



**Charisma Energy Services Limited**  
**Sustainability Report**  
**2017**



# Contents

CEO's Message .....	3
Charisma Sustainability Story .....	4
Organisation Profile .....	5
Ethics and Integrity .....	7
Governance and Statement of the Board .....	8
Stakeholder Engagement .....	8
Reporting Practice .....	10
Reduction of Carbon Footprint .....	11
Local Communities and Environment .....	12
Our People .....	13
SGX Five Primary Components Index .....	14
GRI Standards Content Index .....	14

## CEO's Message

Dear Stakeholders,

On behalf of the Board of Directors, we are pleased to present to you the inaugural Sustainability Report for Charisma Energy Services Limited (the “Group” or “Charisma”) in respect of the financial year ended 31 December 2017 (“FY2017”).

Charisma’s foray into the renewable energy sector back in 2014, as well as the current move to exit the remaining Oil & Gas business to focus on expanding and developing new businesses and opportunities within the renewable energy sector, marked the Group’s commitment towards sustainable development via the production of clean energy for the future generations.

The Group has a broad view on sustainability that looks beyond environmental impact – it also comprises of increasing economic growth in the communities surrounding our operations. Our approach to sustainability is reflected within three key areas - Reduction of Carbon Footprint, the Local Communities and Environment we impact, and of course, Our People.

By harnessing nature to deliver renewable and sustainable energy, the harmful emissions that would have otherwise been produced by the burning of fossil fuels can be eliminated. With our current focus on expanding and developing opportunities within the renewable energy sector, we hope to be able contribute to the reduction in the global carbon footprint and play a part in combating global warming.

Whilst tapping on nature’s resources to deliver sustainable energy, the Group ensures our assets and operations do not harm the environment we work in as we strive to make a positive impact to the communities that we engage. As a rule, we work with nature, not against it.

Lastly, Charisma is a strong advocate of giving back to society. As we expand and grow, we hope to be able to create more job opportunities for locals in the operations of our plants.

The Group shall endeavour towards becoming a sustainability leader in the renewable energy industry and continue to place an emphasis on good sustainability practices.

