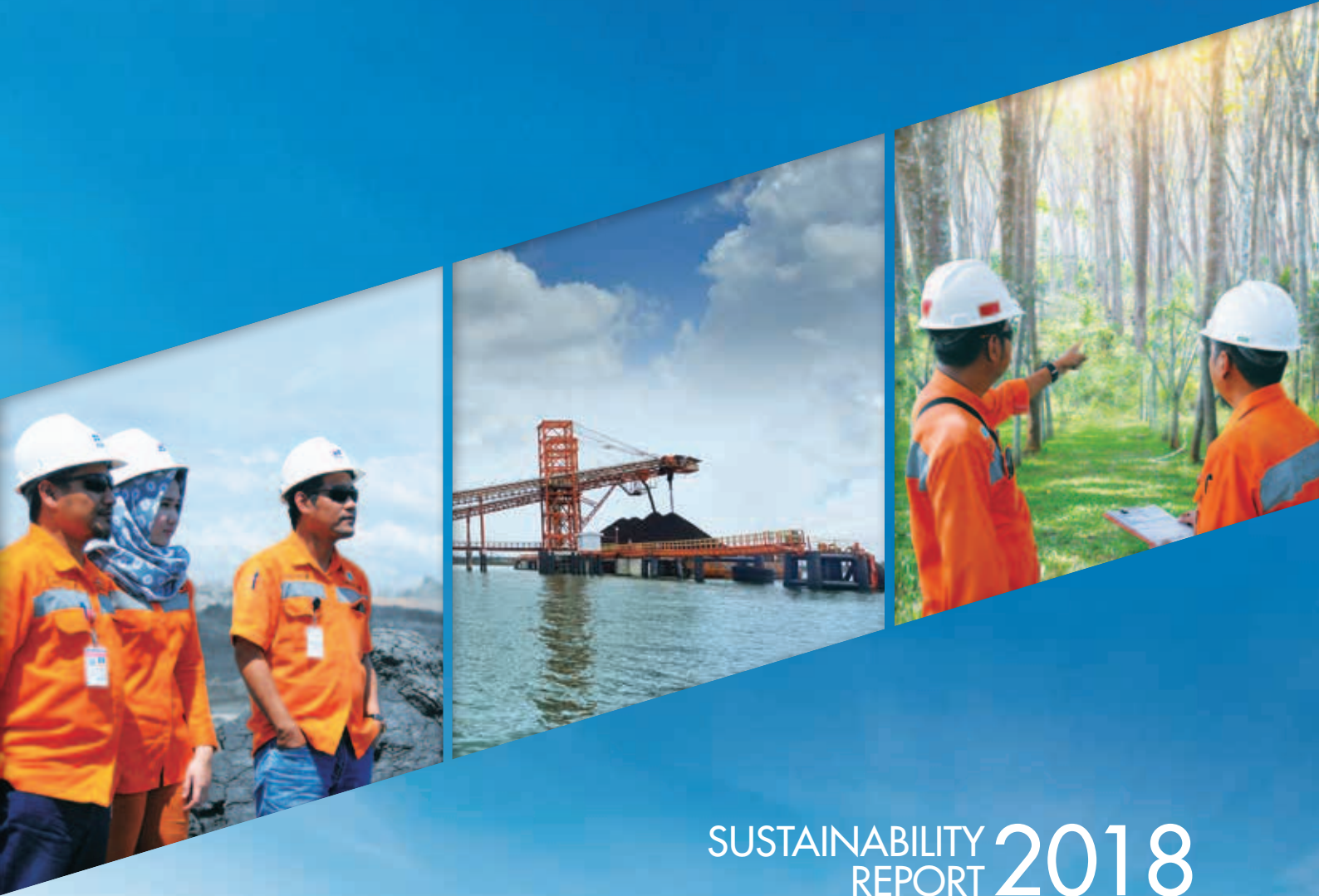




golden energy and resources

GOLDEN ENERGY AND RESOURCES LIMITED



SUSTAINABILITY REPORT 2018



TABLE OF CONTENTS

01 About This Report	17 Occupational Health & Safety	40 Our Human Capital
02 Board Statement	23 Nurturing the Environment	40 Profile of our Workforce
03 About Golden Energy and Resources	23 Air Quality Management	42 Looking after our Employees & Talent Management
04 Economic Performance	25 Energy Consumption and Greenhouse Gas Emissions	45 Labour Relations Management
07 ESG Performance	28 Solid Waste Management	46 Governance and Ethics
08 Engaging our Stakeholders	29 Land Management	47 Whistle-blowing
10 Focusing on What Matters Most	31 Water Resource Management	49 Global Reporting Initiative ("GRI") Index
12 Health and Safety Protection of our Stakeholders	35 Empowering Local Communities	
12 Emergency Preparedness		

ABOUT THIS REPORT

We are pleased to present GEAR's second sustainability report for the financial year ended 31 December 2018 ("**FY 2018**"). It highlights our policies, practices and performances with regards to Environmental, Social and Governance ("**ESG**") matters which are most material to our business and our stakeholders, with comparison to data from FY 2017 and FY 2016, where applicable.

The disclosures in this report are mainly focused on the coal mining operations of our key subsidiary, PT Borneo Indobara ("**BIB**"). Within the group, BIB bears the largest impact on our sustainability performance due to its production volume. As our sustainability reporting matures over the next few years, we will be including other operations in our reporting scope should they become significant.

This report has been prepared with reference to the Global Reporting Initiatives ("**GRI**") Standards and its GRI Mining and Metals sector supplement. We have chosen GRI Standards as our reporting framework due to its internationally-recognised, robust guidance and universal application, which enables comparability of our performance. We have not yet sought external assurance on the disclosures made but will consider seeking independent verification for sustainability reporting as our reporting matures over time.

For any queries in relation to this report, please address them to Ms. Pauline Lee at paulinelee@gear.com.sg.

BOARD STATEMENT

Dear stakeholders,

The Board of Directors ("**The Board**") is pleased to present our FY 2018 sustainability report ("**Sustainability Report**") which summarises our performance and commitment towards material ESG matters. Indonesia remains as one of the world's largest coal exporters. As a coal producer, world coal demand stays very relevant to our business. According to the International Energy Agency's latest coal market report, Coal 2018, global coal demand is forecasted to remain stable over the next five years.

To keep pace with the coal demand and dynamics of the coal market, we have established a robust framework where Golden Energy and Resources Limited ("**GEAR**") creates sustainable and consistent value for our stakeholders, including our shareholders. As we continue to grow and expand our business, sustainable growth and practices, together with transparent disclosure, have become increasingly important. In the long-term, we believe that our focus on sustainability will place us in a better position to enhance value for our shareholders, while looking after the needs of the broader stakeholder community.

Taking into account the ESG matters in our strategic formulation, the Board sets the tone at the top and works closely with the senior management to identify and oversee the management and monitoring of the material ESG matters. This Sustainability Report marks the continuation of our ongoing efforts towards sustainable development.

At GEAR, we place an emphasis on substantial efforts to integrate with local population where our mines are located. As part of our social responsibility, we engage in activities and programmes to provide economic, technical, social, infrastructure, educational and healthcare assistance to the local communities. We provide the local communities with new employment opportunities by recruiting and training local communities to work in our mines. We believe that these efforts are integral to the stability and development of GEAR.

Sustainability means more than just proactive business practices. It is also a long-term investment in growth drivers for an efficient workforce, an extensive network, and enduring expertise. Our performance in 2018 is our strongest on record in terms of production and revenue, and we are excited to build on the current momentum that we have generated. In FY 2018, we have set stringent safety targets of 0.20 and 11.0 for lost time injury frequency rate ("**LTIFR**") and lost time injury severity rate ("**LTISR**") respectively. We are pleased to convey that we have achieved our internal performance targets in FY 2018 and moving stronger towards the future. For areas where targets were not achieved, we will continue to strive towards improvement.

ABOUT GOLDEN ENERGY AND RESOURCES

VISION

To be the leading energy and mining company in Asia Pacific and to enhance value to all our stakeholders

MISSION

- Develop and nurture a leading corporate culture centred on human capital
- Amplify excellence in operations and processes
- Continue sustainable growth trajectory through high safety standards, meaningful community development programmes, while maintaining and conserving our environment

Listed on the SGX-ST Mainboard and headquartered in Jakarta, Golden Energy and Resources Limited ("**GEAR**") is principally engaged in the exploration, mining, marketing and trading of thermal coal sourced from our mining concession areas. Our coal production activities are undertaken through our subsidiary, PT Golden Energy Mines Tbk ("**GEMS**"). Following the latest acquisition of PT Barasentosa Lestari on 31 August 2018, GEAR currently owns a total of five mining concessions covering an aggregate area of approximately 66,204 hectares located in South Kalimantan, Central Kalimantan, Jambi (a province in Sumatra) and South Sumatra Basin, Indonesia. As of 31 December 2018, GEAR owns the right to mine more than 2.8 billion tonnes of thermal coal resources¹ with coal reserves of over 1.04 billion tonnes. For more information on GEAR, please visit our website at www.gear.com.sg.

Figure 1: Operational locations of GEAR's mining business



¹ Coal resources are inclusive of coal reserves.

