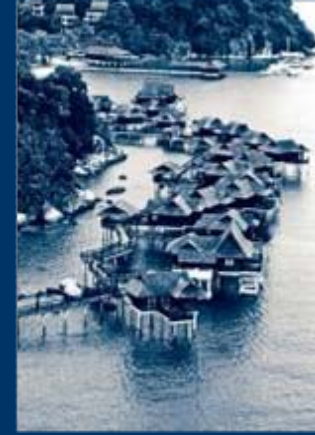


# Sustainability and CSR in Action



## YTL Corporation Berhad

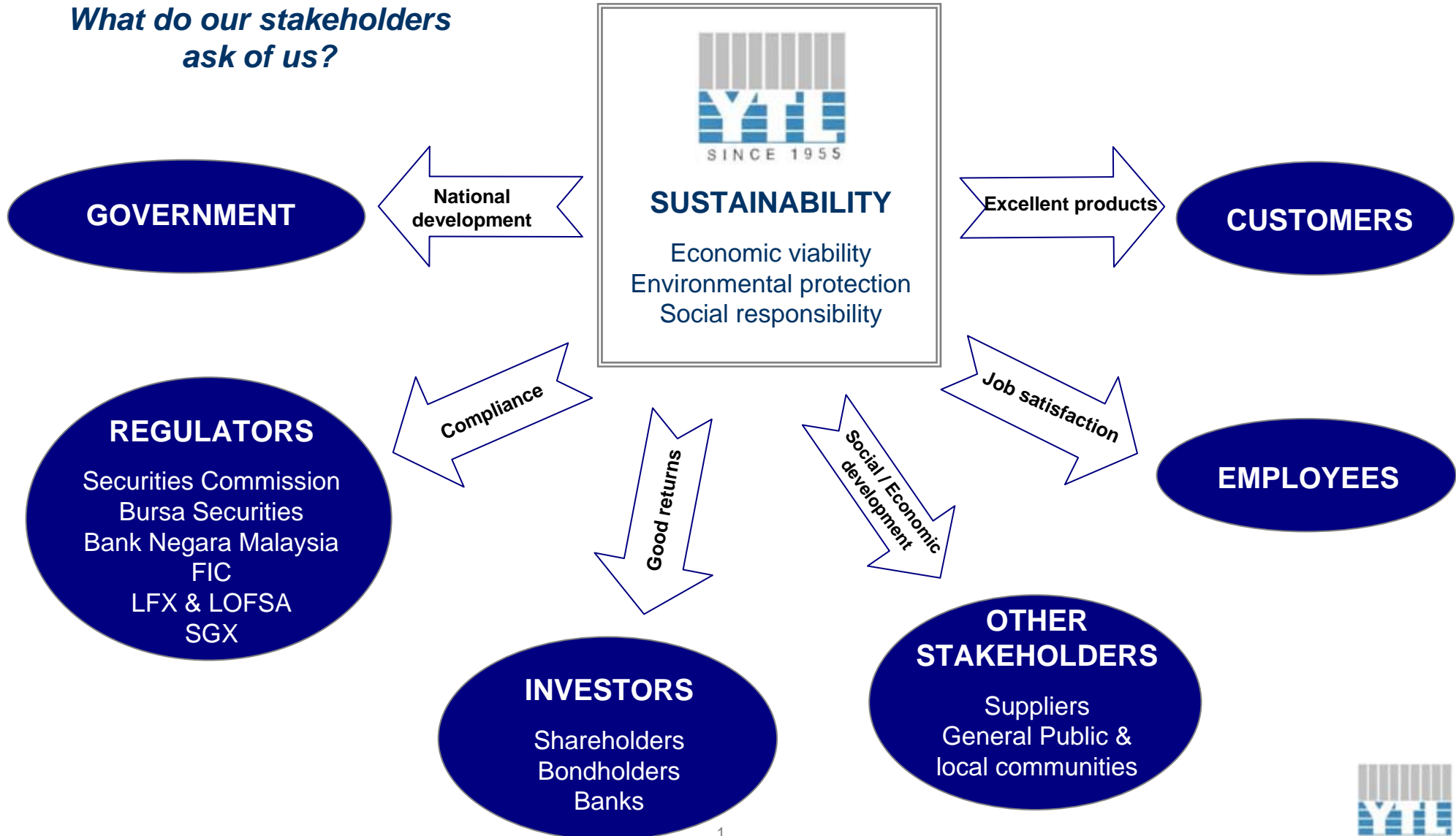
The Asia Business Council – Spring Forum, Tokyo

