IT GETS BRIGHTER

YTL PowerSeraya Corporate Accountability Report 2014/2015

YTL PowerSeraya Pte. Limited is resolute in our effort to work harder, reach further and do more than ever before to realise our vision - to evolve through innovation to be the leading integrated energy provider that believes in creating outstanding value for our stakeholders and protecting the environment.

Contents

Corporate Overview

INFORMATION ON YTL POWERSERAYA

NAME
YTL PowerSeraya Pte. Limited

PRIMARY SERVICES

Electricity Generation	Utilities Supply (Steam, Water)	Electricity & Gas Retailing	Oil Storage Tank Leasing	Oil Trading and Bunkering

CORPORATE OFFICE
1 HarbourFront Place #17-01 HarbourFront Tower One Singapore 098633

OWNERSHIP
YTL PowerSeraya Pte. Limited is a wholly owned subsidiary of YTL Power International Berhad.

COUNTRIES OF OPERATION
Singapore

MARKETS SERVED
Singapore

EMPLOYEES (as of 30 june 2015 unless otherwise indicated)

354	**99.1%**	**76.5%**	**47.3%**
Average Monthly Headcount over 12 months FY14/15	Full-time	Male	Covered by Collective Bargaining

Staff Distribution by Age

<30 years	**16%**	**30 - 50 years**	**44%**	**> 50 years**	**40%**

SIGNIFICANT CHANGES SINCE 1 JULY 2013

Leadership Transition
Mr Chan Swee Huat assumed the position of CEO from 16 Oct 2013.

New Businesses & Developments
YTL PowerSeraya entered the Gas Retailing business on 1 April 2015.

PetroSeraya, the physical oil trading and oil storage tank leasing arm of YTL PowerSeraya, completed upgrading of its oil storage tanks and jetty terminal in January 2015.

There were no significant changes to the scope and aspect boundaries during the reporting period.

EXTERNALLY DEVELOPED CHARTERS, PRINCIPLES SUBSCRIBED OR ENDORSED BY THE COMPANY

Signatory to the 5 Principles of Fair Employment Practices subscribed by the Tripartite Alliance of Fair & Progressive Employment Practices, Singapore

Signatory to the 10 Principles of the United Nations Global Compact

MEMBERSHIPS

Gold Member, Global Compact Network Singapore

Member, Sustainable Energy Association of Singapore

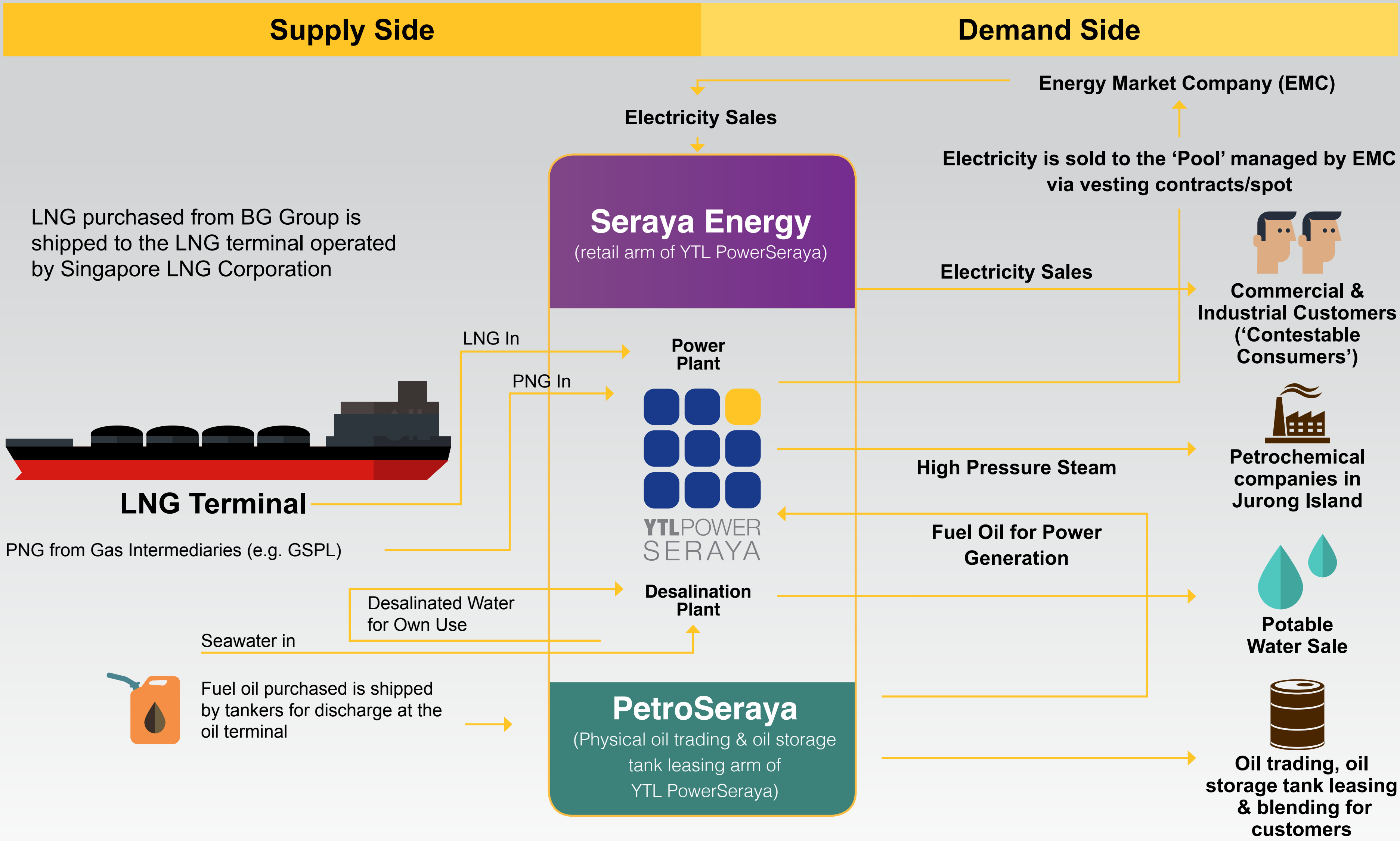
Who We Are

YTL PowerSeraya Pte. Ltd (YTL PowerSeraya) is a wholly-owned company of YTL Power International Berhad, which is listed on the Kuala Lumpur stock exchange. YTL PowerSeraya owns and manages power generation and desalination plant assets. The plants produce electricity and high pressure steam which form the primary revenue stream of YTL PowerSeraya. Fuel oil is purchased directly from the market and natural gas directly from Singapore intermediaries via long-term contracts, which come in the form of Liquefied Natural Gas (LNG) and Piped Natural Gas (PNG). These together with desalinated water, form the inputs to produce high pressure steam, which is sold to industrial customers at Jurong Island, Singapore, whereas electricity generated by the power plants is sold to the Energy Market Company.

YTL PowerSeraya's vision is to be the leading provider of integrated utilities and energy solutions for a sustainable future. It is supported by its two wholly-owned subsidiaries PetroSeraya Pte. Ltd (PetroSeraya) and Seraya Energy Pte. Ltd (Seraya Energy).

PetroSeraya is the physical oil trading and oil storage tank leasing arm of YTL PowerSeraya. It owns and manages the oil terminal and oil tank farm assets at its operational base on Jurong Island, Singapore. In addition, it sources and secures fuel supplies for the power generation business of YTL PowerSeraya. PetroSeraya's main sources of revenue come from its oil trading, oil storage tank leasing and blending activities. Seraya Energy is the electricity retail arm of YTL PowerSeraya. Its primary revenue source is the sale of electricity and gas to commercial and industrial customers.

Our Business



What Goes Into This Report

This year's Corporate Accountability Report is an externally assured report prepared in accordance with the GRI 'G4-Core' reporting framework. The reporting period is for the financial year starting 1 July 2014 to 30 June 2015. It covers the business operations of YTL PowerSeraya, PetroSeraya and Seraya Energy, collectively known as the 'Company'.

The Company produces reports on an annual basis. Full reports such as this one are published once in every two years. In between, a condensed version of the full report called the bridging report is published.

In determining the content of this report, the Company reviews its situation in the context of sustainability and the stakeholders that have influence over, or are influenced by the activities of the Company. This report is written by the Sustainability Department in consultation with internal stakeholders across the organisation to gather information and input on areas specific to their business, work or functions. It is reviewed by the Vice President, Corporate Services, who oversees the Company's sustainability performance, and is endorsed by the Senior Management Team. Guided by six Reporting Principles of the GRI reporting framework, this report seeks to provide an accurate and balanced account of the Company's sustainability performance. Where possible, industry benchmarks and historical data are provided to allow a comparative analysis of the Company's performance.

INDEPENDENT ASSURANCE STATEMENT

YTL PowerSeraya appointed an independent assurer, CSR Works International, to provide assurance on this report. The external assurance statement, which captures the assurer's comments and findings on this report, can be found here.

RESTATEMENTS

There are some restatements of information presented in the previous report for FY13/14 and they are:

a) GreenHouse Gas Emissions

i) CEO's Message (pg 5) – The Greenhouse Gas (GHG) Emissions reduction should be '21.9%' instead of the previously reported '19.4%'. The GHG figure should be '4.95 million' metric tons instead the previously reported '4.79 million metric tons'.

ii) Greenhouse Gas Emissions Chart (pg 18) - The Scope 2 & 3 (Indirect Emissions) bar chart value for FY13/14 should be '638,149' metric tons instead of the previously reported '481,067'. For FY12/13, the Scope 2 & 3 (Indirect Emissions) bar chart value for FY12/13 should be '589,747' metric tons instead of the previously reported '597,551'.

The changes to the GHG values are due to the following reasons: i) Adjustments to Scope 3 (Indirect Emissions) to take into account CFD (Contracts for Difference) for electricity with third parties, ii) 2013 Electricity Grid Emission Factor is used to calculate GHG in this report. The GHG figures in the previous report were calculated using the 2012 Electricity Grid Emissions Factor.

b) Energy Intensity (pg 17)

The improvement in energy intensity should be '15.3%' instead of the previously reported '14.5%'. The change to the energy intensity values is due to calculation adjustments made after the FY13/14 reporting period.

FEEDBACK ON REPORT

For any questions on this report, please channel them to corpcomm@pseraya.com.sg.

Chairman's Message

THE YEAR IN REVIEW

The operating environment in FY14/15 continued to prove challenging for the energy industry as a whole. YTL PowerSeraya Group's revenue for the year ended June 2015 came in at $2.6 billion, down by 28.4% compared to S$3.6 billion in the previous year. Net Profit After Tax (NPAT) also showed a corresponding decline of 38.4% to close at $96.9 million, lower than the $157.3 million recorded in FY13/14.

The Group's trading and fuel management arm pulled in a revenue performance of $213.8 million, while its NPAT registered at $4.6 million, which is a decline from $7.0 million in the previous year. Meanwhile, our retail subsidiary Seraya Energy's market share saw a slight drop to 20.5%.

The subdued performance was driven by a number of factors which include the persistent volatility in fuel prices as well as excess generation capacity and lower vesting contract volumes that continued to exert pressure on business margins and retail sales volumes.

Despite an industry outlook fraught with uncertainties in the short to medium term, we remain confident that YTL PowerSeraya is able to ride out the challenges. The Company has actively embarked on revenue diversification measures to ensure continued economic sustainability by pursuing inroads in higher margin businesses and non-regulated markets such as oil storage tank leasing, bunkering and potable water. This has enabled YTL PowerSeraya's business operations to remain resilient and robust while continuing to uphold strong relationships with stakeholders and customers.

GREATER GROWTH MOMENTUM

In recent years, the Company has adjusted ahead to keep pace with the changes in Singapore's energy landscape which have picked up significant momentum. Following the liberalisation of the retail electricity market, Seraya Energy was able to double the size of its customer portfolio in FY14/15. The Company's newly obtained gas retail license has opened up new doors of opportunities for Seraya Energy to continue to grow its business in the Small and Medium Enterprises (SME) segment and reach a bigger customer base.

We continue to invest in our operating capability and efficiency with a view to positioning the Company for long-term growth. The timely completion of our jetty and tank upgrading project has enabled us to resume our strategic agenda of tapping growth potential in our oil storage tank leasing and bunkering services business. The Company also has plans to expand our oil storage capacity to meet the growing needs of our customers. These investments reflect our commitment to stay ahead of the curve and position YTL PowerSeraya to be ready to capitalise on available opportunities arising in the future.

Chairman's Message

"We continue to invest in our operating capability and efficiency with a view to positioning the Company for long-term growth. These investments reflect our commitment to stay ahead of the curve and position YTL PowerSeraya to be ready to capitalise on available opportunities arising in the future."

GRATITUDE AND APPRECIATION

I would like to express my deepest gratitude to the directors for their invaluable counsel in forging a united vision for brighter aspirations and a brighter future, especially during this challenging period. I would also like to extend my heartfelt thanks to the Senior Management team and staff of YTL PowerSeraya for their continued commitment and support. In spite of the challenging industry outlook, they have remained ever resilient and focused on delivering consistency and excellence in their day-to-day work. Their continued dedication and hard work towards the next growth milestone of our journey is important to the Group.

My appreciation also goes out to all our customers and business partners for the unflagging support towards YTL PowerSeraya, and the Union of Power and Gas Employees (UPAGE) for their valuable partnership with the Board and Management.

Thank you and God bless all of you.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
Chairman

CEO's Message

OUR CORPORATE SCORE SHEET

Despite a challenging financial year, YTL PowerSeraya continues to keep abreast of industry changes and react swiftly to market challenges and opportunities. The Group has continued to maintain a baseline of profitability and remains focused on our longer-term growth agenda by keeping a firm hold on operating efficiencies and profitability margins.