ECONOMIC PERFORMANCE

2018 was a year where coal prices were volatile. GEAR continued to build on the positive momentum of our production ramp-up to mitigate the impact of fluctuations in coal prices, as shown by the steady growth in production, sales volume and revenue in the performance metrics in Figure 2. The compounded annual growth rate (CAGR) for production volume from FY 2014 to FY 2018 was 36.0%, with an increase of 44.9% from FY 2017 to FY 2018. Similarly, the CAGR for sales volume from FY 2014 to FY 2018 was 28.3%, with an increase of 42.7% from FY 2017 to FY 2018. For revenue, our CAGR from FY 2016 to FY 2018 was 63.3%, an increase of 37.3% from FY 2017 to FY 2018.

Figure 2: GEAR's annual coal production volume, sales volume and financial performance over the years

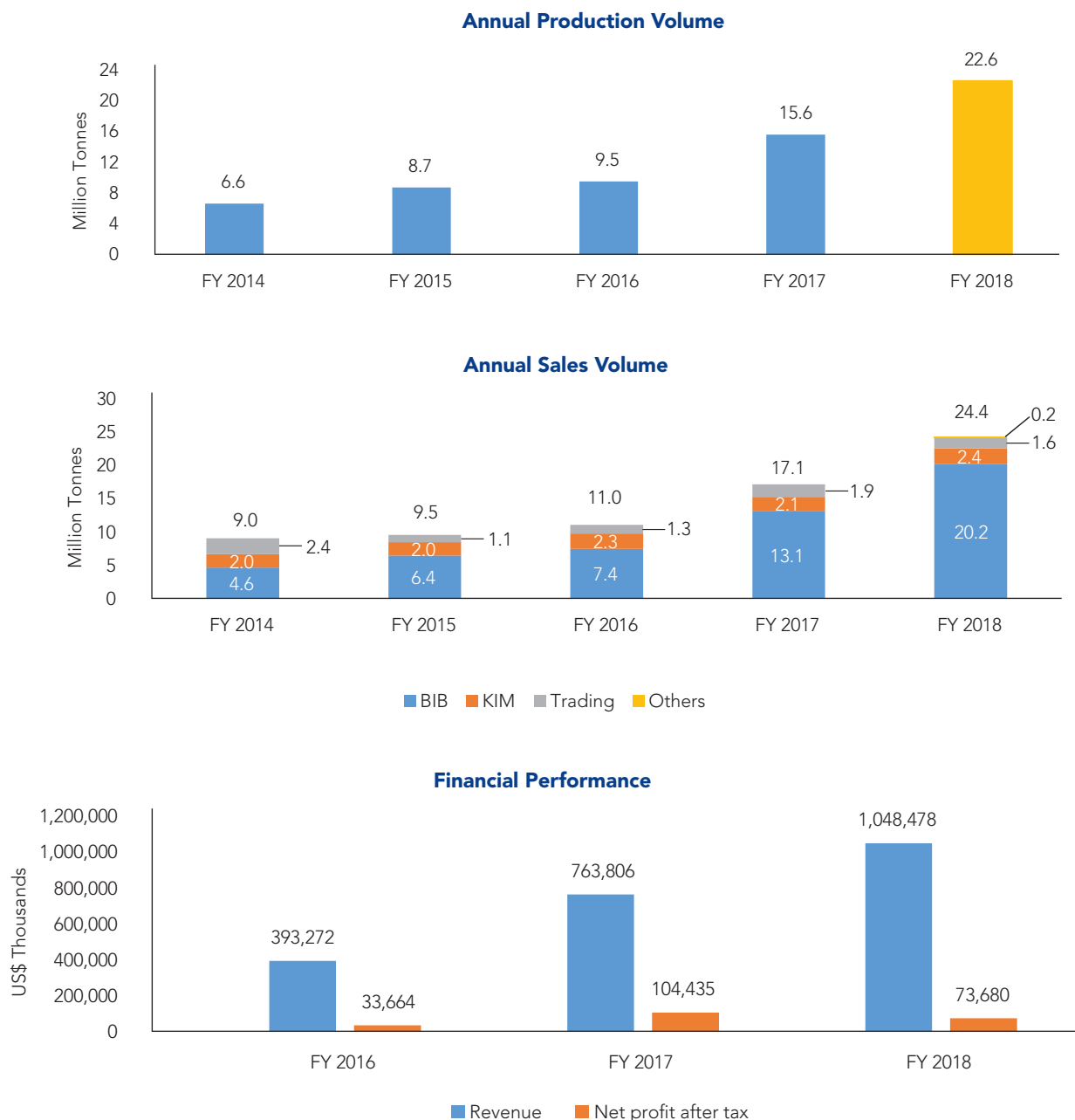


Figure 3: GEAR's revenue mix by business segment

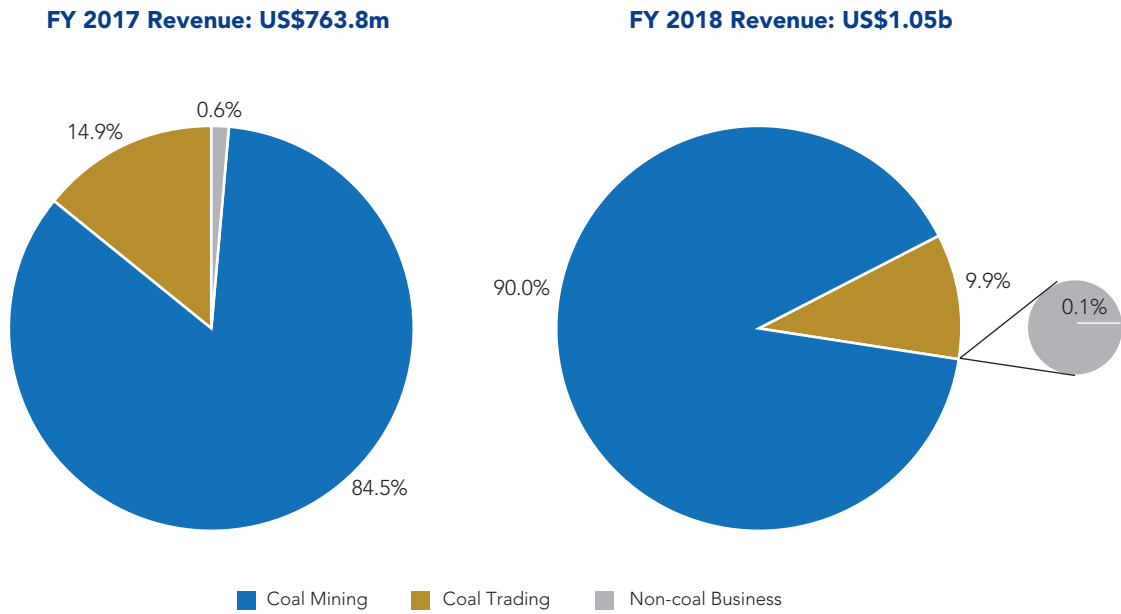
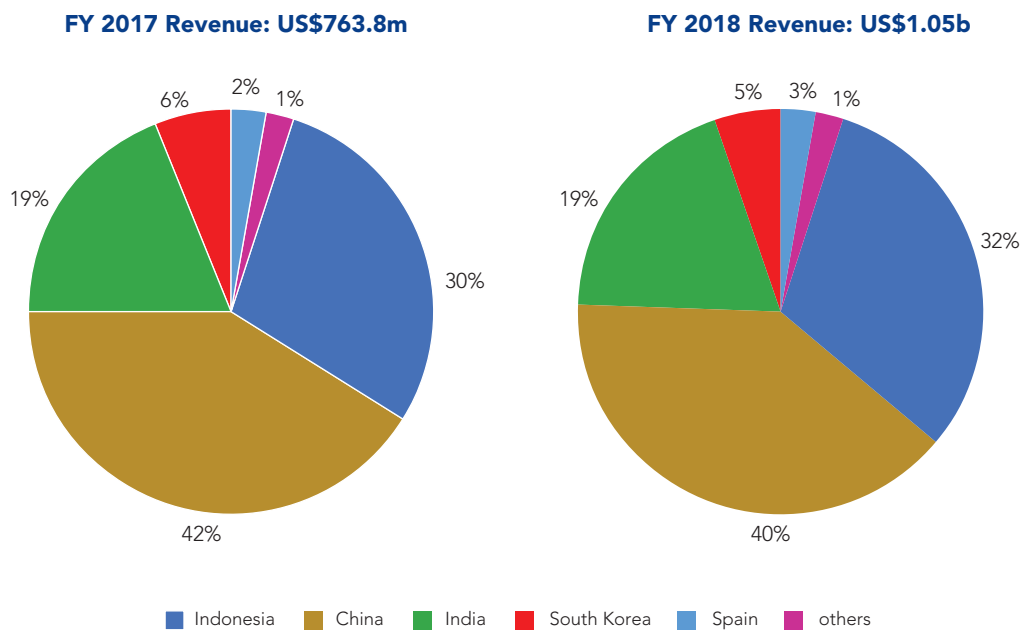
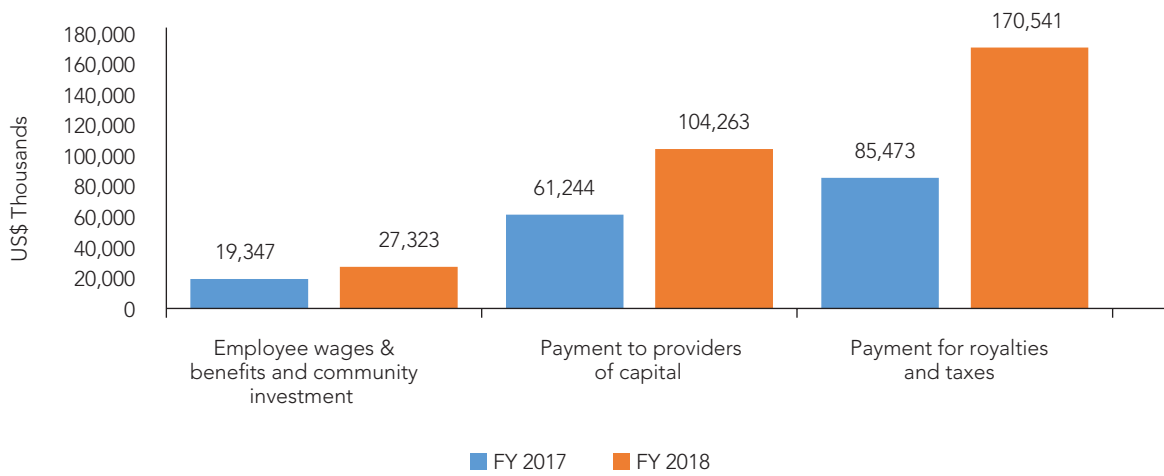
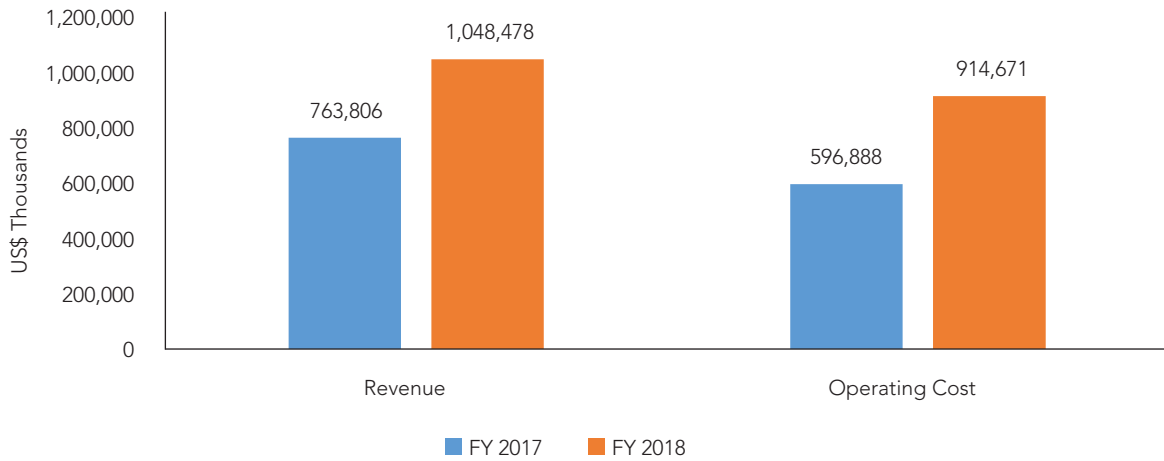


