the government agencies, to raise concerns on its impacts on the power sector as well as for discussing passing on of the carbon tax to end consumers. The company recognises the need to educate end consumers on the carbon tax, what the power sector has been doing on the energy efficiency front and to work with the government to encourage end consumers to curb emissions.

Excellent service is something that requires dedication and attention to detail, therefore the team continues to explore different ways to bring clean energy to more homes across Singapore and work towards better serving the energy needs of all Singaporeans. The roll-out of the Open Electricity Market (OEM) in April 2018 has given the team an additional platform to reach out and engage more effectively with customers. Currently, those residing in Jurong may benefit from the initial phase of the OEM, and it will be extended to the rest of Singapore by the end of 2018. Through Geneco Singapore, customers have the power to choose from a range of cost-competitive price plans that suit their lifestyle and energy consumption needs.



The Fennel at Sentul East where comfortable spaces are created for residents, embellished by the foliage of creepers and mature selected trees



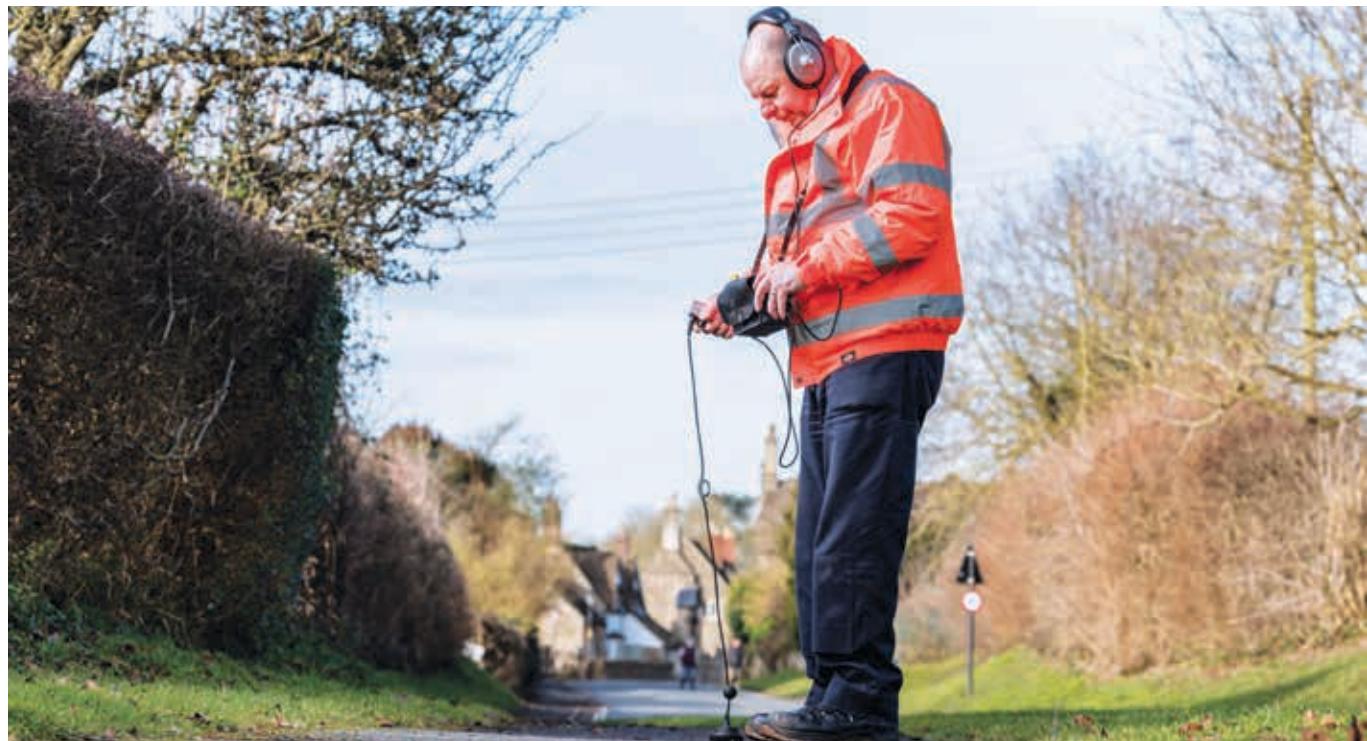
Our water and sewerage services arm in the UK, Wessex Water, aims to be an acknowledged leader and exemplar at innovation, introducing new ways to benefit the people it serves and the environment in which it operates. It remains one of the most consistent top performers in the water sector for customer service. Last year, Wessex Water was ranked second among all water and sewerage companies during the third year of Ofwat's (the UK regulator) new Service Incentive Mechanism (SIM) used to assess customer satisfaction. Despite the slight decline, the company aims to regain the top spot on the overall SIM through its excellent performance on complaints. Feedback surveys show that customers continue to score Wessex Water highly on satisfaction, first-time resolution, staff conduct, knowledge and effort. In terms of its performance commitments, 96% of its customers rate their service as very good or good.

The company also retained the government backed Customer Service Excellence award for its approach to customer service and has the best overall package of customer guarantees in the industry. The operational contact centre continues to hold the Institute of Customer Service's ServiceMark with Distinction, one of only ten in the UK to achieve this accolade. Wessex Water

plans to widen ServiceMark accreditation to other customer facing departments over the next two years, starting with the repair and maintenance teams.

Innovation is central to the company's ability to do its job and to adapt as circumstances change. Wessex Water has introduced new ways to improve customer service, such as providing an online interactive map showing all the live jobs that are being carried out in their region. The Go the Extra Mile programme (GEM) encourages staff to find ways to exceed expectations and rewards them with a GEM award for doing so. Another example of customer service innovation is the cash back guarantee offered to customers who move onto a water meter which was devised with the Young People's Panel (a group of twenty-three 16-18 year olds; an industry-first initiative which was set up in 2016).

Other efforts which benefit customers include trials of new technologies and products, which offer relatively quick and low-risk ways of understanding the suitability of innovations. These commonly originate from contacts with technology developers or intermediaries such as Isle Utilities. As a result, Wessex Water has achieved some significant savings in recent years in areas such as trenchless sewer rehabilitation.



Of the water that leaks, around three quarters is from Wessex Water's water mains and one quarter from customers' pipes. As leakage is an important area for innovation, they are reviewing the many technologies currently available and those in development, with the aim of selecting those that can help with further reductions in the future

PROTECTION OF THE ENVIRONMENT

Our Commitment

Integrating responsible environmental and sustainable strategies into our core business decisions to protect and enrich the natural environment for future generations

Our Approach

- Reducing GHG emissions
- Promoting energy efficiency and development of renewable energy
- Improving water efficiency
- Optimising resource efficiency
- Managing waste streams including responsible disposal, reuse and recycling
- Conserving and enhancing terrestrial and marine biodiversity and ecosystems

Aligned To



Highlights



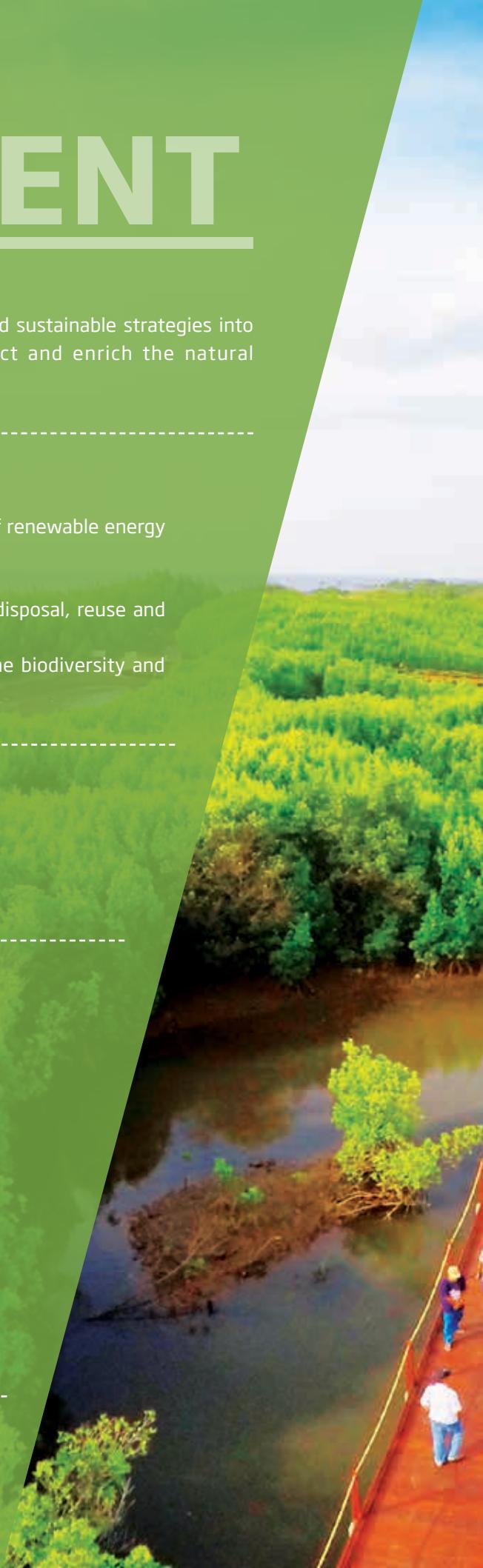
The Bio-Bee food waste trucks at GENeco UK successfully avoided 200 tonnes of carbon emissions, equivalent to **75 cars taken off the road every year**



Key business units achieved **100% compliance** with local air emission and water discharge standards



Partnership between Tanjong Jara Resort and Lang Tengah Turtle Watch resulted in **10,619 turtle eggs being rescued**





Protection of the Environment

GRI 302-1, 302-4, 303-5, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-4, 305-5, 305-7, 306-1, 306-2, 306-3, 306-4

Our businesses are built on both the consumption of natural resources and human capital, the two key elements in our sustainability pillars. From raw material extraction to the generation of waste, there is a significant impact on the environment. Demands on natural resources become more strained as a result of increasing demand and environmental impacts caused by human activities. In order to meet current needs without compromising the prospects of future generations, a focus on sustainability by people, corporates as well as governments is essential.

Six out of 17 United Nation's Sustainable Development Goals (SDGs) highlight the urgency of environmental impacts in the name of development which require immediate international cooperation and action, including SDG 12 - *Responsible Consumption and Production*, SDG 13 - *Climate Action*, and SDG 14 - *Life Below Water*.

As a responsible conglomerate, we are dedicated to progressing in a sustainable manner whilst minimising the potential risks associated with our businesses. Protection of the environment is ingrained in each employee and value system through commitments spelled out in our Corporate Statement with regards to the Environment. Thus, our efforts have resulted in a growing portfolio of green investment projects, waste management initiatives, resource efficiency programmes, carbon reduction management programmes and how we play a leading role by sharing best practices with our stakeholders.

Earth Hour Advocacy

Over the years, YTL Group has been a strong advocate of initiatives that protect the planet. This year's Earth Hour was all about how we "**#Connect2Earth**", and this has been one of the main focus areas of our efforts for the year. During Earth Hour week, various green campaigns were organised by our subsidiaries to raise awareness on environmental sustainability.



■ Staff from JW Marriott and The Ritz-Carlton Kuala Lumpur showing their support for Earth Hour lights off event



■ In collaboration with Raffles College of Higher Education and REFASH, a series of activities related to 'Sustainable Fashion' were showcased at Lot 10 Shopping Centre



■ **Patch by Patch** - On display was a resting pew made with recycled pallets as the skeleton and stitched textile scraps as the upholstery and pillow cases at Lot 10 Shopping Centre. From the perspective of Chinese folks, the patchwork represents blessings from people, and is considered a symbol of good luck



■ **Re-Born** - An avant-garde bench made from discarded timber and old chairs at Lot 10 Shopping Centre. As reflected by the name, this design showcases new value by reusing and recycling waste thus giving items a new life with novel purpose

CLIMATE CHANGE



OUR GOAL: To reduce greenhouse gas (GHG) emissions to mitigate the effects of climate change

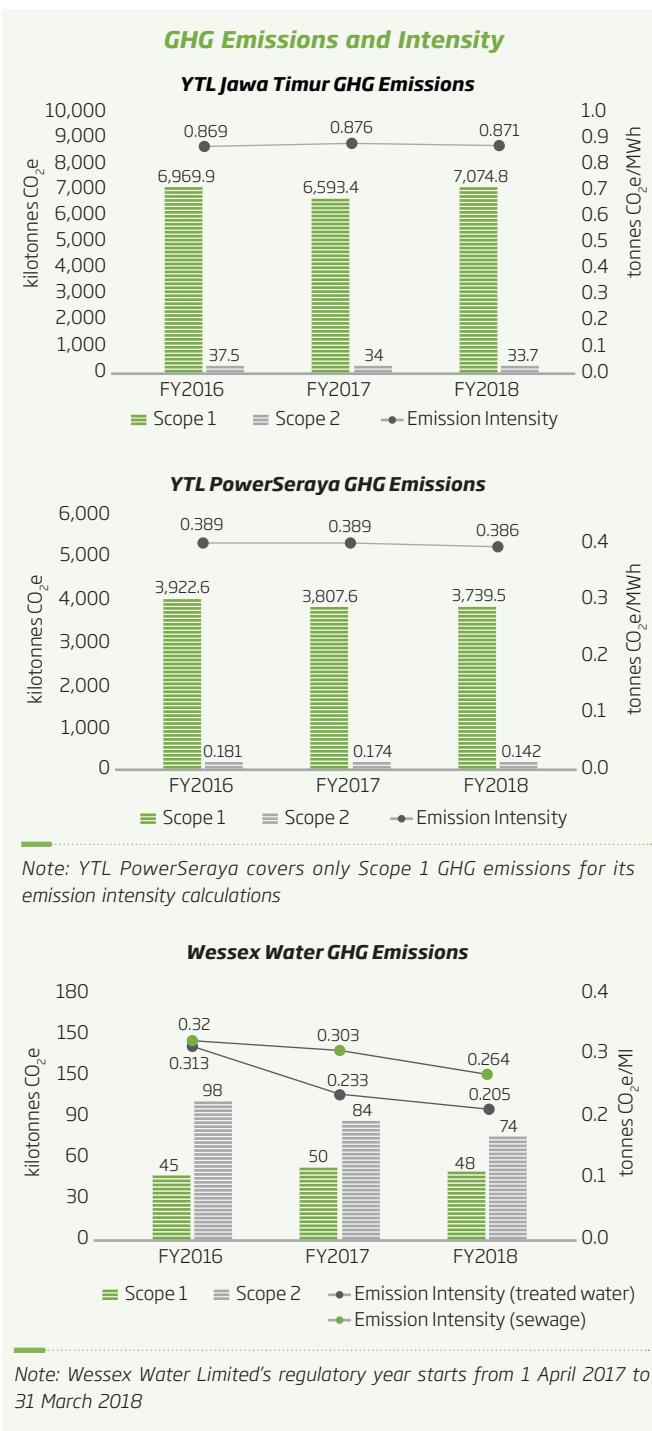
Barack Obama said that, "Climate change is no longer some far-off problem; it is happening here, it is happening now". It is happening, despite the rhetoric of the deniers. It has become an irreversible and possibly catastrophic event on a global scale, and is broadly affecting all species on the planet.

Since 2015 nearly every country has made a pledge by signing the Paris Agreement on Climate Change to keep global temperatures "well below" 2°C above pre-industrial levels and to "pursue efforts to limit the temperature increase even further to 1.5°C". Companies, though not bound by the Paris Agreement have taken steps and shown their commitment to reduce emissions through investments in renewable energy, energy efficiency, cutting waste and streamlining operations. Aiming to support and commit to the objectives of the Paris Agreement, YTL also signed the Paris Pledge for Action in 2015. Aligned with *SDG 13-Climate Action*, YTL's entities constantly keep track of their GHG emissions, as well as develop alternatives to mitigate the impacts of climate change.

Tracking GHG Emissions

YTL-SV Carbon (YTL-SVC), YTL's in-house carbon consulting company has been a proponent of the integration of measurement, disclosure and offsetting of GHG emissions. It has been compiling YTL Group's GHG Inventory for its Southeast Asian operations for many years mainly for internal use, but also for limited external disclosure, to gain insights on current emissions, to track energy consumption, measure GHG emission performance, mitigate associated risks, as well as appropriately assist YTL Group in emission improvements and offsetting emissions now and in the future.

YTL Group is committed to continually improve its energy performance across all sectors both through energy efficiency improvements and increasing its renewable energy portfolio.



Protection of the Environment

GHG Mitigation



Wessex Water's long-term sustainability goal is to be carbon neutral and to implement a carbon management strategy with three main elements - emissions avoidance, increasing efficiency across their sites and generating renewable energy. In FY2018, Wessex Water's net GHG emissions fell to 122 kilotonnes CO₂e, their lowest since 1999-2000. This also met their performance target for the year.

Scope 1 emissions are from on-site activities and their own vehicles; Scope 2 emissions are related to emissions from grid electricity generation. Scope 1 emissions remained relatively consistent with last year. Scope 2 emissions saw another significant drop; in previous years this was achieved through a combination of energy efficiency improvements, renewable energy generation and the falling carbon dioxide intensity of UK grid electricity. The emissions intensity (emissions per megalitre treated) decreased because a marginally higher volume of water and sewage was treated but the total carbon equivalent emissions were reduced.

Wessex Water has developed a Climate Change Adaptation Plan for 2015-2020 based on a detailed risk assessment. The report sets out the main climate-related risks that the company faces and the steps needed to manage those risks and to be overall more resilient.



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



YTL PowerSeraya's carbon emission reduction over the years was achieved through a progressive switch from heavy fuel oil to less carbon-intensive natural gas, as well as investments in more energy efficient power generation plants with co-generation capabilities. Some key highlights include:

- Successfully kept GHG intensity below the 0.4 tonnes carbon dioxide equivalent (CO₂e) per MWh target, through planned and regular maintenance and plant condition monitoring.
- Overall plant efficiency has been maintained at around 52% for the past several years.
- Over the past years there were consistent reductions in house load energy consumption (versus base year financial year (FY) 2013) due to continual maintenance of power plant systems and equipment as well as less running of the oil-fired steam plant.
- Recently, YTL PowerSeraya updated their GHG emission factor, resulting in an increase in the Scope 1 GHG emission data, particularly in FY2017 compared with FY2018.



The increase in the emissions is primarily due to an increase in the total power generation at the power plant in the current financial year as compared to last year. While the total emissions have increased, there has been a decrease in the overall emission intensity as YTL Jawa Timur (YTLJT) continues to improve its overall efficiency through various initiatives including energy efficiency improvements and use of biodiesels for all its heavy-weight equipment such as dozer, excavator, loader, skid steel loader, mobile crane, skip lorry, forklift and water and fire truck.

Being the sole Indonesian coal-fired power plant to be a two-time winner of the PROPER Gold Award, YTLJT's team is committed to mitigate their power generation efficiency through meticulous preventive maintenance planning and continuous technological improvements. As a result, and despite being in operation for over 18 years, Paiton II Power Plant still achieved an average plant thermal efficiency of 38.76% and a remarkable reduction of CO₂ emissions in 2018, rates comparable to when it first commenced commercial operations.