RECORD EFFICIENCY GAINS, LOWER EMISSION LEVELS

In FY14/15, we made significant forward strides to improve our plant operating efficiency through upgraded capabilities and more extensive use of natural gas for power generation. The efficiency gains resulting from these efforts translated into a decline in total direct and indirect Greenhouse Gas (GHG) emissions by 20.8% compared to the previous financial year, to register at 3.92 million metric tonnes. This is a new record low since we began formal tracking of our carbon footprint in 2005. GHG Intensity from Power Plant Operations also dipped by 5.9% to 0.385 Mtons/MWh, exceeding our set target range.

VIBRANT SUSTAINABILITY AGENDA

YTL PowerSeraya also stepped up our energy efficiency and sustainability education and outreach efforts to customers and the community at large. The Company's Energy Makeover initiative, spearheaded by our retail arm Seraya Energy, continued to gain positive momentum with customers, recording 63.9 MWh annual savings and a corresponding avoidance of 28 tonnes in annual carbon dioxide emissions in FY14/15.

To raise greater awareness of water and climate change among the younger members of society, we launched the Punggol Learning Adventure for Youths (PLAY) water education programme in July 2014 in collaboration with the Waterways Watch Society. This programme is recognised by PUB, the national water agency, under their Adopt-A-Waterway scheme. A total of 360 primary and secondary school students participated in the programme this year and we hope to double our reach in this area in years to come. In the area of youth education on energy, the Company's flagship sustainability initiative, Responsible Energy Advocates Programme (REAP), continues to engage tertiary and pre-tertiary students in championing energy conservation at both personal and community-wide levels.

CEO's Message

"YTL PowerSeraya continues to keep abreast of industry changes and react swiftly to market challenges and opportunities."

Our people development agenda remains rooted in a firm commitment to ensuring staff are nurtured and empowered with the necessary tools and skill sets to attain personal and professional success. In FY14/15, as part of the Company's plans for employee strength renewability, YTL PowerSeraya also awarded five scholarships under the Singapore Government Industry Scholarship (SgIS) and Energy Industry Scholarship (EIS) programmes to groom talented young individuals to join our workforce.

LOOKING AHEAD

While the road ahead may appear to be a challenging one, we remain focused on our long-term view strategy of revenue diversification in both regulated and non-regulated businesses. The Company also aspires to advance the current positive momentum in enhancing operating efficiencies, by elevating our ongoing pursuit of brighter energy solutions and innovative ideas. This will enable us to continue delivering exceptional service and progressively even better value to our customers and the community.

HEARTFELT THANKS

I would like to express my heartfelt thanks to all our staff for their dedication and continued consistency in service excellence in the face of on-going market and industry challenges. I am also deeply appreciative of the enduring commitment by our stakeholders, customers, UPAGE and business partners to building long-term relationships based on mutual trust and shared goals. With their continued partnership and support, we will forge on towards our shared vision of becoming a valued and leading provider of integrated utilities and energy solutions.

CHAN SWEE HUAT
Chief Executive Officer, YTL PowerSeraya

Brighter Energy Solutions >

We are committed to our sustainability journey despite the difficult and fast-changing business environment in Singapore. It is our belief that having a responsible business model would bring lasting value to our company, our people, our planet and our key stakeholders in the long run.

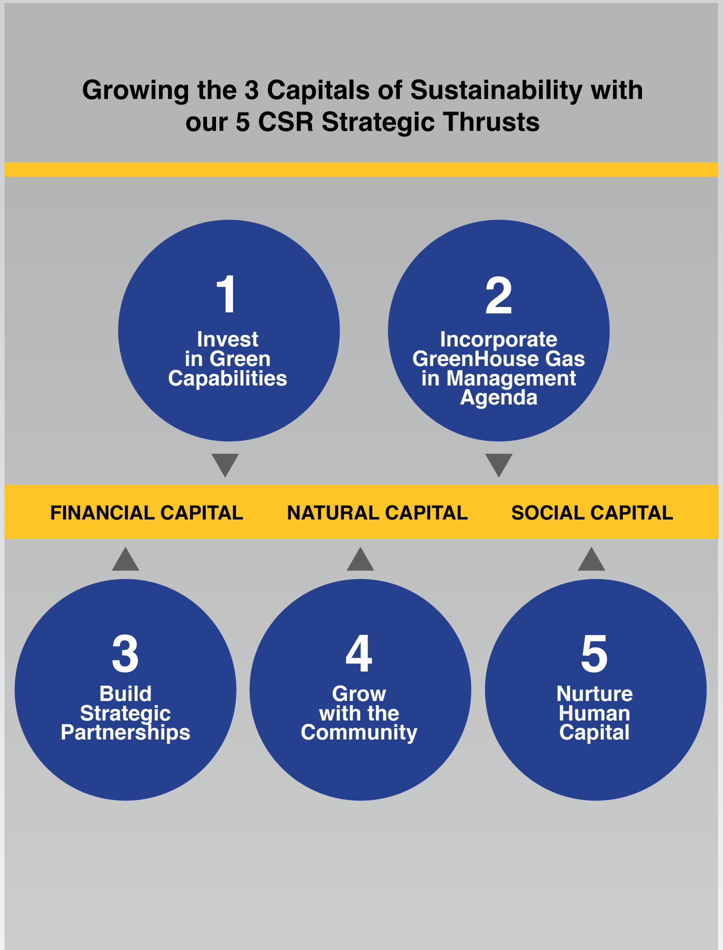
Our Sustainability

Through our five CSR Strategic Thrusts, we seek to improve upon our economic, environmental and social performance to realise our CSR Vision.

ACHIEVING SUSTAINABILITY DURING CHALLENGING TIMES

Singapore's oil and gas industry continued to experience a season of strong headwinds this year due to a prolonged weakness in global oil prices. Downward pressure on market share and profit margins caused by intense competition from new entrants in the wholesale and retail electricity markets also made for a challenging operating landscape due to a situation of oversupply.

YTL PowerSeraya continued to pursue further revenue diversification in higher margin businesses and non-regulated markets such as oil storage tank leasing, bunkering and high-pressure steam. The Company also sought to ensure cost containment across the organisation where possible. This business strategy has proven itself successful in keeping the Company profitable under the challenging business environment. While maintaining its profitability, the company has improved its environmental and social performance by reducing its carbon footprint through efficiency improvements, exploring greener energy solutions, helping the disadvantaged in society, nurturing its human capital and constructing strategic partnerships to further its business as well as CSR goals.



Our CSR Thrusts

1 CSR Thrust: Investing in Green Capabilities

We are on a mission to discover new methods that will increase sustainability for energy solutions. Despite challenges, we are on a relentless pursuit to lay investments in greener capabilities.

2 CSR Thrust: Incorporate Greenhouse Gas in Management Agenda

Through measuring greenhouse gas (GHG) in our business operations, we have been publicly reporting the emissions and initiatives tied to it. Through this public broadcast we are constantly keeping the improvement of our GHG performance in mind.

3 CSR Thrust: Build Strategic Partnerships

We live in an interconnected world where we leverage on each other for ideas, solutions and growth. Thus, we recognise the need to develop strong partnerships with key stakeholders to grow our social capital.

4 CSR Thrust: Grow With The Community

Being a part of the community, it is important that we contribute meaningfully to it. Our staff enjoy being engaged in initiatives with a common social mission, as these efforts resonate with our Company's core values of nurture and respect.

5 CSR Thrust: Nurture Human Capital

We acknowledge that ultimately, our employees are the main drivers of our business and we need to continue building our human capital. Nurturing human capital in YTL PowerSeraya is more than just developing our employees to be productive units for economic performance.
It is also about creating a culture that embraces the philosophy of sustainability.

Our Sustainability Context

MONITORING ENERGY AND CARBON FOOTPRINT

The implementation of the Energy Conservation Act in 2013 and a corresponding increase in legislation on water conservation have given rise to a growing trend of customers seeking energy efficiency improvements in their operations. This momentum is expected to increase as Singapore strives towards fulfilling the targets outlined in the Sustainable Singapore Blueprint and the Singapore Climate Change Strategy. In tandem with the greater focus on growing with its non-regulated business, the Company is keeping an eye on the energy and carbon footprint of its high pressure steam and oil storage tank leasing activities.

To do its part in conserving the environment, YTL PowerSeraya keeps a close watch on improving its energy and water efficiencies. Despite the constraints of limited land and the renewable energy disadvantaged situation in Singapore, the Company continues to explore opportunities to adopt renewable energy with the hope that it becomes a future reality.

GROWING WITH THE LOCAL COMMUNITY

YTL PowerSeraya seeks to be a responsible corporate citizen by delivering positive impact to the local community and engaging them on environmental issues. This is done through the continual improvement of its environmental performance at its power plant to reduce greenhouse gas emissions, air emissions and pollution to the sea.

The second is through its community outreach programmes such as the REAP (Responsible Energy Advocates Programme) which seeks to educate youths on energy and water conservation.

In alignment with Singapore's aim for a more inclusive society, the Company has been providing support for the disadvantaged in society through the adoption of the Goodwill, Rehabilitation and Occupational Workshop (GROW), a programme under the umbrella of the Cerebral Palsy Alliance of Singapore (CPAS), which provides vocational training and sheltered employment to individuals with cerebral palsy.

STRENGTHENING STRATEGIC STAKEHOLDER PARTNERSHIPS

YTL PowerSeraya's collaborative relationships with industry regulators help it to deliver innovative solutions that collectively benefit the Company, community and the environment. The Company's stakeholders in this area include the Energy Market Authority of Singapore (EMA) and the National Environment Agency (NEA). The Company deals daily with the Energy Market Company and participates regularly in policy development consultation meetings led by EMA. It also constantly monitors its environmental performance through ensuring full compliance with NEA's energy, waste and air emissions management measures.

Our Sustainability Context

YTL PowerSeraya's other significant stakeholders include the employee union and contractors. As a significant proportion of its employees is unionised, it is imperative that the Company works with the Union on matters pertaining to staff well-being, remuneration and productivity. The Company also outsources some manual work to contractors whose workforce comprises mainly foreign workers. It therefore monitors labour market conditions, such as the recent tightening of foreign labour inflows into the country.

NURTURING THE WORKFORCE

Providing a supportive working environment that enables its people to excel creates a happy and healthy workforce and enables both the Company and its employees to reach for greater heights of success. The Company invests significantly in employees' career development through classroom and on-the-job training. Attractive scholarship and internship schemes also constitute a key part of the Company's succession planning roadmap to address the challenge of an aging workforce. Employees are also encouraged to pursue work-life balance by participating in Company-organised family and health-related activities by the Vibrancy Club, which is managed by staff volunteers.

MANAGING RISKS EFFECTIVELY

The Company's participation in the regulated wholesale and retail electricity markets and non-regulated businesses such as oil storage tank leasing, bunkering and high pressure steam exposes it to regulatory trading risks. In recent years, the addition of smaller energy consumers to its customer mix has also raised the Company's credit risk exposure. To that end, appropriate risk management policies and procedures along with other corporate governance systems, play a crucial role in protecting the Company's interests.

Our
Sustainability Context

UNDERSTANDING OUR SUPPLY CHAIN RISKS

Fuel and Water Supply Risks

Sourced in the form of heavy oil and natural gas, fuel serves as YTL PowerSeraya's predominant input that enables the Company to fulfil customers' demands for electricity, high pressure steam and potable water. As such, a stable and readily available supply is of key importance to the Company's operations.

Fuel supply risks can be due to upstream supply disruptions arising from planned or unplanned maintenance works, equipment failure or pipeline damage. To ensure a buffer against fuel supply shocks, YTL PowerSeraya maintains a 90-day fuel oil stockpile in line with the industry regulatory requirements. The Company also has dual sources of natural gas as feedstock to the combined cycle power plant units. Apart from off-taking PNG (Piped Natural Gas), the Company also off-takes LNG (Liquefied Natural Gas) from SLNG (Singapore's own LNG Terminal) which imports LNG from global markets. The imported LNG is stored in tanks at SLNG's premises. The diversification of fuel sources by YTL PowerSeraya has resulted in a more sustainable and secure fuel supply model.

To meet its own plant processing needs in addition to its high pressure steam and potable water obligations to customers, the Company has also taken steps to diversify its sources of water supply. More than 95% of the Company's power plant needs is met through renewable water resources comprising recycled water (NEWater) and desalinated water from its in-house desalination plant. Collectively, these pro-active measures for crisis preparedness have ensured energy security and business continuity for the Company's operations in the event of supply disruption.

Production Risks

Optimisation of the operational capability of the Company's power plant units is critical to producing electricity, high pressure steam and potable water to its customers. To mitigate production risks and ensure safe and efficient operations, the Company undertakes a combination of scheduled and condition-based maintenance regimes. It also conducts regular training for its workforce and maintains strict adherence to the ISO 9001, ISO 14001 and OHSAS 18001 management standards.

In FY14/15, the average plant availability factor for gas plants (which account for 100% of the total steam output and 99.6% of total electricity output) was above 90%. This figure is higher than the minimum requirements (80%) set by the Energy Market Authority (as Power System Operator).

Our Sustainability Context

Cyber Security Risk

A robust information security system is important as it helps to identify and manage risks to key information and systems assets, minimising the incidence of cyber security attacks on the power plants. To address this need, YTL PowerSeraya established the ISO 27001 Information Security System in FY13/14. The ISO 27001 requires that the power plant identify and manage risks to vital information and system assets.
It also serves to check that safe security procedures are practiced consistently.