Figure 4: GEAR's revenue breakdown by geographic region



ABOUT GOLDEN ENERGY AND RESOURCES

Figure 5: GEAR's economic value created and distributed



ESG PERFORMANCE



22.6 MT of thermal coal production volume for BIB, KIM, TKS and BSL in FY 2018
Increased from 15.6 MT in FY 2017



Over RP **20** billion worth of community investments in FY 2018



Fatality



0 cases of:

Strikes and lockouts in our operational areas



Business disruptions due to emergency

SO₂ and CO emissions are **much lower** than regulatory limits



363 employees in FY 2018
Increased from 306 employees in FY 2017

TSS, pH value and metal content of effluent **below** regulatory limits



15 emergency simulations involving

243 employees and contractors



36% increase in number of simulations and 63% increase in participants from FY 2017

ENGAGING OUR STAKEHOLDERS

It is GEAR's vision to enhance value for all stakeholders. We believe in forging collaborative partnerships with our stakeholders to achieve sustainable development. As such, we place great emphasis on effective stakeholder engagement, as summarised in Table 1.

Table 1: GEAR's approach towards stakeholder engagement

Stakeholder group	Stakeholder's expectations	Stakeholder management/ Response to stakeholder's expectations	Engagement platforms	Frequency of engagement
Shareholders	<ul style="list-style-type: none"> • GEAR's financial health 	<ul style="list-style-type: none"> • Formulation of strategies to enhance GEAR's financial performance 	<ul style="list-style-type: none"> • Regular updates and announcements on financial performance • Annual and Sustainability Reports • Meetings with shareholders • Communications through "Investor Relations" section on GEAR's company website 	<ul style="list-style-type: none"> • At least once per quarter
	<ul style="list-style-type: none"> • Accountability of ESG performance 	<ul style="list-style-type: none"> • Implementation of sustainable business practices 		<ul style="list-style-type: none"> • Annual • At least once per year • As necessary
Employees and workers	<ul style="list-style-type: none"> • Fair employment practices 	<ul style="list-style-type: none"> • Implementation of fair employment practices based on meritocracy 	<ul style="list-style-type: none"> • Electronic updates through e-mail and intranet • Townhalls and meetings with the management • Training programmes, including intensive coaching to potential identified leaders • HSE campaign involving all employees to create safe work condition • Performance appraisal 	<ul style="list-style-type: none"> • Periodic
	<ul style="list-style-type: none"> • Training and development 	<ul style="list-style-type: none"> • Provision of in-house and external training opportunities 		<ul style="list-style-type: none"> • Periodic
	<ul style="list-style-type: none"> • Occupational health and safety 	<ul style="list-style-type: none"> • Establishment of Health, Safety and Environment ("HSE") system, regular safety briefings, emergency drills, provision of personal protective equipment 		<ul style="list-style-type: none"> • Periodic
Customers	<ul style="list-style-type: none"> • Product and service quality 	<ul style="list-style-type: none"> • Implementation of quality control processes • Provide transparent information about our product to customers • Regular engagement with customers to understand their satisfaction level 	<ul style="list-style-type: none"> • Meetings • Annual and Sustainability Reports • Tours to site 	<ul style="list-style-type: none"> • Periodic • Annual
	<ul style="list-style-type: none"> • Sustainable business practices 	<ul style="list-style-type: none"> • Implementation of sustainable business practices and transparent reporting 		<ul style="list-style-type: none"> • As necessary

ENGAGING OUR STAKEHOLDERS

Stakeholder group	Stakeholder's expectations	Stakeholder management/ Response to stakeholder's expectations	Engagement platforms	Frequency of engagement
Local communities	<ul style="list-style-type: none"> Socioeconomic development Management of negative economic, environmental and social impact 	<ul style="list-style-type: none"> Local employment opportunities Provision of trainings to enable the local community to earn their livelihood Implementation of CSR programmes Management and monitoring of pre-agreed environmental parameters which are affected by our mining as stated in our Environmental Impact Assessment ("EIA") report Engage experts to establish blueprint and evaluation criteria for long-term CSR programmes Engaging local entrepreneurs and local enterprises to support our mining activities 	<ul style="list-style-type: none"> Dialogues with the local community Corporate Social Responsibility ("CSR") programmes Training programmes Engagement with experts from Indonesia's top universities (Institut Pertanian Bogor and Universitas Indonesia) Consultation with the local community for inputs to the EIA report Local hiring Engagement with third party specialists and the local government to take samples and monitor our environmental parameters 	<ul style="list-style-type: none"> Periodic Periodic Periodic As necessary As necessary Every time Every time
Regulatory authorities	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Keeping abreast of regulatory requirements and ensuring compliance to all 	<ul style="list-style-type: none"> Statutory reporting Public consultation forums/events On-site inspections 	<ul style="list-style-type: none"> Periodic Periodic As necessary
	<ul style="list-style-type: none"> Community empowerment 	<ul style="list-style-type: none"> Implementation of CSR programmes 		
Contractors and suppliers	<ul style="list-style-type: none"> Fair procurement practices Business opportunities 	<ul style="list-style-type: none"> Administration of open and fair tender process 	<ul style="list-style-type: none"> Tender process 	<ul style="list-style-type: none"> As necessary
	<ul style="list-style-type: none"> Safe working environment 	<ul style="list-style-type: none"> Implementation of occupational health and safety initiatives 	<ul style="list-style-type: none"> Performance Review 	<ul style="list-style-type: none"> Periodic
	<ul style="list-style-type: none"> Feedback on performance 	<ul style="list-style-type: none"> Review of suppliers' performance 		

FOCUSING ON WHAT MATTERS MOST

It is crucial for GEAR's future sustainability growth to establish which ESG matters are material to enable us to focus on key matters pertaining to our stakeholders' interests. To achieve this, we conducted a formal materiality assessment in 2017 with key personnel from respective departments, including both internal and external stakeholders, with the guidance of independent sustainability consultants. The process, detailed in Figure 6 below, takes into account GRI's Principles for Defining Report Content and focuses on the material matters determination process. The results are laid out in Figure 7.