ENERGY EFFICIENCY AND RENEWABLE ENERGY



OUR GOAL: To promote energy efficiency and the development of renewable energy

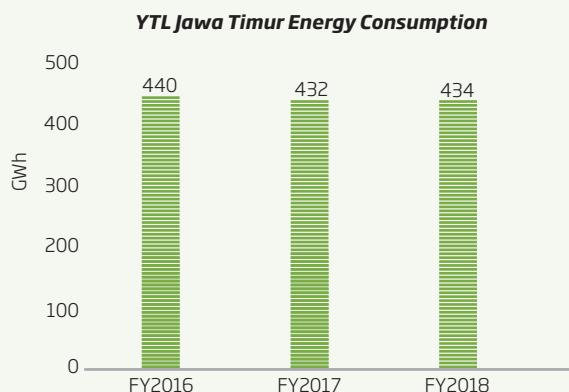
Planned and effective utilisation of energy can help in driving down operating costs and contribute to a greener environment. At YTL, we use several direct and indirect energy sources which broadens the scope of energy optimisation. Our efforts are focused on mitigating possible adverse environmental impacts, through improvements in energy efficiency and through utilisation of clean energy.

Energy Consumption

Notably, most of our key businesses including YTLJT and YTL Cement are certified under ISO 50001:2011 Energy Management Systems (EnMS). Applying best practices enables the organisations to follow a systematic approach in achieving continual improvements in energy performance including energy efficiency and consumption.

There has been a constant decline in total electricity consumption at most of our business units. This reflects our efforts in energy savings programmes such as energy efficient lighting systems, general efficiency improvements and increased use of renewable energy in our operations.

Energy Consumption



Note: Energy consumption has increased slightly for YTLJT and it is mainly due to an increase in total electricity generation. However, the overall emission intensity has reduced due to continued efficiency improvements

Wessex Water Energy Consumption



Note: The consumption of electricity increased slightly from FY2017 due to wetter conditions - particularly due to heavy snowfall in March 2018. However it remained in line with the downward trend from its peak in 2007-08; largely resulting from concerted energy efficiency efforts which deliver around four gigawatt hours (GWh) of savings each year

YTL PowerSeraya Energy Consumption



Note: The past three years saw consistent reductions of in-house load energy consumption (versus base year FY2013) due to continual maintenance of power plant systems and equipment as well as less running of the oil-fired steam plants

SGREIT Energy Consumption



Note: There was a significant reduction in energy consumption from FY2017, signifying the effectiveness of continuous energy conservation efforts

Protection of the Environment

Energy Conservation and Management



- Most properties under YTL Group continue to replace fluorescent lights with LEDs (Light-emitting diodes) in their offices, carparks, guest rooms and common areas.
- In 2017, ERL Maintenance Support (E-MAS) became the first railway operator in Malaysia to be certified under ISO 14001:2015 Environmental Management Systems (EMS), which is a voluntary standard that reflects continual improvement and commitment towards reducing or eliminating adverse environmental impacts. Among the energy saving initiatives implemented under the E-MAS Energy Saving Programme include:
 - A Standard Train Operation Procedure (SOP) which serves as a reference point and guideline for the Operations Train Drivers (OTD).
 - Installation of real-time tracking via Global Positioning System (GPS) in 12 of the company's vehicles which enables vehicle fleet tracking and monitoring, resulting in fuel savings of RM18,000 per year and reduced carbon emissions.
 - Replacement of conventional lights with energy efficient LEDs starting at the Salak Tinggi station area, saving a total of 26.8 kilowatt hour (kWh) per day or at least a 28% energy reduction.



In compliance with ISO 50001, YTLJT implemented a primary energy reduction programme to enhance energy management practices at Paiton II Power Station.



Successfully reduced energy consumption to a commendable level since **2014**



Since 2014, **91,674** megawatt hour (MWh) electricity savings, **335,352** tonnes of coal savings and **2,142,852** litres of fuel savings that total an equivalent of **1,716,229** tonnes of CO₂ reduction have been achieved.



Some energy saving initiatives undertaken during the reporting period were as follows:



- Optimisation of Flue Gas Desulfurisation (FGD) absorbent pump running hours
- Energy saving from water conservation programme
- Replacements of seal strips to improve turbine heat rate
- Replacement of fluorescent lamps with LEDs
- Optimisation of exhaust fans and lighting units at workshop and store building
- Installation of solar photovoltaic (PV) units
- Installation of new sea water feed pump



YTL PowerSeraya continues to improve the performance of its systems through improvements in efficiency, and timely inspection and servicing of all its units. YTL PowerSeraya carried out refurbishment and servicing for its plants in FY2017 resulting in an overall improvement in efficiency.

YTL Starhill Global REIT (SGREIT) remains committed to their long-term target of achieving a 15% reduction in energy consumption for Wisma Atria.

- Switched to LEDs and added motion sensor devices, particularly to the LED fittings at staircases.
- Submitted mandatory energy usage report to Singapore's Building and Construction Authority (BCA) through Building Energy Submission System (BESS).



One of Wessex Water's long-term sustainability goals is to be carbon neutral in their operations. Whilst electricity use increased between 1990 and 2010, mainly due to tighter sewage treatment standards, they have now halted this trend, largely through concerted energy efficiency work. This is supported by detailed consumption information, analysed through their energy data hub that reveals sites using too much electricity and helps focus on corrective measures. The company also generates more renewable electricity and gas from digested sewage and food waste and has increased solar and in-pipe hydro electricity generation.

Protection of the Environment

Renewables - Fossil Fuel Substitution

As one of the largest conglomerates in Malaysia, we firmly believe that it is of utmost importance for us to reduce or offset any impact on the environment by harnessing renewable energy. As part of this sustainability focus, we are looking to put in place a more streamlined energy management programme in the areas where we operate.



YTLJ has embarked on a series of solar PV system installations. These installations are projected to reduce grid electricity consumption by 20%.

Moving from in-house renewable energy, YTLJ continues to expand the development to power up more local communities with sustainable energy, through micro hydro, biogas and solar energy installations. The renewable energy programme for Probolinggo and Situbondo regencies first started in 2012, aiming to resolve the energy poverty issues in these remote off-grid areas. Electricity powered by micro hydro is able to sustain 856 homes, enabling the villagers to carry out their daily activities more effectively, thus indirectly boosting household income.

Meanwhile, biogas primarily derived from cow manure is able to provide heating for cooking and lighting. By-products generated from the digestion process for biogas generates a high-mineralised fertiliser which outstrips the inorganic chemical fertilisers.

Following the success of the biogas project, YTLJ has targeted installation of 800 domestic biogas units by 2020. The new addition of solar cells has been halted mainly due to YTLJ's emphasis on maintaining the existing solar cells. As a result, the Alternative Energy Development (AED) programme has yielded over 842,458 kWh of electricity and captured 211,700 m³ of biogas, saving 9,540.69 tonnes of CO₂ per year.

Solar Installations by YTL JawaTimur

Installation on Operator Housing Complex (OHC) Community Centre and Sports Hall rooftop • 147 MWh of electricity substitution since installation	Ongoing substitution of 13 units of solar cells on street lighting at the OHC entrance • 2.6 MWh of electricity substitution annually	Ongoing solar installation on rooftop of Paiton II Power Plant main office • 92 MWh of electricity substitution annually
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A micro hydro unit at Sumberago village, Situbondo regency, handed over in February 2018



Construction of a dome-shaped digester engineered to generate biogas from the digestion of cow manure

YTL Jawa Timur's Alternative Energy Development (AED) Programme

Project	Cumulative units installed up to 2018	Installed capacity (kW/number of cows/Wp*)	Total electricity (kWh)/methane generated (m ³)	Equivalent CO ₂ reduction (tonnes/year)
Micro Hydro	39	95.3 kW	834,828 kWh	732
Domestic Biogas	580	1,160 cows	211,700 m ³	8,802
Solar Energy	65	8,710 Wp	7,630 kWh	6.69

Note: * Wp stands for watt peak, the peak output power achieved by a solar module under full solar radiation

Protection of the Environment

VIAR Q1 ELECTRIC MOTORCYCLE



As an advocate of pollution reduction, YTL JT has opted for Viar Q1 electric motorcycles for their operations in Jakarta Building Summitmas Tower II and PLTU at Paiton, Probolinggo, Java. To facilitate this initiative, YTL JT is cooperating with Summitmas Building Management and PLN Disjaya in the establishment of 500 units of General Electricity Filling Stations (SPLU) at Summitmas parking lot. This initiative is expected to increase funding for country's development as a result of the reduction in the government's subsidies of fossil fuels.



Wessex Water is committed to maintaining an active energy efficiency programme fully integrated into its capital investment and asset operation. They outperformed their commitment this year with 26% of electricity demand generated from their own renewable sources, exceeding their 2020 target of 24%. Their renewable energy includes electricity from combined heat and power fuelled by sewage sludge biogas, electricity generated from food waste, in-pipe micro hydro installations and solar power.

Following the installation of advanced anaerobic digestion and associated electricity generation at Trowbridge water recycling centre, Wessex Water made good progress with a scheme to improve digestion at Berry Hill, near Bournemouth. Meanwhile, their operating division GENeco continues to export biomethane to the local gas grid, and struck an agreement to supply Bristol Energy with renewable gas for local homes, in addition to the sale of green gas certificates to Unilever.



In line with Singapore's 2016 Climate Action Plan strategy and carbon tax implementation by the Singapore Government, YTL PowerSeraya continues to run its plants as efficiently as possible and explore renewable energy options. Despite physical and commercial constraints in Singapore with a lack of incentives such as feed-in-tariffs, the company is exploring solar PV and will continue to educate customers on energy conservation.



Following the success of the waste heat recovery (WHR) unit in YTL Cement's Dama Plant in China, YTL Cement extended this initiative to Perak-Hanjoong Simen (PHS), Malaysia. The waste heat source is the residual heat energy emitted from the pre-heater and clinker cooler during the cement clinkering process. It is recovered through low temperature boilers to generate steam which is then used to drive a steam turbine that produces electricity for the plants' own use. The company invested RM70 million and commissioned the WHR unit in 2015, which generates approximately 220,000 MWh of electricity resulting in a reduction of roughly 150,000 tonnes of carbon emissions each year.

Atmospheric Emissions

Air pollution causes adverse impacts to people and the environment, where both are the fundamental elements in our daily operations. Hence, emissions monitoring and controls are our utmost priority, whereby emissions data is continuously recorded by our key entities. All our power stations and cement plants conduct air quality monitoring regularly as part of regulatory compliance. In the year under review, all our plants achieved 100% compliance with local air emission standards.

Air Emissions

Business Units	Parameters	Unit	Target	FY2016	FY2017	FY2018
YTL PowerSeraya	Sulphur dioxide (SO ₂)	kg/MWh	-	0.0065	0.0271	7.3 x 10 ⁻⁶
YTL Jawa Timur	Sulphur dioxide (SO ₂)	tonnes/GWh	0.36	0.1457	0.1301	0.1418
	Nitrogen oxides (NO _x)	tonnes/GWh	1.21	0.8313	0.8968	0.7686
	Particulates	tonnes/GWh	0.16	0.0150	0.0237	0.0493
	Carbon monoxide	tonnes/GWh	-	0.0318	0.0326	0.0836

Note: As a result of significantly low oil-fired power plant operations at YTL PowerSeraya, SO₂ production has fallen significantly over the months for FY 2017 to FY 2018

WATER STEWARDSHIP



OUR GOAL: To improve water efficiency in daily operations

According to the United Nations Development Programme (UNDP), more than 40% of the world's population is affected by water scarcity and 2.4 billion people lack access to basic sanitation. Water shortages and sanitary deprivation engenders the formation of SDG6

- *Clean Water and Sanitation*, with the statement: "Ensure availability and sustainable management of water and sanitation for all".

As a Group with diverse industries, we understand the impacts of this issue in our businesses. Acknowledging water efficiency is fundamental to our global operations, we are committed to protecting water sources and catchment areas and also improving water efficiency, via good water management and conservation. We are vigilant about our water consumption and make informed decisions based on proven methods and best practices, be it technological enhancements, administrative control measures, or encouraging conscientious and ethical behaviour within the company, along our supply chains and with our customers.

Water Footprint

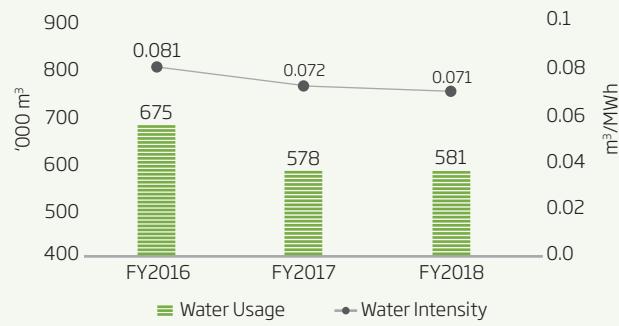
Our business units pay close attention to water usage, by optimising and monitoring the consumption across our businesses, from processed water in our power plants to even the smallest amount of water used in our resorts, commercial properties and retail buildings.



Effluent is processed and recycled at YTL JT's wastewater treatment plant

Water Consumption and Intensity

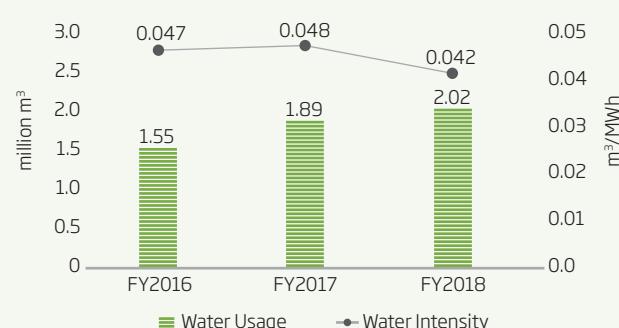
YTL Jawa Timur Water Consumption and Intensity



Note:

- Though water consumption of YTL JT increased slightly by 0.5%, the overall water intensity decreased, indicating that water usage did not grow despite expansion of the plant
- A reduction in YTL JT's water usage intensity by 1.4% from FY 2017 to FY 2018 was a result of in-house water consumption reduction efforts

YTL PowerSeraya Water Consumption and Intensity



Note:

- Water usage by YTL PowerSeraya has increased by nearly 7%, as a result of increased sales in high purity steam and potable water to customers
- A decline of 12.5% in water intensity due to continuous water management programme by YTL PowerSeraya

SGREIT Water Consumption

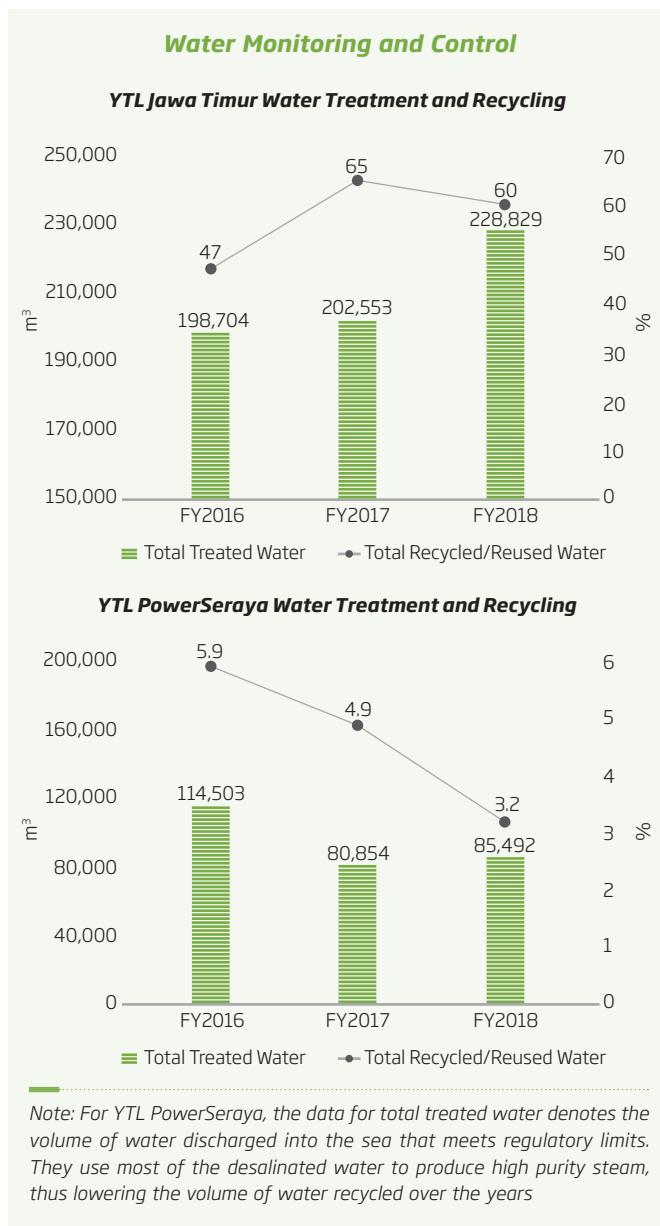


Note: Water consumption in SGREIT has decreased compared to previous financial year due to effective water conservation efforts

Protection of the Environment

Water Monitoring and Control

Certified under ISO 14001, all wastewater and/or sewage from power plant operations, sewage treatment sites, construction sites, cement plants and quarry sites are regularly assessed and monitored by an accredited third party consultant approved by local authorities. This is not only part of regulatory compliance requirements and wastewater management processes, but it is also to ensure minimal negative impacts of discharge to the environment and ecosystems. For the financial year under review, we achieved 100% compliance to water discharge quality under local standards. Zero chemical and oil spills were also observed over the past three years.



Water Efficiency and Conservation

We are committed to ensure sustainable water use in all our operations. A number of water conservation and self-improvement initiatives have been carried out such as the use of water saving devices and reduced water usage, rainwater harvesting, exploring alternative ways to process clean water, developing efficient ways to recycle water from operations, and protecting water sources from contamination and pollution.



On the theme of YTL Group's water saving commitments, rainwater harvesting and sustainable use are practised in daily operations. E-MAS, YTL Construction and YTL Cement use rainwater to clean trains, trucks and vehicles, whereas YTL Hotels and shopping malls such as Lot 10 Shopping Centre (Lot 10) and Starhill Gallery use the same sources of water for gardening and watering purposes within their premises. YTL Hotels also actively encourages its guests to reuse towels and bed linen which successfully reduce water and detergent use.



YTL PowerSeraya has been relatively self-sufficient in water, with about 94% of its water needs at the power plant met by its in-house desalination plant and close to 6% met from reclaimed water (i.e. NEWater). Less than 1% of plant water needs comes from freshwater sources. Plant water consumption increased by 7% versus the previous year, mainly due to increased sales in high purity steam and potable water. Based on per unit of energy produced, water intensity (m^3 per MWh) decreased by about 12% compared to the previous year.