In November 2014, a joint Cybersecurity desktop exercise with the Energy Market Authority (EMA) was conducted successfully by the Singapore Infocomm Technology Security Authority for 13 power sector participants including YTL PowerSeraya. An evaluation following the exercise found that EMA and the power generating companies have standard operating procedures in place to handle cybersecurity incidents. On the other hand, some areas for improvement included raising greater awareness on the Industrial Control System (ICS) technical fault, better information sharing as well as smoother coordination between Corporate IT and ICS engineers on cyber incidents.

Our Materiality

WHAT IS MATERIAL

The Company's sustainability context and the five CSR Strategic Thrusts described earlier provide the basis of what is material. The interests of the different stakeholders also help shape what would be material to the Company. What is most material to the Company is shown in the following tables.

ASPECTS MOST MATERIAL TO THE ORGANISATION

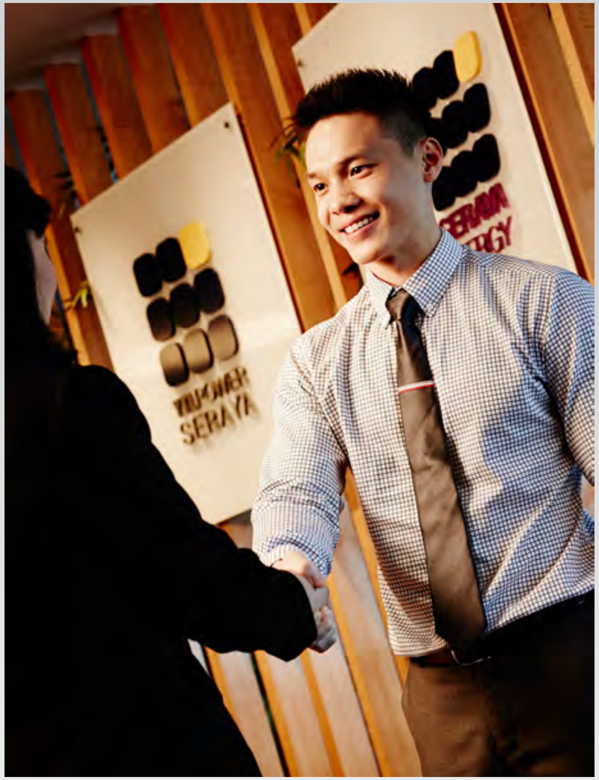
ASPECTS	WITHIN THE ORGANISATION	OUTSIDE THE ORGANISATION	COMMENTS
Economic			
Financial Performance	■		
Market Share	■		
Indirect Economic Impacts	■	■	The Company not only provides gainful employment to its employees but also contributes significantly to the Singapore economy with the goods and services it procures locally.
Governance			
Compliance	■	■	As a company that operates in the highly regulated electricity business in Singapore, it has to comply with the rules and regulations set by the Energy Market Authority (EMA). In addition, the Company participates actively in the energy development and policy making process spearheaded by EMA.
Leadership	■		The Company operates in Singapore, a country known for its strong ethics, high governance standards and low tolerance for corrupt practices.
Ethics	■		
Anti-Corruption	■		
Risk Management	■		

Our Materiality

ASPECTS MOST MATERIAL TO THE ORGANISATION

ASPECTS	WITHIN THE ORGANISATION	OUTSIDE THE ORGANISATION	COMMENTS
Environmental			
Climate Change & Emissions	■	■	The Company imports natural gas from overseas locations as its predominant fuel for its electricity and steam generation business. All natural gas is sourced overseas via an aggregator and not directly from a natural gas supplier. Information on the energy consumed in the transportation/ conveyance of natural gas and associated GHG emissions is difficult to obtain and thus report on.
Resource Efficiency (Energy & Water)	■		Energy/water efficiencies, air emissions, effluent and waste are solely within the control of the Company. Impacts outside of the Company have very little effect on this aspect.
Emissions	■		
Effluent and Waste	■		
Social			
Health & Safety	■	■	Health & safety performance is entirely within the control of the organisation. The Company seeks diligently to comply with the Health and Safety regulations of the country.
Talent acquisition and retention	■	■	The Company maintains scholarship programmes with educational institutions as part of its talent acquisition strategy.
Employee Well-being	■	■	
Freedom of Collective Bargaining	■	■	The Company works closely with the union on a collective agreement to cover issues pertaining to remuneration, staff benefits and career development.
Impact on Local Community	■	■	The Company makes deliberate attempts to develop its social capital through its engagement with its key stakeholders as well as the disadvantaged in the local community.
Stakeholder Engagement and Partnerships	■	■	

Operations Review



SERAYA ENERGY

Seraya Energy's market share in the contestable retail electricity sector decreased to 20.5% in FY14/15 as compared to 24.3% in FY13/14. Correspondingly, sales volume reached 6,330GWh for the year ended 30 June 2015.

In FY14/15, economic generation capacity[1] increased by 13.8%, as compared to FY13/14. Five new retail licenses were issued in FY14/15.

Despite the market challenges of the last financial year, Seraya Energy continued to pull in a resilient performance, successfully reaching out to more than 15,000 newly eligible companies and increasing its portfolio of Small and Medium Enterprises (SME) customers by over 50% in FY14/15. The team also enhanced its customer touch-point processes to ensure efficient and seamless onboarding of the large number of new customers.

As challenges continue to persist in the retail electricity sector, Seraya Energy remains focused on creating greater value for its customers. YTL PowerSeraya's newly obtained Gas Retail License presents new windows of opportunity for the team to reach out to customers who also use natural gas for their operations. By continuing to actively engage its customers and helping them to manage their energy costs, Seraya Energy believes it will eventually become the 'retailer of choice' for more contestable consumers.

[1] *Calculated using average of monthly economic capacity in FY2014/15 divided by average of monthly economic capacity in FY2013/14.*

Operations Review

PETROSERAYA (TRADING AND FUEL MANAGEMENT)

Revenue for the year ended 30 June 2015 was S$213.8 million, while Net Profit After Tax (NPAT) was S$4.6 million. PetroSeraya completed its asset development plans on schedule in January 2015. Commercial operations picked up speed with its upgraded jetty facilities to accommodate various vessels and oil tankers, while new additional fuel oil storage tanks were leased to customers to meet their fuel oil storage needs.

In the year ahead, the team's commercial operations in the oil terminal and oil storage business will be central to maintaining its substantial growth in the dynamic fuel oil and related environment. PetroSeraya also plans to boost its current storage capacity of 870,000 cubic meters in the near future, subject to customer demand for more oil storage.

Operations Review

UTILITIES AND ENERGY MARKETS

For the financial year in review, the Company sold 8,457GWh of electricity and captured a generation market share of 18.0% as compared to 20.5% in FY13/14. The drop was largely attributed to strong competition arising from the commercial operations of new plants.

To ensure safe and reliable operations for its four Combined Cycle Gas Plant units, the Utilities team completed two remaining major inspections including upgrades in the last fiscal year. Similar inspections were conducted in FY13/14 on two of the Company's Combined Cycle Gas plant units. All inspections were completed efficiently through close collaborations across work groups, with meticulous emphasis on safety and quality. The team also demonstrated its competence in the re-commissioning and returning of one block of combined cycle plants to commercial operation in 19 days, ahead of its targeted schedule of 25 days. As a result of the efficient turnaround, the gas plant availability factor was increased by 0.4% against its target.

Re-certifications were successfully achieved for the ISO9001, ISO14001, OHSAS18001 and ISO27001 standards in the last financial year. The Company is fully committed to maintaining high standards in its quality, environmental, health, safety and cyber security management systems.

Operations Review

PROCESS & INNOVATION

In FY14/15, the Process & Innovation (P&I) team continued to focus on upgrading and enhancing existing key systems. These included introducing new features to the company's Trade Capture system as well as enhancements and process changes to the Plant Asset Management system – which is vital to our plant operations and maintenance.

Through YTL PowerSeraya's growing adoption of Business Intelligence software, business users from the Energy Markets department, retail arm Seraya Energy as well as the Enterprise Risks Management team (ERM) have been able to create and use their own personal dashboards to gain actionable insights for business decisions.

Over the last fiscal year, YTL PowerSeraya also successfully moved its on-premise email platform to Google. The Company will continue to explore the adoption of technology platforms to enable greater collaboration and productivity for employees. In view of the Company's recent entry into the gas retail market in April 2015, the P&I team has set its sights on driving further enhancements to its Gas Market system in the year ahead to facilitate gas retail transactions. The team will also pursue its ongoing efforts to improve and enhance existing technological systems supporting the operational needs of the various departments within the Company.

Operations Review

HUMAN CAPITAL

The last financial year saw a more active internal job market with varied deployment between departments and supportive cross-training. Apart from enabling staff to develop and grow in their new roles, such continued efforts enhance the Company's organisational agility and capability, and contribute towards building a nimble, competent and competitive workforce.

To lay a future talent pipeline for the company and the industry, YTL PowerSeraya continued its support for Scholarships under the Singapore Industry Scholarship (SgIS) and Energy Industry Scholarship (EIS) programmes. In addition to conducting plant visits and talks for students and lecturers, new internship opportunities for junior college students have been added to existing internship tie-ups with polytechnics and universities.

Creating an inclusive workplace where every staff is valued and respected remains a key priority for the Company. Following the completion of an employee opinion survey, Engagement Champions across the Company's different business and support groups were appointed to share the results of the survey and to involve all staff in identifying relevant interventions to close gaps. Through this, YTL PowerSeraya seeks to become a better place to work and establish itself as an employer of choice.

The Company's efforts in promoting and sustaining a comprehensive workplace health programme was duly recognised with a first Gold award win in the 2015 Singapore HEALTH Awards, organised by the Health Promotion Board. This award has inspired YTL PowerSeraya's workplace health champions to roll out new workplace health initiatives in the coming year.

Overview of Corporate Governance

YTL PowerSeraya aspires to the highest standards of corporate governance in order to establish a strong business foundation that enables continued long-term value creation for the Company and its stakeholders.

Good corporate governance, coupled with high standards of professionalism and business accountability, is integral to safeguarding the Company from risks and creating long-term value for all stakeholders. In support of this, the Company has established a robust governance structure and system, bolstered by strong internal controls and practices to ensure the interests of its shareholders and stakeholders are protected.

YTL PowerSeraya's Code of Ethics is guided by the Company's Core Values, and defines the corporate culture within which employees operate. The importance of upholding integrity serves as a fundamental pillar to the Company's pursuit of excellence in business performance.

The depiction in the next page seeks to provide an understanding of the Company's corporate governance framework. The roles undertaken by the Company's Board of Directors (BOD) are also specifically explained to enable readers to better understand their involvement in environmental and social performance, as well as illustrate their channels of communication. The Company's risk management and emergency management practices are also covered in this section.

Overview of
Corporate Governance

Structure & Systems

The BOD is assisted by three committees:

Function : The BOD is the Company's highest governance body that provides organisational oversight in areas such as business strategy, risk management, employee compensation and company policies.

Composition : The BOD consists of eight members,three of whom are non-executive* members. The BOD is headed by a Chairman who is not an executive officer of the Company. Of the five executive members of the BOD, one is the Chief Executive Officer of YTL PowerSeraya.

** A non-executive director is generally considered a director who has no involvement in the day-to-day running of the Company and is not employed by the Company.*

As such, a non-executive director will usually devote part of his time to the affairs of the Company as an independent adviser on matters of policy and strategy.

BOARD OF DIRECTORS (BOD)

AUDIT COMMITTEE (AC)

The AC holds meetings twice a year on issues pertaining to financial reporting, internal controls and compliance.

RISK MANAGEMENT COMMITTEE (RMC)

The RMC holds monthly meetings to monitor and manage risk exposures as well as on risk-related policies.

HUMAN RESOURCES & REMUNERATION COMMITTEE (HR&R)

The HR&R meets twice a year to evaluate matters on human resources policies and compensation matters.

INTERNAL AUDIT DEPARTMENT

The Internal Audit Department conducts periodic reviews to assess the adequacy and effectiveness of the Company's internal control structure. Internal audit observations and activities are reported to the Audit Committee on a quarterly basis. As and when necessary, the department conducts investigations into potential fraud incidents and fraud risk awareness workshops for relevant staff in the organisation.

Overview of Corporate Governance

Code of Ethics

The Code of Ethics governs how employees should go about conducting their day-to-day business activities. The Code aims to address ethical concerns which may compromise company interests or result in financial risks to the Company. Issues such as insider trading, fraud and bribery are covered in the Code.

Under the Code, employees are required to declare any potential Conflicts of Interests that may arise in procuring goods or services for the Company. The Code also includes a **Whistle Blowing Policy** which provides a channel for employees to report to the Chairman of the Audit Committee, any reasonable suspicion of corruption, fraud or other inappropriate acts which place the employees or organisation at risk.

Culture

The Company's Core Values VIBRANT (Venture, Innovation, Best Practices, Respect, Accountability, Nurture, Teamwork) guides our employees' behaviours, attitudes and relationships to form the organisation's working culture. This set of Core Values is complemented by the Code of Conduct to help nurture healthy and positive employee relations and an organisation that strives for business excellence while upholding high levels of integrity and accountability.

Overview of Corporate Governance

BOARD'S SUPERVISION OF COMPANY'S PERFORMANCE AND COMMUNICATION LINES WITHIN THE COMPANY

There are no minority shareholders in YTL PowerSeraya. As YTL PowerSeraya is a wholly-owned subsidiary of YTL Power International Berhad, the latter appoints the directors on the Board of YTL PowerSeraya. The process of sourcing and considering candidates for appointment as directors to the Board involves scrutiny of candidates' qualifications and experiences by the Company's shareholders in relation to the prevailing composition of the Board's expertise and the desired profile.