Figure 6: Materiality Assessment Process

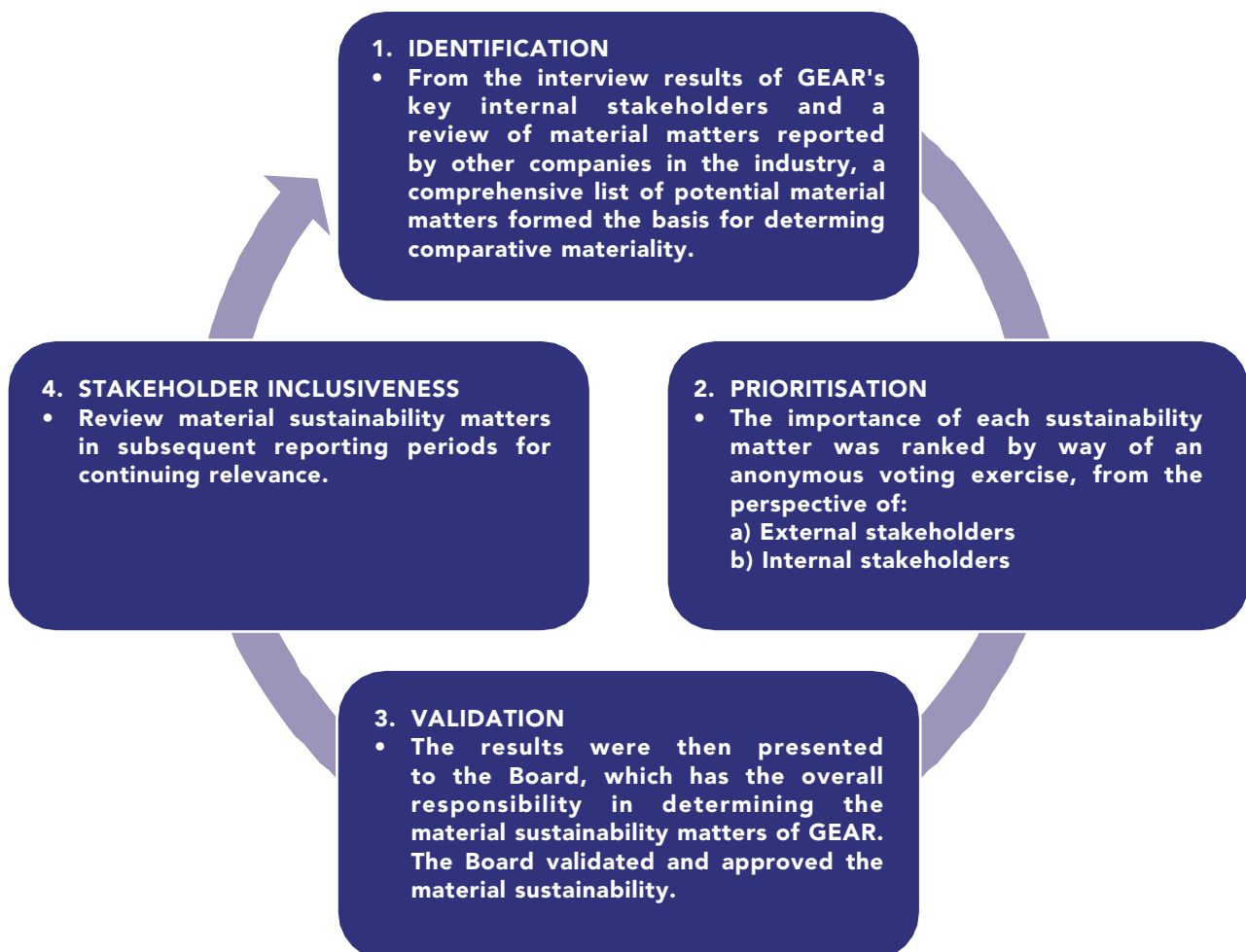
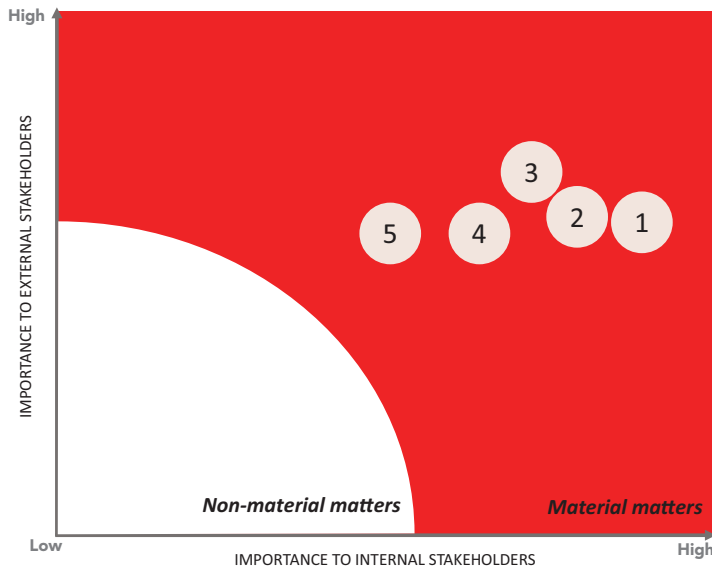


Figure 7: Materiality Matrix and Material Matters



No.	Material matters	Sub-matters
1	Safety	Emergency Preparedness
		Occupational Health & Safety
2	Environment	Air Quality Management
		Energy Management
		Greenhouse Gas Emissions
		Land management (Pre- and Post-mining)
		Solid Waste Management
	Water Resource Management	
3	Community Management	Empowering Local Communities
4	Labour Relations	Employee Welfare and Benefits
		Labour Relations Management
5	Governance	Anti-corruption
		Anti-fraud

We have set targets for safety, air, water and land management, and governance. GEAR is considering to establish targets for the remaining matters in the coming years.

HEALTH AND SAFETY

PROTECTION OF OUR STAKEHOLDERS

EMERGENCY PREPAREDNESS

Emergency preparedness is at the cornerstone of GEAR's efforts towards protecting our stakeholders. We strive to anticipate and be sufficiently ready to handle all possible types of emergency should they occur. Guided by our Emergency Readiness and Response Policy as detailed in Figure 9, we have measures in place to prevent and contain emergency situations to minimise damage to our assets, environment and stakeholders.

In FY 2018, we have improved in the way we conducted emergency simulations. Risk-based emergency scenarios were carefully chosen, which covers various high-risk work areas including pit operation, hauling road, port facility and project areas. In FY 2018, we conducted 15 emergency simulations involving 95 employees and 148 contractors, a 36% increase in number of simulations and a 63% increase in participants from FY 2017. The increase in number of events and participants was intended to improve the overall competency in emergency response preparedness while anticipating the growth of coal mining operation in the company.

From the simulations, notable opportunities were identified for improvements, including the need for additional rescue tools for specific emergency scenarios, the need to speed up emergency response time, the need for additional oil spill equipment, and more training to improve the skills and teamwork of our Emergency Response Team ("ERT") members.

Figure 8: Emergency simulations carried out by the ERT members



Figure 9: Elements of GEMS' Emergency Readiness and Response Policy

Types of emergency covered by the policy	Emergency simulation	Training on emergency preparedness	Evaluation and audit
<ul style="list-style-type: none"> • Accidents which result in fatality(ies) • Fires and explosions • Leakage of chemicals and biological substances • Spill of hydrocarbons (over 200 litres to ground or over 100 litres to water bodies) • Collapsed buildings, land slides and drowning incidents • Blockade, mass demonstration and bomb threats • Natural disasters (e.g. flood, windstorm) 	<ul style="list-style-type: none"> • Emergency simulations are done for all types of possible emergencies as identified by the HSE Manager and as approved by the Mining Head at the start of each year • The frequencies of emergency simulations are as follows: <ul style="list-style-type: none"> • Full-scale (covering all concession areas): At least once a year • Limited scale (covering selected areas): At least twice a year • Administrative simulations: At least once every three months 	<ul style="list-style-type: none"> • All employees and visitors are briefed on potential hazards at the mine, as well as steps to be taken during an emergency, including communications protocol and evacuation plans. • ERT is required to attend emergency simulations. 	<ul style="list-style-type: none"> • Evaluation is done at each emergency simulation to assess the readiness of the Company and the ERT in handling emergency situations. • Audit is carried out to ensure that all procedures relating to emergency preparedness exercise have been done and evaluated for areas of improvement. • The results of evaluation and audit are submitted for management's review.