YTL PowerSeraya's staff inspecting the desalination plant equipment

Protection of the Environment

On the other hand, one of our retail malls in Singapore, Wisma Atria has practised a Water Efficiency Management Plan (WEMP) since 2017, which involves the usage of private water meters at certain areas as mandated by the Public Utilities Board (PUB) Singapore. The water meters are able to monitor water usage and serve as an advance warning on possible pipe leakages. These translate into water and cost savings for tenants and discourage excessive use of water through Water Efficiency Labelling Scheme (WELS) rated fittings, such as tap flow restrictors and waterless urinal systems.



Typical of power generating stations, water plays an indispensable role and thus is a priority, especially when dealing with water savings and how usage can be improved for greater efficiency. YTL JT initiated several water conservation programmes at Paiton II Power Plant, which in turn lowered water consumption by approximately 45%. These initiatives include:

1 Recycle rinsed water from mixed bed resin regeneration process

2 Recycle water from sampling panel to de-carbonator tank as feed water reverse osmosis (RO)

3 Recycle monsoon rainwater to be processed as wastewater treatment plant (WWTP) effluent and subsequently used as service water tank



Water
Reuse

Reuse of oil cooler cooling water in main cooling water pump

Reuse of WWTP effluent as submerged scraper chain conveyor makeup and cleaning water

Reuse of WWTP effluent for ash disposal area

Utilise recycled WWTP effluent for dust suppression system at coal stockpile area

1 Modification of chain spray system from open system to closed system

2 Reduction of sealing water vacuum condenser losses

3 Speed up the start-up time with degassed cation conductivity

4 Control of ammonia impurities in the cycle chemistry control



Other Water
Reduction
Initiatives

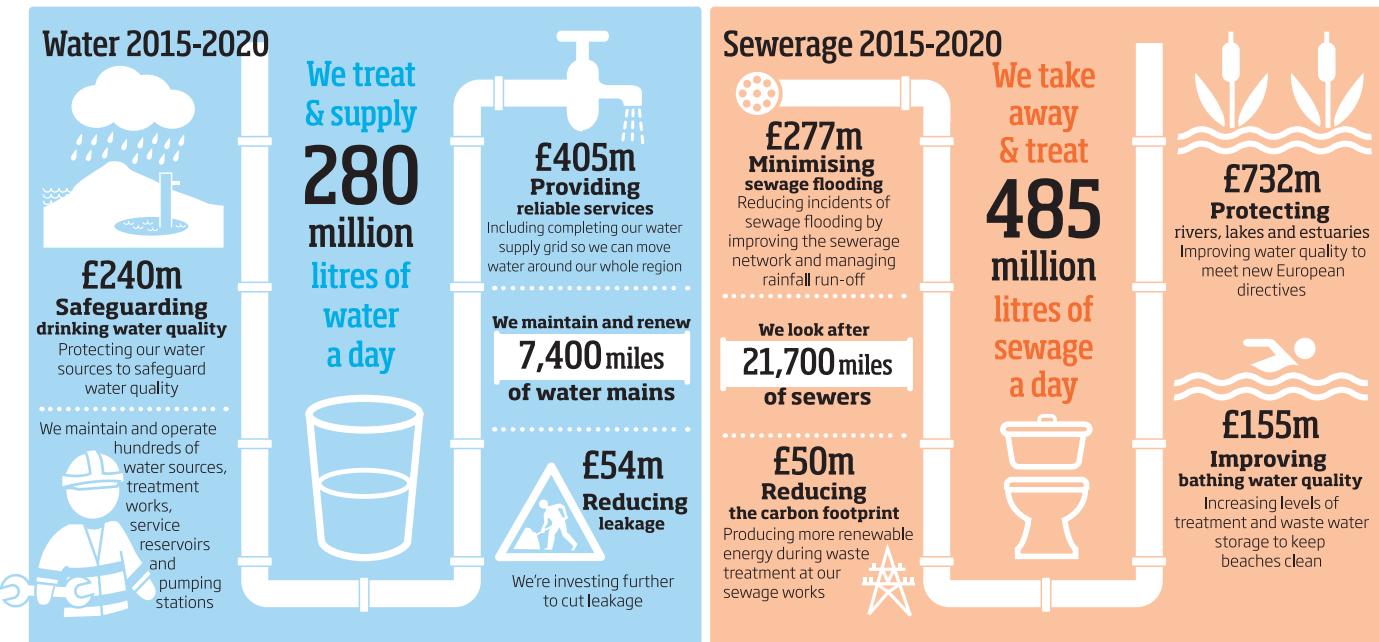


As a leading water and sewerage company, sustaining excellent levels of operations and service is undoubtedly one of Wessex Water's key focus areas. This drives them to ensure they remain innovative and proactive in constantly evolving times and to adapt accordingly.

Over the year, Wessex Water:-

- Remained an industry-leader for environmental performance assessments according to the Environment Agency, and is at the top of the Drinking Water Inspectorate's new league table for drinking water compliance.
- Won the Institute of Water National Innovation Award 2017 for two innovative approaches - the catchment permitting programme and online nutrient trading scheme EnTrade.
- Increased their catchment-based work, including through their associated company, EnTrade. Currently working with farmers at 20 sites to reduce nitrate levels in groundwater sources or to remove pesticide risks from reservoirs.
- Held the inaugural innovation day, featuring contributions from Ofwat (The UK Water Services Regulation Authority) and a number of household names from the business world.
- Ensured that catchment interventions also achieve wider benefits, such as reduced soil erosion, reductions in other pollutants, improved biodiversity, and also assists in beginning to deliver the UK government's 25-year Environment Plan.
- Dealt effectively with the freezing conditions and heavy snowfall in early March which resulted in a red weather warning in the region. However, investment in resilience proved its worth and Wessex Water maintained supplies to their customers.
- Completed the GBP228 million eight-year regional water supply grid works, which enables Wessex Water to:
 - move water across the entire region, greatly increasing the resilience of supplies;
 - deal with deteriorating raw water quality by allowing the blending of water;
 - reduce abstraction in areas of the region where it was reducing water flow in sensitive rivers, thus improving conditions and prospects for the natural environment.

Protection of the Environment



Wessex Water provides water and sewerage services to more than 2.8 million customers in the Southwest of England

WASTE MANAGEMENT AND RESOURCE EFFICIENCY



OUR GOAL: To manage waste streams and responsible disposal, reuse or recycling effectively

With rapid population growth in the world, solid waste generated from human activities eventually ends up in landfills or even worse in the oceans. Over 23,000 tonnes of waste is generated on a daily basis in Malaysia, where less than five percent of it is being recycled. If the trend of indiscriminate and unsustainable disposal of waste continues, the country will run out of disposal sites and ultimately, clean water sources.

In line with SDG 12- *Responsible Production and Consumption*, YTL Group is acutely aware of the importance of sustainable resource utilisation. From raw materials to alternative materials and reusable waste - all resource use is carefully planned, efficiently utilised and processed to optimise output levels and to minimise unnecessary consumption and wastage. As such, a number of waste management initiatives have been introduced across YTL Group.



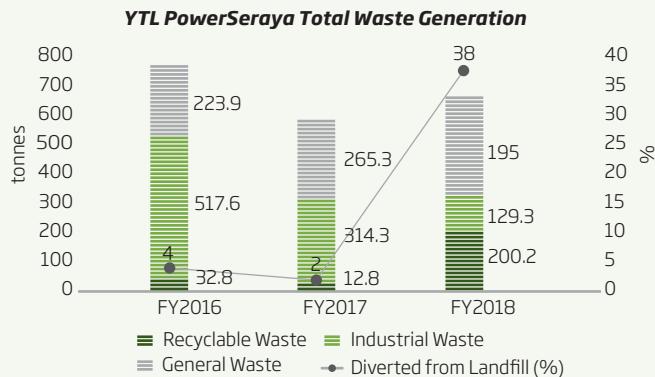
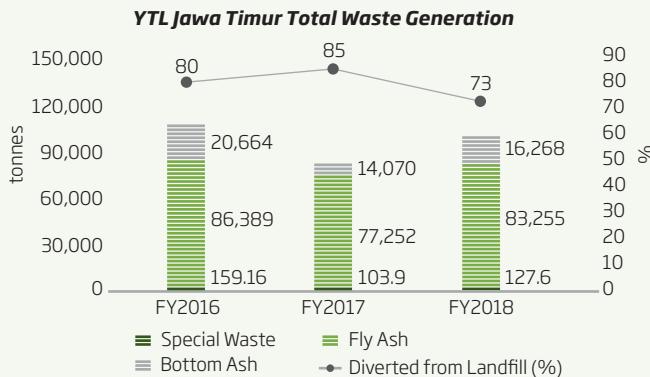
In our retail business, all SGREIT properties have incorporated proper general waste segregation into their day-to-day operations. Wisma Atria tracks, records and reports waste collection data to the National Environment Agency of Singapore (NEA) on a yearly basis, by contracting an authorised waste collection vendor.

Aside from practising a culture of recycling amongst its employees, SGREIT encourages its tenants to participate in recycling efforts by separating their recyclable waste as much as possible. Many different types of non-hazardous wastes are generated at SGREIT properties as SGREIT tenants span a wide range of industries. In FY2018, SGREIT recycled waste has increased compared to the previous FY, while non-recycled waste has dropped this year.



Practising proper waste segregation and garbage disposal at Wisma Atria

Waste Generation



YTLJT	FY2016	FY2017	FY2018
Diverted from Landfill	85,851.50	77,485.06	73,041.56
%	80	85	73
To Landfill	21,360.66	13,940.84	26,609.04
%	20	15	27

YTLPowerSeraya	FY2016	FY2017	FY2018
Diverted from Landfill (%)	4	2	38
To Landfill (%)	96	98	62

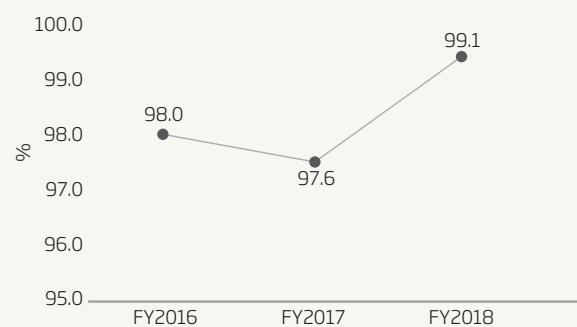
Note:

1. Special waste generated from YTLJT consisted of Wastewater Treatment Plant (WWTP) sludge, oil waste, contaminated waste, laboratory waste, clinic waste and more
2. A slight increase by 9% in total waste generated is mainly due to increased demand in power generation in the previous year

Note:

1. Recyclable waste items are: scrap metal, used lube oil and used fuel oil
2. All industrial waste (ash and sludge) produced from the plant operations are collected and treated by the National Environment Agency's licensed contractor before they are sent to the Pulau Semakau landfill
3. YTL PowerSeraya saw an 11.5% drop in waste generated, mainly due to a significant fall in industrial waste from standby oil-fired power plant units which were rarely operated in the last financial year

Wessex Water Non-Sludge Waste Diverted from Landfill



Note:

1. In FY2018, Wessex Water continued to achieve zero waste to landfill from all their office facilities and avoided 99% of construction waste going to landfill, particularly the soil and stones from construction projects, and grit and screenings from sewage treatment.
2. The company is in the process of rolling out a new zero waste contract for skip waste and general waste which should allow them to reach their goal of zero waste to landfill by 2020

SGREIT Total Waste Generation



SGREIT	FY2016	FY2017	FY2018
Diverted from Landfill (%)	8	7	10
To Landfill (%)	92	93	90

Note:

1. Total recycled waste data for Malaysia includes recycled oil
2. Total non-recycled waste data represents non-recycled general waste, and excludes Malaysia as non-recycled waste data from Malaysian properties is not available

Protection of the Environment



Bio-Bee that both collects and runs on commercial food waste

Circular Solutions

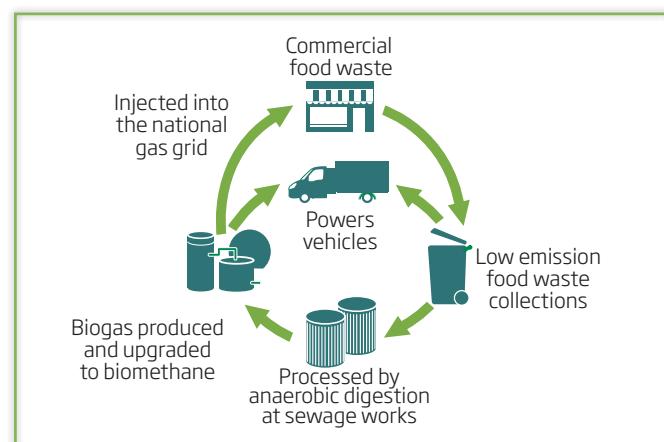


Transformation of waste to energy and fertiliser is in line with the 'give and take' concept, hence developing a circular economy that is environmentally and economically sustainable. As a sewerage service provider, Wessex Water treats sewage sludge to a high standard and recorded 100% compliance in the past year, by adding lime or using anaerobic digestion to stabilise, reduce odours and disinfect the sludge. Last year, Wessex Water recycled 100% of their 52,121 tonnes of sewage sludge to farmland as biofertiliser.

On the other hand, Wessex Water's subsidiary, GENeco was recognised for its zero waste to landfill approach to recycling sewage sludge, food waste and biodegradable waste. Each year it treats 75 million m³ of sewage waste and transforms it into biofertilisers and renewable energy - enough to power 8,300 homes.

Following the Bio-Bug and Bio-Bus, GENeco launched the Bio-Bee project in October 2017. Bio-Bee, the name given to the truck, is the UK's first truck that collects commercial food waste from over 30 sites across Avonmouth, Bristol, powered by biomethane derived from human excretion and food waste. The remnants are then used as biofertiliser for agricultural purposes. Following that, the second Bio-Bee was added in January 2018, which has a bigger fuel tank and is capable of running for longer hours with minimal energy usage, whilst increasing the food waste collection capacity. To date, this project has gathered over 350 tonnes of food waste across Bristol, which is equivalent to approximately 200 tonnes CO₂ saved, or 75 cars taken off the road on a yearly basis.

This circular economy approach has won GENeco the 2018 Rushlight's Organic Resource Award and the 2018 Awards for Excellence in Recycling and Waste Management. GENeco continues to export biomethane to the local gas grid, and formed a partnership with Bristol Energy in April 2018, in addition to the sale of green gas certificates to Unilever. Some residents of Bristol will be cooking their meals using energy produced from human waste.



Waste to energy process for Bio-Bee

Did you know?

- The annual food waste produced by each individual is able to power a Bio-Bee over 50 miles, which is equivalent to 900 times the charging capacity of an iPad.
- Up until now, over 350 tonnes of food waste has been collected, where could run a Bio-Bee for 150,000 miles.
- If all the food waste was collected daily from all the residents in Bristol, a Bio-Bee could run on a daily basis for more than 900 years.

Protection of the Environment



YTL JT's Paiton II Power Plant produces fly ash, bottom ash and special waste in their operations, all of which are categorised as hazardous waste. Managing such waste poses a common challenge for all coal-fired power plants, hence requiring YTL JT to continuously explore innovative solutions such as shifting to a circular economy. In the year under review, they achieved impressive results in their waste management programme:

- 100% of WWTP sludge cake was fed into the boiler for burning
- 100% of used batteries and spent oil sent to an external recycling company
- 100% of transformer oil and turbine oil recycled through purification processes
- 85.6% of generated fly ash was consumed by cement plants, slightly lower than the 98% target, mainly due to the drastic fall in demand from the third party cement plants
- Produced 611,161 paving blocks, generated from 0.24% of fly ash and 8.96% of bottom ash bringing the total number of blocks produced since March 2016 to 1,243,078



Paving block production using fly ash and bottom ash as alternative raw materials



Roads in rural villages are made with paving blocks produced from fly ash and bottom ash



YTL Cement has embarked on co-processing of industrial waste in their cement plants. This forms part of the "Cradle to Cradle" approach in industrial waste management as opposed to the earlier "Cradle to Grave" approach, promoting the use of waste which was once regarded as an unwanted material and is now regarded as a potential resource.

In the period under review, YTL Cement obtained approval from the Malaysian Department of Environment (DOE) for co-processing of regulated industrial waste also known as scheduled waste in the cement plants. These included spent garnet from tank cleaning in the oil and gas industry, off-class insoluble sulphur from a chemical plant as alternative raw materials; and Waste Oil and Sludge containing waste oil also from the off-shore oil and gas industries as alternative fuels. Fly ash from coal-fired power plants and Silica Fume (waste from chemical plants) was also approved to be used as additives in the final cement product and concrete batching plants. This is in addition to approval already obtained for co-processing of copper slag and industrial gypsum.

Co-processing of waste takes place in properly-monitored cement kilns, which offer high temperatures and sufficient retention time, ensuring the complete breakdown of the waste into their component oxides and the recombination of the oxides into clinker minerals. Hazardous substances like heavy metals get entrapped and mineralised at the molecular level.

Recycling used cooking oil brings two major benefits: a reduction in drain blockages by solidified grease, and the conversion into biofuel for power and heat generation. Since January 2014, SGREIT malls in Malaysia, Lot 10 and Starhill Gallery have initiated a used cooking oil recycling programme, collecting used cooking oil and selling it to a third party recycling company that processes the used oil into biodiesel. To date, a total of 19,591 kg of used cooking oil has been recycled. The results have been positive and there has been a significant reduction in unpleasant odours and manpower resources having to clean the grease traps manually.