The Board meets on a quarterly basis for updates on the progress of the Company's performance. It provides advice to address issues facing YTL PowerSeraya and delivers strategic direction to enable the Company to move forward. Issues covering financial, environmental and social subjects are tabled and discussed regularly at the Board level. The quarterly Board meeting also serves as a formal channel for employees to table recommendations through Board papers that have gone through a process of consultation and vetting by the respective heads of business divisions for materiality and relevance.

Executive directors also participate in weekly senior management meetings where strategic and operational issues covering the Company's economic, environmental and social performance are presented and discussed. Issues and initiatives pertaining specifically to sustainability are tabled at these weekly senior management meetings by the Vice President of Corporate Services, who has direct oversight over CSR matters. The Vice President of Corporate Services is in turn assisted by a dedicated Sustainability Department.

The Board is assisted by the Audit, Risk Management and Human Resources & Remuneration Committees. Recommendations provided by these Committees help the Board formulate strategies and make informed decisions on a wide range of organisational issues. When necessary, the Board appoints external consultants and auditors to augment expertise and provide advice on specific company matters.

LINKAGE BETWEEN COMPANY PERFORMANCE AND COMPENSATION FOR BOARD MEMBERS AND EMPLOYEES

The members of the Board are not paid director's fees for the roles and responsibilities they carry out. Executive directors however, are remunerated.

All of the Company's employees are covered under an established and structured performance management system where bonus and remuneration are tied to the performance of both business groups and individuals. This includes the environmental performance of the power plant operations and environmental initiatives organised or supported by the organisation for employees and the community. The Company's social performance is also considered. This consists of the various community programmes carried out under the corporate social responsibility goals as well as matters concerning human capital.

Overview of Corporate Governance

The wage increase and variable bonus exercise conducted annually by the Company takes into account inputs from independent consultants, the Singapore National Wages Council (NWC) and UPAGE (Union of Power and Gas Employees) in order to arrive at the proposed remuneration package for employees. To guide decisions on wage increases, the Company takes into consideration the guidelines from the NWC and surveys from independent remuneration consultants. The annual variable bonus is determined based on the Company's financial performance and industry benchmarks and practices. For bargainable staff, the wage increase and variable bonus payment are negotiated with UPAGE every year. All these inputs culminate into a set of annual wage increase and variable bonus payout recommendations, which are reviewed and endorsed by the HR & Remuneration Committee.

To ensure that YTL PowerSeraya's remuneration practices are competitive, the Company participates in remuneration benchmarking every year with independent consultants. From time to time, the Company also engages independent consultants to review salary structures for external equity and market competitiveness. A Collective Agreement Negotiation that occurs every three years with the UPAGE ensures a regular review of the salary structure and benefits provisions for bargainable staff.

ENTERPRISE VALUE PROTECTION

A precautionary approach is taken at YTL PowerSeraya to protect the enterprise value of the company. A structure is in place to manage risks at all levels starting from the Board of Directors right down to the risk owners of the different business units. The Board of Directors are responsible for determining the type and level of risks that the Company undertakes in achieving its corporate objectives. This is achieved through the enterprise-wide corporate risk statements, framework and policies approved by the Board. Because of the changing business environment and for alignment with the company strategy, a risk posture statement defining the Group's risk appetite is submitted and approved by the Board of Directors on an annual basis.The Board delegates the authority to formulate, review and approve non-major policies on the monitoring and management of risk exposures to the Risk Management Committee. The Risk Management Committee (RMC) which meets monthly to deliberate on enterprise-wide risk matters, proposes and recommends major risk-related policy decisions to the Board for approval. The RMC is chaired by the Chief Executive Officer. Members include the Chief Risk Officer, the Senior Vice President of Utilities, the Assistant Vice President of Corporate Finance, the Head of Enterprise Risk Management and a member from the Board of Directors.

Under the risk management framework, all business units are required to identify enterprise risks for their respective businesses. This includes environmental and social risks such as oil spills, pandemic disease outbreaks, human capital loss as well as health and safety risks. Through a filtering process of the identified risks, a list of significant risks is established and subsequently documented in the Corporate Risk Register. The business units are required to implement mitigation control measures to minimize the significant risks.

Regular risk monitoring and reporting are administered by the Enterprise Risk Management (ERM) Department to enable early detection and escalation of risks for review and appropriate action where necessary. The ERM Department collates all reports from the risk owners on a half-yearly basis. The ERM Department works hand-in-hand with the various business units to manage the risks of the company such as credit and operational risks.

Overview of Corporate Governance

ENTERPRISE RISKS IN THE NEAR FUTURE

From mid-2014 to 2015, oil and natural gas prices remain depressed. For the company whose main raw materials are natural gas and heavy fuel oil, these events exposes the company to the on-going risks of oil price fluctuation. Having a good understanding of the dynamics of macro geopolitical events and its impacts to the oil and gas markets coupled with appropriate risk management mechanisms at the micro level (i.e. via hedging and limiting open positions) are key to minimising losses as well as seizing opportunities for making gains. The Enterprise Risk Management Department (ERM) has to constantly keep abreast of such macro trends and make adjustments to risk management processes in efforts to minimize the risk exposure to the company.

With the world economy heading into uncertain times since mid-2015, the company continues to keep an eye on counterparty risk. Looking into the future, the company may encounter additional credit risks arising from the acquisition of smaller accounts by YTL PowerSeraya's electricity retail arm, Seraya Energy. Smaller account holders that have low working capital and less established account payable processes may result in Seraya Energy being exposed to a higher risk of delayed payments or default in payments.

REGULATORY RISK MANAGEMENT

As a major participant in the highly regulated electricity market, the Company is required to comply with the Market Rules administered by the Energy Market Company. Non-compliance would result in sanctions such as financial penalties. The Company is thus exposed to regulatory risks.

MANAGING FRAUD RISKS

A Fraud Risk Management (FRM) framework and policy exists in the company to protect the interests of shareholders, employees as well as other stakeholders who have dealings with the company. The overall responsibility of implementing and overseeing the FRM framework lies with the Chief Risk Officer who is in turn supported by the Internal Audit Department in relation to the FRM framework. The Internal Audit Department reports directly to the Audit Committee.

Close to 75% of the departments in the Company was analysed by the Internal Audit Department in FY14/15. No fraud cases were found during this period. Due to the re-organisation of the Enterprise Risk Management and the Internal Audit departments in FY14/15, fraud risk awareness sessions was temporarily put on hold with a view to resuming them in the near future.

Overview of Corporate Governance

Complementing the Fraud Risk Management Policy are the Code of Ethics and the Code of Conduct. The former serves to guide employees in making sound and ethical decisions while the latter aims to uphold the integrity and image of the company through employee's diligence and due care in the discharge of their duties.

The company takes a serious view of corrupt practices. Under the Code of Conduct, which is communicated to all new employees who join the organisation, an employee is liable for immediate dismissal if he/she is found to have demanded, offered or accepted bribes or any illegal gratifications. The Code of Conduct is covered under the Employee Handbook, an electronic copy which is made available to all employees in the company intranet. As a company whose business operations is based solely in Singapore, the risks associated with corruption is deemed to be low. Singapore was ranked the seventh least corrupt country in the world in the 2014 Corruption Perception Index compiled by Transparency International.

MANAGING EMERGENCIES AND DEVELOPING CONTINGENCIES

YTL PowerSeraya is committed to safeguarding the well-being of employees, contractors, customers, the public and the environment. The Company has established a three-tier response framework for handling emergencies which could potentially escalate into crisis situations.

THREE-LEVEL RESPONSE FRAMEWORK FOR HANDLING EMERGENCIES

At present, the framework identifies 12 major incidents that could escalate into a crisis situation. Each incident has a corresponding response/contingency plan to deal with the associated emergency situation when it occurs. These plans are reviewed periodically to ensure alignment with updates and changes in business operations and industry regulations.

Level 1 The Site Incident Response Team responds and controls minor incidents.

Level 2 The Emergency Management Team handles more serious operational incidents with wider potential implications.

Level 3 The Crisis Management Team, which is responsible for the protection of the Company's value and image, deals with strategic issues and high-level shareholder communications during an escalated incident.

Performance
Overview

In spite of challenging conditions in the past year, the Company continues to focus on its long-term goal of delivering value to its customers and stakeholders, through a balance of the economic, environmental and social imperatives.

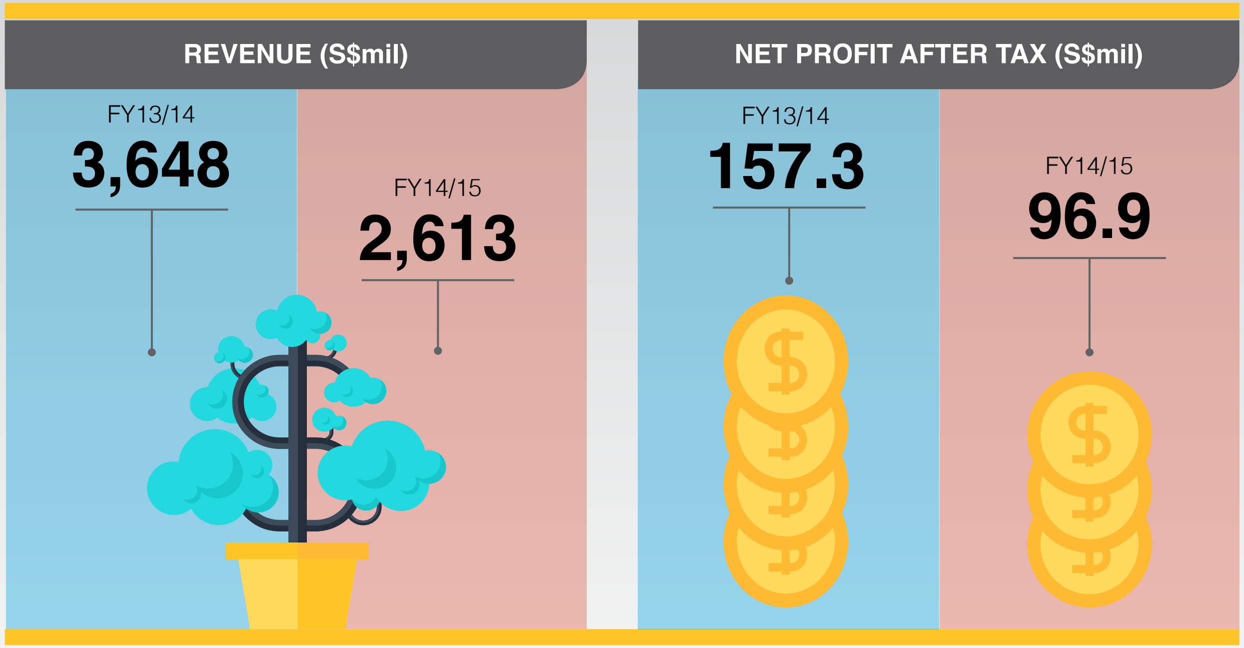
REVENUE

The Company's revenue for the year ended 30 June 2015 decreased 28.4% as compared to the previous financial year. This was due mainly to lower electricity prices, which were in turn driven by lower gas prices, lower generation units sold and lower trading revenue owing to lower fuel oil prices.

PROFITABILITY

The Company's net profit after tax for FY14/15 ended at S$96.9 million, 38.4% lower than FY13/14. This was due largely to lower generation units sold and more intense competition in the market.

Detailed financial information such as operating costs and employee wages can be found in the audited financial statements.



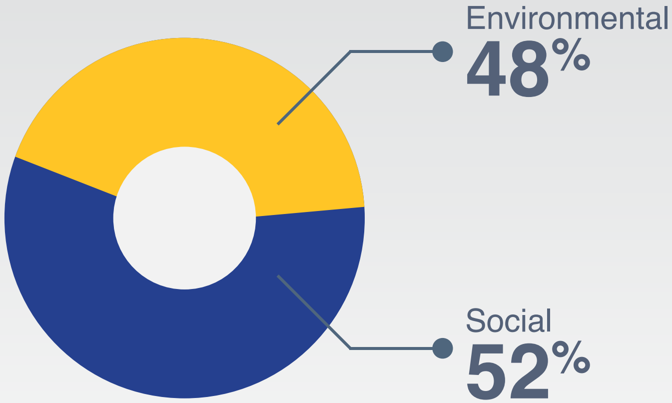
Performance Overview

COMMUNITY INVESTMENTS

The Company makes community investments comprising cash or in-kind donations and sponsorships for environmental and social causes, as well as expenditure on environmental and social programmes/ initiatives. These community investments are intended to benefit the local community, which includes our key stakeholders and customers. The investments are divided into two categories - environmental efforts and social efforts.

Close to half of YTL PowerSeraya's community investments is channelled towards environmental efforts such as providing education and raising awareness on energy and water conservation via the Responsible Energy Advocates Programme (REAP) and Punggol Learning Adventure for Youths (PLAY) programmes. The Company also runs a customer engagement initiative called Energy Makeover where selected customers get to enjoy energy efficiency retrofits. On the social efforts front, the Company continued to maintain its support for adopted charity Goodwill Rehabilitation Occupational Workshop (GROW) under the Cerebral Palsy Alliance Singapore and intensified its efforts on nurturing young talents through scholarship programmes benefitting tertiary and pre-tertiary students.

Community Investments
in FY14/15 reached $215,000.