Sincerely,  
MR TAN SER KO  
Chief Executive Officer

## Charisma Sustainability Story

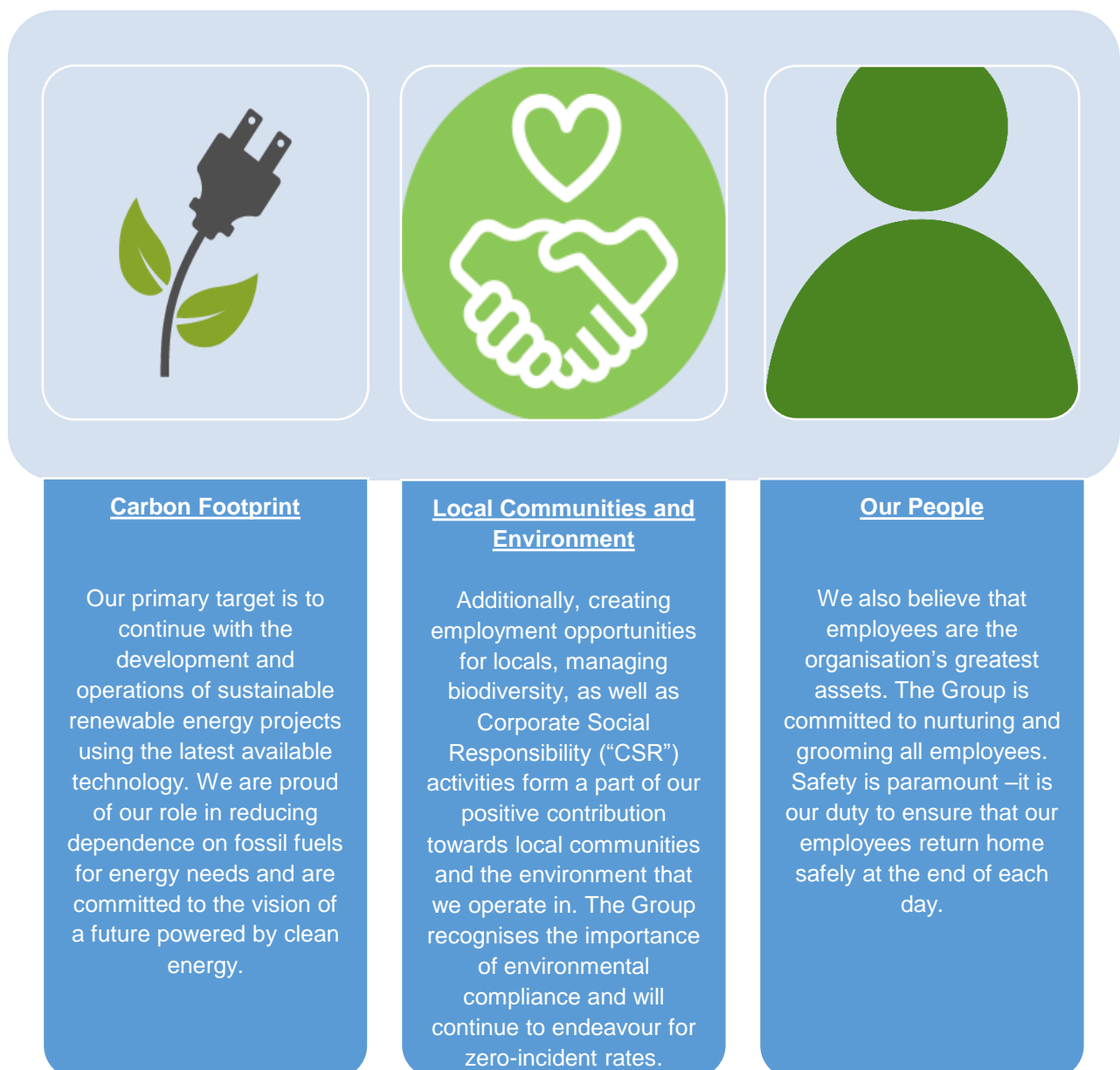
### Sustainability Philosophy

Charisma's sustainability vision is to achieve sustainable development via production of clean energy for the future generation.

Our current move to divest our Oil & Gas ("O&G") assets and exit from the O&G sector demonstrates our commitment to the vision of producing clean energy.

Our sustainability mission is to build a future with renewable energy through the development and operation of renewable energy assets in an economically, socially and environmentally responsible way.

### Sustainability Targets



## Organisation Profile



**Company Name:** Charisma Energy Services Limited

**Founded:** 1997

**Listed:** SGX Catalist Listed in 2010

**Company Headquarters:** Singapore

Charisma's principle activities involve the ownership and operation of renewable energy power generating assets in Asia.

## Overview of Renewable Energy Power Generating Assets



**Type:** Solar Power Plants

**Location:** Bhadla Solar Park,  
Rajasthan, India

**Capacity:** 2 x 70MW



**Type:** Mini Hydro Power Plants

**Location:** Sri Lanka

**Capacity:** 43MW



**Type:** Agrophotovoltaic Solar  
Power Plant

**Location:** Yichang, China

**Capacity:** 20MW



### Hydropower Generation

The Group is the largest player in the Sri Lankan mini hydro power plant sector, currently owning and operating **13** mini hydropower plants across **4** regions in Sri Lanka, with a total capacity of **43 MW**.



### Solar Power Plants



Through our joint venture, Charisma owns and operate a **140 MW** solar photovoltaic power plant in Rajasthan, India. The solar plant which is commissioned in December 2017, is located in the Bhadla Solar Park, which is slated to be the largest of its kind Solar Park in India once all the plants in the Park are fully commissioned.

In addition, the Group also owns and operates an agrophotovoltaic ("APV") based, **20 MW** solar photovoltaic power plant in the Hubei province in central China. The plant was successfully commissioned in late January 2018.

Whilst land-based photovoltaic power plants compete with agriculture for acreage, APV plants accommodate both activities by installing solar panels above crops. This dual use of land results in resource efficiency and creates additional jobs for farmers.



## Oil & Gas

The Group is in the process of divesting its O&G assets and exiting from O&G related activities. As such, we have limited the scope of this report to include only our renewable energy asset operations. Please refer to the Reporting Practice section for the detailed boundaries defined in this report.

Please refer to our Annual Report for our financial performance.

## Ethics and Integrity

Charisma Energy Services Limited expects our employees to adhere to the highest standards of ethics and integrity and comply with applicable regulations and professional codes of conduct.