Protection of the Environment

Landfill Diversion in Action



Zero waste to landfill by 2020

- Zero waste from all office facilities
- **99.1% of non-sludge waste**
- **100% satisfactory sludge disposal**
- The ability to apply sustainability criteria across all supply chain frameworks and develop additional selection criteria where appropriate



Paperless Programme

- In the year under review, **total paper usage decreased to 1021 A4 reams in the office**, which is a 44.2% reduction compared to the baseline in 2009



Waste Bank Programme

- Commenced in 2015 at the residential staff quarters, known as Operator Housing Complex (OHC) and now extended to Paiton II Power Plant
- Created to cultivate behavioural change and educate their employees and family members to segregate waste, via collecting recyclables with rewards given
- To date, **8.3 tonnes of waste** has been diverted from landfill, comprising of organic and inorganic waste, which was further divided into plastic, paper, glass, and metal



Waste recycling in YTL shopping malls

Set up three recycling bins in different colours at common areas in Lot 10 Shopping Centre and Starhill Gallery



In FY2018, a total of **33.5 tonnes** recycled waste collected by a licensed waste collector and diverted from landfill, such as cardboard, mixed paper, tin and plastic

Spreading the recycling culture to shoppers and the wider community through collaboration with Kloth Cares, we managed to collect 1,794.7 kg of fabric. These included pre-loved clothing, handbags, belts, linen and soft toys still in good condition which were donated to underprivileged groups



Combat waste in YTL Hotels

Systems in place to segregate and recycle common waste, such as paper, cardboard, plastic, aluminium cans, glass bottles, metal and used cooking oil



With the recent global spread of bans on plastic straws and other single-use plastics, YTL Hotels decided to launch two initiatives this year - to stop providing plastic straws and plastic bottles, starting with The Gainsborough Bath Spa Hotel (TGBS), The Surin Phuket Resort (TSP), Gaya Island Resort (GIR) and progressively extending to other YTL Hotels' properties

Other efforts, include:

- Using ceramic bottles for amenities
- Replacing the plastic 'Do Not Disturb' and 'Please Make up the Room' signs with a more durable and sustainable wooden material
- Replacing all take-away containers and waste bin bags with those made from biodegradable material
- Using a longer-lasting Orchid plant as decoration



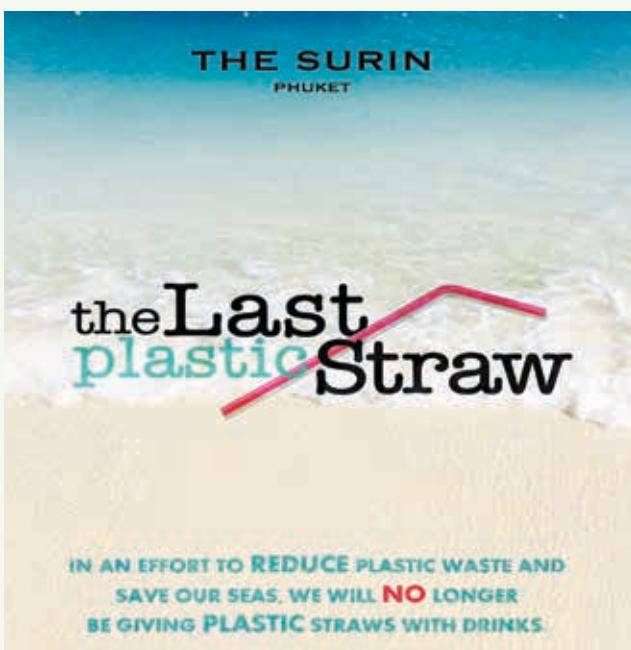
Protection of the Environment



Joseph Yeoh, Vice President of YTL Land and Development and YTL Hotels and Properties seen here launching the recycle bins at Level G, Level 2 and Level 5 of Lot 10



Orchid plant as decoration



Plastic straw ban

Beach Cleanup during the International Year of the Reef 2018 in March

- Pangkor Laut Resort (PLR), Tanjung Jara Resort (TJR) and GIR participated
- 1,556.1kg of trash collected
- 159 volunteers took part comprising hotel guests and employees



The beach cleanup activity saw keen participation from staff and the public who collected an immense amount of waste deposited on beaches at PLR, TJR and GIR

Protection of the Environment

BIODIVERSITY



OUR GOAL: To conserve biodiversity below water and on land

Biodiversity is indirectly linked to our well-being. We extensively depend on the ecological components of the marine and terrestrial ecosystems. As responsible stewards on this planet, we must learn to live in harmony with nature thereby protecting the environment and other living beings that inhabit the earth. YTL believes that biodiversity and conservation are integral for sustainable development and we have embarked on numerous conservation efforts over years to protect SDG14 – *Life below Water* and SDG15 *Life on Land*. We do our best to contribute towards various causes through long-term collaboration with conservation organisations.

Biodiversity Evaluation and Monitoring

Environmental screening is carried out prior to and during the initial stages of construction and operational activities of YTL Group, in order to address the impacts on biodiversity and to meet regulatory compliance requirements. Through this process, areas with high conservation value are identified and hence exacerbating any potential impacts are avoided. Subsequently, continuous monitoring work is also important to ensure surrounding biodiversity isn't interrupted by operations and other activities.



With constant online monitoring systems, YTL JT ensures all discharge water from their Paiton II Power Plant is within safe levels, before discharging. Monthly discharge water sampling and testing are conducted, and at the same time, sea water quality as well as marine biota and coral reefs are also surveyed every three months. Over the past 18 years, more than 100 types of marine organisms have been identified and recorded including phytoplanktons, zooplanktons, macrobenthos and various reef fish, as well as more than ten families of coral reefs. During the reporting period, compliance to regulations was recorded at 100% and the team has continued to witness aquatic life thriving in the ocean around the power plant.



The Wessex Water region in the UK is rich in wildlife with many areas protected by international and national designations. Wessex Water takes their duties towards the environment seriously and is actively reviewing their landholding. They are combining this information with geographical information systems to develop land management plans to improve and protect biodiversity.

All projects in their capital investment programme are subject to detailed environmental screening to avoid harming wildlife. Wessex Water also offers grants to wildlife organisations under their proactive Biodiversity Action Plan (BAP) Partners Programme, which aims to halt or reverse biodiversity loss on their land. More information on their work can be found in the next section.

This year, Wessex Water achieved significant progress towards fulfilling the company's performance commitment to assess 100% of their landholding for biodiversity by 2020 with 85% now assessed. The compliance with the national Sites of Special Scientific Interest (SSSIs) target is at 99.5% of 293 hectares of SSSI-designated land in favourable or recovering condition, exceeding the national target of 95%.

By the end of FY 2018, Wessex Water had:

- Assessed 85% of around 2,300 hectares of eligible land.
- Mapped more than 1,500 hectares of terrestrial habitats.
- Identified 270 hectares of the UK priority habitats across 85 locations, all mapped and given a condition rating where appropriate.

Restoration and Protection of Marine and Terrestrial Ecosystems

Earth is made up of aquatic and terrestrial ecosystems, each with distinctive characteristics. Marine ecosystems cover about 70% of Earth's surface, while the remaining area comprises terrestrial ecosystems. At YTL Group, we aim to safeguard biodiversity against any kind of threats through conservation efforts for both marine and terrestrial species and habitats.

Rescue and Rehabilitation



Teaming up for Turtles

The turtle is an endangered marine species according to IUCN Red List of Threatened Species. Recognising this, GIR set up Gaya Island Resort Marine Centre (GIRMC) in October 2012, the first of its kind in Malaysia, and has rescued and rehabilitated turtles since then. This year, they have managed to rescue 14 turtles, wherein most of the rescued turtles have undergone long-term rehabilitation spanning 3-5 months.



Scott Mayback, Marine Biologist seen here at GIRMC where turtle rehabilitation is professionally managed by the Centre's naturalists

Back to the Wild

GIR is blessed to be surrounded by a wide range of wildlife. During the year, four of GIR's employees completed the wildlife wardenship workshop organised by Sabah Wildlife Department and they are now certified to assist in wildlife protection enforcement in the state of Sabah, in particular the illegal wildlife transactions.

Following are the highlights of wildlife rescued and rehabilitated by GIRWC over FY2018:

Proboscis Monkey (*Nasalis larvatus*)



Gaya Island Resort, Sabah Wildlife Department and Sabah Parks initiated its proboscis monkey conservation collaboration project by translocating one adult male to Gaya Island habitat in February 2017. This project was created mainly to inject another gene pool to the existing proboscis monkey population at Gaya Island which is known as 'genetic rescue'. By doing so, it will enrich the genetic structure and a healthy genetic population of proboscis monkeys on the island. To further enhance this conservation project, GIRWC is planning to introduce three to four more female proboscis monkeys.

Sunda Pangolin (*Manis javanica*)



Biological specimen extraction from a Sunda Pangolin

Listed as critically endangered species under IUCN Red List, a population study is being carried out by GIR through sampling, tagging and genetic findings to conserve this species. Types of samples collected and their specific purposes are:

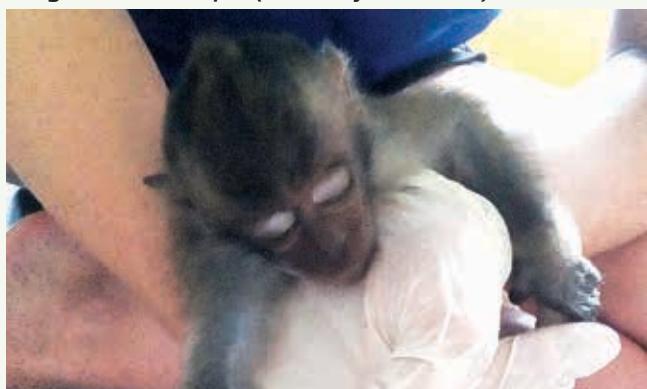
1. Blood samples- to produce Sunda Pangolin's DNA prints and genetic study for Gaya Island.
2. Liquid sample- to identify potential threats affecting Gaya Island's Sunda Pangolin.
3. Scale marking- to classify Sunda Pangolin through scale and skin identification methods.

Reticulated Python (*Python reticulatus*)



On 17 July 2017, a huge reticulated python was found with a skin infection caused by the Bearded Pig's ticks. One-week of treatment was administered by GIR naturalists before translocating it to Sabah Wildlife Department for further remediation. The reticulated python subsequently regained health and was released back into her natural habitat on 4 September 2017.

Long-Tailed Macaque (*Macaca fascicularis*)



On 9 January 2018, a juvenile long-tailed macaque was found lying on the ground and very weak. Immediate treatment was given by GIR naturalist before handing the macaque over to Sabah Wildlife Department. After few weeks, the monkey had fully recovered and joined the juvenile macaque group at Lok Kawi Wildlife Park Sabah.

Protection of the Environment

Hornbill Nesting Project

The Great Hornbill (*Buceros bicornis*) is a near-threatened species due to their nature of having patchy populations and low density. As a result of insufficient nesting tree trunks, naturalists from PLR improvised and built nesting boxes made up of recyclable materials, which function as breeding and nursery grounds for the Great Hornbill, as well as for the Oriental Pied Hornbill (*Anthracoboceros albirostris*).

This year, PLR has taken their project a step further by placing the hornbill boxes in more public areas and has also installed a camera in one of them to increase public engagement with the project that allows staff and guests to watch the eggs hatch and the hatchlings growing in the nest. To date, a total of four nesting boxes have successfully bred three juvenile hornbills.



The nesting box for hornbills made with recycled and recyclable materials



A camera installed inside the nesting box displaying the condition of hornbills in the nest



An example from Wessex Water's UK habitat, Marsh Fritillary, a butterfly species that was thought to be extinct in the Bath and Bristol area was discovered on the grounds of Tucking Mill treatment works by Wessex Water ecologists from the estates team. A recent survey of the Tucking Mill site recorded 18 larval webs.

Patrick Hancock, Wessex Water assistant ecologist, said: "Marsh Fritillary is a favourite for enthusiasts for breeding in captivity, and recent records for the species have often been attributed to 'unofficial' releases into the wild. It will be interesting to see how many of these caterpillars survive the winter to become stunning adult butterflies on the wing."



Caterpillars of the rare Marsh Fritillary butterfly found in a flower-rich meadow near Tucking Mill treatment works



Marsh Fritillary butterfly

Coral Reef Restoration



In January 2018, YTL JT, together with Bhinor villagers, who are the members of Bhinor Underwater Community (BUC), started a coral seed planting programme in the ocean, located at the North of Paiton II Power Plant, where they transplanted corals using paving blocks made from waste Fly Ash and Bottom Ash (FABA) as a growth medium. This coral transplantation method has a high survival rate of over 90%. The programme has clear benefits in term of the **3Ps**: our **planet**, specifically marine ecosystems, its functions and biodiversity; **people**, where coral reefs act as a bioindicator or alarm for water pollution, and **profit**, as mankind relies greatly on services provided by the ocean for livelihood for both fisheries and tourism.



Coral is planted on substrate made from waste FABA



A diver performing regular coral monitoring and maintenance every three months

Protection of the Environment



The IUCN Red List Index indicates a decreasing value for coral reefs, implying that the rate of biodiversity loss is increasing and that extinction might just be around the corner. In conjunction with International Year of the Reef, GIRMC has kick-started a guest-driven coral transplanting initiative, wherein broken coral fragments or nubbins are collected and reattached to the reef using poly-tubes embedded in a cement base. This year, they have immersed 40 blocks with 12 coral fragments each, and recorded more than 90% survival rate.

Discarded fishing traps and nets are found ensnaring the coral reefs, as well as marine animals, which are damaging the health of coral reef ecosystems around the world. On 25 May 2018, GIR together with team of professional divers removed seven fish traps and one fishing net from Tunku Abdul Rahman Marine Park (TARMP), Kota Kinabalu, Sabah. They are trying to establish a recognised group to tackle illegal fishing in TARMP.



GIR provided two staff members pictured on the resort jetty here as well as use of the boat and fuel



The reef block seen here attracting a seahorse which takes shelter

New coral recruited on one of the blocks. Some can be overwhelmed by voluminous new coral recruits, hence impeding efforts to track survival rates

Similarly, PLR is also working closely with Reef Check Malaysia (RCM) to refine their approach in installing concrete blocks for coral nubbins with a growing understanding of local conditions. The most recent installation, involved the deployment of 60 concrete blocks to which coral fragments were attached. The project has proven successful where, since installation, the survival rate of colonies has been at 85%. In addition, there has been an increase in the number of coral colonies on the blocks, from 419 colonies in February 2016 to 722 colonies in February 2018. This demonstrates that coral recruits have successfully settled onto the concrete blocks, suggesting the potential for further improvements.

Mangrove and Forest Management



Fundamentally, mangroves provide shelter as well as ecological services to coastlines and people. Hence, GIR established a mangrove nursery in 2014 and developed a box planting method for mangrove saplings that saw a survival rate of up to 70%. Since boxes made up of recycled plywood are unpresentable and not durable, they replaced the plywood boxes with concrete hexagonal blocks instead, which contain saplings and can protect them from water currents and attrition until their roots are strong enough to break through the three inch concrete walls. Since the method is in its preliminary stage, only 100 blocks have been commissioned, although the team is looking at 100 more in the coming six months. GIRWC is also planning to use this approach to give seagrass better resistance against currents in their upcoming seagrass nursery project to address the sparse 5% seagrass cover on the Gaya Island's ocean bed.



The hexagonal concrete box design for seagrass

Protection of the Environment



The ongoing mangrove and sea pines plantation programme has been carried out by YTLJT at Randutatah beach, Probolinggo, East Java, Indonesia. This programme was initiated in 2013 in order to alleviate coastal erosion, with a target of planting 8,000 sea pines and 20,000 mangroves every year. YTLJT engaged with the Kelompok Tani Harapan and local NGO Jasad Lestari to establish a nursery for mangrove and sea pine transplanting and developing the area to become a centre for nature conservation. At present, over 46,000 sea pines (*Casuarina equisetifolia*) and 91,250 mangroves (*Sonneratia alba*, *Rhizophora mucronata*, *Avicennia marina*, *Rhizophora tylosa*) have been planted over a 55km stretch of coastline.

With the support of local communities, YTLJT constructed a 400-meter wooden walkway in 2017 for mangrove observation and a community house to support biodiversity conservation and community development in the 11 hectares Randutatah Conservation Area. It has seen an increase in the Biodiversity Shannon Weiner Index from 0.6 to 1.5 for flora and 2.71 to 2.98 for birds as well as an increase in the number of fauna from 27 to 52 species over the last five years. YTLJT believes that these efforts are worthwhile as rich biodiversity will benefit the environment and the local economy positively affecting local communities.



On 16 January 2018, YTLJT signed an agreement with the local government to develop parts of the Randutatah conservation area into an eco-tourism and recreational zone



Healthy mangrove growth is seen across the coastal zone at Randutatah beach

Partnerships in Conservation

Reef Check Malaysia

Reef Check Malaysia (RCM) and YTL Corp have been collaborating on reef conservation efforts since 2008, including reef surveys and education programmes. In 2012, RCM established our first reef rehabilitation site at Pangkor Island, an effort to improve snorkelling sites for local tourism operators. With the support of YTL and PLR, the team included the Sembilan Island archipelago in a list of survey areas along the west coast of Peninsular Malaysia in 2013 and has since conducted annual surveys at these sites to check the reefs and coral growth conditions.

The RCM annual Sembilan Island Survey was conducted in early February 2018, covering ten coral reef sites. The 2018 data suggested that the poor condition of the reefs around the island was akin to 2017 data, and even noted deterioration in some areas. The survey shows imperative and worrying environmental trends. RCM has responded by presenting a management strategy to Perak State Parks to assist them in improving the management of these important resources.

Lang Tengah Turtle Watch

In the second year of operation, the partnership between TJR and Lang Tengah Turtle Watch (LTTW), a local NGO involved in the conservation of the region's endangered sea turtles, has seen both refinement and growth. A total of 3 hatcheries have been set up, 2,660 hatchlings have been released, and 10,619 turtle eggs have been salvaged from being sold for human consumption in markets via 113 adopted nests.

Due to the warm and popular reception from resort guests last year, they have now opened up an online adoption and 'Jennifer Tan Research Hatchery', enabling research to be carried out on the effects of environmental factors on the hatching success rate which contributes towards honing and developing turtle conservation techniques and efforts worldwide.



The Turtle Nest Adoption Programme has seen 10,619 turtle eggs being rescued from being sold for human consumption

Protection of the Environment

Biodiversity Action Plan (BAP) Partnership Programme

Wessex Water has remained committed to long-term wildlife conservation work through its BAP partnership programme. The Partner Programme supports conservation and research projects throughout the Wessex Water region, and will be active from April 2015 to March 2020. The major projects include:

No.	Projects in Partnership	Descriptions
1	Dorset Wild Rivers – Dorset Wildlife Trust	A major rivers and wetland restoration and enhancement project, tackling diffuse pollution across a 6.5-hectare buffer zone and three km of river.
2	Wessex Chalk Streams Project – Wiltshire Wildlife Trust	To restore one of Europe's finest water ways, the River Avon against dredging and draining to improve the habitats of wildlife.
3	South Wiltshire Farmland Conservation – Cranborne Chase Area of Outstanding Natural Beauty	To improve environmental performance on individual farms by adopting a farmer's approach on priority species and detailed mapping in conservation work.
4	North Somerset Levels and Moors Grazing Marsh – Avon Wildlife Trust	To focus on identifying and managing the condition, other than protecting the current wildlife value of the ditches in the North Somerset Levels.

In addition, Wessex Water also offers a small grant scheme valued at GBP2,500 and GBP5,000 for standalone biodiversity projects. In the year under review, they have supported two new projects:

No.	Projects in Partnership	Descriptions
1	River Nadder Invasive Non Native Species Control Project – Wiltshire Wildlife Trust	To reduce and eradicate invasive or non-native species along rivers located in Wiltshire.
2	Stour Catchment Stepping Stones Project – Dorset Wildlife Trust	To protect the Stour catchment's habitats, as well as the species which rely on the habitats.

Rare

In 2010, YTL Corp awarded a grant of USD2 million to Rare, a conservation organisation working to manage sustainable fisheries, along with other causes. This enabled Rare to kickstart "YTL Fellowship for a Rare Planet - Asia", a community-based conservation programme designed to prepare young leaders to develop community solutions to tackle environmental challenges.

With the commitment and support of YTL Corp, it helped build a strong foundation of leaders through Southeast Asia, and directly supported the first Fellows to be part of Rare's global Fish Forever Programme started in 2012. Since then, the Fish Forever Programme has successfully empowered local communities to adopt sustainable fishing practices and enforce the protection of marine habitats in coastal areas - more fish, better management systems and more cohesive community.