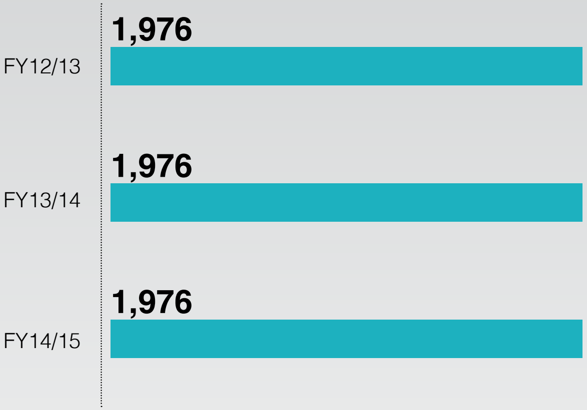


Performance Overview

GOVERNMENT ASSISTANCE

Over the years, YTL PowerSeraya has benefitted from pro-business measures provided by the government. In the year ended 30 June 2015, the Company received close to S$2 million in government assistance from tax allowances for its capital investments in the Fuel Gas Compressor (FGC) and the Co-generation plant.

Amortisation of Tax Allowance (‘000) in S$



EMPLOYEE SOCIAL SECURITY CONTRIBUTIONS

Singapore employers are required by law to make monthly contributions to the Central Provident Fund (CPF) for their employees. By definition, an employee is any person, excluding foreigners with no Permanent Resident status in Singapore, who is employed in Singapore and any Singaporean seaman who is employed by an employer under a contract of service or other agreement entered into in Singapore. The CPF scheme is a compulsory comprehensive savings plan for working Singaporeans and permanent residents and serves primarily to fund their retirement, healthcare and housing needs. It is different from other jurisdictions where the employee’s retirement funds are met by the organisation’s pension funds.

Every month, YTL PowerSeraya makes contributions to its employees’ CPF. The employer CPF contribution rate is a percentage of employees’ prevailing wages and varies according to age. In FY14/15, the Company’s contributions to its employees’ CPF totalled S$3,739,537, covering 98.3% of its workforce.

Performance Overview

SUPPORTING THE LOCAL ECONOMY

The Company's operations are based solely in Singapore, a country with no natural resources, including oil and gas. In the absence of local suppliers of oil and gas, YTL PowerSeraya relies on overseas suppliers to fulfil its fuel oil and natural gas supply needs. While the Group does not have a policy for preferring locally-based suppliers, a significant proportion of the non-oil related goods and services purchased by YTL PowerSeraya and its subsidiaries is from local suppliers based in Singapore.

The Company has a supplier qualification process that requires suppliers to declare that they have certified management systems such as the ISO 14001 before being granted 'Approved Vendor' status. In FY14/15, 50% of the goods and services provided by the Company's suppliers - as measured by goods receipts value - were screened for their environmental credentials. None of these were new suppliers^. Only suppliers with significant contract values of S$100,000 and above are subject to environmental criteria screening under the Company's current procurement practices.

Based on goods receipts of non-oil products and services for the five-year period of FY10/11 to FY14/15, an estimated 96.3% of the purchases are from local suppliers+.

Based on Goods Receipt (non-oil)		
Year	**% Local**	**% Overseas**
FY10/11	94.4%	5.6%
FY11/12	96.3%	3.7%
FY12/13	92.7%	7.3%
FY13/14	99.4%	0.6%
FY14/15	98.6%	1.4%
5-Year Average	96.3%	3.7%

These figures demonstrate the continued significant percentage of spending by the Company in contribution to the local economy.

^ New suppliers are suppliers/vendors that have never supplied goods/services to the Company prior to FY12/13.

+ Local suppliers are those to whom the purchase order is issued to a Singapore registered company.

SUPPLIER CONDUCT

All suppliers/vendors providing goods and services to the Company are required to abide by the terms and conditions stated in the contract documents. The terms and conditions issued at the RFQ (Request For Quotation) stage (governing compliance to local laws and regulation relating to environmental, health and safety laws, the use of illegal foreign labour, the use of child labour, fair wages for their workers and freedom of their workers to join trade unions) are more stringent for contracts of higher value and for works & services. In addition, the Code of Conduct for Contractors and Contract Workers in the Power Station (specifying guidance on safety, health and welfare) are issued at the RFQ stage for suppliers of works and services of higher contract value.

Performance
Overview

ENVIRONMENTAL (versus last FY)

GHG* Emissions (in metric tons)

-12.8%

GHG* Emissions Intensity (metric tons per MWh)

-5.9%

SO_2 Intensity (in kg per MWh)

-99.6%

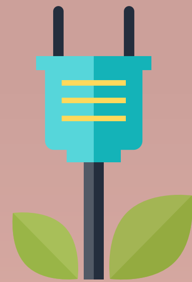
Water Intensity (m^3 per MWh)

-39.7%

*GHG (Greenhouse Gas) emissions under Scope 1 of GHG Protocol. CO_2 emissions is the dominant GHG emissions for the Company. Other GHGs are insignificant.

GOVERNANCE

Fraud
Zero Fraud Incidents this FY



No breach of Electricity Market Rules

No penalties from Environmental Non-compliance

Performance Overview

SOCIAL

Safety Performance
Zero work-related fatalities
(Staff & Contractors)

Outperforms Industry
Turnover Rate
(Petroleum, Chemical & Pharmaceutical Industry)

Contribution to Society
4 initiatives for GROW raised $12,000 staff donations

Per Staff Training Expenditure
$600
which is above the Singapore National Average

Performance Overview

MILESTONES

SEPTEMBER 2014

Superbrands 2014 award

YTL PowerSeraya's retail arm, Seraya Energy, was presented with the Business Superbrands Award 2014. This is the third time Seraya Energy has won this award, a recognition of the company's continued efforts in maintaining its strong brand presence in Singapore.

SEPTEMBER 2014

Two awards at the CCAS Contact Centre Awards 2014

Seraya Energy received Silver for the Best Contact Centre Manager and Gold for the Best Contact Centre at the Contact Centre Awards 2014, organised by the Contact Centre Association of Singapore (CCAS).

OCTOBER 2014

Recognition at the Asia Pacific Contact Centre Association Leaders (Beijing)

Seraya Energy represented Singapore to receive recognition in Beijing at the APCCAL level as a Best Call Center Award recipient from Singapore.

JANUARY 2015

Commences operations of upgraded terminal and tank facilities

The company invested $65 million to upgrade its fuel oil storage tanks and expand its jetty terminal to meet customers' fuel oil storage needs as well as accommodate various vessels and oil tankers. It is now able to lease eighteen storage tanks (fourteen fuel oil and four distillates) over its previous eight storage tanks. The project also doubled the terminal's efficiency to being able to concurrently manage at least six operations of fuel oil transfer.

FEBRUARY 2015

YTL PowerSeraya Partners Waterways Watch Society for PLAY

YTL PowerSeraya sponsored a three-year project named PLAY (Punggol Learning Adventure for Youths), in partnership with Waterways Watch Society, to raise youths' awareness and knowledge of water issues at a global and local level. Under this programme, a targeted 1,200 students will cover an educational trail at the Punggol Waterways over the next three years.

Performance
Overview

MILESTONES

MARCH 2015

Singapore HEALTH Award 2014

In recognition of the company's Workplace Health programmes, which encourages and helps employees to keep healthy and active lifestyles, YTL PowerSeraya was awarded with a Gold Singapore HEALTH Award by the Singapore Health Promotion Board.

MARCH 2015

PUB Water Efficient (Building) Award

The company received PUB's Water Efficient (Building) Award for its significant potable water usage reduction by 40%. To achieve this, effort was put in to implement water saving initiatives around Pulau Seraya Power Station, where staff helped to install water saving tap thimbles, push-type water taps and water bags flushing tanks.

APRIL 2015

YTL PowerSeraya Begins Retail of Natural Gas

YTL PowerSeraya expanded its energy portfolio to include retailing of natural gas as part of the company's diversification strategy. This allows the company to further expand its customer base.

AUGUST 2015

YTL PowerSeraya Joins the UN Global Compact

The company signed a pledge of commitment to abide by the United Nations (UN) Global Compact's 10 universally accepted principles. The principles cover human rights, labour, environment and anti-corruption. The pledge reinforces YTL PowerSeraya's continued efforts to improve energy and water efficiency, as well as its commitment in nurturing staff through training and engagement in CSR initiatives.

Community Chest AWARD BRONZE

SEPTEMBER 2015

Community Chest's SHARE Bronze Award

As a strong supporter of SHARE, YTL PowerSeraya was awarded again with the Community Chest's Bronze Award. The award is a testimony of the company's ongoing fund-raising efforts for Community Chest's beneficiaries and its partnership with Community Chest.

Brighter Ideas for Environment

Through the adoption of more efficient technologies, the shift to less carbon-intensive fuels and the implementation of resource conservation initiatives, the Company has managed to lower its carbon footprint.

Our Environmental Footprint

YTL PowerSeraya constantly seeks to promote environmental conservation efforts and encourage prudent resource management within the Company and with its stakeholders.

Progressive Growth In Climate Change Action

The Company continues to reduce its direct Greenhouse Gas (GHG) emissions. This year, direct GHG emissions from power plant operations dipped to 3.76 million metric tonnes. This is the first time it has gone below 4.0 million metric tonnes since the company began measuring GHG emissions. GHG Intensity (Scope 1), which measures the GHG emissions for every unit of energy produced from the power plant, saw a 5.9% drop compared to the previous financial year to register at 0.385 metric tonnes per MWh. This surpasses the 3-Year GHG Emissions Target Range for the period of FY2013 to FY2015 of 0.40 to 0.43 metric tonnes per MWh.

Our Environmental Footprint

The reduction in Scope 1 GHG emissions is in large part attributable to the usage of natural gas as opposed to the Company's reliance in previous years on heavy fuel oil and diesel for power generation. In FY14/15, approximately 99.7% of the power generated was from natural gas, a remarkable improvement from 82% two years ago. As the least carbon intensive fossil fuel, natural gas is an especially cost-effective avenue for renewable energy-disadvantaged locations such as Singapore. In addition, the overall plant thermal efficiency increase of 1.5 percentage points in FY14/15 (about 88% due to fuel switch from heavy fuel oil to natural gas and 12% attributed to plant efficiency improvements) as compared to the previous financial year also contributed to the lower GHG emissions.

RESPONSIBLE POWER PLANT ENVIRONMENTAL PERFORMANCE

The power plant consumes significant amounts of fuel sources and water in order to produce electricity, high pressure steam and potable water. In generating these outputs, the process results in air emissions such as sulphur dioxide and carbon dioxide, as well as the discharge of effluent into the sea.

All emissions are responsibly managed by the Company to ensure compliance within local environmental regulatory limits. YTL PowerSeraya uses the ISO 14001 environmental management system (EMS) to monitor the environmental performance of its power plant Environmental indicators are tracked against objectives and reported on a monthly basis within the Company's relevant departments. A management review of the environmental objectives and EMS procedures is conducted annually as part of continuous improvement efforts.

ENVIRONMENTAL GRIEVANCE MECHANISM

Complaints or grievances raised by external parties on environmental matters is covered under a procedure in the Company's ISO 14001 Environmental Management System. Under this procedure, environmental complaints are captured in the Environmental Communications Log and escalated to relevant departments for resolution as well as the Corporate Communications Department for external communications management. There were no environmental grievances raised in FY14/15.

ENVIRONMENTAL INVESTMENTS AND EXPENDITURES

The Company incurred a total expenditure of S$1.7 and S$1.4 million in FY13/14 and FY14/15 respectively to maintain its main environmental protection assets (i.e. Flue Gas Desulphuriser (FGD), Wastewater Treatment Plant and Electrostatic Precipitator (EP) in good operating condition. Compared to previous years, the maintenance expenditure for the the FGD (i.e. the unit that removes sulphur dioxide emissions) and EP (i.e. the unit that removes the particulate matter) decreased significantly due to the much reduced running up of the oil-fired steam plants.

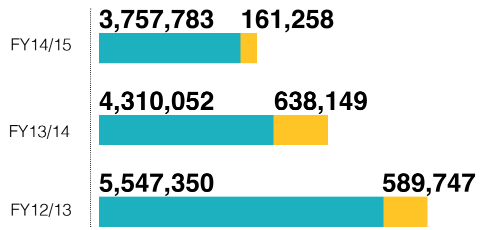
Our Environmental Footprint

Energy & Chemical Use

Direct & Indirect GHG Emissions (Metric Tons) Dipped

20.8%

in FY14/15 (vs last FY)



CO_2 is the dominant GHG with the other 5 GHG being insignificant.

Scope 1 (Direct Emissions from Power Plant Operations)

Scope 2 & 3 (Indirect Emissions)

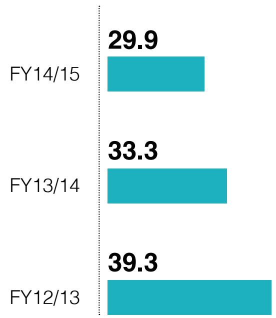
The GHG emissions were calculated using the CO_2 emission factors found in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. CO_2 is the dominant greenhouse gas for the Company's business with the other five GHG being insignificant.

Energy Intensity* Dipped

10.2%

in FY14/15 (vs last FY)

The drop in energy intensity figures is due to lower house load requirements to run the gas-fired combined cycle and cogeneration power plant units compared to the fuel-oil fired steam plants.



*Defined as energy consumed for electricity and steam generation operations (i.e. house load) divided by energy output (i.e. electricity and steam generated)

FY14/15 saw an energy reduction of

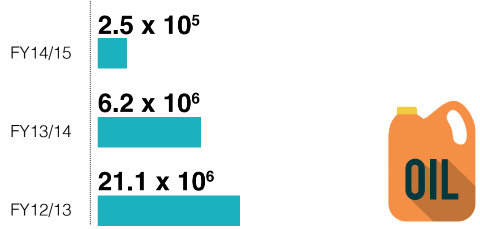
61,570 MWh (17.10 MJ) vs the last FY

due to fuel switching from fuel oil to natural gas and the adoption of power generating units of higher efficiency.