### Anti-Bribery and Corruption Policy *(GRI 205-1, 205-2, 205-3)*

The Group has implemented an anti-bribery and corruption policy whereby it is set out that there is zero tolerance approach to unethical behaviour. Charisma is committed to comply with all anti-bribery and corruption laws where we do business at all times. All new staff are briefed on an established code of conduct during their orientation on the first day of employment.

To ensure our staff conduct themselves in a professional manner when dealing with clients and vendors, Charisma requires staff to declare receipt of gifts from third parties. To avoid putting staff in a compromising situation, in particular those holding senior positions and those having to deal with vendors, staff are to declare any conflicts of interest, both potential or real, on a regularly basis or as and when they deem timely. The Group does not condone any bribery and actions of corruption by towards any third parties and/or government entities.

The Group has provided accessible channels for employees, shareholders, clients, consultants and suppliers to raise concerns on possible improprieties in financial reporting, fraudulent acts and other irregularities. This communication channels will ensure independent investigations and timely implementation of appropriate preventive and corrective actions. For FY2017, there are no instances of confirmed incidents of corruption or any whistleblowing incidents

## **Governance and Statement of the Board**

Our sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. The Group's Sustainability Taskforce ("the Taskforce"), which includes senior management executives, is led by the Group's Chief Executive Officer, and tasked to develop the sustainability strategy, review our material impacts, consider stakeholder priorities and set goals and targets, as well as monitoring the sustainability performance.

The Board oversees the process of engaging stakeholders and identifying material topics by reviewing reports and information provided by the Taskforce. The Board has considered sustainability issues as part of our strategic formulation, and approved the material environmental, social and economic topics identified and overseen that the factors identified are managed and monitored.

The Taskforce has reviewed the option for external assurance of its sustainability report. The Taskforce has assessed that external assurance is not required for FY2017 as the Group wishes to progressively strengthen the sustainability reporting framework.

The Group also adopts a precautionary approach in strategic decision and day-to-day operation by implementing a comprehensive risk management framework.

Please refer to the Corporate Governance Report in the Annual Report for more information on corporate governance practices and risk management structure.

## **Stakeholder Engagement**

Charisma values the opinions of its stakeholders. The Group understands sustainable growth is dependent on understanding the concerns of our key stakeholders which include customers, suppliers, vendors, employees, shareholders and regulators.

The Group engages with all our stakeholders through a variety of channels and takes into account the concerns of the abovementioned stakeholders when we plan for the future. Material topics and focus areas are identified based on the feedback we receive from our stakeholders.

It is through such engagement of our key stakeholders that Charisma strive to offer local employment opportunities during development, construction and operations, if feasible for its projects, to increase economic growth for members of the communities adjacent to the assets.



The following table summarises our key stakeholders, engagement platforms and their key concerns.

Stakeholders	Engagement Platforms	Key Concerns	Section Reference
Employees	<ul style="list-style-type: none"> <li>• Performance Appraisal System</li> <li>• Employee Trainings</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Training and development</li> <li>• Career and Development Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Our People</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Community engagement</li> <li>• Employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Impact</li> <li>• Social Development</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of Carbon Footprint</li> <li>• Local Communities and Environment</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>• Annual Reports</li> <li>• SGX Quarterly announcements</li> <li>• Sustainability Reports</li> <li>• Ongoing dialogues</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental non-compliance</li> <li>• Compliance with Workplace Health and Safety regulations</li> <li>• Compliance with labour regulations in respective countries</li> </ul>	<ul style="list-style-type: none"> <li>• Local Communities and Environment</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>• Annual Reports</li> <li>• Investor Relations Management</li> <li>• SGX Quarterly announcements</li> <li>• Sustainability Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-corruption</li> <li>• Economic Performance</li> <li>• Environmental Impact</li> <li>• Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Local Communities and Environment</li> <li>• Our People</li> <li>• Reduction of Carbon Footprint</li> <li>• Anti-Bribery and Corruption Policy</li> </ul>

## Reporting Practice

Our first sustainability report is produced in accordance to the GRI standards “**Core**” option covering our Group’s performance from 1 January 2017 to 31 December 2017.

The GRI standards represent the global best practices for reporting on economic, environmental and social topics. The report also incorporates primary components of report content as set out by the SGX’s “Comply or Explain” requirements on sustainability reporting. The Group has assessed the external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year.

This report supplements the Group’s 2017 Annual Report and is available on SGX. Detailed section reference with GRI Standards is found at GRI Standards Content Index section of this report.

The Group’s material topics are identified based on their impacts on our internal and external stakeholders, as outlined in the Stakeholders Engagement section.