Through continuous efforts and partnerships with corporations like YTL, Rare is now striving to scale the programme to the national level in a "top-ten fishing country" ranking, and will continue to implement it in all ten biodiversity-rich countries to achieve nationwide coastal fishery reform.



Snapshots of Fish Forever Programme which YTL contributes towards

Rare currently operates at **41** sites across three countries (Brazil, Indonesia and Philippines) comprising over **250** communities and **570,000** people, including nearly **35,000** fishermen.

35 legal and functional management bodies were established; **63** managed access areas were built or strengthened, encompassing nearly **600,000** hectares of coastal waters with **27,000** hectares secured in fully-protected reserves.

There was an increase of fish at **97%** of the sites and coral cover remained stable.

EMPOWERING OUR PEOPLE

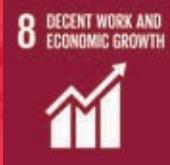
Our Commitment

Recognition of YTL Group as an employer of choice

Our Approach

- Promoting and embracing diversity and inclusiveness
- Fostering fair and equitable workplace conditions
- Nurturing human capital by growing workplace capacity and skills
- Bridging gaps through training, on the job learning and career development
- Caring for employees through active engagement and encouraging healthy work life balance
- Ensuring the health, safety and well-being of employees

Aligned To



Highlights



7.3% increase in total workforce across the United Kingdom, Singapore, Malaysia and Indonesia resulting in socio-economic growth in the regions where we operate



One of the **Top 20 employers** in Malaysia according to 'Ranstad Employer Brand Research 2018'



33% of total YTL Group workforce made up by women





Empowering Our People

GRI 102-8, 201-3, 401-1, 401-2, 401-3, 402-1, 403-1, 403-4, 403-5, 403-9, 404-1, 404-2, 404-3, 405-1

We have learned from our 63 years of experience that our employees' well-being is one of the keys to improving productivity and loyalty. Thus, driven by YTL Group brand values of Honesty, Hard Work, Moral Responsibility, Togetherness and Vitality, we are committed to strike a balance between the needs of employees and business productivity towards achieving SDG 8 - *Decent Work and Economic Growth*.

DIVERSITY AND EQUAL OPPORTUNITY



OUR GOAL: To strive for equality, fairness and respect in the workplace

Managing our differences is vital for us to sustain our multi-disciplinary business and operations across diverse ethnicities, religions, cultures and customs. Our complex yet balanced mix of age, gender and ethnicity require us to be alert and sensitive in our approach towards equal opportunity for all.

YTL Group is committed to uphold the principles of fairness and respect for the rights and needs of our people as set out in the Corporate Statement. In upholding our commitments to human rights and ethics, we ensure that strictly no child labour, forced labour and discrimination issues are allowed in our businesses and supply chains. In embracing diversity and inclusiveness, we embed our brand value of "Togetherness" in our approach to foster teamwork and collaboration.



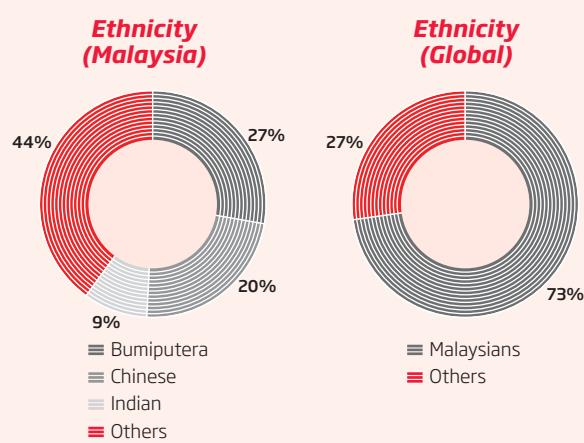
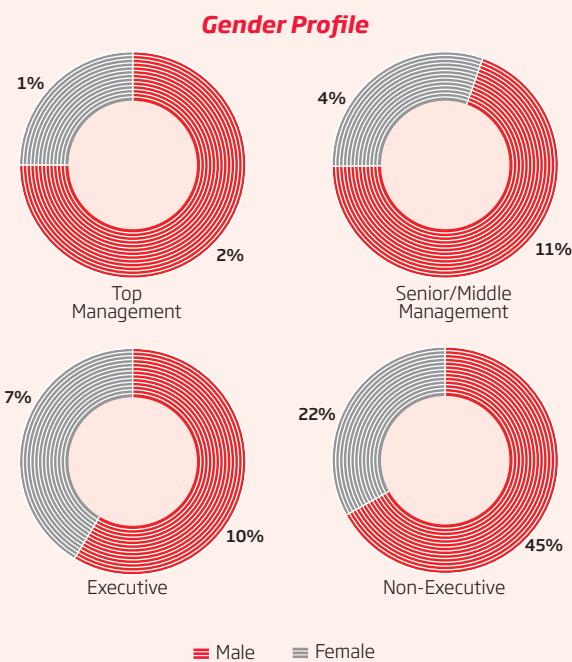
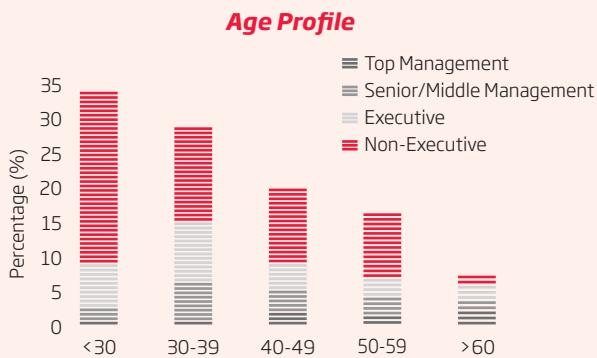
11,949 employees employed globally across diverse operations



34% are millennials

85% are permanent employees

78% are from local workforce



Embracing Gender Diversity

Women account for 33% of our total workforce. We strongly recognise the invaluable contributions of each gender, and as such, YTL's very own women's network, "W@Y" or "Women at YTL", was established at the YTL Leadership Conference in 2015 to help anchor women empowerment initiatives across the organisation, helping them grow and reach their full potential.

This year, W@Y has been focusing its initiatives to impart knowledge on personal development encompassing financial planning skills, instilling confidence as well as striking a balance between work and family. We had speakers and celebrities like Elaine Daly and Freda Liu who shared their experience and journeys. In addition financial expert, Grace Chuah discussed how women can invest smartly. Finally, child and family development expert, Wini Heron shared her insights on parenting skills and the importance of accepting oneself as who they are as well as successful teamwork between couples. An average of 40 staff of both genders attended each session.

The sessions continued with a series of 10-week workshops in parenting, where women at YTL came together, watched videos where child experts and parents provided insights in parenting. After each video session, participants gathered into groups to share and discuss their experience in parenting. One participant said, "I learned a lot from the Parenting course. All the parents on the course were willing to share their experience and challenges; it allowed me to share my pressure as a mother. As a working mother, it is difficult to balance work and family as sometimes I feel exhausted after work, but every time I watched the videos I felt encouraged and empowered to improve as a parent."



Wessex Water continues to emphasise the promotion of diversity and inclusion within the company, ensuring each employee has an equal opportunity to progress in their career regardless of nationality, age, gender, ethnicity, disability, cultural background or competence.

From April 2017, the UK government made it compulsory for companies employing more than 250 employees to publish their gender pay gap. The following data represents the company gender pay gap figures in April 2018.

The gender pay gap is the difference in average hourly pay received by men and women at Wessex Water in April 2018. It should be noted that the gender pay gap is different to equal pay, which is the right of men and women to be paid the same rate of pay for doing work that is of equal value.

Gender pay data	2018
Mean gender pay gap	5.4%
Median gender pay gap	1.5%
Mean gender bonus gap	12.5%
Median gender bonus gap	-2.4%
Proportion of males paid a bonus	80.2%
3 Proportion of women paid a bonus	63.3%

Both the mean and median gender pay gap figures have fallen over the last year. Wessex Water's mean gender pay gap was 5.4% (down from 7.3% in 2017) and the median gender pay gap was 1.5% (down from 4.4% in 2017). Their gender pay gap remains significantly lower than the UK average and is an improvement on the previous year. However, they recognise that there is further room for improvement. Wessex Water is committed to better gender distribution, particularly at senior levels. These areas of ongoing focus will have a positive impact on reducing the gender pay gap over time.

Last year, the number of women employees in Wessex Water was 22%, with women holding leadership roles increasing by 1% to 19%. In addition, 17% of Wessex Water apprentices recruited in the last financial year were female, compared to the national average for engineering careers of 8%, reflecting a commitment to engage more young women keen on working in the water sector.



Guided by TAFEP's (Tripartite Alliance for Fair & Progressive Employment Practices) principle of Fair Employment Practices, YTL PowerSeraya promotes inclusiveness in the workplace, embracing diversity amongst different races, genders, backgrounds and nationalities. The company also ensures that employees are compensated based on their skills and experience, as well as their performance and the market value of the position they hold. To ensure a fair and inclusive working environment, a merit-based compensation system helps to track and minimise gender pay-gaps. As at FY2018, the ratio of base salary (Male:Female) for the entire company stood at 1:0.84. This compares well with Singapore's Wage Equality Score of 0.81⁹.

⁹ Source: World Economic Forum's Global Gender Gap Report 2016

Empowering Our People



— Grace Chuah, Senior Vice President at Success Concepts, presenting a light-hearted but informative session on the importance of financial planning, the power of compounding as well as saving and investing tips



— Freda Liu, Lead Producer/Presenter of the Enterprise aired on BFM, sharing her experience and tips on how she manages her time between her hectic schedule and her children



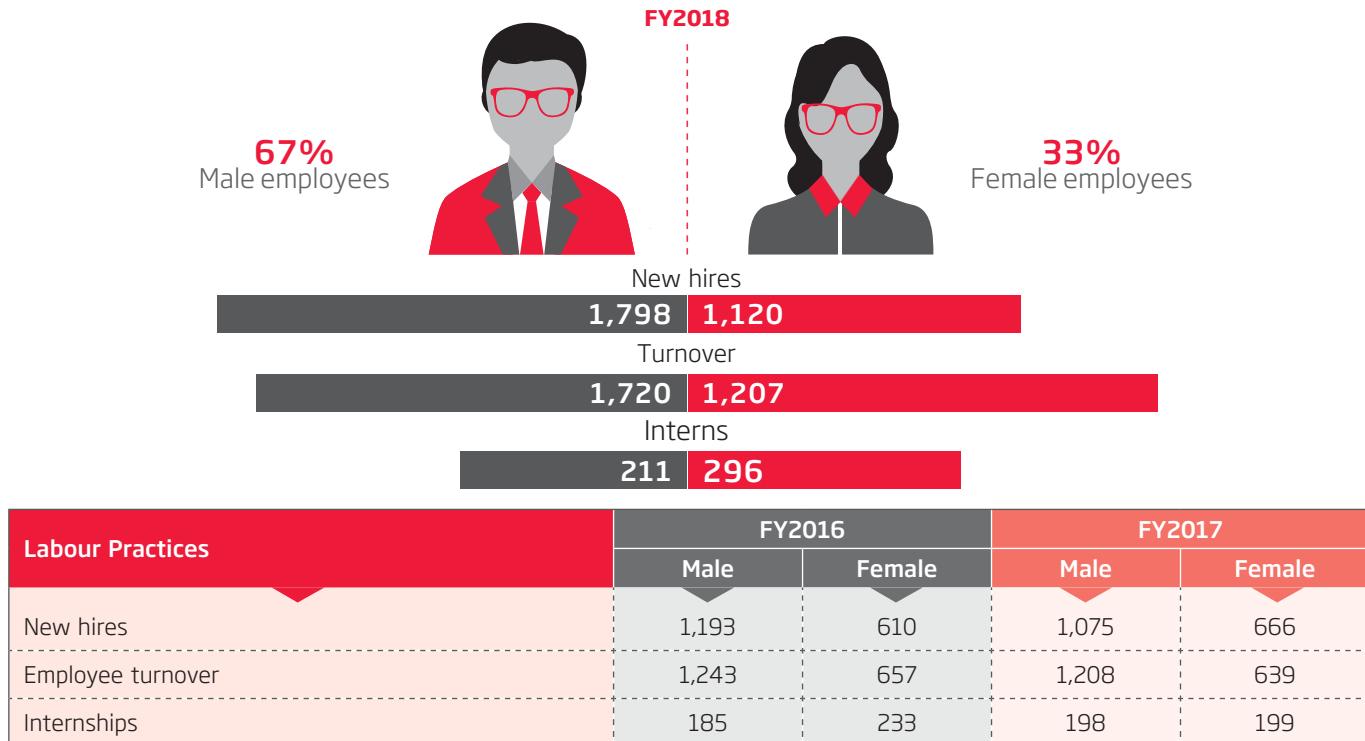
— Elaine Daly, Model cum Celebrity, sharing tips on how to look good and in turn increase self-esteem



— Wini Heron, National Director at Alpha Malaysia, seen here with Datin Kathleen, sharing her experience on the gifts of imperfect parenting. Some of the key takeaways were:

1. You are enough. Be the best version of yourself that you can be;
2. You can be better. Parenting does not come naturally so invest in making yourself better;
3. You need others. Share your experience and get help from others when you need it. You don't have to do it all alone.





NURTURING HUMAN CAPITAL



OUR GOAL: To elicit the right fit for our people

Cultivating talent and competencies is essential to building a sustainable talent pipeline. YTL Group undertakes the review of organisational effectiveness in manpower planning in order to achieve optimal service delivery and meet business growth demands.

This year, we employed 11,949 employees globally, of which 67% is male. This reflects the nature of our business activities, especially in areas such as construction and utilities services.

Training and Development

Recruiting talented and competent employees from a broad and diverse candidate base can be very challenging. Thus, we believe that talent needs to be nurtured and skills sharpened.

In support of continuous professional development, all employees' performance will be appraised during annual appraisal to evaluate and assess strengths and weaknesses. The outcome will help us to identify appropriate training and development needs to elevate and enrich careers.

Our goal is to further enhance in-house training as well as to establish a holistic training and development approach so that we are able to be on a par with global training benchmarks which currently stand between 4 to 4.5%¹⁰.

Annual Training Expenditure per Employee

YTL Business Units	FY2016	FY2017	FY2018
Wessex Water	GBP576	GBP751	GBP810
YTL PowerSeraya	SGD460	SGD560	SGD361 ¹¹
YTL Jawa Timur	IDR2,022,085	IDR1,908,090	IDR76,155
SG REIT	SGD1,527.86	SGD249.57	SGD594.35

¹⁰ Percentage of average employee payroll to annual training expenditure, quoted from *The Star*, Tuesday, 18 April 2017

¹¹ Singapore's National Average is SGD410 per employee

Empowering Our People



YTL PowerSeraya, our power generation company in Singapore undertakes training seriously to ensure that employees adopt the company's code of ethics in conducting day-to-day business activities, including human rights, anti-corruption, health and safety. This year, we saw a decrease in training expenditure per employee, but it is aligned with the company-wide cost management measures in the challenging power generation business in Singapore as well as greater shift towards in-house training programmes.

YTL Starhill Global REIT (SGREIT) is committed to learning and development programmes to drive productivity and develop the personal effectiveness of their employees. Their employees undergo training, workshops and seminars on management, technical skills, communication, leadership and other topics. Each employee undergoes an average of 33.5 hours of training, with the detailed breakdown by gender and employee category illustrated below.

SGREIT Average Training Hours per Employee

By Employee Category and Gender
FY 2018

33.5 hours

46.6  **24.2**

Rank and File

0 **15.7**

Executives and Supervisors

28.0 **7.0**

Management

60.1 **20.7**

Senior Management

50.5 **51.2**



Voted as a Top 100 employer in 2017, Wessex Water launched its People Programme; a five-year plan to oversee and invest in a series of activities to benefit employees and help to build a sustainable workforce fit for the future. Among their key focus areas were well-being, the launch of a new e-learning platform, iLearn, and developing a blended learning approach. This year the company delivered more than 800 courses with an average of 3.4 days' development training per employee, and an annual budget of GBP700,000 for training and development needs.

Wessex Water continues to invest in two-day development centres for its nominated high potential employees as part of its talent and succession planning. This has led to secondment and development opportunities, providing its employees with identified career development paths.



— More than 500 staff have completed the Alzheimer Society's training to understand what it's like to live with dementia and how to turn that understanding into action



Certified under ISO 9001 Quality Management Systems, competence, training and awareness is one of the key elements that we put a strong focus on.

In accordance with E-MAS Competencies Requirement for Recruitment and Training (CRRT), employees across all levels are required to undergo competency training encompassing initial training, refresher training as well as re-skilling training to ensure high competency levels, standards and for healthy career development.

Part of our hospitality arm, Cameron Highlands Resort (CHR) conducted a training session on customer satisfaction standards and bridges to educate employees on basic customer service standards and product knowledge. This serves as a guide and Standard Operating Procedure (SOP) for employees to provide superior and personalised service to customers.

Grooming Future Talents

In line with our goal to building a sustainable talent pool, YTL Group has undertaken initiatives to offer rich and diverse learning opportunities across different industry sectors to nurture future employees from local communities where we operate. This year our business units across YTL Group continued their internship programmes to develop talent and potentially build a pipeline of future employees.



Our transportation arm, Express Rail Link (ERL) carried out its annual industrial trainee programme for undergraduate students, recruiting about 20 students per batch each year. Through this three to six month programme, students were given the opportunity to experience real-life work exposure, develop new skills as well as gain a broad overview of ERL and the railway industry in general. Most importantly, ERL keeps a record of each trainee's performance with an eye on offering potential employment in the future.

Similarly, YTL Construction has a paid internship programme, "Integrated Internship Programme" for undergraduate students. This programme aims to provide dynamic young individuals who are passionate about creating a better built environment with in office and on-site exposure, as well as on-the-job training. During the year under review, a total of 14 students were given the opportunity to enroll and selected students who showed strong potential were offered permanent positions upon graduation.



Apprenticeships are a key element of Wessex Water's resourcing strategy to build and maintain a sustainable workforce to meet current and future needs.

The company joined the government's 5% Club that recognises the need to provide opportunities to develop skills and talents people require in order that they become more employable and create meaningful careers. Through this membership, the company has committed to achieve a minimum of 5% of its workforce to be made up of apprentices, sponsored students or those on a graduate development scheme. Currently, over 8% of the Wessex Water workforce is undertaking long-term learning and development through apprenticeships, further or higher education.

Wessex Water created an early careers team this year, dedicated to providing career development opportunities throughout the group. They also designed and implemented a dedicated operations graduate programme. In addition, they arranged and coordinated a year-long industrial placement programme for six areas in engineering and construction.



YOUNG PEOPLE'S PANEL

As part of its customer engagement's initiative, Wessex Water created an avenue for their future customers to share their thoughts and ideas on water, wastewater, the environment and what they perceive as good service. Their ideas in turn help the company to shape the future of its business.

The first-of-its-kind in the water industry since 2016, the panel recruits sixth form students across the region. The students spend a day at Wessex Water's Operations Centre in Bath to learn about the company and spending time with directors and senior managers before being set real-life tasks.