HEALTH AND SAFETY

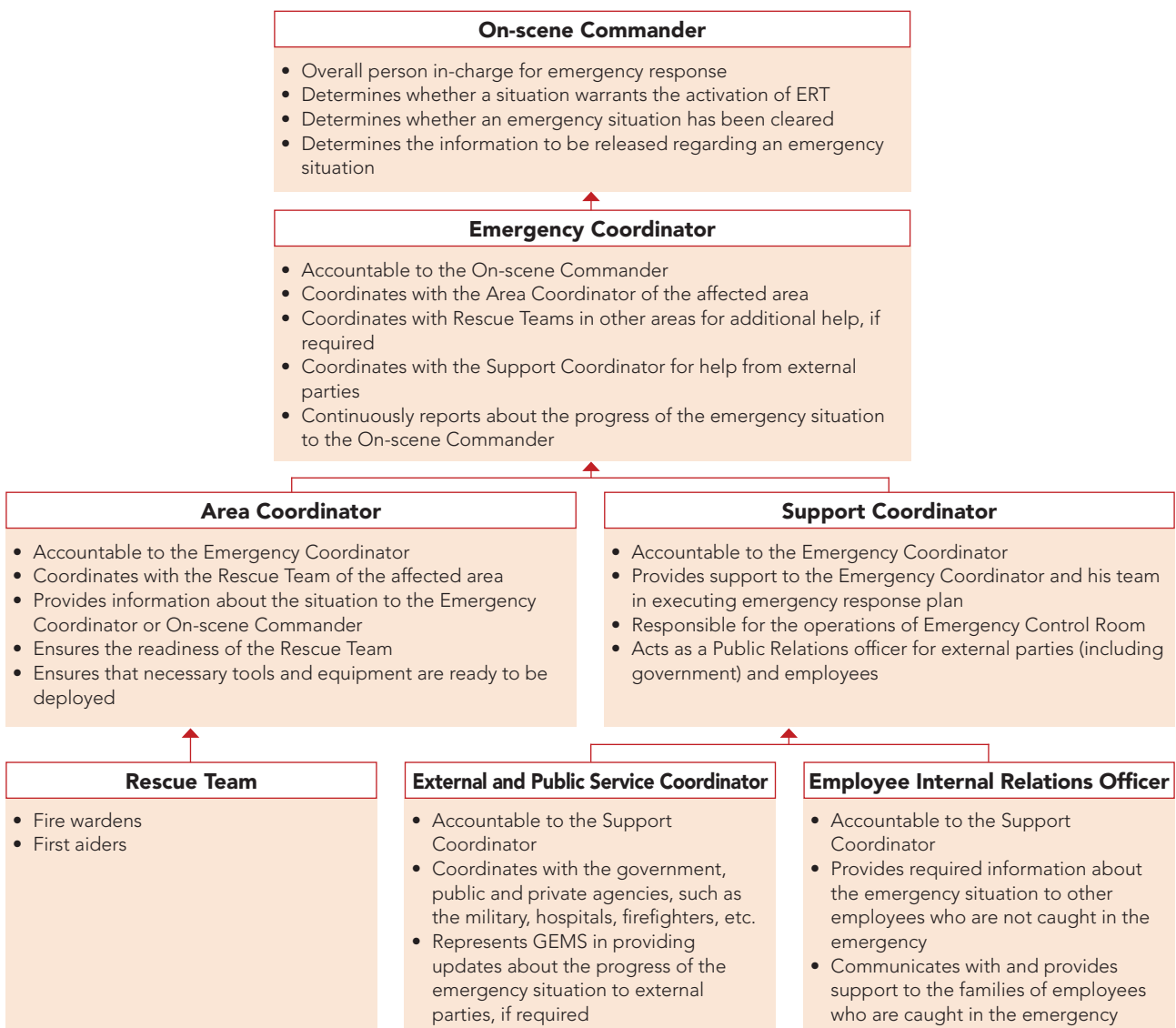
PROTECTION OF OUR STAKEHOLDERS

To ensure smooth implementation of mitigation actions in the event of an emergency, our Mining Head established an ERT, consisting of representatives from our employees, workers and contractors' employees. All members are equipped with a Deployment Card, which contains a guide on emergency procedures, administrative forms and emergency checklist. The Deployment card serves a dual purpose: to ensure that the ERT is coordinated and well prepared to handle emergencies, and to ensure that other employees can replace ERT members who are not present at the site during the emergency.

Moving forward, we aim to improve our overall capacity in emergency response through:

- Strengthening our ERT structure
- Improving the competencies of our ERT members
- Constructing our ERT First Aid Station and Emergency Response ("ER") Command Centre
- Procuring additional rescue tools for vehicle extrication, water rescue, firefighting, confined space rescue and high angle rescue
- Conducting emergency simulations for handling situations including fatality prevention and oil spill related scenarios

Figure 10: GEMS' ERT structure



HEALTH AND SAFETY

PROTECTION OF OUR STAKEHOLDERS

In FY 2018, BIB's contractors and ERT participated in the following emergency drills and we will continue to work towards improving the response time.

Table 2: FY 2018 emergency drills

<i>Date</i>	<i>Location</i>	<i>Activity Subject</i>
June 2018	Angsana Office	Fire Case Simulation (Searching, CPR, & Employee Response)
July 2018	Pit Girmulya	Evacuation at Slope simulation
August 2018	Pond at 10 Ha Area (Bunati)	Water Rescue at fresh water (Drowning case) Simulation
August 2018	Angsana Beach	Water Rescue at Open Water/Sea (Speedboat Drowning case) Simulation
September 2018	Workshop SIS	Oil Spill & Close Fracture (First Aid) Simulation
September 2018	Pit Kusan (WDL Area)	Mud Rescue
October 2018	Angsana Office	Mass Causality Case
November 2018	Transfer Tower – East Bunati	High Angle Rescue (Lowering Technique)

Our target for FY 2018 was to improve the overall competency of our ERT, focusing on organisational change, planned trainings, procurement of rescue tools, equipment and facility, and risk-based emergency simulations. To achieve our target, we had carried out the following:

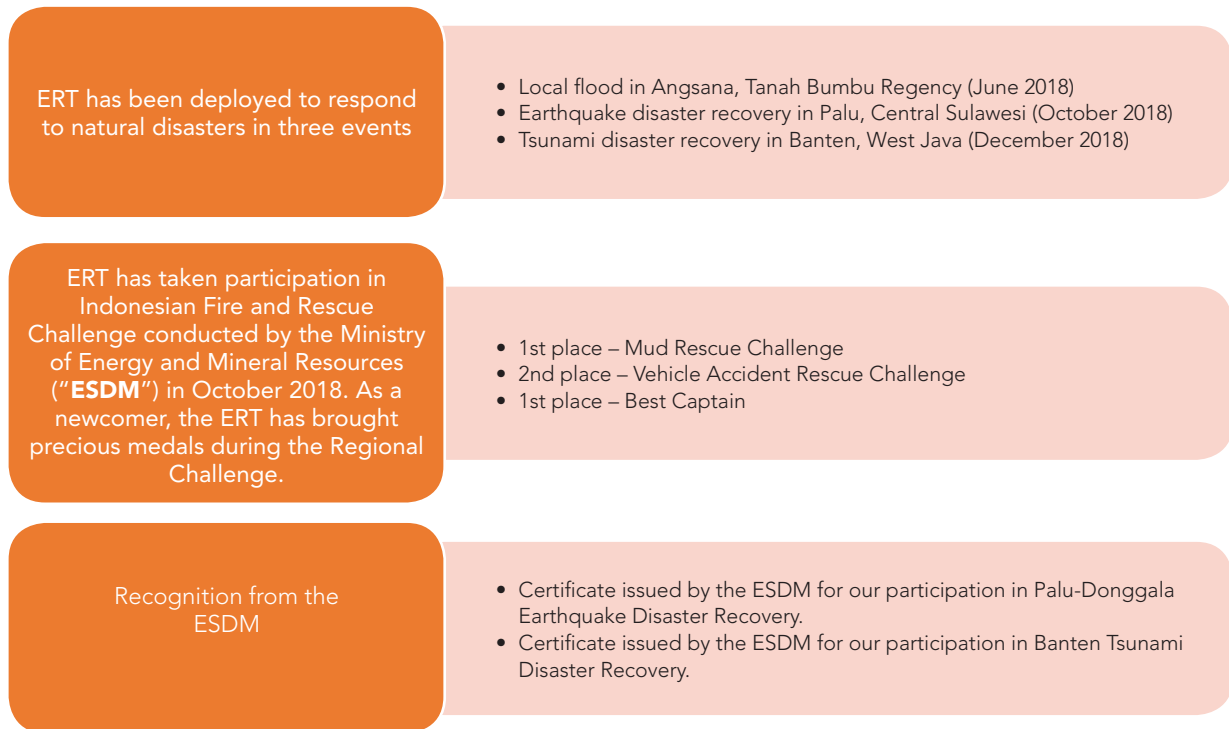
- Added Hauling and ERT Section to the organisation structure, followed by the recruitment of two ERT Team Leaders in May 2018. Furthermore, the ERT organisation was revitalised by recruiting 10 voluntary ERT members from various departments and contractors.
- Trainings in emergency response skills were conducted by internal trainers twice a week, covering basic emergency response skills such as basic firefighting, basic first aid and basic cardiopulmonary resuscitation. Advanced trainings were also conducted by external expert trainers to cover more specific emergency rescue scenario such as vehicle accident rescue, water rescue, high angle rescue and mud accident rescue.
- Procurement of essential emergency rescue tools had been partially completed, consisting of basic vehicle extrication equipment, high angle rescue tools and self-contained breathing apparatus.
- Procurement of essential emergency rescue equipment, consisting of one four-wheel drive ambulance in accordance with mining standards and one unit motorised rubber boat for sea rescue.
- Technical design of new buildings for an emergency command centre and satellite first aid station had been completed.
- Risk-based emergency simulations have been conducted, covering emergency situations such as heavy-duty vehicle accident rescue, fire rescue, water rescue, falling from height, mine slope failure, mud rescue, and oil spill response.

HEALTH AND SAFETY

PROTECTION OF OUR STAKEHOLDERS

The ERT has also taken part in regional and national events of emergency preparedness, with notable achievements, as shown in Figure 11 below.

Figure 11: BIB's ERT participation in regional and national events



FY 2018 has seen a prominent improvement in ERT's overall competency. Both internal procedures and external experiences of emergency response have positively contributed to the competency of our ERT.