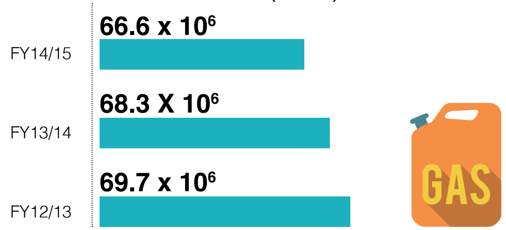
99.7%

of Power Generated in FY14/15 is from Natural Gas

Fuel Oil/Diesel Consumed (in GJ)



Natural Gas Consumed (in GJ)



Consumption of fuel for power and steam generation (expressed in Joules) is calculated using the actual gross caloric values of heavy fuel oil and by converting natural gas and diesel to tonne-of-oil-equivalent (toe).

Our Environmental Footprint

Total Water Consumed & Recycled

Total Water Consumption Dipped

22.8%

in FY14/15 (vs last FY)

Less water consumed due to virtually zero running of steam plants, the shutting down of the Flue Gas Desulphurisation Unit and two major overhauls of the gas-fired plant units

97.2%

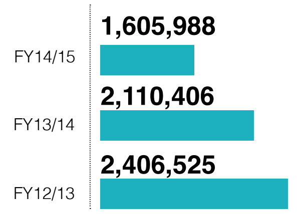
of water used for power plant operations is from renewable sources (i.e. desalinated or reclaimed/ recycled water)

4.6%

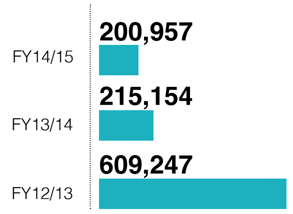
of Water Recycled or Re-Used

Total Water Withdrawn (FY12 to FY14) from the following sources

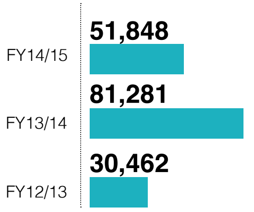
Desalinated Water (in m³)



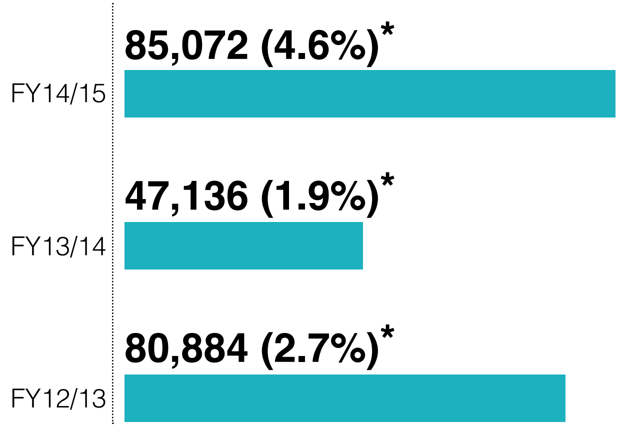
Reclaimed/Recycled Water (in m³)



Municipal Water Supply (in m³)



Water Recycled / Re-used in Power Plant Operations (in m³)



Increase in water recycled due to replacement of passing valves (i.e. reduces water loss) and the continuous running of the Polisher Mixed Bed (i.e. results in greater steam condensate recovery).

* figures in brackets denote % of total water used that is recycled

Our Environmental Footprint

Total Water Discharged & Waste Disposal

Zero
Oil Spill Incidence

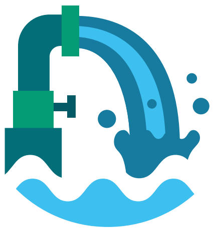
34.9%
less water was discharged into the sea in FY14/15 compared to last FY

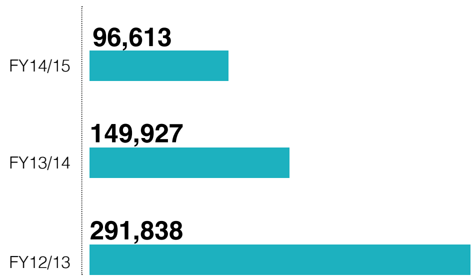
Zero
Hazardous Waste under Basel Convention

0%
Waste Transported Internationally

80.7 %
less Industrial Waste was disposed in FY14/15 compared to the last FY

Total water discharged (in m³)

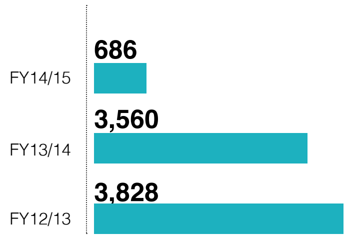




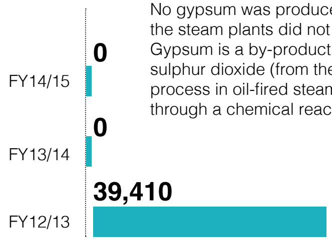
Water Discharged into the sea meet the local environmental regulatory standards

Total Waste Disposed (Metric Tons)

Industrial Waste (Toxic & Non-Toxic)



Gypsum

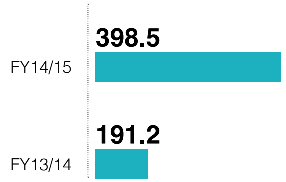


No gypsum was produced because the steam plants did not run in FY14/15. Gypsum is a by-product produced when sulphur dioxide (from the combustion process in oil-fired steam plants) goes through a chemical reaction with limestone.

All industrial wastes (toxic & non-toxic) are collected and disposed by licensed waste contractors.

Recyclable Waste

Top 3 waste are Scrap metal, Used fuel oil, Used Lube Oil



Recyclable waste are sold to contractors who resell them to third parties for recycling.

Our Environmental Footprint

Air Emissions & Chemical Use

Sulphur Dioxide Emissions for Every Unit of Energy Produced Dipped

99.6%

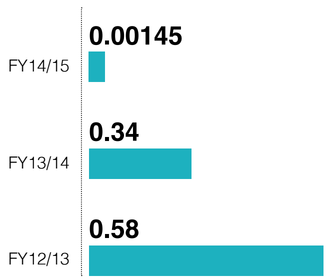
vs the last FY

Sodium Hydroxide used in the Plant Dipped

42.3%

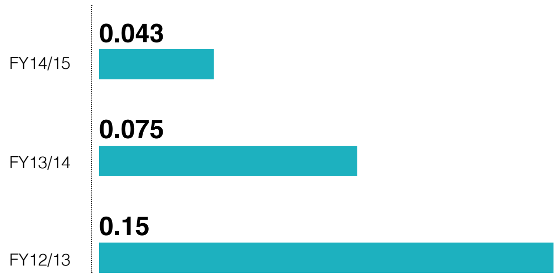
(vs last FY) for Every Unit of Energy Produced

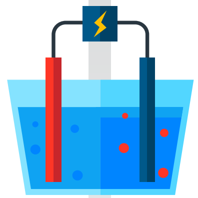
SO_2 Intensity for FY12/13 to FY14/15 (in kg/MWh)



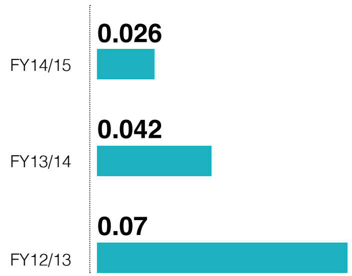
Top 2 Chemicals Used in the Power Plant

Sodium Hydroxide
(in kg/MWh)





Sulphuric Acid
(in kg/MWh)



Our Environmental Footprint

GREEN INITIATIVES WITH THE COMMUNITY

Energy Conservation Efforts

YTL PowerSeraya's Responsible Energy Advocates Programme (REAP) for tertiary level youth and its REAP Junior offshoot for secondary school students, continues to be an effective medium of outreach to encourage community-wide environmental sustainability efforts. Developed initially as a 3P (People-Private-Public) partnership with the National Environment Agency (NEA) and South West Community Development Council, the programme has trained more than 1,000 tertiary and secondary-level youths to date. It comprises a four-day workshop, a three-month community service project with participating households to reduce energy use and bills through the adoption of energy saving measures, and an energy conservation project for a defined community of the student's choice.

Since the programme's inception, 52% of households involved have reported a reduction in their electricity bills, with 26.5% achieving at least a 10% reduction. A record high was attained in 2013 with 75.6% of the participating households achieving energy reduction, with approximately 44% hitting more than 10% energy savings.

Coastal Cleanup Efforts

The International Coastal Cleanup Singapore is a programme that runs every September to call attention to the importance of keeping Singapore's waterways and oceans litter-free.

YTL PowerSeraya has been an active supporter of this event since 2008. To date, more than 114 kg of debris has been cleared from the coast of Singapore by volunteers comprising staff of YTL PowerSeraya and students from the Singapore Polytechnic Environment Club. More importantly, both staff and students alike have benefitted tremendously by gaining greater awareness of marine debris issues and how each can play a meaningful role in keeping Singapore's waterways clean.

Water Awareness Efforts

As part of YTL PowerSeraya's ongoing efforts to engage youths on energy, water and climate change, the Punggol Learning Adventure for Youths (PLAY) interactive learning programme was launched in July 2014 in partnership with Waterways Watch Society. The programme seeks to raise awareness and knowledge of water issues at both the global and local level among Singapore's youths. PLAY has reached out to about 360 primary and secondary school children within the first year of its establishment. The programme aims to reach up to 800 children in another two years.

Our Environmental Footprint

Energy Efficiency Retrofits for Customers

The Energy Makeover initiative was launched in 2013 as a value-added offering to educate and involve customers of the Company to appreciate the potential cost savings that could be gained from energy efficiency improvements in their workplaces. In FY2014/15, six customers were selected to receive new energy efficient fixtures delivered and installed at their premises through the collaborative efforts of Seraya Energy's and its strategic partners.

Where beneficial, lighting fixtures are retrofitted with more efficient fluorescent or LED alternatives, and solar film is used on windows to reduce heat, lowering the load on air conditioning. To date, the initiative has yielded significant cost savings benefits for participating customers, delivering a total energy savings of up to 140,000 kWh. This has also resulted in a reduction of CO_2 emissions of 45 tonnes of per year.

Responsible Procurement Practices

To promote procurement practices that take environmental impact into account, a Responsible Procurement Policy was instituted by the Company in 2012. Since its establishment, the Company has undertaken several progressive steps to actively embed green criteria in the goods and services purchased from suppliers. These have resulted in our switching from diesel-based fogging to a more environmentally-friendly water misting method for mosquito control at the power plant, as well as the adoption of greener carpet shampooing at the Company's corporate office.

Other Internal Environmental Initiatives

The Company also introduced various internal environmental initiatives such as the Office Resource Monitoring programme. Over the last six years from 2008 to 2014, energy and paper usage per head has come down by 12% and 46% respectively. YTL PowerSeraya is also one of the few companies in Singapore have switched to using paper certified by the Forest Stewardship Council, back in 2008.

Brighter Aspirations

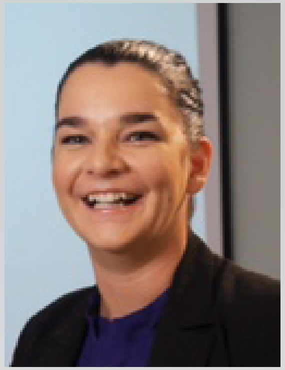
YTL PowerSeraya seeks to foster a positive culture of mutual co-operation and shared success through the cultivation of strong relationships within the Company and with customers and external stakeholders.

Stakeholder Relations & Partnerships

OUR STAKEHOLDERS, OUR SUCCESS

YTL PowerSeraya would not be where it is today without the strong support and partnership of its various stakeholders. A constructive engagement model ensures the Company continues to stay ahead with fresh insights and new ideas, generating success for both itself and its stakeholders.

Stakeholder Relations & Partnerships



"When we found out that Seraya Energy has an Energy Makeover Programme, we were impressed that they uphold the same sustainability principles as we do. After Seraya Energy conducted a site visit at our premises under that Programme, we decided to change the lighting in our car park to more efficient models. With this, we were able to optimise our cost savings. Of course, this makes us very happy.

At Ibis Singapore, we know that Seraya Energy provides more than just electricity. We will recommend Seraya Energy to everyone who wants to have better control over their electricity costs."

Jade Stunden, Executive Assistant Manager, ibis Singapore on Bencoolen

CUSTOMERS - ENDURING RELATIONSHIPS

Beyond delivering products that cater to the varied needs of the Company's customers, YTL PowerSeraya actively seeks to engage customers meaningfully and develop enduring relationships based on common goals. In FY14/15, a total of 12 customer education and empowerment initiatives were organised to support this objective.

One of these was the annual flagship Seraya Energy Forex and Oil Symposium, which seeks to equip the Company's customers with the necessary knowledge to make informed decisions on electricity prices. At the event, insights and market perspectives from oil and currency experts on the year's forecasts were shared with customers. Throughout the year, customers are also shown how to use the SEnergy online portal which enables them to access and analyse their electricity bills easily. The Company also runs an annual Energy Makeover initiative in which selected customers can save energy through complimentary energy efficiency improvements and retrofits at their premises.

To foster regular dialogue and strengthen relationships at the personal level, YTL PowerSeraya organises events such as the Customer Movie Night, Appreciation Luncheons and Information-sharing breakfast. On a day-to-day basis, the Company's one-stop shop Contact Centre provides direct access to customer assistance on service and product-related inquiries. In FY14/15, the Contact Centre resolved 100% of all emails within 3 working days and achieved an average wait time rate of 97% of calls attended to within 30 seconds.