The students are then given a couple of months to prepare their Apprentice-style pitch and compete for prizes when they return to the operations centre. The focus theme varies from year to year. The successful Young People's Panel of sixth formers recruited from schools and colleges across the region completed its second year. Last year's panel helped Wessex Water design a new cash-back guarantee for water meter installation, and this year the 23 students helped design ways of encouraging younger people to care about the waste system to build resilience for future generations. They came up with some excellent campaign ideas to prevent sewer misuse and these will be taken forward.

Students in turn will receive a formal reference for use in UCAS (The Universities and Colleges Admissions Service) or apprenticeship applications and a GBP100 reward.



Seen here selected young people were set real-life challenges after spending time with senior managers and directors and returned to present their ideas in an Apprentice-style pitch

Empowering Our People

Employee Benefits and Welfare

YTL Group strives to foster a work-life balance culture that caters to our employees' physical and emotional needs. However, creating an environment with ideal work-life balance is no "one-size-fits-all" solution. We aim to offer competitive pay and benefits within the sector and the local marketplace. We offer fair rewards to drive high levels of performance that help maintain our industry-leading position.

In accordance with the Malaysia Employment Act 1955, YTL Group offers a competitive remuneration and rewards programme encompassing salaries and bonuses, proper leave entitlement, medical coverage and group insurance plans, Employee Share Option Scheme (ESOS) as well as learning and development opportunities. Some of our business units also provide the same benefits to temporary or part-time employees as we believe their basic welfare should also be taken care of.

As an employer, YTL Group is not just a business with only profit in mind. We believe that our duty as an employer entails moral responsibility and compassion. Thus, YTL Group supports efforts that go above and beyond providing fixed fringe benefits to employees, including sport and fitness activities, birthday leave, wedding and child birth vouchers, discounts and vouchers from various chains of retailers or tenants and many more. We also recognise the importance of providing a supportive environment for working parents to balance the needs and demands of the workplace and home, such as staggered work-hours or part-time arrangements.

Underpinned by YTL Group brand values, our transportation arm, E-MAS provides monetary and morale support to employees facing challenges due to death in the immediate family. In FY 2018, the company coordinated a donation drive to assist an employee whose husband died in a road accident while another twelve employees received cash contributions from the company.

Parental Leave *	Wessex Water		YTL PowerSeraya		YTL Jawa Timur		SG REIT	
	Male	Female	Male	Female	Male	Female	Male	Female
No. of staff entitled to parental leave	1,515	360	3	2	-	14	6	10
No. of staff who took parental leave	59	38	3	2	-	-	0	1
No. of staff who returned to work after parental leave	59	38	3	2	-	1	0	1
No. of staff who returned to work after parental leave ended and were still employed 12 months after returning to work	25	10	3	2	-	1	0	1

Note: *Includes maternity leave, paternity leave and shared parental leave



— Creating a happy work environment is key to unleashing employee potential and productivity

Employee Recognition and Rewards

YTL Group values the provision of rewards and recognition as a medium of appreciation to the deserving employees who would go the extra mile for the company while at the same time motivating others.

At corporate level, BTRT Awards were introduced in September 2016 to honour those in YTL Group who go the extra mile in embodying our brand values. Winners of the BTRT Light Brick trophy are nominated by their peers and are chosen by the BTRT Awards Committee. The opportunity is open to all individuals, teams, and departments within YTL Group annually. In the same year, YTL Group Sustainability Division also launched **#YTLBiggie** to build sustainability awareness amongst YTL employees. **#YTLBiggie** is an idea contest to reward concepts on how sustainability can be embedded in YTL's operations or management.



Our education content provider, FrogAsia established a channel to recognise its employees who go above and beyond in what they do via **Slack** – an app that unifies a team's communication. Through the app, an appreciation post is dedicated to employees who exhibit the company's values, and others get to vote to determine the 'Froggy of the Month'.

Meanwhile, in recognition of its employees outstanding work performance, Pahang Cement dedicated a slot during its annual staff gathering to honour deserving employees.

E-MAS, on the other hand, honours its loyal employees with Long Service Awards. Those who have been serving the company for more than ten years are eligible to receive a certificate and a token of appreciation via Bank Simpanan Nasional Premium Savings Certificates (BSNSSP).

Breakdown of E-MAS' Long Service Awards Recipients

Category	Eligible Employee
10 Years	6
15 Years	62
20 Years	1
Total	69



— Winners of BTRT Awards 2017 receiving their BTRT Light Brick trophies from Executive Chairman of YTL Corp, Tan Sri Dato' (Dr) Francis Yeoh



— Winners of #YTLBiggie 2017 receiving their cash prizes and certificates from YTL Corp's Head of Sustainability, Ruth Yeoh



— Mohammad Khairi Mansor, Assistant Senior Executive from Production Department receiving the Best Employees Award for year 2017 from Dr. Devandran, Executive Director and Mr. Mohan, Senior General Manager during Pahang Cement's annual staff gathering

Empowering Our People



THE WINNING IDEA OF #YTLBIGGIE 2017 - SAVE A TREE, PLANT A TREE BY PHIL BAKERIAN

The Save a Tree, Plant a Tree idea which came from Phil Bakerian has been adopted by Wessex Water, as part of the company's efforts to offset paper billing. It sprang from an original idea to plant trees when customers signed up for e-billing. The proposal has now developed into something that will be sustainable for the long term and also involves their staff in planting trees.

The company has relaunched their e-billing service and increased their promotion of it on the front of bills and in their call centres. Customers have reacted positively with a further 5,000 signing up – they now have around 55,000 users in total.

Wessex Water has now partnered with the Woodland Trust, the UK's leading woodland conservation charity, to turn the idea into reality and plant trees. The Woodland Trust's vision is a UK rich in native woods and trees, for people and wildlife. It has over 500,000 members and supporters, and more than 1,000 sites, covering over 26,000 hectares, all over the UK.

As the Woodland Trust undertakes tree planting once or twice a year, the company decided the best way to partner with them was to make an annual donation linked to the number of customers who signed up to e-billing service and this year they made a donation of GBP5,500.

Save a Tree, Plant a Tree also acts as a volunteering opportunity for their staff as part of their larger community programme called Water Force which has now led to a group of Wessex Water Force volunteers helping to restore the riverside habitat in Wilsford, Wiltshire. More details can be found in the next section.



The Wessex Water Force volunteers seen here planting trees were Jethro Freeman, Adam Avery, Philip Bakerian, Max McDermott, Louise Antell and Robin Butcher



Some of the hundreds of trees planted in Wilsford, Wiltshire



Staff Survey in FY2018



80% Total staff engagement

An increase of 3% compared to the previous year



76% rated a great place to work



84% of employees rated a good company to work for

Wessex Water recognises their employees via the "Eureka Programme" for suggestions on ways to save money, improve services to customers, reduce risks and improve the ways they work. Last year, there were 62 suggestions, with four deemed suitable for further development or reward.

Wessex Water also recognises employees through the Going the Extra Mile (GEM) awards for customers. GEM is all about delivering the best service possible to their customers and leaving them with a lasting positive impression. If customers thank the company for their excellent service, the company thanks staff through the GEM awards.

Wessex Water continued to develop and implement a range of diversity initiatives and to promote flexible and remote working, together with flexible retirement aimed at easing people into retirement gradually. Protecting the health, safety and welfare of their staff, contractors and customers remains their highest priority.

ENGAGING OUR PEOPLE



OUR GOAL: To bridge the gap leading to increased employee satisfaction and motivation

The struggle of building healthy employer-employee relationships is an ongoing issue. Having been in business since 1955 does not spare us from turnover and workplace challenges. With our 63 years of experience, we believe the key to healthy and balanced employer-employee relationships is acknowledging that we are dealing with unique human beings whose needs and wants can vary sharply. Many YTL business units carried out their own engagement programmes in order to build conducive and flexible work environments that foster good friendships, job satisfaction and many more largely intangible benefits. Some of our activities in the past year are shown here:



The annual YTL Leadership Conference continued with the 2017 theme 'Knowing Why, Learning How'. The theme echoed YTL's aspiration to position itself as a catalyst and driver of sustainable business and strategic thinking via design thinking and innovation



A Brand Workshop at YTL Developments UK to educate employees about the importance of YTL Group brand values, compliance and excellence

Empowering Our People



On 8 October 2017, YTL Construction Family Day was attended by almost 2,000 staff and their families, including the guest of honour, the late Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay. His quiet pride in attending this event was a testament to how far YTL Construction has grown as a company since it was first started by him personally. The event was held at the historic Sentul Railway warehouses and helped to bring everyone together for a day of celebration and fun. Participants included every level of the company from top management to site personnel, all taking part in activities such as performances and games. Staff were given awards during the sporting events and talent shows as well as decorating of the house area for the respective departments. One of the highlights of the event were the retail booths from each department competing to sell unique items such as rocks brought up from the bedrock of the foundations of the new YTL Headquarters Tower in Bukit Bintang. 100% of the proceeds went to charity.



Forging stronger ties through team bonding activities at various business units across YTL Group

Employee Volunteering Initiatives



One of FrogAsia's employee engagement drives known as the HEART Initiative is a programme where each team launches Heart ideas according to the HEART value assigned to them. The H-team is tasked with the objective to make a difference by reaching out to the community. They invited blind masseuses and food trucks to the office to raise funds, and the proceeds of RM1,274 from the activities was given as donations for the children at 54C - the YTL Learning Space that caters to both local children and employees' children.

Not resting on their laurels, the H-team initiated an interest group namely '#i-csr'; focused on driving corporate social responsibility initiatives like providing community service as some of FrogAsia's employees volunteered to teach at 54C.

Another team known as the A-team organised a bake sale during which the team members of 20 employees were required to sell cookies baked by employees within half a day. They were separated in groups and had to sell the allocated cookies at whatever price they could. In the end, the A-team collected more than RM2,000 from the sale with all cookies sold out. The proceeds were then utilised to buy bags and stationary items for the children at 54C.

ERL together with its subsidiary E-MAS continued to support YTL Foundation and took on its third Frog Classroom Makeover Project. This time, SMK Dengkil, Sepang was selected to receive the makeover. A total of 24 employees from ERL and E-MAS, and a group of 15 teachers and parents volunteered their time during the weekends to help with the cleaning and painting work, from 20 January to 11 February 2018.



FrogAsia's employees from the A-team of the HEART initiatives went on a selling spree to fundraise for charity last Christmas



Students happily enjoying the new Frog Classroom after the makeover at SMK Dengkil, Sepang

🐸 HERE TO MAKE A DIFFERENCE	🐸 ENJOY WHAT YOU DO AND WHO YOU DO IT WITH	🐸 ACT WITH INTEGRITY	🐸 REACH FOR PERFECTION	🐸 THINK AHEAD AND OUT OF THE BOX
MORAL RESPONSIBILITIES	TOGETHERNESS	HONESTY	HARD WORK	VITALITY

FrogAsia's core values - HEART, which aligned with YTL Group BTRT brand values

Empowering Our People



Wessex Water launched Wessex Water Force in April 2018 as its new volunteering programme open for all employees to join and work together to support their local communities. Employees are able to use one working day a year for volunteering, equal to around 18,750 hours of support donated every year to charity. To date, around 200 staff have donated time volunteering for a range of environmental and social activities including volunteering for beach cleanups, tree planting, animal rescue centres, and charities for the elderly.

Since the launch, the volunteers have taken part in a multitude of activities including helping to restore the riverside habitat in Wilsford, Wiltshire (see above - Save a Tree Plant a Tree initiative). The work involved the planting of hundreds of trees which help keep the nearby river cool and at the right temperature range for fish and reptiles. The project will also prevent flooding by slowing down the return of water back into the river.

Wessex Water's subsidiary GENeco also conducted a volunteering day in April 2018. The day brought together a pool of volunteers from GENeco as well as some of their key customers, to lend a hand to the Greenfields project - aimed at supporting older people with learning difficulties to be active through the development of their creative skills within the context of gardening and other craft activities. Charlotte Stamper, Bioresources Analyst at GENeco said: "The four parties working together is a great example of the circular economy in action. For example, coffee chaff from Extract Coffee Roasters is collected by GENeco and brought to the farm for composting. We also collect food waste from Boston Tea Party in our Bio-Bee and recycle their food waste to produce renewable energy and biofertilisers."



The Wessex Water Force volunteers involved in various community activities



Volunteers from GENeco and key customers at Lawrence Weston Community Farm in Bristol, UK



15 staff and their family members across YTL companies in Singapore, namely SGREIT, YTL Cement and YTL PowerSeraya, came together on 23 September 2017 to clean up Punggol Beach in Singapore. They joined more than half a million people around the globe cleaning up coastal areas as part of the International Coastal Cleanup effort. A total of 22kg of man-made trash was picked up in the hour's clean-up operation.

The beach cleanup sought to educate staff and family members on the harmful effects of man-made waste on marine life and the ecosystems therein as well as the relationship between ocean plastic pollution and biodiversity.

MANAGING WORKPLACE HEALTH, SAFETY AND WELL-BEING



OUR GOAL: To improve workplace health and safety

We continue to pursue our commitment to protecting the health, safety and welfare of our employees and stakeholders as highlighted in our Corporate Statement. We strive to provide a safe workplace across our diverse operations, be it in corporate offices, hotels, power and cement plants or construction sites; all of which adopted various safety measures from fire and emergency procedures to hazard analysis and critical control points as well as complying with ISO 9001: 2015, ISO 14001:2015 and OHSAS 18001.

Occupational Health and Safety

We are committed to protect the health, safety and welfare of our stakeholders; employees, suppliers, contractors and customers. For that, our key business units are taking ongoing measures to strengthen our current health and safety practices.

With a target of zero accidents in all our business units, we closely monitor any accidents and incidents for corrective action and improvement. Any report that raises significant concerns is

subject to additional investigation, and where appropriate the situation is rectified or procedures improved to ensure that the situation does not recur.

Apart from this, facilities maintenance, management and audits are also carried out regularly to minimise the occurrence of accidents due to the breakdown of amenities.

Accident Frequency Rate

Accident Frequency Rate ¹	YTL PowerSeraya ²	YTL Jawa Timur
FY2016	0.83	0
FY2017	1.1	0
FY2018	3.0 ³	0

Note:

¹ No. of workplace accidents per million man-hours worked in our operations in Singapore and Indonesia

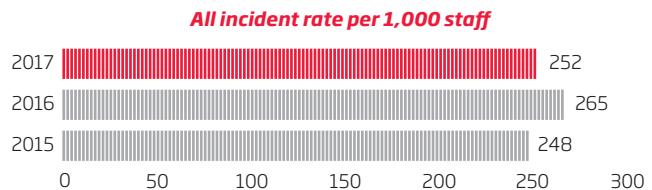
² Data is for Pulau Seraya Power Station and Jurong Power Station

³ For FY2018, YTL PowerSeraya's AFR is higher due to 3 minor accidents (2 staff and 1 contractor) where there was 1 accident (1 staff) in FY2017. Although the AFR for FY2018 is also higher than the Singapore average of 1.6, however, the lost man days per million man-hours worked 50.9 is lower than the Singapore average of 69.

Wessex Water's Health and Safety Data

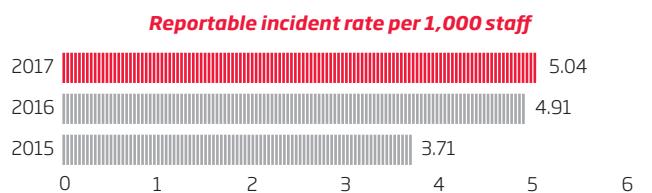
All Incidents

Overall, 551 incidents were reported in the 12 months to 31 December 2017, including 145 near misses and 110 service strikes. The principal cause of all incidents after near misses and service strikes remains as slips, trips and falls. This is in line with other companies and the national situation.



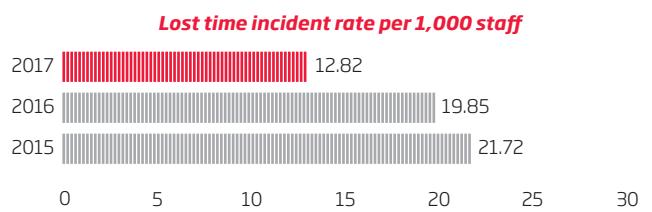
Reportable Incident Rate

This is the measure of the number of reportable incidents per 1,000 staff.



Lost Time Incident Rate

This includes all reported incidents involving staff that resulted in absence from work of one or more days. In 2017 there were 27 lost time incidents, an overall reduction of 32% from 2016. The principal causes of lost time in 2017 were slips, trips and falls, and manual handling.



Empowering Our People

Emergency Training and Procedures

Medical emergencies can occur anytime and anywhere in the workplace. As a company, we are committed to protecting the health, safety and welfare of our employees. Thus, as a practical measure to respond effectively to any emergency, our business units across YTL Group coordinated in-house Cardio Pulmonary Resuscitation (CPR) and first-aid training. Ultimately, the training sessions enabled the employees to differentiate between different types of injuries and to provide immediate first-aid treatment to victims to prevent their condition from deteriorating.

Various CPR and First-Aid Training Sessions across YTL Group



Safety Training and Communication



Employees of the JW Marriott and The Ritz Carlton KL underwent a Job Safety Analysis training. It was conducted by the Safety and Health Executive for hotel managers and assistant managers in two separate sessions in April and May 2018 respectively. The training sessions were intended to educate employees on safety methods of working procedures. In turn, these managers pass on the skills and knowledge to their subordinates to create awareness on hazards and risks at the workplace to prevent accidents and casualties.

To further boost safety measures, these employees underwent practical training on the usage of fire extinguishers in January 2018 - enabling them to understand the general principles and the hazards involved with incipient stage firefighting.

Our cement operation in the south of Malaysia, Slag Cement (Southern) also ran a series of in-house health and safety training workshops and awareness programmes in view of the importance of safe handling of machinery and equipment to avoid incidents and casualties at the operation sites.



Our utility operation in Indonesia, YTL Jawa Timur is committed to the safety of its people and community residing within the Operator Housing Complex (OHC) in Paiton, East Java. Therefore, safety training on 'Confined Space and High Angle Rescue Training' was conducted to educate the team on how to deal with rescue operations in limited spaces and at high altitudes. Conducted at the OHC Video Room and Fire Ground Training facilities, the training saw 45 participants from the operations shift and core teams joining respectively.



— Slag Cement (Southern) employees undergoing forklift training and safety talk





— High angle rescue training



YTL PowerSeraya's continued emphasis on health is aligned with its aim of keeping its aging workforce active and healthy so they can lead meaningful and productive lives at work and in their free time. The company conducts annual health screening exercises that help identify health risks and improve employees' well-being. In addition, a number of safety and health awareness initiatives were also conducted in FY2018, in line with the company's Safety and Health theme for the year: Work Safely, Work Responsibly, Stay Healthy.

This theme was also celebrated during Safety Day, an event that encourages employees to take responsibility for their own health whilst also touching on the company's safety performance over the year and giving due recognition to firefighting and first aid teams.