HEALTH AND SAFETY

PROTECTION OF OUR STAKEHOLDERS

Indonesia Fire & Rescue Challenge (IFRC)

The Indonesia Fire & Rescue Challenge (IFRC) is an annual event organised by the Indonesian Fire & Rescue Board of Committees. In FY 2018, at the regional IFRC, our BIB's ERT won the 1st prize for Mud Rescue, 2nd prize in handling Motor Vehicle Accident (Mass Casualty Case), and the Best Captain award.



In the same year, BIB's ERT, together with the ESDM Disaster Preparedness Team, participated in the rescue work in the tsunami-affected Banten and the earthquake-affected Palu.



HEALTH AND SAFETY PROTECTION OF OUR STAKEHOLDERS

OCCUPATIONAL HEALTH & SAFETY

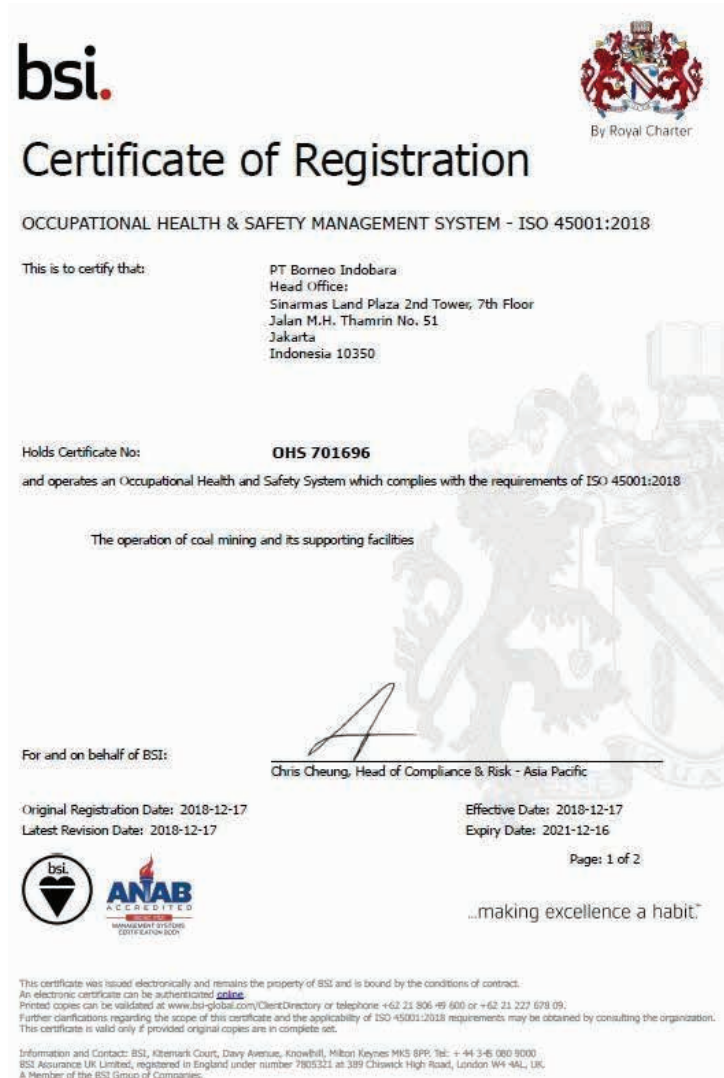
Occupational Health & Safety (“OHS”) is deeply ingrained in our corporate ethos, which is centred on human capital. Mining operations invariably pose health and safety risks to our employees and workers, but we leverage on the highest safety standards to drive operational excellence and achieve sustainable growth. Our OHS management is administered by our Health, Safety and Environment (“HSE”) Department, whose structure is shown in Figure 12. We have implemented policies and extensive measures to limit these risks from developing into actual hazards, as shown in Figure 13, which are reviewed periodically to ensure continued relevance and compliance with the most updated regulatory requirements. Our OHS management includes the management of our safety systems to the following standards:

- Mining Safety Management System by ESDM of Indonesia; and
- ISO 45001:2018 Occupational Health and Safety Management System

Various safety trainings were conducted in FY 2018, mainly centred around the Energi Dan Sumber Daya Mineral Republik Indonesia 1827 K/30/MEM/2018 concerning Good Mining Engineering Code of Conduct Guidelines issued by the ESDM.

In aggregate, 120 employees and contractors had passed the ESDM examination in FY 2018.

In December 2018, BIB attained the ISO 45001:2018 Occupational Health and Safety Management System certification. The Management expects that the implementation of ISO 45001 will improve employee safety, reduce workplace risks, and create a safer working environment, which in turn will reduce occupational injuries and diseases at BIB. We have undertaken increased emphasis on training employees and contractors to operate plants and equipment, including heavy equipment and vehicles, thereby increasing the competency of these employees and contractors in taking care of our machineries at BIB.



HEALTH AND SAFETY

PROTECTION OF OUR STAKEHOLDERS

Figure 12: GEMS' OHS committee

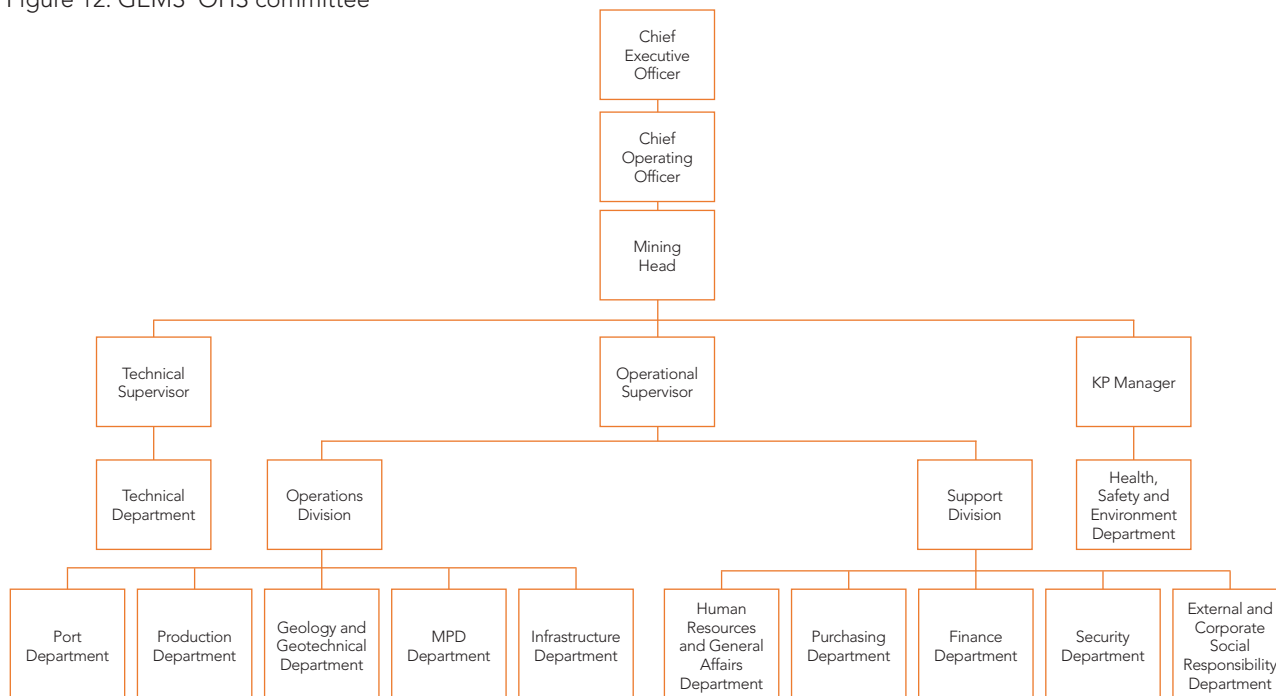


Figure 13: GEMS' suite of policies for occupational health and safety

General Mining Safety and Environmental Protection Policy

- We recognise that mining is a high-risk activity that needs to be carefully managed to prevent dangers, accidents, occupational diseases and negative impact to the environment.
- We develop work programmes which are based on continuous improvement and covering all our operational activities, taking into account HSE considerations.
- All work programmes are documented and evaluated periodically.
- We are committed to engaging all workers within our concession, including contractors and subcontractors, in implementing HSE initiatives and complying with regulation standards.
- We strive to manage our contractors effectively and procure requisite goods and services to uphold mining safety.