16 May 2008



# CSR in Action – YTL’s Stakeholder Matrix

*What do our stakeholders ask of us?*



# Integrating CSR into the Business



- **YTL Corp's core business competencies:-**
  - **Utilities**
  - **Cement Manufacturing**
  - **Construction Contracting**
  - **Property Development**
  - **Hotel Development & Management**
  - **IT & e-Commerce**
  - **CDM Consulting & Investment**

# Transparency in Sustainability



- **YTL Corp's CSR Report 2006** won Award for '*Best Social Reporting in an Annual Report*' at the ACCA Malaysia Environmental and Social Reporting Awards (MESRA) 2006
- **YTL Corp's Sustainability Report 2007** won another top Award at the ACCA Malaysia Environmental and Social Reporting Awards (MESRA) 2007
- Reports can be accessed at [www.ytlcommunity.com/climatechange](http://www.ytlcommunity.com/climatechange)

# Environmental Protection in Utility Operations

- **Measures taken to reduce the impact of our Utilities on the environment**
  - Working with the Malaysian Government to implement a policy of using **clean fuels** (eg. natural gas) rather than coal and crude oil
  - Power stations designed to **minimise impact of emissions**, particularly nitrogen dioxide
  - Water cooling systems – submarine pipes extended 10% further than required by engineering by-laws (to maintain the ambient temperature of marine environments)
  - ISO14001 Certification (Environmental Management Systems) for both power stations obtained in September 2007
  - Jawa Power, Indonesia:-
    - ISO 14001 certified
    - Only Indonesian energy company to achieve a **Green rating** under the government's Environmental Training Programme carried out by the Indonesian Ministry of Environment
  - Wessex Water – comprehensive environmental policy



# Wessex Water: Committed to becoming a truly sustainable business

- **The first water company to be awarded “The Queen’s Award for Enterprise” in the UK in 2008**
- **Provide customers with high quality products & services in ways that enhance the environment**
- **Business goals:**
  - Reduce emissions to avoid adverse environmental impacts
  - Take water & other resources in balance with expected rates of regeneration
  - Comply with codes, consents and directives (local, national & European)
  - Conserve & protect the environment
  - Operate in a socially responsible manner
  - Be fully prepared to cope with emergencies that might affect the environment
  - Lead by example by integrating sustainability into business practice.
- **Actions to achieve these aims:**
  - Strict quality controls
  - Design, operate & maintain equipment to the highest practicable standards to meet environmental objectives
  - Implement new technology to improve working practices
  - Install plant & equipment/ design capital work to blend into local landscape
  - Involve the public – liaising with affected local groups & individuals
  - Publicly report on performance
  - Develop accounting systems to understand environmental impacts



# Cement Manufacturing Operations

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- **2nd largest cement company in Malaysia**
  - Cement production capacity of 6.1 mil tonnes p.a.
  - Largest ready-mix concrete company in Malaysia
- **Fully integrated operations** across the complete manufacturing value chain from quarry operations to clinker and cement production, sales and distribution, logistics and ready-mixed concrete
- **Regional expansion plans** – acquired 100% equity in Zhejiang Linan Jin Yuan Cement Co Ltd, China which owns a 1.5m tonne cement plant in 2007. Currently evaluating further investment opportunities in Singapore, China, Middle East & Indonesia
- Pahang Cement plant:-
  - **ISO14001** (Environment Management System) Certification since 2002
  - Rated **4 Stars** by the Independent Cement Producers Association (ICPA) in London based on plant's comparative performance in:-
    - Safety & manpower productivity
    - Energy efficiency
    - Environmental performance



# Lifestyle-Oriented Property Development

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- Beginnings – affordable yet appealing low-cost housing
- Focus has since grown to encompass high-quality, cost effective lifestyle-oriented residential & commercial communities
- Innovative urban redevelopments:-
  - **Bintang Walk Transformation**
  - **Sentul Urban Revitalisation**, a total lifestyle concept development including park, performing arts center & integration with the urban transportation system
  - **Lake Edge Puchong; Lake Fields, Sg Besi** – unique & spacious layouts
  - **Pantai Hillpark** – FIABCI Award 2006 (Best Residential Development – High Rise)
  - **Singapore** - “Lakefront Collection” & “Sandy Island” at Sentosa Cove, and the Orchard Boulevard “Westwood Apartments”
- Property development attributes:-
  - Development in harmony with nature - reduced number of units to maintain balance between nature & development
  - Building & design techniques – improve airflow & natural sunlight to reduce need for air-conditioners & artificial light
  - Sentul – Built around a 35-acre park; green lung in the heart of Kuala Lumpur