YTL PowerSeraya's focus in the coming year is to develop a Safety Case with the aim of assessing its current ability of preventing major accidents and mitigating risks should a major accident occur. The Safety Case is in compliance with a new regulatory requirement under Singapore's Workplace Safety and Health (Major Installations) Regulations. Over time, the company will boost the organisation's capability in addressing major accidents, thereby strengthening its emergency response preparedness.

The number of training hours spent on safety courses stood at five hours per employee. The Workplace Safety and Health (WSH) Committee, meets on a monthly basis, comprises close to 25 members (8% of the workforce).

Meanwhile, SGREIT has also continued to promote the merits of healthy living and encourages employees to embrace a holistic lifestyle through our Workplace Health Programme (WHP). The WHP comprises a calendar of sports and health-related activities organised for employees to experience quality work-life balance, and to stay fit, healthy and productive. Employees attended talks to better educate themselves on various aspects of their health, such as brain health and eye care. YTL Starhill Global Property Management Pte. Ltd. was awarded a Certificate of Recognition for Singapore HEALTH Award 2017.



Wessex Water continues to develop and embed a strong health, safety and welfare culture in its day-to-day operations based around Safety, Quality, Time and Cost. With a target of zero accidents, the company monitors all accidents and incidents reported by employees to evaluate where resources should be allocated to effectively address any problem areas.

The year saw Wessex Water introducing a reporting app to be used on smart phones, tablets and laptops - developed by the offshore development centre in Kuala Lumpur to observe health and safety incidents and near-misses and replacing the existing paper-based systems. The app will help to monitor any report that raises significant concerns which are subject to additional investigation and where appropriate the situation is rectified or procedures improved. Employees are able to quickly report observations of safe or unsafe practices and incidents and include photographs where appropriate.

This observation app is in use within the operations, engineering and construction departments as well as within GENeco. The app will be rolled out to the rest of the company by end 2018. The company recorded a reduction in lost time incidents of 32% from the year before.



— Wessex Water's commitment to safety and performance was again recognised by RoSPA (Royal Society for the Prevention of Accidents). The engineering and construction team was awarded the 2017 Construction Engineering sector award

ENRICHING COMMUNITIES

Our Commitment

Positively impacting and enriching the lives of communities in which we operate

Our Approach

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

Aligned To



Highlights



YTL staff sponsored **RM600,000** via Dignity for Children Foundation to provide long-term education and care to **20 underprivileged children**



250 schools across Malaysia have each been recipients of a **Frog Classroom** transformation



YTL Jawa Timur has built **19 infiltration wells** in four villages with total capacity of 42,520 m³ of water annually **benefitting more than 1,900 residents**





Enriching Communities

GRI 413-1, 413-2

Our goal of 'Making A Good Future Happen' for communities impacted or affected by our operations continues with a more structured and holistic approach towards achieving one of our target sustainable development goals - SDG 4 *Education* and SDG 8 *Decent Work and Economic Growth*. To streamline our efforts, we have identified three key areas to focus on.



EDUCATION

We believe that education is the key to enriching communities. Through education we can shape values, skills and knowledge required to build sustainable communities. Our goal is to promote 21st century learning approaches, tools and technology.



LOCAL COMMUNITIES

Caring for the community is part of our culture. Our goals are to improve the health and well-being of communities, elevating their livelihoods and supporting fundraising for charity and needy causes.



ARTS & CULTURE

Arts and culture is a vital part of human learning, growing and experiences. Our goal is to protect and preserve it for the next generations.

NURTURING EDUCATION



OUR GOAL: To promote 21st century learning approach and technology

The progress and maturity of a nation is often determined and measured by the growth, development, and quality of its future leaders; likewise, education is at the heart of future generations. At YTL Group, education has been a central theme of YTL Group Sustainability Framework and we believe in the empowerment of individuals and communities through education. We constantly invest in programmes that contribute to the strengthening and improvement of education standards within societies where we operate. In line with this, YTL Group runs a variety of initiatives both independently and through collaboration such as providing scholarships, advocacy programmes, and engagement sessions with society and academic institutions.

YTL Foundation has been entrusted by YTL Group to foster education initiatives in Malaysia. Founded in 1997, YTL Foundation aims to empower individuals and communities to be catalysts of change and to enrich and benefit society at large.

YTL Foundation has expanded its role of providing financial aid and one-off assistance to deserving individuals, to active participation in organising workshops, talks and conferences to enrich and inspire educators, students, parents as well as other stakeholders in the field of education.



— Nurturing future leaders through education

YTL Foundation Scholarship Activities

YTL Foundation held several programmes for scholars throughout the year with the aim of developing skills and competencies outside of academia. The programmes are organised to develop communication skills, teamwork, self-awareness, confidence and leadership.

YTL Foundation Scholarship Programme	<ul style="list-style-type: none"> • 200 applications received this year • Through screening processes, 20 were selected as scholars
Yeoh Tiong Lay Award	<ul style="list-style-type: none"> • An excellence award that sponsors extraordinary candidates to pursue tertiary education in top universities around the world • Two candidates were chosen to win the award. They are currently pursuing degrees in Imperial College, London and University of Cambridge

Scholar Leadership Camps



— YTL Foundation Scholars attending training at the Grafham Water Centre in the UK

UK Scholar Training 2017

This year, YTL Foundation UK Scholars enjoyed a weekend at the Grafham Water Centre in Huntingdon, UK where they attended a programme created around building confidence as leaders, understanding leadership approaches and personal development. The indoor and outdoor programme pushed boundaries and gave them an understanding of their own comfort zones and how to develop emotional resilience.



— YTL Foundation Scholars (Malaysia) presenting during their training at The Hotel Stripes Kuala Lumpur

Local Scholar Training 2017

YTL Foundation Local Scholars from universities and colleges all over Malaysia came together for a weekend at The Hotel Stripes Kuala Lumpur in August 2017. They presented their community projects. Five groups worked together to help address various social issues. One group worked on cleaning and beautifying a refugee school, another group worked on reducing food waste in big hotels while another group provided free tuition to young students struggling in school.



— Scholars deep in discussion at YTL Foundation Scholar Training 2018 at Janda Baik

Local Scholar Training 2018

YTL Foundation Local Scholars came together for a team building session at Cheringin Hills, Janda Baik, Bentong. The two-day training focused on team building and the importance of commitment and synergy in a team. There were outdoor and indoor activities that tested the scholars' patience, endurance and organisational skills.

Enriching Communities

YTL Foundation Activities in FY2018

Programmes	Description	Outcomes
Puan Sri Kai Yong Yeoh Book Prize	Dedicated to encouraging, motivating and recognising the children of employees of YTL Group across the globe. The book prize is divided into two categories; 15 - 17 years and 18 - 21 years.	<ul style="list-style-type: none"> This year's theme of 'Gratitude and Kindness' attracted 20 applications. Applicants submitted two sections; they discussed the importance of kindness and gratitude in the world today, and also produced a video on ways of spreading kindness in the communities they live in. Four winners received prizes worth USD17,000.
Frog Classroom	<p>Transforms classrooms throughout Malaysia into 21st century learning spaces that promote technology-enabled, student-focused learning.</p> <p>Equipped with 4G Internet, Chromebooks that provide access to the Frog VLE (Virtual Learning Environment) and curved doodled tables designed to create more opportunities for sharing and peer-led learning and interaction.</p>	<ul style="list-style-type: none"> Through a collaborative effort between the Ministry of Education and YTL Foundation, 50 Tamil primary schools (SJKT) across Malaysia received a 21st century education boost with the construction of a Frog Classroom in each school. The Ministry of Education has allocated RM15,000 for each school - half the cost of each Frog Classroom, whilst YTL Foundation is providing the other RM15,000 in the form of specially made tables and chairs, air-conditioning units and other support.
School Awards	Awards aim to recognise and support schools that work towards building an ecosystem that empowers the 21 st century learning.	<ul style="list-style-type: none"> 70 applications received from schools who each submitted creative ideas, detailed implementation plans and budgets on adopting 21st century learning and teaching. Five winning schools each received RM20,000 to turn their ideas into reality. The schools included SK Ampangan, Negeri Sembilan; SMK (P) Pudu, Kuala Lumpur; SMK Bandar Baru Salak Tinggi, Selangor; SMK Tengku Mahmud 2, Terengganu; SK Seri Bayu, Perak.



— School heads, members of the schools' Parents Teachers Association and Board of Governors of all 50 schools following the signing of a memorandum of understanding with Datin Kathleen Chew, Programme Director of YTL Foundation, witnessed by YB Dato' P. Kamalanathan, Former Deputy Minister of Education and Zaidi Yazid, Head of the BTP, at the Auditorium of Ministry of Education's Education Technology Division (BTP)

Programmes	Description	Outcomes
Empower A Child	A programme conducted by Dignity for Children Foundation to provide long-term education and care to underprivileged children.	<ul style="list-style-type: none"> From 2013-2017, total contributions of RM600,000 made by YTL staff to ensure that sponsored students are able to finish their primary education and until they enter secondary school. Benefited 20 underprivileged children from Dignity for Children Foundation.
Dialogue Series	In order to transform education and empower communities, a dialogue series was conducted to bring together corporate foundations, investors, partners and NGOs to create new conversations on topical issues in the 21 st century.	<p>Social Impact Investing - Investing for a better tomorrow</p> <ul style="list-style-type: none"> To explore what social impact investing means, YTL Foundation opened up discussions on the importance of social impact investing in making the world a better place, held on 18 April 2018. The keynote speaker for the event was Dr James Gifford, CIO Head of Impact Investing for UBS Wealth. This was followed by a panel discussion with representatives from Agensi Innovasi Malaysia (AIM), Suka Society, Global Peace Foundation and EcoWorld Foundation. Over 200 guests from the public and private sectors attended the event.
Malaysia Collective Impact Initiative (MCII)	MCII is an education focused initiative that brings together stakeholders and communities. MCII is a collective impact initiative of which YTL Foundation and other organisations and foundations are a part. MCII's goals are systemic change in education through policy work and on-the-ground impacts. Over the last year, MCII has worked with the government bodies, NGOs, corporate organisations and other social purpose organisations to implement changes in the MCII schools.	<ul style="list-style-type: none"> MCII is now present in two secondary schools and 12 primary schools in the Klang area. Working with parents and administrators, YTL Foundation has built Frog Classrooms in two secondary schools. Over the year MCII has run 18 programmes with over 450 hours of programme delivery, 450 students and 150 teachers benefitting.



The colourful and clean look of the Frog Classroom makeover at SMK Dengkil, Sepang



Panelists of 'Social Impact Investing - Investing For A Better Tomorrow' organised by YTL Foundation sharing comprehensive views on sustainable impact investing

Enriching Communities

Programmes	Description	Outcomes
54C - Enrichment Programme	<p>54C is a community centre in the heart of Bukit Bintang providing a safe learning space for underprivileged children.</p> <p>54C conducts more than 13 distinct programmes and workshops, such as English, Mathematics, Ukulele, Speech and Drama, Arts and Crafts, Computer Skills and many more.</p> <p>Conducted on a weekly basis, these programmes help to equip children with the necessary skills focusing on academic, vocational and soft skill workshops which are extremely popular with the children.</p>	<ul style="list-style-type: none"> There have been a total of 2,900 participants for each programme in FY2018, with over 290 unique individuals, many of whom have attended a programme over ten times, and a daily attendance of approximately 20 students in each class. Since its launch in December 2015, 54C has supported over 450 underprivileged children from 15 community-based schools and over 40 volunteer teachers.
54C - School Holiday Programme	The programme is organised during the school holidays, and open to children of YTL employees.	<ul style="list-style-type: none"> The programme impacted over 75 children of YTL employees in FY2018. The sessions are designed to ensure the children have fun learning, making new friends and acquiring new skills. Whether interactive science experiments, arts and crafts, ukulele lessons, speech and drama, or instilling money-smart skills, there's a guarantee that the children go home enriched and hopefully happy.
A.C.E Programme at United Learning Centre (ULC)	Accelerated Christian Education (A.C.E) Programme – the home school curriculum was introduced to United Learning Centre, a community-based school for Myanmar refugee children.	<ul style="list-style-type: none"> On 17 April 2017, the programme kick-started with 25 older students aged 12-16 years covering five subjects – Mathematics, English, Word Building, Science and Social Studies. Positive outcomes were achieved eight months into the programme where; <ul style="list-style-type: none"> A structured curriculum for students is provided where learning gaps are addressed. Children are surprisingly motivated and very eager to learn. Overall discipline level improved considerably. Students are taught self-management and also learn how to set SMART goals. Teachers are able to generate a coherent and dependable progress report for the students. The programme was successful, and rolled out across the whole school to over 40 students in January 2018.



— Children of YTL employees having a fun-filled time through games and activities at 54C School Holiday Programme



YTL PowerSeraya's corporate social responsibility (CSR) vision is to promote a positive and sustainable environment as well as to improve its social contribution to the communities in which they operate. To realise this vision, the company organised various outreach programmes to the local communities including youth groups namely:

- PLAY - Punggol Learning Adventure for Youth is an interactive learning programme that seeks to raise young people's awareness and knowledge of water issues at both global and local levels in partnership with Waterways Watch Society as its knowledge partner. During the financial year, PLAY educated 169 upper primary and secondary students on water issues.
- REAP - Responsible Energy Advocates Programme is an energy conservation initiative. Through the programme, tertiary students are trained to be energy advocates in Singapore. 14 tertiary students were trained this year while another 2,180 junior students from nine schools in Singapore were engaged, in support of Singapore's "Year of Climate Change" initiative 2018, respectively.



— Students learning about water issues through group activities during PLAY programme



— YTL PowerSeraya employees giving an introduction to REAP advocates on how power station generates electricity



Understanding the impact of its operations on surrounding communities, YTL Jawa Timur (YTLJT) continues to create environmental awareness in schools around Probolinggo, East Java.

To achieve this goal, the company with the support of the Government of Probolinggo established Adiwiyata Programme or 'Green School Awards' - a volunteering programme to support schools implementing green initiatives. Schools that have successfully incorporated environmentally based curriculums will be awarded Adiwiyata Awards.

The awards are broken down into two categories namely Nasional Adiwiyata and Mandiri Adiwiyata. With the support from the local government, the programme has successfully attracted participation from 60 schools since its inception.

Besides focusing on creating environmental awareness, YTLJT also provides basic education assistance to over 2,124 students within the communities they served including providing school bags, books and scholarships.

In line with their commitment to promoting life skills and healthy living, YTLJT has identified soccer as a medium to develop social skills among children under 12. Children from 24 soccer clubs in Probolinggo regency were carefully chosen to participate in the programme which entailed weekly training by a coach under the supervision and guidance from the ASEAN Soccer Academy, and resulted in friendly matches and soccer tournaments for under 12 (U-12), under 15 (U-15) and under 17 (U-17) from other soccer clubs in Probolinggo. The YTLJT's soccer team won third place in the East Java Tournament, for the U-12 category; a testament to the comprehensive and effective training programme carried out by the company.

Year	2015	2016	2017
Nasional Adiwiyata	3	5	7
Mandiri Adiwiyata	1	0	0

Enriching Communities



— Participants sharing insights on how to improve education quality during the Adiwiyata Seminar



— Children from 24 soccer clubs in Probolinggo participating in the football tournament



Wessex Water's efforts in educating its communities and customers on water conservation and preventive measures to avoid sewer blockages started twenty years ago, with education services to schools as well as the inception of education centres at some of its sites around the region.

Last year, 22,022 students benefitted from school visits and trips to water and sewage treatment works, in addition to Wessex Water's education advisers visiting community groups. Its three education advisers cover Bristol, Bath, Somerset, Wiltshire, South Gloucestershire and Dorset.

In another initiative, GENeco, a subsidiary of Wessex Water specialising in recycling and renewable energy launched 'Ignite' - a work experience programme designed to assist students



— Wessex Water education advisers support teaching and learning in schools. This included topics of the water cycle in primary schools and sewage sludge digestion at A-level

with the transition from education into working life, and to give children specifically from Bristol a chance to experience what a job in the sustainability sector feels like. For its inaugural programme, eleven pupils, from the Merchant's Academy school in Bristol, spent a week at GENeco's main site in Avonmouth.

The students were tasked to tackle a real-life business opportunity relating to GENeco's food waste recycling operations. This involved a site tour, workshops with key members of staff and an individual research project. The project culminated in a presentation to key GENeco employees. The student group also visited Ashford Water Treatment Works to experience how drinking water is processed, and made a stop at Wessex Water's headquarters in Bath.



— Schoolchildren taking part in GENeco's work experience programme 'Ignite'. Seen here are (first from right) Mohammed Saddiq, Managing Director of GENeco, (first from left) Laura Blake, Bioresources Advisor, (second from left) Wayne Gammon, Bioresources Advisor along with students from Merchant's Academy school visiting GENeco's office

SERVING THE LOCAL COMMUNITY



OUR GOAL: To improve community well-being and livelihoods

Local communities play a significant role in determining our operational structures and practices befitting local rules and customs. Our multi-pronged engagement with local communities led us to understand how they function economically and socially and in turn help us assimilate with local customs and rules. As a responsible employer we are also committed to engage, empower and elevate the socio-economic status of the communities we serve. Over the years, YTL Group has supported various programmes that have benefitted local communities.

A strong balance of physical health, and mental and social well-being is vital to the long-term development of nation building and economic growth. As a company, we are committed to stepping up in helping the communities within our operations and networks.



Tan Sri Dato' (Dr) Francis Yeoh (second from left), Executive Chairman of YTL Corporation, receiving certificate of appreciation from YB Isnaraissah Munirah Majilis (center), Deputy Minister of Energy, Science, Technology, Environment and Climate Change (MESTECC) during YTL Tree Planting event at Sentul Park, alongside Amin Abdullah (first from left), CEO of Yayasan Hijau, Asdirhyme Bin Abdul Rasib (second from right), Senior Under Secretary Green Technology Sector of KeTTHA, Ralph Dixon (first from right), Director of Environmental Investments of YTL Corporation



YTL staff volunteering to spend their morning planting trees at Sentul Park

Elevating Communities

We believe that our ability to participate proactively in society is vital to bringing forth thriving communities.



A tree planting event was held in Sentul Park on 9 August 2018 in conjunction with YTL Corporation's sponsorship of RM175,000; to plant 500 trees in Kuala Lumpur (KL) as part of Yayasan Hijau's Greener KL initiative.

Graced by the presence of YB Isnaraissah Munirah Majilis, Deputy Minister of Energy, Science, Technology, Environment and Climate Change (MESTECC) and YTL Corporation Executive Chairman, Tan Sri Dato' (Dr) Francis Yeoh, the event saw 80 volunteers from various business units planting 100 saplings.

The event reflects our commitment to protecting the environment as well as contributing to SDG 13 - *Climate Action*.



Tan Sri Dato' (Dr) Francis Yeoh took the lead in planting a tree



YB Isnaraissah Munirah Majilis (center) planting a tree after officiating the event

Enriching Communities

In 2018, YTL Power International Berhad signed a Collaboration Agreement with Agensi Inovasi Malaysia (AIM) and the Global Peace Foundation (GPF) to provide RM184,600 of funding to Communities Unite for Purewater (CUP), a social intervention programme run by the Global Peace Foundation.