HIV / AIDS Policy

- This policy is developed pursuant to the Indonesia's Ministerial Decree no. 68 (year 2008) about Prevention and Mitigation of HIV/AIDS at Workplace.
- The objectives of this policy are to prevent the spread of HIV/AIDS among workers and their families, and to safeguard the workers' rights.
- We are committed towards:
 - Raising awareness about HIV/AIDS among all workers
 - Exercising non-discriminatory practices towards workers who are infected with HIV/AIDS
 - Offering free choice for workers to undergo HIV/AIDS screening without any compulsion and maintaining confidentiality of test results
 - Offering health services for infected workers
 - Safeguarding the health and safety of all other workers

Use of Drugs and Alcohol Policy

- Zero tolerance towards drugs and alcohol in our work facilities.
- We are committed towards:
 - Complying with the Indonesian government's laws regarding the use of drugs and alcohol
 - Achieving a drug-free and alcohol-free work environment
- To achieve this, we take the following measures:
 - Conduct random and periodic checks on workers, contractors and business partners who are within our work facilities
 - Grant rest to workers who are suspected to be under the influence of drugs and alcohol
 - Terminate employment contract with workers who are found to distribute and consume drugs and alcohol at our work facilities

HEALTH AND SAFETY

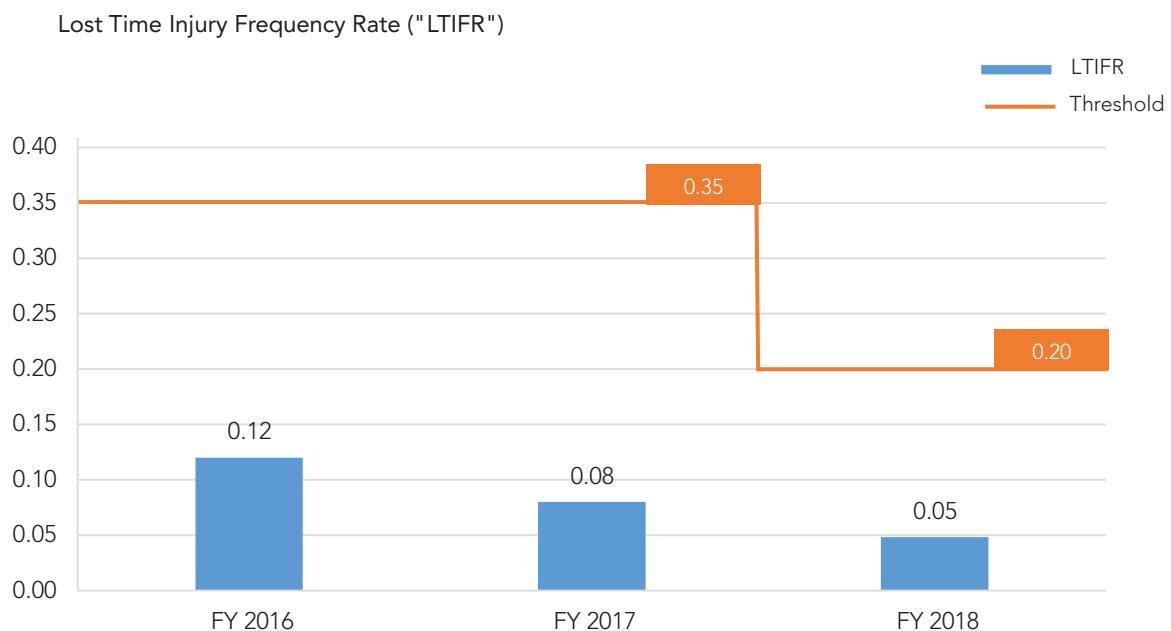
PROTECTION OF OUR STAKEHOLDERS

We strive to cultivate an OHS culture where our employees and workers have a sense of ownership, working together to create a safe environment for one another. On that front, we conduct compulsory safety trainings and daily safety toolbox meetings for all employees and workers at the mining site. In FY 2018, 121 employees took part in safety training sessions during the National OHS month. To commemorate National OHS month, various occupational health and safety events were conducted during the period of 12 January to 12 February 2018.

Part of the participation from our employees and workers to identify and mitigate OHS exposures is incident reporting. All our employees and workers are strongly encouraged to report safety incidents, including near-misses, using a standard incident reporting form. The Root Cause Analysis ("RCA") method is used to investigate the root cause of each incident and to implement corrective actions to prevent reoccurrence. To maintain the quality of inveion, at least one member of the investigation team has gone through RCA training. After each investigation, the HSE Department categorises the incidents based on the type (health, safety or environment) and degree of severity (light, heavy or fatal). All reported incidents are subsequently recorded at our centralised HSE portal for data analytics and audit trail.

As part of our approach towards monitoring and managing our safety performance, we set an internal target ("**threshold**") for our safety statistics. The threshold for work-related fatality is set at zero at all times, and we have consistently achieved this for three consecutive years, FY 2016, FY 2017 and FY 2018. Furthermore, we have set stringent thresholds for LTIFR² and LTISR³ based on the best practices in the industry, as reflected in the audit scoring scheme from the ESDM.

Figure 14: BIB's year-to-date Lost Time Injury Frequency Rate in FY 2016, FY 2017 and FY 2018



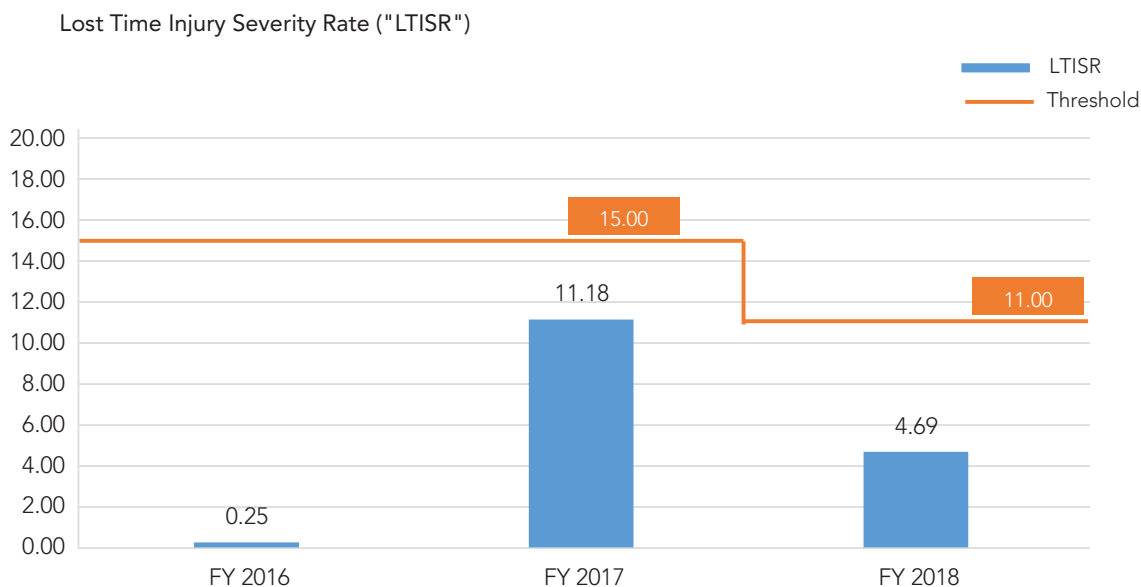
² Lost Time Injury Frequency Rate refers to the number of lost time injuries occurred per one million hours worked.

³ Lost Time Injury Severity Rate refers to the number of lost days incurred per one million hours worked.

HEALTH AND SAFETY

PROTECTION OF OUR STAKEHOLDERS

Figure 15: BIB's year-to-date Lost Time Injury Severity Rate in FY 2016, FY 2017 and FY 2018



There was a decrease in LTIFR and LTISR due to an increase in safety awareness among employees and workers, which includes spreading the awareness of our safety policies through employee and worker engagements, as well as trainings that our employees must undergo.

To maintain the rigour and effectiveness of our safety management systems, we conduct annual internal audit for our mining sites in accordance with ESDM 1827K 2018, where we achieved a score of 94.7% for BIB and 87% for BIB's contractors. Based on various criteria⁴, the highest score was 97% and the lowest score was 68%. In FY 2018, we organised 43 safety investigation trainings for our frontline supervisors as we continually strive to improve our performance for future years.

There were no work-related injuries in the Singapore office for three consecutive years, from FY 2016 to FY 2018.

⁴ Based on the regulation, the criteria of the safety management audit shall include: policy, plans; organisation and personnel; implementation; evaluation and follow-up actions; documentation; and management review.

HEALTH AND SAFETY

PROTECTION OF OUR STAKEHOLDERS

National OHS Month

Our National OHS Month in 2018 saw a total of 1,857 employees and contractors' participation. The month-long event included exciting and engaging games that raise awareness on health and safety. The activities include mini soccer leagues, badminton tournaments, Stand-up Comedy – OHS theme, OHS Photography, Housekeeping Campaign, Ranking Satu, Blood Donor, Safety Leadership Training, Fun Run 5K and Seminar HIV-AIDS Prevention.

The purpose of the National OHS Month 2018 was to improve employees and contractors' participation in safety meetings, safety trainings, safety campaigns, promotions and various competitions in safety and health topics. All activities were designed to support the common theme "Toward stronger occupational health and safety culture in Indonesia".



HEALTH AND SAFETY

PROTECTION OF OUR STAKEHOLDERS

Safety Trainings during the National OHS Month

Hazard Identification, Risk Assessment and Determining Control ("HIRADC") Training

The HIRADC Training was conducted to develop team leaders in identifying hazards in their daily working activities. During the training, the participants were tasked to perform risk analysis and determine risk controls to prevent unwanted incidents. Through the completion of this training, our team leaders are now qualified to perform risk analysis independently on their operational activities, thereby minimising the likelihood and severity of potential incidents.

Safety Leadership Training

This training was conducted to raise awareness on safety and accountability of selected operational supervisors. It is made known to them their responsibilities, such as leading safety briefings and meetings, conducting safety inspections, and engaging in safety observations of employees while performing their tasks. Through this training, supervisors are encouraged to be role models in nurturing a healthy and safe working culture amongst all employees.

