

# Independent Assurance Statement

To the Management and Stakeholders of PowerSeraya

Ère-S was commissioned by PowerSeraya to provide assurance that the content of its Sustainability Report is accurate, reliable and supported by solid data collection systems. For qualitative information, the assurance is based on evidence that the statements truly reflect PowerSeraya's operational and strategic activity.

## Responsibility

Ère-S responsibility is to execute the assurance engagement, prepare the assurance report and this assurance statement, which represents Ère-S' independent opinion. All information including statements and figures contained within the Sustainability Report, are the responsibility of PowerSeraya. The assurance engagement was based on PowerSeraya's Sustainability Report dated on 11<sup>th</sup> of February 2009 and was subsequently amended on 11<sup>th</sup> of March 2009 following the recommendations that arose from the audit. Ère-S is not responsible for any subsequent change made to the content of the report and to any change of interpretation of the statements and figures due to the web page format of the published version and any inserted web links to other sources of information.

## Independence

Ère-S has been engaged by PowerSeraya to review the elements of its Sustainability Report and was not responsible for any prior work on the Report. The activity of Ère-S is independent to PowerSeraya and contains no other financial interest in the business operation of PowerSeraya.

## Scope

The assurance engagement covers the Sustainability Report statements and figures related to PowerSeraya's strategy and operations in the context of sustainability. This includes all GRI indicators and other sustainability-related figures, strategy statements, management systems and sustainability/CSR associated processes, policies and procedures.

Limitations: Ère-S did not undertake work to confirm whether or not all relevant issues relating to stakeholders or sustainability performance are included in the report. Figures or statements not related to sustainability and already supported by existing documents, such as the annual report, were not covered in the audit. These include the organisation profile (GRI disclosures 2.1 to 2.10), corporate structure and corporate financial and economic performance, technical descriptions and figures of machineries, plants and production processes. Finally, Ère-S did not assure the Sustainability Report for GRI application level check.

The assurance engagement was drawn on the ISAE 3000 and AA1000AS standards, which were used as guidance for the audit process, methodology and evaluation criteria.

## Assurance level

Ère-S provided an overall moderate level of audit, which did not include in-depth and multi-level research, statistical analysis or company performance analysis. Evidence gathering from sources with simple data verification was the only requirement applied for all audited data. However, for key elements that were of a high level of materiality, a more detailed audit analysis was used.

The following criteria were used to evaluate quality of the report content: Accuracy, which defines the level of correctness of information in regard to the source it is obtained from. Reliability, which defines how the information is supported by reliable data collection systems. Integration (for qualitative information), which defines the level of support from the management and the evidence of implementation.

## Methodology

- Step 1. Sorting report information and defining audit requirements: Ère-S consultants read through the Sustainability Report to select and classify all pieces of information to be audited. More than a hundred statements and data sets were identified and classified into an assurance table provided by Ère-S and validated by the reporting team before being used as the basis for the audit process.
- Step 2. Audit execution: Interviews of key staff were organised to collect evidence of data and obtain an understanding of the underlying processes. A total of 12 interviews were held at the headquarter offices and two power plant stations. Interviewees included key individuals from the senior management team [Managing Director, Vice President (Corporate Services)], the departments/sections of human resource, environmental and corporate services, occupational health and safety, chemistry and environmental, terminal operations, internal audit as well as the union.
- Step 3. Information assessment and verification: Information and answers collected during the audit stage were assessed by Ère-S consultants and recommendations were expressed.

## Findings and Recommendations

The accuracy of the vast majority of the elements audited could be validated through proof of evidence provided. In some instances, duplicate of information could be found on different sources, which reinforced the reliability of the information. The issues found were minor and included mismatches between the data source and the report content, use of imprecise calculation methods or incomplete data source selection. These issues have all been addressed within 29 recommendations issued by Ère-S, out of which 9 minor changes were required to ensure the accuracy of the report. The rest of the recommendations covered improvement of the report statements, including additional information that could be used, either to reinforce a current statement or to add more transparency and relevance to the content.

All 9 recommendations requiring changes to the report as well as 15 of the improvement recommendations have been followed and the report amended accordingly.

## Assurance Conclusion

The assurance process found the statements and figures provided in the report to be backed up by primary data and detailed information. We are also confident that the underlying management processes audited are aligned with the sustainability strategy and policies of the company.

In our opinion, we can therefore assure that the Sustainability Report is accurate and reliable. We are satisfied that the reported information and indicators accurately express the sustainability profile and performance of PowerSeraya.

In addition, we have been impressed by the comprehensiveness of PowerSeraya Sustainability Report, considering it is their first report. Our interview with the Managing Director has also confirmed a strong commitment to sustainability from the top management and shows a good example of integration of sustainability issues into the business strategy.

For their next reporting period, we would encourage PowerSeraya to measure and include more data to allow figures comparison over a 4-5 year period. Additional content on stakeholder engagement, especially on the customers and suppliers aspects, will definitely improve the quality and materiality of the report in the future.

**Ère-S**

Jean-Pierre Dalla Palma, Director  
March 16, 2009