In light of the Groups divestment from Oil & Gas related activities, the boundaries defined in the report only encompass our renewable energy business.

Material Topics	Boundaries (country or entity)
ECONOMIC	
Economic Performance	The Group
Market Presence	
Indirect Economic Impacts	
Anti-corruption	
ENVIRONMENTAL	
Energy	The Group
Emissions	
Biodiversity	
Environmental Compliance	
SOCIAL	
Employment	The Group
Diversity and Equal Opportunity	
Non-discrimination	
Local Communities	
Socioeconomic Compliance	

## Reduction of Carbon Footprint

At the heart of the fight against climate change is the absolute and undeniable necessity for renewable and sustainable energy. Charisma prides itself in being at the forefront of that movement through bringing clean energy to the world for our future generations.

### Energy and Emissions Management *(GRI 302-4, 305-1, 305-2)*

The nature of our business model contributes towards the reduction of the carbon footprint, as electricity generation from renewable energy sources replaces electricity generation from burning fossil fuels. By harnessing sustainable energy, we not only reduce harmful greenhouse gas emissions but also cut down the use of limited resources.

As the Group's India and China solar plants were only commissioned in December 2017 and January 2018 respectively, the Group looks forward to a further contribution towards a greater renewable energy output and the resulting reduction of carbon footprint in 2018.

### Climate Change: Opportunities and Risks *(GRI 201-2)*

The reliance on natural elements in the nature of our business is such that output can be subject to weather conditions. In 2016, Sri Lanka experienced one of the worst droughts in its history. This impacted our Hydro Power assets in the country and profitability suffered as a result.

However, the Group is of the view that while climate change poses challenges and potential risks, it brings about opportunities as well. The need for renewable energy will continue to rise.

As such we plan to continue to invest in projects that will help combat climate change and safeguard our planet for future generations.

## Local Communities and Environment

Charisma works with nature, not against it. We also see local communities and the environment as enablers for our vision and mission to build a future for the world with renewable and sustainable energy.

### Giving back to the community (GRI 203-2, 413-1, 413-2)

Charisma believes that community engagement is an integral part of our business sustainability. We are committed to being a responsible corporate citizen and we endeavor to give back to the community.

The jobs we create benefit stimulate the local economy and support our commitment towards being a responsible corporate citizen. The Group also adopts a “hire local” policy in the countries we operate in.

Some of the CSR activities the Group have conducted include donating to children’s homes, hospitals and schools as well as providing aid for land slide victims.

The Group is also committed to making economic contributions to the countries in which it operates in through paying its fair share of corporate taxes to the governing bodies of the countries. We adhere strictly to the business framework set up in each country to ensure compliance to the business ethics of operations.

### Flora and Fauna (GRI 304-1, 304-2, 304-3)

Our solar plants in India are located in the Rajasthan desert and do not require excessive water use, deforestation or vast areas of land to be cleared prior to installation.

Our Hydro Power Assets are small and do not divert large bodies of water or harm marine wildlife. No chemicals are added to water during the process. Our dams (weirs) for Mini Hydro power plants are low and use run-of-the-river water without storage. The diversion of water is confined only from weir to power-house and thereafter water is returned to the original stream.

We also ensure strict adherence to all Environmental Flow regulations prior to the commencement of projects.

### Social-Compliance (GRI 307-1, 406-1, 408-1, 409-1, 412-1, 419-1)

During FY2017, the Group had no incidents of non-compliance with environmental and socioeconomic laws and regulations.

These include labour laws in India, China and Sri Lanka that require us to comply with minimum wage, employee benefits as well as overtime compensation regulations, as well as other environmental, utilities, human rights and land laws.

## Our People

The Group puts employees at the heart of the organisation, and understands the value and importance of its human capital.

### **Our Workforce** (GRI 401-1, 401-2, 401-3, 405-1)

We train and groom our staff to equip them with the necessary skills for career development. We remunerate staff based on local market practices whilst adhering to local wage legislation, including minimum wages if applicable.

We uphold employee welfare and have various schemes in place to ensure that our full time staff receive strong and competitive employee benefits aligned with local legislations and market practices.

### **Diversity and Equal Opportunity** (GRI 405-1, 405-2)

The Group is committed to ensure that all staff are treated with dignity and respect. Staff are treated equally regardless of age, race or gender and are given opportunities to be stretched to their fullest potential.