Stakeholder Relations & Partnerships

"We have a long working relationship with YTL PowerSeraya dating back to 2006. As the major supplier of natural gas to YTL PowerSeraya, we have had the pleasure of working together on many business initiatives that have resulted in win-win outcomes for both parties. I look forward to many more years of business cooperation with YTL PowerSeraya."

Alan Heng, CEO of Gas Supply Pte Ltd

SUPPLIERS - RESPONSIBLE PROCUREMENT

As oil and natural gas form a significant part of the raw materials required to sustain its energy business, the Company's suppliers of oil and gas are important stakeholders in the supply chain. Developing constructive relationships with these suppliers is therefore critical to the Company's ongoing business success. An example is our partnership with Gas Supply Pte Ltd which has been providing a reliable source of natural gas to meet our commercial and environmental objectives. In addition, through our insurance relationship with our property insurer FM Global, we are better abled to manage our property risks by tapping their risk engineering capability to implement loss prevention measures at the power plant.

At the Responsible Procurement Forum (RPF) organised by YTL PowerSeraya in October 2014, efforts were made to engage suppliers on sustainability and responsible procurement initiatives. At the RPF, the Company shared a new procurement policy that incorporates responsible aspects in the procurement process. To encourage attendees, real-life examples of suppliers with products and services that have delivered environmental and social benefits to the Company were shared.

Subsequent to the RPF, Request for Quote (RFQ) via emails to suppliers included a clause to encourage suppliers to offer cost effective and sustainable products and services while meeting required specifications.

Stakeholder Relations & Partnerships

"We are extremely happy to have this sustainable partnership with YTL PowerSeraya over the past few years. Their support in raising awareness and education on water pollution with schools, especially through our joint partnership in the PLAY (Punggol Learning Adventure for Youths) programme, is valuable to our work as an NGO that works with the community to keep our waterways clean and green."

Eugene Heng
Chairman, Waterways Watch Society

CIVIC SOCIETY AND COMMUNITIES - PROACTIVE OUTREACH AND CARE

As a responsible corporate citizen, YTL PowerSeraya (YTLPS) conducts various programmes that reach out to the local community including youths and the disadvantaged in society. A series of Corporate Social Responsibility (CSR) initiatives was rolled out in the last year. To inculcate care for the environment among the youths, YTLPS partnered selected Community Development Councils and the National Environment Agency to conduct the Responsible Energy Advocates Programme (REAP). The Company also sought to engage youths on water conservation through the Punggol Learning Adventure for Youth (PLAY) programme.

To reach out to the disadvantaged in society, the Company organises initiatives in aid of the Goodwill Rehabilitation & Occupational Workshop (GROW). This is a sheltered workshop under the umbrella of the Cerebral Palsy Alliance Singapore for persons with cerebral palsy.

Other events such as the Give Your Trash A Second Life and the year-end Christmas party seek to foster the spirit of giving among staff. More than 50% of the Company's employees make monthly contributions from their salaries to the Community Chest of Singapore. This earned YTL PowerSeraya the Community Chest Share Award – Bronze in 2014.

Stakeholder Relations & Partnerships

GOVERNMENT, REGULATORS - STRATEGIC PARTNERSHIPS

The regulated business of the company forms a significant portion of the Company's overall revenue. As such, the strategic relationship between the Company and the Energy Market Authority (EMA) of Singapore is important as it ensures an active and ongoing dialogue between regulator and electricity market participants that takes one another's interests into account, in the context of Singapore's energy landscape.

In FY14/15, the Company continued to be an active participant in EMA's policy development initiatives and made contributions in numerous consultation meetings organised by EMA. YTL PowerSeraya also played a key role in Singapore Power's Centralised Training Institute initiative aimed at developing training courses for the power and gas industry.

Content Development for Power & Gas Industry Training Courses

The Centralised Training Institute initiative saw YTL PowerSeraya's involvement in the development of training courses for the power and gas industry in late 2014. The courses, which are based on the National Energy Competency Framework established by the EMA with the industry and our inputs, cover technical and in-depth training programmes on Power Plant Operations and Asset Management. Offered since 2015 by the Singapore Institute of Power And Gas (SPIG), these courses are aimed at retaining the expertise in the industry and transferring know-how to the next generation of professionals.

Establishment of the Electricity Futures Market in Singapore

EMA was considering the establishment of an Electricity Futures Market whose viability depended on factors such as its setup cost, liquidity as well as interest from the industry. Several consultation meetings were organized by EMA to gather inputs and ideas from industry players. Following a series of discussions at consultation meetings with EMA on the electricity futures mechanisms and incentive scheme for market making, the company decided not to participate as a market maker but only as a market participant. Market making began in April 2015.

Increased Retail Contestability

EMA progressively lowered the retail contestability threshold for non-domestic accounts from an average consumption of 10,000 kWh to 2,000 kWh in three phases over April 2014 to July 2015. YTL PowerSeraya's subsidiary Seraya Energy was actively involved in the consultations for increased retail contestability. These include the modifications to the Code of Conduct for Retail Electricity Licensees that were made in conjunction with the plans for lowering the contestability threshold from 1 April 2014, as well as consultations for the future implementation of full retail contestability.

Stakeholder Relations & Partnerships

"We appreciate that YTL PowerSeraya values UPAGE as an important partner in its drive to make the company a more rewarding place to work for its employees. Their highly consultative approach to engage the union to share information and discuss business plans has strengthened labour-management relations over the years. We continue to work with the company in a strategic alliance to meet and resolve challenges with a view to enhancing the well-being of employees."

Nachiappan R.K. Sinniah
General Secretary, Executive Council
Union for Power and Gas Employees (UPAGE)

UNION - MANAGEMENT - PROGRESSIVE EMPLOYEE WELFARE

YTL PowerSeraya maintains a close working relationship with the Union of Power and Gas Employees (UPAGE) to ensure the Company remains competitive and at the forefront in ensuring employee welfare. There is freedom for collective bargaining by UPAGE on matters concerning employees.

In FY14/15, management met formally with UPAGE three times to discuss issues pertaining to achievement of the Company's goals, performance-remuneration metrics and other employee matters. In addition to the formal sessions, meetings were also conducted on an informal basis, to discuss and resolve ad-hoc issues that arose during the year. One of the key items negotiated was to have more attractive bonus payouts for bargainable staff than what is provided for in the variable bonus matrix in the collective agreement.

A special SG50 bonus for staff in celebration of Singapore's 50th Anniversary in 2015 was also negotiated.

All employees of the company are free to join UPAGE. As of 30 June 2015, close to 48% of the workforce are covered by the collective agreement. Although there is no mention of minimum notice period for significant operational changes in the collective union, the company has in practice been engaging the union in consultation over such matters. And in the process, the notice period for communicating and implementing issues affecting employees would be taken into account. In addition, the company and the union take guidance from the Singapore Employment Act and the Industrial Relations Act in the implementation and communication of significant changes affecting employees such as retrenchment and transfer of employment.

Our People

The heart of the Company's success and sustainability journey is its people. YTL PowerSeraya strives to be a place where employees are treated fairly, respected and nurtured to reach their highest potential.

A PEOPLE-CENTRED PHILOSOPHY

Happy and healthy employees are vital to the Company's success and economic sustainability. YTL PowerSeraya continually assesses and reinforces its various organisational support networks to ensure that employees are adequately equipped to reach their best potential professionally and personally. The Company also seeks to create a safe and healthy working environment that consistently rewards teamwork and excellence, empowering employees to attain both organisational and personal success.

In the Company's Employee Opinion Survey conducted in 2014, Health & Well-Being, Work-Life Balance and Diversity & Inclusion were ranked the top three most important factors that contributed to staff satisfaction, out of a total of 16 categories.

Our People

HEALTHY LIFESTYLES THROUGH WORK-LIFE BALANCE

The Company's Vibrancy Club is made up of staff volunteers who help to organise activities that promote healthy living and work-life balance. These include regular weekend staff sports sessions such as badminton, bowling and dragon-boating, as well as family activities such as park outings and fruit farm visits.

YTL PowerSeraya has in place a flexi-start work arrangement that enables employees the flexibility to choose choose their start time. Approximately 15.4% of eligible staff have opted into this arrangement. This pro-family scheme has significantly benefitted working parents in particular, by allowing them the flexibility of coming in later for work after sending their children to school.

Promoting Greater Ownership of Personal Health

The company-organised annual health screening exercise serves to encourage employees to take a deeper personal interest in their health. All employees enjoy a subsidised rate for the health screening. The 2015 health screening results revealed that YTL PowerSeraya employees' health was generally better than the national average based on indicators related to obesity, high blood pressure and high blood cholesterol. Following the results, targeted intervention with the healthcare professionals was organised by the company to allow employees to undergo a six-month programme to learn to manage their respective chronic ailments.

Our
People

EMPLOYEE PROFESSIONAL DEVELOPMENT

YTL PowerSeraya places a strong emphasis on nurturing employees. The Company's performance management system seeks to stretch every employee's potential. All employees are subjected to an annual performance appraisal process. Staff holding higher responsibilities and individuals in managerial positions are also appraised against key competency requirements such as interpersonal relationship skills and leadership skills. The annual performance appraisal exercise also serves as an opportunity for managers to have a conversation with staff on career aspirations and identify skills or competency gaps that can be bridged through training.

Training and development programmes are developed to enhance both technical knowledge and soft skills. Although the training expenditure per employee dipped 55% in FY14/15 relative to the previous financial year, it remains higher than the Singapore average. The lower training expenditure is also reflective of the Company's greater emphasis towards on-the-job training as well as in-house training sessions.

Our People

Training Expenditure per Employee

	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
YTL PowerSeraya	$1769	$1764	$1350	$1330	$600
Singapore National Average*	$511	N.A.	$407	N.A.	$410

**Singapore National Average is taken from the Ministry of Manpower (MOM) 2014 Report for Employer Supported Training published once in two years.*

Training Hours by Employee Category

	FY12/13		FY13/14		FY14/15	
	Average Training Hours		Average Training Hours		Average Training Hours	
	Male	Female	Male	Female	Male	Female
Senior Management	50.1	24.8	41.6	8.0	23.3	16.0
Middle Management	53.0	135.8	46.5	44.6	27.7	14.6
Executive	54.2	52.4	39.2	17.8	30.4	12.9
Non-executive	31.0	16.5	19.8	11.5	14.2	6.6
Overall	**41.1**	**55.6**	**29.4**	**19.7**	**21.2**	**11.5**

Aside from developmental training, all new employees undergo an on-boarding programme which introduces and acquaints them with YTL PowerSeraya's core values, key company policies and the Company's CSR Strategy. Topics such as grievance handling, whistle-blowing procedures and employee rights to be associated with the trade union are also covered in the induction programme for new employees.

Our People

WORKPLACE SAFETY AND CONTROL MEASURES

The Company has a **QHSE** (Quality, Health, Safety & Environment) policy endorsed by the CEO (Chief Executive Officer). This policy guides and determines how the power plant should be operated with quality, health, environment and safety objectives in mind.

The Company's Workplace Safety & Health (WSH) Committee, which meets in a monthly basis, comprises close to 30 members which make up about 8% of the workforce. One representative from the Union of Power and Gas Employees is a WSH Committee member.

At YTL PowerSeraya, the Occupational Safety Management System OHSAS 18001 keeps the plant operating safely. A combination of daily and monthly safety inspections helps to ensure that activities such as confined space work, hot works and work-at-height activities are carried out safely in line with best practices and in compliance with local regulations.

As a significant amount of work is carried out by on-site contractors, every contractor is required to undergo the Company's in-house safety induction course to gain a better appreciation of common hazards at the plant, safety rules and regulations to be observed and evacuation procedures in emergency situations. Contractors are required to conduct risk assessments before the commencement of any work. They are also briefed on the hazards and the control measures to be executed for safe work to be carried out.

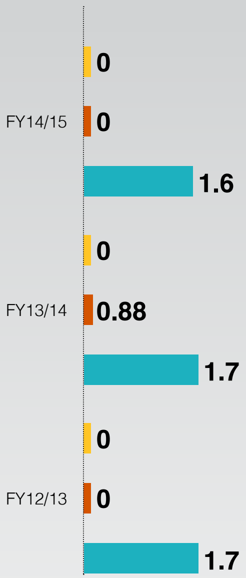
SAFETY TRAINING AND INFORMATION-SHARING

A framework specifically targeted at educating staff on safety is in place to ensure that staff are identified and regularly sent for safety courses relevant to the work activities they carry out on a day-to-day basis. Focusing mainly on working safely at heights and confined space safety in FY14/15, the number of training hours spent on safety courses measured at 8.54 hours per employee.

To raise staff awareness and adoption of workplace safety measures, incidences of near-misses and accidents and the actions taken to minimise recurrences are shared with employees as well as contractors. One of these was a near-miss incident on 15 November 2014 involving a contractor's prime mover transporting a Marine Loading Arm (MLA) on a trailer en-route from the tank farm to the jetty. Following a thorough investigation, a Transport Protocol in January 2015 was established, requiring prior approval for the movement of laden trailers, cranes and project cargo in the plant premises.