# Initiatives to Create Renewable Energy Sources

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- **YTL's Wessex Water has taken great strides to find sources of renewable energy to meet its zero carbon target by 2020, and already exceeding 10% of energy needs from renewable energy;**
- Biogas energy from gas engines driven by methane gas derived from anaerobic digesters of sewerage sludge > 8MW
- Solar Power < 1MW
- Wind Power < 1 MW
- Biomass Power from cellulose waste > 1MW



# A Commitment to Carbon Mitigation – YTL-SV Carbon Sdn Bhd

## YTL Acquired SV Carbon in 2008

- Largest CDM Project Developer in Malaysia
- Third largest CDM Project Developer in South East Asia
- Focus on biomass, biogas, other clean energy from agricultural waste and municipal solid waste, cement & industrial waste – working with plantation companies to develop clean energy from waste biomass and effluent plants
- 15 years of experience in energy and CDM



# Environmental Division – Investing In The Future

- **YTL expanded the Environmental Investment Division in 2007. It engages in three key investment activities;**
  1. Investing in and sponsoring NGOs, Non-Profit Organisations, and privately funded organisations to create awareness.
  2. Investing in YTL Group companies and projects to improve efficiency, environmental responsibility and overall sustainability.
  3. Investing at venture capital or mezzanine level in environmentally themed companies, projects and product development companies - water, clean/renewable energy , municipal solid waste, agricultural waste, etc.



# Seeding Environmental Funds – Investment Products

- **YTL Corp Seeded Three Investment Funds Managed by Third Party Professional Asset Managers**
  1. **AREEF (Asian Renewable Energy & Environment Fund) -** YTL seeded AREEF in early 2007 - a RM denominated fund investing in listed Asian companies engaged in value chain of renewable energy and environment activities. The fund invests in upstream raw materials, plantation companies and equipment manufacturers, mid stream ECP companies, operators of renewable energy BOT and TOT projects, integrated water treatment companies, etc.
  2. **REEF -** YTL seeded REEF in early 2008 – a USD denominated fund also investing in listed companies, but with a global reach.
  3. **China Water Fund -** YTL seeded the China Water Fund in 2008 investing in China-based water treatment projects at the venture and mezzanine levels for TOT and BOT opportunities with positive returns, and also helping to improve China's water infrastructure and pollution woes.



# Creating Awareness - Climate Change Week

- YTL organised and sponsored Climate Change Week 2008 in Kuala Lumpur, Malaysia, for the second year running

Activities included;

- Free Public Screenings of Al Gore's "An Inconvenient Truth" in 2007, and Leonardo DiCaprio's "The 11<sup>th</sup> Hour" in 2008
- "Energy Security & Climate Change in The 21<sup>st</sup> Century Business Conference
- Climate Change Week Youth Workshop
- Climate Change Gala to raise Money for Reef Check Malaysia, TrEES and Malaysian Nature Society
- Global Book Launch of "WASTEnomics"
- More on [www.ytlcommunity.com/climatechange](http://www.ytlcommunity.com/climatechange)



YTL PRESENTS

CLIMATE  
CHANGE  
WEEK



# Supporting Environmental Organisations and The Community



# Pangkor Laut Resort & Tanjong Jara Resort



- Designed to minimise impact on the environment
- Pangkor Laut & Tanjong Jara – designed & built to preserve the ancient surrounding rainforests
- Chalets, buildings and roads are constructed around the environment, wherever possible
- All visitors are encouraged to take guided tour with resident ecologists



# Promotion of Arts & Culture

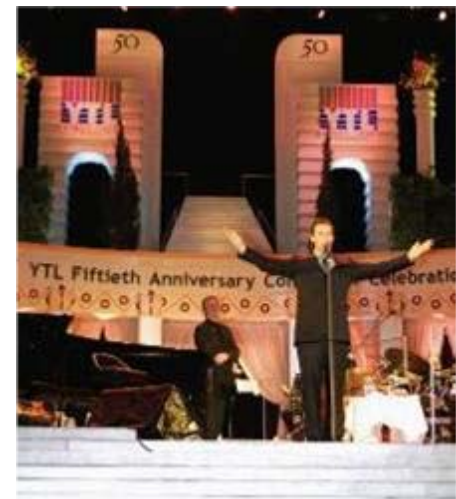
- **Concerts of Celebration**

- Sponsored by the YTL Group, with free tickets distributed to the public
- Held in various locations – Bintang Walk, Pangkor Laut, Bath, Sentul
- Highlights include:
  - 1994 Luciano Pavarotti at Pangkor Laut
  - 2002 Concert for Peace
  - 2003 Three Tenors in Bath
  - 2005 Russell Watson, accompanied by the Adelaide Symphony Orchestra