We endeavour to provide employment opportunities for the local communities we operate in. For our regional operations outside of Singapore, 98% of employees are locals.

### **Non-Discrimination** (GRI 406-1)

Our employment practices are non-discriminatory in nature and are based solely on job-related factors. Our employees are remunerated, employed and promoted based on performance, and the potential and willingness to take on higher responsibility or job scope, without reference to any distinction or preference made on the basis of race, national origin, religion, sex or marital status.



## SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"> <li>Reduction of Carbon Footprint</li> <li>Local Communities and Environment</li> <li>Our People</li> </ul>
2	Policies, Practices and Performance	<ul style="list-style-type: none"> <li>Chairman's Message</li> <li>Charisma's Sustainability Story</li> <li>Anti-Bribery and Corruption Policy</li> <li>Reduction of Carbon Footprint</li> <li>Local Communities and Environment</li> <li>Our People</li> </ul>
3	Board Statement	<ul style="list-style-type: none"> <li>Governance and Statement of the Board</li> </ul>
4	Targets	<ul style="list-style-type: none"> <li>Charisma's Sustainability Story</li> </ul>
5	Framework	<ul style="list-style-type: none"> <li>Reporting Practice</li> </ul>

## GRI Standards Content Index

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Annual Report 2017
102-2	Activities, brands, products, and services	Annual Report 2017
102-3	Location of headquarters	Annual Report 2017
102-4	Location of operations	Annual Report 2017
102-5	Ownership and legal form	Annual Report 2017
102-6	Markets served	Annual Report 2017
102-7	Scale of the organisation	Annual Report 2017
102-8	Information on employees and other workers	Annual Report 2017
102-9	Supply chain	Annual Report 2017
102-10	Significant changes to the organisation and its supply chain	Annual Report 2017
102-11	Precautionary principle or approach	Annual Report 2017
102-12	External initiatives	Annual Report 2017
102-13	Membership of associations	Annual Report 2017
102-14	Relevance of sustainability to the organisation and strategy for addressing sustainability	Chairman's Message
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Governance
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement

<b>GRI Standards</b>	<b>Disclosure Content</b>	<b>Section Reference</b>
<b>102-44</b>	Key topics and concerns raised	Stakeholder Engagement
<b>102-46</b>	Defining report content and topic boundaries	Reporting Practice
<b>201-1</b>	Direct economic value generated and distributed	Annual Report 2017
<b>201-2</b>	Financial implications & other risks & opportunities due to climate change	Reduction of Carbon Footprint
<b>203-1</b>	Infrastructure investments and services supported	Local Communities and Environment
<b>203-2</b>	Significant indirect economic impacts	Local Communities and Environment
<b>205-1</b>	Operations assessed for risks related to corruption	Anti-Bribery and Corruption Policy
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	Anti-Bribery and Corruption Policy
<b>205-3</b>	Confirmed incidents of corruption and actions taken	Anti-Bribery and Corruption Policy
<b>302-4</b>	Reduction of Energy Consumption	Reduction of Carbon Footprint
<b>304-1</b>	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Local Communities and Environment
<b>304-2</b>	Significant impacts of activities, products, and services on biodiversity	Local Communities and Environment
<b>304-3</b>	Habitats protected or restored	Local Communities and Environment
<b>305-1</b>	Direct greenhouse gas emissions	Local Communities and Environment
<b>305-2</b>	Energy indirect greenhouse gas emissions	Local Communities and Environment
<b>307-1</b>	Non-Compliance with Environmental regulations and laws	Local Communities and Environment
<b>401-1</b>	New employee hires and employee turnover	Our People
<b>405-1</b>	Diversity of governance bodies and employees	Our People
<b>405-2</b>	Ratio of basic salary and remuneration of women to men	Our People
<b>406-1</b>	Incidents of discrimination and corrective actions taken	Our People
<b>408-1</b>	Operations and suppliers at significant risk for incidents of child labour	Our People
<b>409-1</b>	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our People
<b>412-1</b>	Operations that have subject to human rights reviews or impact assessments	Our People
<b>413-1</b>	Operations with local community engagement, impact assessments & development programs	Local Communities and Environment

GRI Standards	Disclosure Content	Section Reference
<b>413-2</b>	Operation with significant actual & potential negative impacts on local communities	Local Communities and Environment
<b>419-1</b>	Non-compliance with laws and regulations in the social and economic areas	Local Communities and Environment