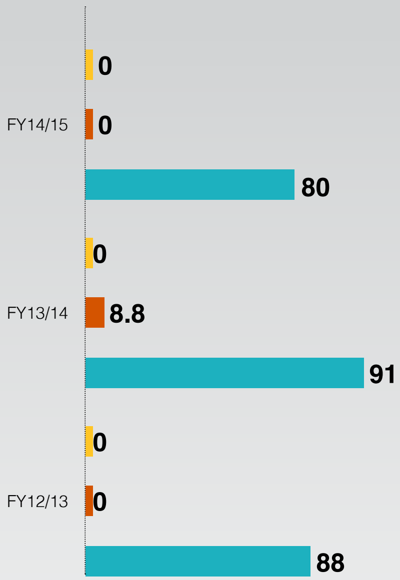
Our People

3 Years - Accident Frequency Rate
(Accidents Per Million Man-hours Worked)



Staff
Contractor
National Average - Singapore All Industries

3 Years - Accident Severity Rate
(Man-days Lost Per Million Man-hours Worked)



Staff
Contractor
National Average - Singapore All Industries

SAFETY AWARENESS AND HEALTH INITIATIVES

In addition to its regular annual health screening exercise for employees, the Company also conducted a number of safety and health awareness initiatives in FY14/15. These included Safety Day, an event that celebrates the year's safety performance and provides recognition for the fire-fighting and first aid teams. The Company maintained a zero accident record for both staff and contractors in the same financial year. In the past three years, the accident frequency rate and the accident severity rate are below the Singapore national average.

Awareness campaigns such as the Enhanced Confined Space Safety and the Safe Work-At-Heights sought to familiarise employees and contractors on regulations such as the enhanced permit-to-work requirements for confined space work.

Noise Induced Deafness is the most significant occupational health disease in the Company. In 2014, approximately 39% of the employees at the plant were categorised as having some degree of occupational hearing loss. One employee was diagnosed to suffer from Advanced Noise Induced Deafness. Under a Hearing Conservation Programme conducted in FY14/15, staff diagnosed with Noise Induced Deafness underwent an ear-plug fit test to ensure proper usage of earplugs and to correct poor earplug wearing habits.

In recognition of the efforts undertaken by the Company in relation to safety and health awareness, YTL PowerSeraya was conferred the Singapore HEALTH Award (Gold) from the Health Promotion Board.

Our People

A FAIR AND INCLUSIVE WORKING ENVIRONMENT

The Company is a signatory to the principles of the Tripartite Alliance of Fair & Progressive Employment Practices (TAFEP). All staff are at liberty to join the employee union. The compensation policy in the Company is based on merit relative to the role held by an employee in the Company. Regardless of race, gender or nationality, employees in their respective roles are compensated based on their skills and experience, their performance and the market value of the position they hold. This aligns with the one of TAFEP's principle of Fair Employment Practices and which is enshrined in the collective agreement established with our union.

To ensure a fair and inclusive working environment, a merit-based compensation system helps to track and minimise gender pay-gaps. As at FY14/15, the ratio of base salary (Male:Female) for the entire company stood at 1: 0.8. This ratio is fairly consistent across all employee levels in the organisation. This compares favourably with the Singapore's Gender Pay Gap of 1 : 0.7 (Male: Female) based on the World Economic Forum's Global Gender Gap Report for 2014.

	Ratio of Base Salary	
	Male	Female
Senior Management	1	0.80
Middle Management	1	0.76
Executives	1	0.72
Non-Executives	1	0.75
Overall	1	0.80

(Note: Base Salary is the average salary of men and women excluding benefits, bonuses, allowances and any variable wage component)

LABOUR PRACTICES AND HUMAN RIGHTS STANCE

In FY14/15, about 32 new staff underwent an induction programme which included education on their freedom to join the union, the Company's whistle-bowling procedures and the grievance handling channels. No discriminatory incidents were raised via the grievance handling channels in FY14/15. For a full understanding of the Company's labour practices and its stance on human rights issues, please visit this link (http://www.ytlpowerseraya.com.sg/sustainability/governance/human-rights-2/)

Our People

STAFF TURNOVER AND SUCCESSION PLANNING

The challenge of aging demographics has become a key area of focus for the Company in recent years as older staff progressively retire from the workforce. For those who wish seek jobs and employment in a different organisation, assistance is provided to link them up with the local Employment and Employability Institute (e2i) for job seekers. To attract talents for our future workforce, particularly in the technical and engineering fields, YTL PowerSeraya offered tertiary and polytechnic students scholarships under the SgIS (Singapore Govenment Industry Scholarship) and EIS (Energy Industry Scholarship) programmes. As at 30 June 2015, five students were on these scholarship programmes and are expected to join the company in the coming years.

In FY14/15, staff turnover rate due solely to resignations fell to 8.2% compared to the previous year. In past years, the staff turnover rate is also consistently lower than the Petroleum Chemical & Pharmaceutical Industry which the company uses as a benchmark.

Staff Turnover Rate

	Staff Turnover Rate	FY11/12	FY12/13	FY13/14	FY14/15
YTL PowerSeraya	Voluntary resignations, dismissal, medical board out, retirement & death in service	11.4%	8.1%	17.1%	13.6%
	Voluntary resignations only	7.7%	5.7%	10.1%	8.2%
Petroleum, Chemical & Pharmaceutical Industry*	Voluntary resignations only	10.8%	12.0%	12.0%	14.4%

*Source : Singapore Yearbook of Manpower Statistics 2015, Ministry of Manpower

Employee turnover by Age Group, Gender

	FY14/15 Staff Turnover Numbers			Age Breakdown
Age Group	Male	Female	Total	
< 30 years	7	3	10	21%
30 - 50 years	11	8	19	41%
> 50 years	18	0	18	38%
Total	**36**	**11**	**47**	100%
Gender Ratio	77%	23%	100%	

Our
People

Most of the new hires in FY14/15 were from the younger age group of below 30 years old. An equal number of new male and female employees joined the company. Most of the new female employees were hired to assume corporate sales and back-office support roles in the Company's corporate office.

New Employee Hires by Age Group, Gender

	FY14/15 New Hire Numbers			Age Breakdown
Age Group	Male	Female	Total	
< 30 years	11	12	23	72%
30 - 50 years	3	4	7	22%
> 50 years	2	0	2	6%
Total	**16**	**16**	**32**	100%
Gender Ratio	50%	50%	100%	

GRI Content Index

GRI
Content Index

The GRI Content Index is prepared in accordance with the Global Reporting Initiative (GRI) G4 report framework. It covers General as well as Specific Standard Disclosures management approaches and performance indicators that are externally assured by an independent assuror.

General Standard Disclosures	Indicator	Page
Strategy And Analysis		
Strategy from the Top	G4-1	6-9
Key Impacts, Risks & Opportunities	G4-2	6-9 12-17
Organisational Profile		
Organisation Name & Primary Products	G4-3 G4-4	1
Countries Operated	G4-5 G4-6	1
Ownership & Legal Form	G4-7	1
Markets Served	G4-8	1
Scale of Organisation	G4-9	1
Employee Profile	G4-10	1
Employees under Collective Bargaining	G4-11	1
Organisation's Supply Chain	G4-12	3,16-17
Significant Changes during Report Period	G4-13	1
Association Commitments	G4-14	1
Priniciples & Charters Subscribed	G4-15	1
Association Memberships	G4-16	1
Identified Material Aspects And Boundaries		
Entities covered in Report	G4-17	4
Process Defining Report Content	G4-18	4
List of Material Aspects	G4-19	18-19
Aspect Boundary	G4-20 G4-21	18-19
Restatements	G4-22	5
Changes to Scope & Aspect Boundaries	G4-23	5

General Standard Disclosures	Indicator	Page
Stakeholder Engagement		
Stakeholder Listing	G4-24	53-57
Stakeholder Identification	G4-25	14
Approach to Stakeholder Engagement	G4-26	14,52-57
Key Stakeholder Topics	G4-27	53-57
Report Profile		
Reporting Period	G4-28	4
Previous Report	G4-29	4
Reporting Cycle	G4-30	4
Contact for Report Concerns	G4-31	5
GRI Content Index	G4-32	68-73
Independent Assurance Statement	G4-33	4
Governance		
Governance Structure for CSR	G4-34	28
Delegation of Authority for CSR	G4-35	28
Appointed CSR Person	G4-36	28
Consultation between Board & Stakeholders on CSR	G4-37	28
Board Composition	G4-38	26
Board Chairperson	G4-39	26
Selection of Board Members	G4-40	28
Management of Conflict of Interest by Board	G4-41	26
Board's Role in CSR Strategy & Policy	G4-42	26,28
Developing Board's Knowledge of CSR	G4-43	28

General Standard Disclosures	Indicator	Page
Governance		
Identification & Management of CSR by Board	G4-44 G4-45	28
Board's Role in Risk Management	G4-46	29-31
Frequency of Board's Review of CSR Risks & Impacts	G4-47	28
Approval of Sustainability Report	G4-48	4
Communication of Critical Concerns to Board	G4-49 G4-50	26,28
Remuneration of Board & Senior Management	G4-51 G4-52	28-29
Stakeholder Views on Remuneration	G4-53	28-29
Ethics And Integrity		
Code of Conduct, Ethics	G4-56	27
Helplines & Reporting of Unlawful, Unethical Behaviour	G4-57 G4-58	27,64

GRI
Content Index

Specific Standard Disclosures – Management Approach		
Material Aspects	**DMA**	**Page**
Indirect Economic Impacts	G4-DMA	33-35
Procurement Practices		35,click here for more information
Energy		42-43
Emissions		42
Supplier Environmental Assessment		35
Environmental Grievance Mechanism		43
Employment		58,65
Occupational Health and Safety		59,62,63
Equal Remuneration for Women and Men		64
Supplier Assessment for Labour Practices		64
Labour Practices Grievance Mechanism		64
Investment		click here for more information
Freedom of Association and Collective Bargaining		57
Human Rights Grievance Mechanisms		64
Local Communities		48,55
Anti-corruption		30-31
Public Policy		56

GRI
Content Index

Specific Standard Disclosures – Performance Indicators		
Material Aspects	**Indicators**	**Page**
Economic		
Direct Economic Value	G4-EC1	32
Climate Change, Risk & Opportunities	G4-EC2	14,42-43
Contributions to Employee's Social Security	G4-EC3	34
Pro-business Measures from Government	G4-EC4	34
Basic Salary Ratio by Gender	G4-EC5	64
Indirect Economic Impacts	G4-EC8	33-35
Proportion of Spending on Local Suppliers	G4-EC9	35
Enviromental		
Energy	G4-EN3 G4-EN5 G4-EN6	44
Water	G4-EN8 G4-EN9 G4-EN10	45
Emissions (Greenhouse Gases and Sulphur Dioxide)	G4-EN15 G4-EN16 G4-EN17 G4-EN19 G4-EN21	36,44,47
Effluent and Waste	G4-EN22 G4-EN23 G4-EN24 G4-EN25	46
Compliance	G4-EN29	No non-compliance incident in reporting period
Environmental Expenditures & Investments	G4-EN31	43
Environmental Screening of Suppliers	G4-EN32	35
Environmental Grievance Mechanisms	G4-EN34	43

GRI
Content Index

Specific Standard Disclosures – Performance Indicators		
Material Aspects	**Indicators**	**Page**
Social		
Employment	G4-LA1	1
Labour/Management Relations Occupational Health & Safety	G4-LA4	57
	G4-LA5	62
	G4-LA6	63
Training and Education	G4-LA9	61
	G4-LA10	65
	G4-LA11	60
Diversity and Equal Opportunity	G4-LA12	1
Equal Remuneration for Women and Men	G4-LA13	64
Labour Practices Grievance Mechanisms	G4-LA16	64
Investment	G4-HR2	click here for more information
Non-Discrimintation	G4-HR3	64
Freedom of Association & Collective Bargaining	G4-HR4	57
Child Labour	G4-HR5	click here for more information
Forced or Compulsory Labour	G4-HR6	click here for more information
Anti-Corruption	G4-SO3	30
	G4-SO4	30
	G4-SO5	30
Product Responsibility	G4-PR5	53

GRI
Content Index

ELECTRIC UTILITY SECTOR SUPPLEMENT INDEX

The accompanying table covers the electric utility sector disclosure and performance indicators that are material to the Company's business. As the Company does not own, operate nor maintain any transmission, distribution assets nor nuclear facilities, the table excludes items related to the aforementioned assets and facilities. The Company is only involved in the power generation business. As such, the responsibility of ensuring the long-term electricity availabilty, reliability and accessibilty in Singapore is not under the purview of the Company but rather lies with the relevant Singapore government agencies. In addition, the Company operates in Singapore, a non-Annex 1 country under the Kyoto Protocol. For this reason, the Company does not need to be involved in CO_2 permits.

Electric Utility Sector Supplement Index		
Indicator or Commentary Description	**Indicators**	**Page**
Organisational Profile		
Installed Capacity	EU1	click here for more information
Net Energy Output	EU2	22
Number of Accounts	EU3	20
Economic		
Demand Side Programmes	EU7	49
Generation Efficiency	EU11	43
Environmental		
Commentary – Total water withdrawal by source	EN8	45
Commentary – Greenhouse gas emissions	EN16	42-44
Commentary – Greenhouse gas reduction initiatives	EN18	44
Commentary – Air Emissions	EN20	44,47
Commentary – Water Discharge	EN21	46
Commentary – Waste Type & Disposal Method	EN22	46
Product Responsibility		
Average plant availability factor by energy source and by regulatory regime	EU30	16

GRI
Content Index

Electric Utility Sector Supplement Index		
Indicator or Commentary Description	**Indicators**	**Page**
Labour Practices		
Programmes and Processes to ensure the availability of a skilled workforce	EN14	65
Policies and requirements regarding health and safety of employees, contractors and subcontractors	EN16	62
Commentary – Staff Turnover	LA2	65-66
Commentary – Percentage of employees covered by collective bargaining agreements	EU LA4	57
Commentary – Rates of injury, occupational diseases, lost days, absenteeism and total number of work related fatalities by region	EU LA7	62-63
Human Rights		
Commentary – Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights	EU HR5	57
Society		
Stakeholder participation in the decision making process related to energy planning and infrastructure development	EU19	56
Contingency planning measures, disaster/emergency management plans and training programmes, and recovery/restoration plans	EU21	31