CUP seeks to provide clean and safe water to uplift the welfare of targeted rural and underserved communities, particularly Orang Asli communities in West Malaysia and other indigenous communities in East Malaysia. A total of 70 units of clean water filters will be installed benefitting more than 350 people in 70 families of Kampung Sion and Kampung Semada Belatok.



Wessex Water is committed to supporting healthy and strong communities across the region. The company's goal is to facilitate community initiatives through helping those in need as well as organisations that bring people together. Among its initiatives are:

- **Watermark Awards**

A collaboration between Wessex Water and the Conservation Foundation, an environmental charity founded by David Bellamy. Established nearly 25 years ago, the award is intended to assist local communities in improving their local environment and bring people closer to nature. To date, the Watermark Awards have supported over 1,000 groups and projects. This year, the awards supported Saltford Brass Mill and the development of a reliable water source for Stoke St Gregory Allotments Association.

- **Money Matters**

A grant scheme to organisations running community-based projects to help communities to understand financial matters as well as make effective decisions in matters related to money. The scheme focusses on schoolchildren and vulnerable customers. The latest award was given to schoolchildren in the Mendip area to learn how to eat healthily on a tight budget via the Children's Voices-Changing Choices project involving primary and secondary children.

- **Water Aid**

The company is supporting this internationally renowned fundraising initiative with the assistance of its staff, customers and contractors. Together they have raised GBP201,021 for WaterAid throughout FY2018, of which GBP100,000 is dedicated to a three-year project in Faratsih, central Madagascar, to help provide 2,614 individuals with access to clean water, 1,049 with access to sanitation and to deliver hygiene education.



From left: Naser Jaafar, CEO of Agensi Inovasi Malaysia, Dato' Yeoh Seok Hong, Managing Director of YTL Power International Berhad and Dr. Teh Su Thye, CEO of the Global Peace Foundation at the signing session



St Werburghs City Farm is a unique and inspiring green space in the heart of Bristol. As the Farm's large pond fell into disrepair and requires restoration, financial support from the Watermark Award will help to buy plants for the Farm's rehabilitated pond. Up to 100 local schoolchildren, 20 horticultural trainees, local residents and a variety of wildlife will benefit from the restoration



The WaterAid winter appeal was called Untapped; the UK government pledged to match pound-for-pound all donations to WaterAid's Untapped campaign until 31 January 2018 up to a total of GBP5 million. The campaign, including match funding, raised GBP8.18 million for WaterAid



YTLJT has developed a number of economic empowerment programmes since 2005 with the inception of Bhinor Cooperative Development. From there, the company also collaborated with other villagers to advance their economic growth.

Programmes	Outcomes	Impact
Cooperative Development	Cooperative Bhinor Jaya Abadi	<ul style="list-style-type: none"> Engaged 200 members Provided financial assistance and business coaching for small business
	Selobanteng Jati Makmur Cooperative	<ul style="list-style-type: none"> Engaged 55 home industries (furniture) Conducted teakwood craftsmanship development programme
	Bhinor Lestari Women Cooperative	<ul style="list-style-type: none"> Produced 'green' bags and local batik items Provided catering services
Small Business Empowerment Programme	Taman Lestari Organic Farmers Group	<ul style="list-style-type: none"> Produced organic fertiliser known as BIOTAMOR from domestic biogas units



Organic fertiliser produced from biogas units being used at the sea pines nursery

As reported last year, YTLJT is committed to improving the health and quality of life of the Selobanteng community via its water conservation programme. The village experiences a scarcity of water supply especially during the dry season. To prepare for the inevitable and impending droughts, the company built infiltration wells to conserve water during the rainy season. To date, 19 infiltration wells have been built in four villages with total capacity of 42,520 m³ of water annually benefitting more than 1,900 residents. In addition, six water storage tanks have been built with a total capacity of 86 m³.



One of YTLJT's water conservation programmes where an additional water storage unit was installed and utilised by 30 families from Selobanteng Village



YTLJT's employees providing water access support seen here installing a Hydram pump system for the community of Kalianan Village

Enriching Communities

Bringing Festive Joy

Share-A-Gift

Lot 10 Shopping Centre participated in the 'Share-A-Gift' – a multiflex charity drive organised by SOCAR; a car-sharing startup and Prasarana Malaysia, as one of the venue sponsors throughout the month of Ramadhan. With Ramadhan bringing in its wake a gripping message of hope and selflessness, the 'Share-A-Gift' charity drive has been crafted for commuters to share a gift on the go. The public dropped off their gifts at Lot 10 and other selected locations. The gifts included items ranging from clothes, shoes, books, toiletries, food packets or assorted non-perishable items. The collected items were then distributed to the partnering NGOs and Dignity for Children.



Supporting #Zerofoodwastage 2018, The Majestic Hotel Kuala Lumpur (TMHKL) and The Hotel Stripes Kuala Lumpur delivered around 500kg leftover food from their daily Ramadhan buffet to homes for the less privileged and other organisations in KL.



Celebrating Ramadhan with YTL Hotels and YTL Cement

42 children from Pertubuhan Rahoma Darul Fakir were treated to an array of local and international dishes at JW Marriott Hotel Kuala Lumpur (JWMKL) during the fasting month.



TMHKL employees handing out 300 food packages to PPR Kg Limau residents for their breaking fast meal.



Continuing their tradition of engaging with surrounding communities during the Islamic holy month, Perak-Hanjoong Simen provided aid of RM18,650 to local mosques and suraus, as well sponsored and organised several Buka Puasa (breaking fast) gatherings at Masjid Hadhari Padang Rengas and in their office, with community members and employees. Meanwhile, Pahang Cement contributed RM8,900 to mosques, schools and other organisations to organise buka puasa meals and Hari Raya celebrations.



Spreading Christmas Joy by YTL Foundation

YTL Foundation organised - 'Lotties Talent Village' - an event to promote vocational skills. Social enterprises, NGOs and other organisations were invited to set-up booths and feature activities based on skills training for underprivileged youth. The event was launched by Freda Liu, BFM Lead Producer/Presenter. The weekend line-up opened with a fashion show by Dignity for Children Foundation who wowed the crowd when their students from as young as five years old took to the catwalk to model the clothes they had designed and made under their "Sew at Dignity" programme.

The colourful and vibrant event hosted various vendors like Recyclothes, a concept boutique that sells carefully selected second hand clothes, donated by the public, The Batik Boutique, an award-winning social enterprise created to disrupt the cycle of poverty in Malaysia, MySkills Foundation, an organisation that empowers school drop-outs, Free Tree Society and many more. There was also a toy drive by Toy Libraries to collect toys for Orang Asli children in the Belum



Forest. The three day event saw an array of classes and activities for kids and adults where everyone had a chance to go home with a new experience like batik painting, balloon modelling, growing your own garden, woodworking, coffee making and more.



Meanwhile, 54C hosted five Christmas parties in December 2017 which were attended by over 200 children from five community-based schools, Dignity For Children Foundation and the children of YTL employees. The children had a fun-filled day of activities including Christmas craft item, storytelling, games, singing and music performances and of course enjoyed the delicious food prepared for the party.



Celebrating Christmas with GROW

An annual affair since 2013, the 2017 Christmas celebrations with adopted charity GROW saw 17 staff volunteers put on a musical performance as well as organise fun games to entertain more than 80 individuals from GROW at the Cerebral Palsy Alliance Singapore (CPAS) Centre at Pasir Ris, Singapore. The celebrations ended with the presentation of gifts for every GROW individual and a buffet lunch of Christmas festive food. The gifts were part of the 'Grant-A-Wish' initiative where staff fulfilled the Christmas wishes of GROW individuals through a gifting process.

Enriching Communities

Fundraising and Charitable Initiatives

Our quest to Making a Good Future Happen continues with charitable giving and sponsorship and as a company, we have to budget carefully and account for all expenses in order to safeguard our stakeholder interests. To keep this practice alive and sustainable, we cultivate values of 'Togetherness' and 'Moral Responsibility' to propagate and boost acts of kindness amongst us so that everyone has a chance in helping out as reflected by various initiatives carried out by our business units globally.



At the private memorial event in December 2017, RM49.4 million was donated to 115 charitable, educational and non-governmental organisations, as a continual effort to serve the communities cherished by the late Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, founder and Chairman of YTL Group



YTL Corporation donated RM100,000 to Perlis Tuanku Syed Putra Foundation (YTSP) as a contribution to A-Heart UniMap Autism Centre in Perlis, which aims to build a fully-fledged facility for autistic children

From left to right: YTL Corporation's Executive Director, Dato' Yeoh Soo Min, Tan Chien Wen and YM Raja Muda Perlis, Tuanku Syed Faizuddin Putra Jamalullail and YM Raja Puan Muda Tuanku Lailatul Shahreen Akashah Khalil



The 2018 annual sponsorship by YTL Communications amounting RM530,000 in cash and in-kind for the following events:

- Penang Starwalk 2017
- Kota Kinabalu (Gaya) Christmas Carnival 2017
- Ipoh Starwalk 2018
- Harvest Festival Carnival 2018



TMHKL helped to fundraise for Breast Cancer Awareness Foundation with the sale of The Majestic Bear. Total donations amounted to RM12,000



YTL staff participated in marathons to help raise funds for:

- National Kidney Foundation - employees of TMHKL, JWMKL and RCKL at Run To Give 2017
- Laguna Phuket Foundation - employees of The Surin Phuket at Triatlon Fun Run 2017



TMHKL donating 40 old towels and soap to The Society for the Prevention of Cruelty to Animals, Selangor (SPCA Selangor)



The TSP team seen here donating old towels and old toilet bowls to Soi Dog Foundation and Phuket Panyanukon School



JWMKL and RCKL jointly raised RM4,800 during Smile Asia Week - a fundraising initiative to treat children with cleft palate



YTL PowerSeraya raised more than SGD7,000 for GROW inclusive of staff donations, with the company matching dollar-for-dollar, as well as donations pledged from third parties, through "Steptember", a fundraising initiative by the Cerebral Palsy Alliance Singapore (CPAS)



ERL reaching out to the disabled community by fabricating wheelchair ramps to facilitate the wheelchair bound passengers to board trains at KLIA Transit stations located at KL Sentral, Bandar Tasik Selatan, Salak Tinggi, Putrajaya and Cyberjaya stations, KLIA and KLIA2

Enriching Communities

PROMOTION OF ARTS AND CULTURE



OUR GOAL: To protect and preserve arts and culture for future generations

YTL Group supports programmes that promote and foster arts and culture in countries that we operate in. These programmes are essential for strengthening local values and contributing to economic and social harmony, especially in multicultural societies such as Malaysia. In addition, the activities support artists and those working in the arts to gain better visibility which in turn enables the public to have better access to arts and culture.

Lot 10 Re-imagined: Youthful, Fun, Creative and Connected

This year, YTL Land has re-conceptualised its iconic Lot 10 Shopping Centre (Lot 10) in Bukit Bintang as a place for people to gather and connect in a diverse, trendy and youthful environment. By adding lots of lifestyle elements such as arts, culture and entertainment, shoppers are able to enjoy more activities in the mall, leading to a more holistic and fun experience.

#lot10wanderlust

In the weekend of 13-15 April 2018, Lot 10 launched its inaugural Pasar Sari, a market for young, local artisans to promote their products, as part of their celebration of Malaysian culture through the #lot10wanderlust series.

Art and music also played a role during #lot10wanderlust, with musicians and buskers performing on guitars, the piano, saxophone and other instruments at the main and side entrances. Lot 10 also endeavoured to support free musical expression by establishing an "Open Piano" in the mall. This piano, which was beautifully painted by students from Raffles College of Higher Education KL, allows member of the public to play it freely throughout the day.

The #lot10wanderlust weekend additionally hosted #GirlBoss talks in an Open Forum, featuring five influential women entrepreneurs to talk about their journey in the fashion and beauty industry. Those who presented were: Aina Syahirah, Co-founder of Kulet; Jenn Low, Founder of Wanderlust & Co; Didie Nasir, Co-Founder of Dida Cosmetics and Founder of Dynda Designs; Tengku Jamidah, Co-Founder of Dida Cosmetics and Founder of THAVIA the label; and also fashion stylist Haida Yusof. Following this success, Open Forum returned in August, and discussed the developing coffee culture.



— Five influential women entrepreneurs giving their take on how to start and thrive in the fashion and beauty industry at #girlbosstalks session, Lot 10 Shopping Centre



— Joseph Yeoh, Vice President of YTL Land and Development and YTL Hotels and Properties at the Pasar Sari event in Lot 10 Shopping Centre

Lot 10 Cinema Paradiso

Another successful event organised in collaboration with iflix, BenQ, Sennheiser and Strongbow was the Lot 10 Cinema Paradiso event to appreciate cinematic art. The Lot 10 Rooftop Garden was converted into an outdoor cinema and people watched from their mats on the lawn. The first screening took place on 13 and 14 April 2018, showing the Korean period movie "The Battleship Island". More screenings have been scheduled throughout the year as well as yoga sessions for weekend mornings on the rooftop lawn.



— The movie screening at Cinema Paradiso on the rooftop of Lot 10

E-gaming for Charity

For those interested in gaming, the Geek Arena at Level 3 in Lot 10 arranged its inaugural charity e-gaming match on 14 April 2018 between the KL Hunters and Geek Fam. The Geek Arena has become a place for gaming enthusiasts to come together to watch and play e-sports. This lively venture will carry on in the future, with matches on Street Fighter, FIFA, PUBG, Rainbow6Siege, League of Legends and more.



— Activated at Level 3, the Lot 10 Geek Arena staged e-sports matches, featuring a duel between the KL Hunters and Geek Fam as well as public gaming sessions

Art in the City

Aside from the lifestyle additions, Lot 10 has also fostered a thriving art culture in Bukit Bintang by displaying local artists' creations on the new LED screens by the side entrance. Art Jamming sessions take place over some weekends where members of the public paint colorful designs on canvases along the escalators. These sessions have also involved seasoned artists, whose pop-art can be seen on the Marilyn Monroe installations along the pathway. DH Artful Décor Paper Gallery joined in the scheme by displaying their paper sculptures inside the mall. All these activities were conducted under the "Art in the City" programme in conjunction with Cendana, Cultural Economy Development Agency.



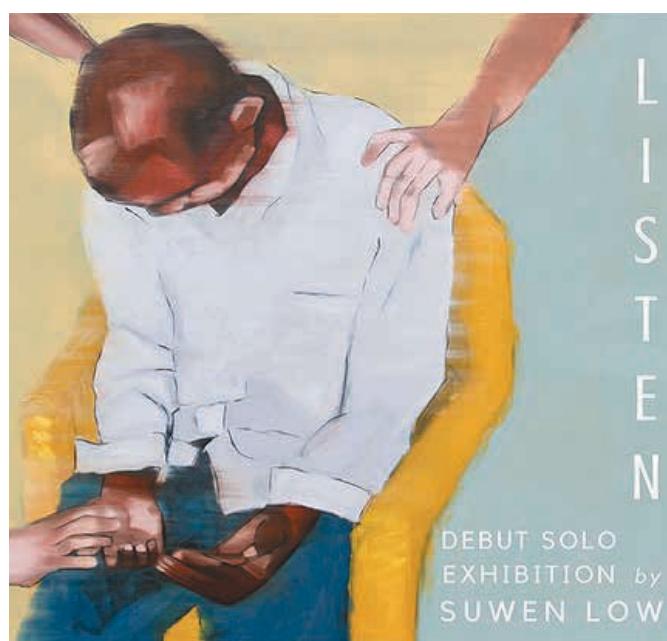
— An artist working on a pop-art installation along the walkway



— Public art jamming at the side of the escalator, Lot 10 Shopping Centre

Starhill Gallery Arts Festival Showcase

The Starhill Gallery Arts Festival, started in 2008, is a three-month long event with exhibitions, activities and talks to allow Malaysian artists to showcase their art. One of these is the Starhill Gallery Visual Arts award, which is a gateway for young, emerging artists to make an impact on the arts scene. This year, one of the finalists was Suwen Low, whose debut solo exhibition LISTEN was showcased at the gallery. After travelling in Africa and doing volunteer work there in 2016, Suwen returned to Malaysia and started painting oil on canvas based on her experience. Her work conveys the beauty of simple moments in life as well as how strength and hope prevail in bleak situations. In line with her ideology, part of the proceeds went towards Iris Global's work in Mozambique and Madagascar along with the local refugee Centre ULC Kuala Lumpur.



— Humility by Suwen Low in LISTEN

GRI CONTENT INDEX

GRI 102-55

Custom Content Index - 'In Accordance' Core

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Plastic Pollution and Solutions

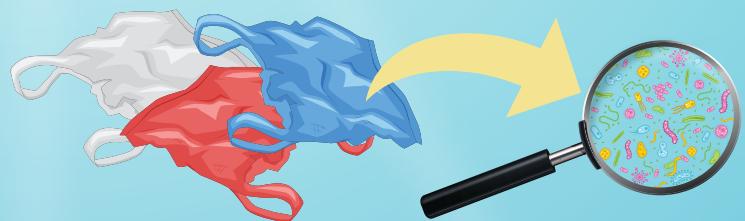
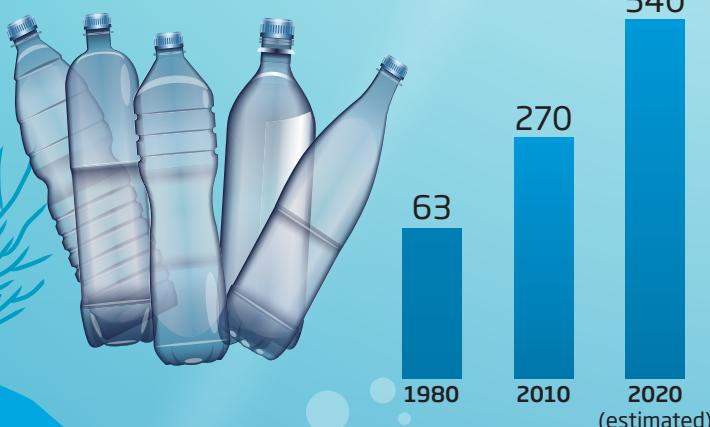


80%

of the marine debris comes from land, and ends up in the ocean through winds and currents

World Plastic Production

in million tonnes



A significant share of the growing amount of plastic used by humans ends up in the ocean



There will be
MORE PLASTIC THAN FISH
in the ocean by 2050



SOLUTIONS



CAN IT - Use trash cans with lids



TAP IT - Use tap water in a reusable bottle



BUTT IN - Write your legislators to ask for policies that address our ocean trash problems



RECYCLE IT - Take the extra step to sort and separate items that can be recycled



REUSE IT - Bring reusable coffee cups and shopping bags while you're out and about



REMOVE IT - Help clean up our coasts!

When you refuse to reuse, it's our Earth you abuse.
There is no Planet B. **Be part of the Solution.**
Together we can **Make A Good Future Happen.**

YTL GROUP
Building The Right Thing



A Steward of Our Good Earth