- **Penang Arts Festival**

- **The Kuala Lumpur Performing Arts Centre (KLPAC)**

- Situated at YTL's Sentul development
- YTL is a founding member, together with Yayasan Budi Penyayang Malaysia and The Actors Studio
- Sponsorship of events & special activity workshops for young artists



# Supporting Education & Community Development

## ● Employee Welfare

- Healthy and safe work environment
- Group hospitalisation & insurance plan
- Optional savings schemes at preferential rates
- 13th-month wage supplement
- Employees' share options scheme

## ● Education Programmes

- YTL Foundation - scholarships for deserving students
- University Malaysia Sabah Foundation
- The University of Nottingham in Malaysia
- Local primary schools - SJK Jln Davidson

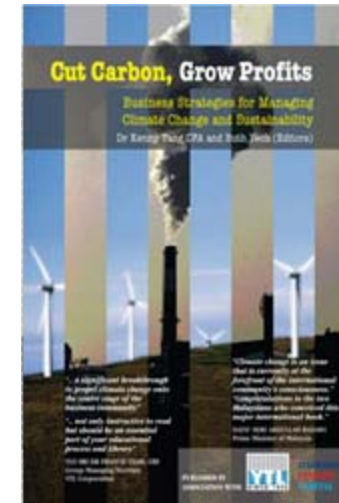
## ● Charitable Contributions

- Pink Ribbon Deeds (PRIDE)
- World Wildlife Foundation (WWF)
- Toys for Tots
- Indonesian Red Cross



## Recent Launches and Developments

- **YTL took part in the launch** of the book co-edited by Ruth Yeoh and Dr Kenny Tang entitled “*Cut Carbon, Grow Profits*” in 2007, and in 2008 took a further step in the same direction to launch another book with a strong environmental theme co-edited by Jacob Yeoh and Dr Kenny Tang called “*WASTEnomics*”.
- **YTL also launched** YTL-SV Carbon Sdn Bhd in 2008, following the acquisition of SV Carbon Sdn Bhd, the largest CDM consultant in Malaysia and the third largest in ASEAN.



# BE PART OF THE SOLUTION

Want to do something to help stop global warming? Here are 10 simple things you can do and how much carbon dioxide you'll save by doing them.

- 1. Change a light.**  
Replacing six regular light bulbs with compact fluorescent light bulbs will save 400kg of carbon dioxide a year.
- 2. Drive less.**  
Walk, bike, carpool or take public transport more often. You'll save 1.5kg of carbon dioxide for every 5km you don't drive!
- 3. Recycle more.**  
You can save 1,000kg of carbon dioxide per year by recycling just half of your household waste.
- 4. Check your tyres.**  
Keeping your tyres inflated properly can improve your car's fuel efficiency. Every litre of petrol saved keeps 2.5kg of carbon dioxide out of the atmosphere!
- 5. Use less hot water.**  
It takes a lot of energy to heat water - use less hot water by installing an energy efficient triple A rated showerhead (3 tonnes of carbon dioxide saved per year) and washing your clothes in cold or warm water (225kg saved per year).
- 6. Avoid products with a lot of packaging.**  
You can save 545kg of carbon dioxide if you cut down your garbage by 10%.
- 7. Move your thermostat down 2 degrees in winter and up 2 degrees in summer.**  
You could save about 900kg of carbon dioxide a year with this simple adjustment.
- 8. Plant a tree.**  
A single tree will absorb one tonne of carbon dioxide over its lifetime.
- 9. Turn off electronic devices.**  
Simply turning off your television, DVD player, stereo, and computer when you're not using them will save you thousands of kilograms of carbon dioxide a year.
- 10. Be a part of the solution.**  
Learn more and get active at [www.ytlcommunity.com/climatechange](http://www.ytlcommunity.com/climatechange)

# Thank You

Please visit our websites:

[www.ytlcommunity.com](http://www.ytlcommunity.com)

[www.ytlcommunity.com/climatechange](http://www.ytlcommunity.com/climatechange)

For more information, visit [www.AsiaBusinessCouncil.org](http://www.AsiaBusinessCouncil.org)