NURTURING THE ENVIRONMENT

AIR QUALITY MANAGEMENT

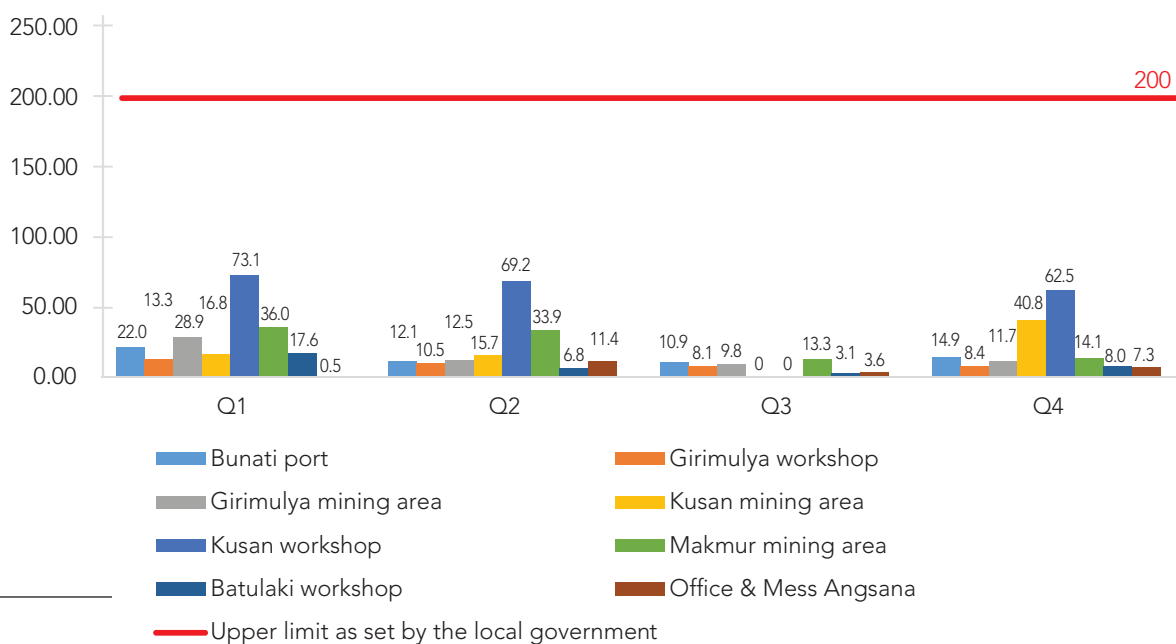
It is imperative that we implement air quality management programmes to minimise the release of nitrogen oxides (NO_x), sulphur oxides (SO_x), carbon monoxide (CO) and total suspended particulate (TSP) to the environment which may be released from our operations. On that front, we set our targets for air quality maintenance in accordance with the upper limits set by the Indonesian Government, and engage an accredited external laboratory to monitor the quality of ambient air in our sites on a quarterly basis. Figures 16 to 19 summarise the test results. We have met the air emission limits in BIB concession areas in 2018.

Additionally, we implemented a Standard Operating Procedure “Collection and processing of Genset Emission Test Data” as a guidance on measuring emission on generators to comply with threshold limit set by the Ministry of Environmental Regulation No 21 – 2008.

In FY 2018, we have met the local government regulations of ambient air for NO₂, SO₂ and CO. It was noted that in Q2, Q3 and Q4, the ambient air emission for TSP had crossed the limit set by the local government. In response to this, our mitigation plans for the following year include:

- Additional water trucks are to be deployed to manage the dust at Kusan mining area during the dry season, as the applied dust suppression spray operated during Q2 and Q4 was insufficient to curb the significant particulates caused by crushing activities.
- Re-engineering of all machineries at the Girimulya mining workshop has been performed to reduce emissions caused by strong winds during dry season, as there was unforeseen breakdowns of water spray trucks.
- Additional dust suppression equipment is installed at all facilities at Bunati port to mitigate the TSP due to surrounding active ports.

Figure 16: BIB's NO₂ emissions (ambient air) in FY 2018 in comparison to the upper limit set by the local government



NURTURING THE ENVIRONMENT

Figure 17: BIB's SO₂ emissions (ambient air) in FY 2018 in comparison to the upper limit set by the local government

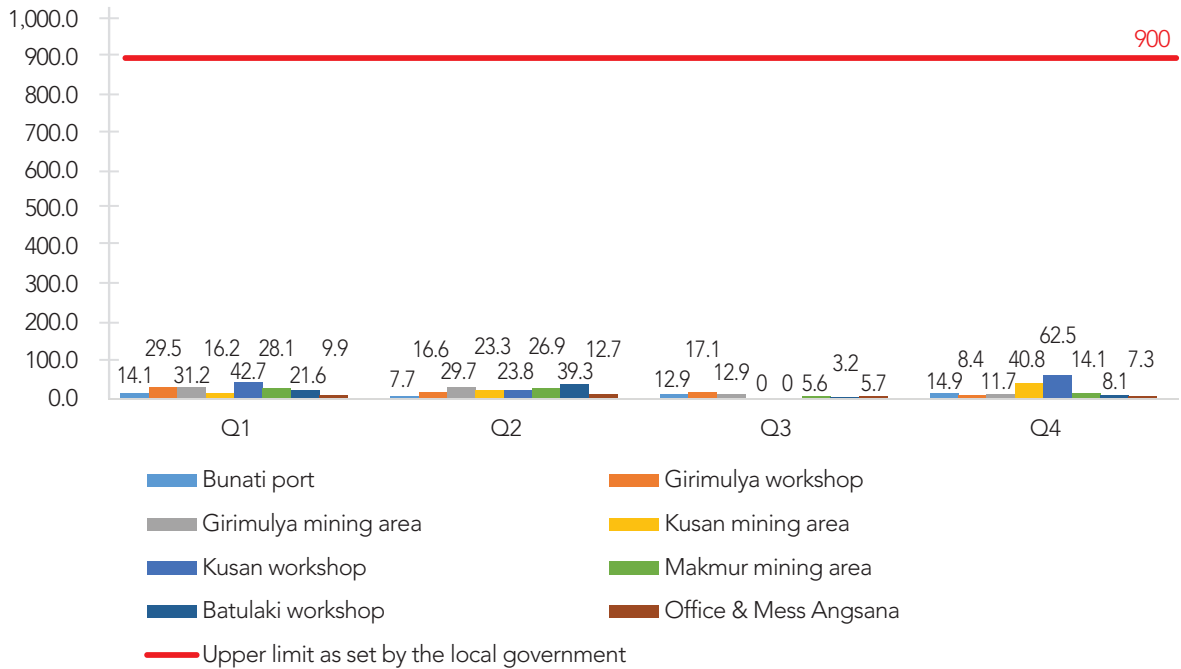


Figure 18: BIB's CO emissions (ambient air) in FY 2018 in comparison to the upper limit set by the local government

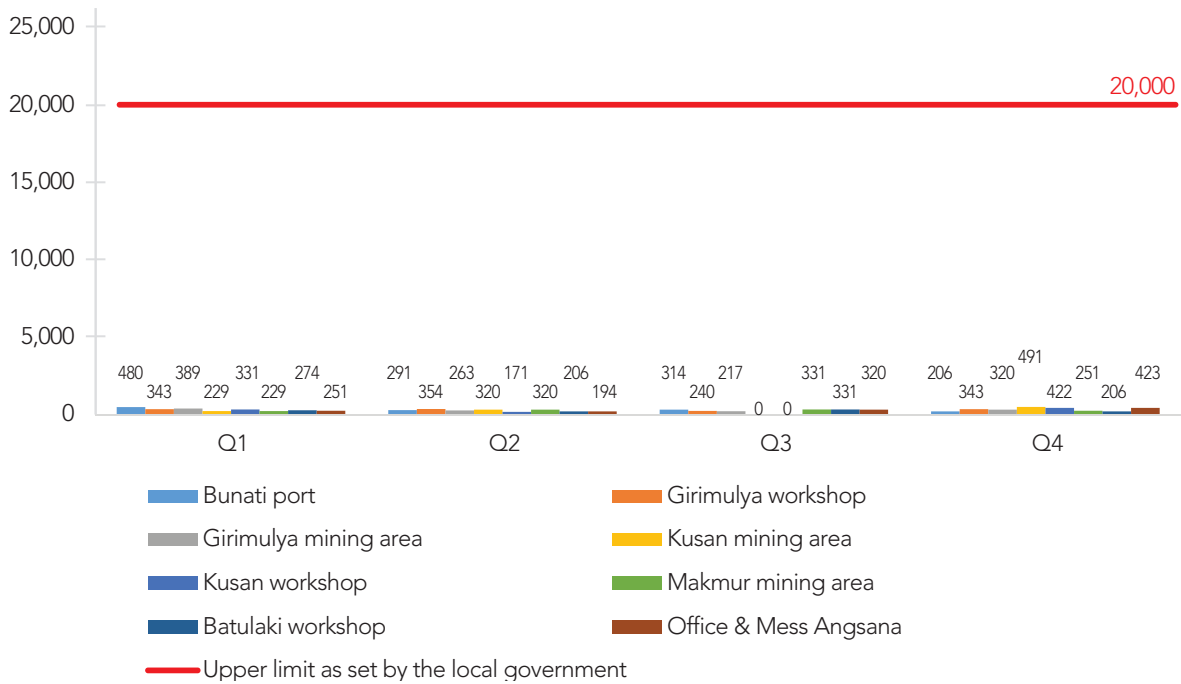
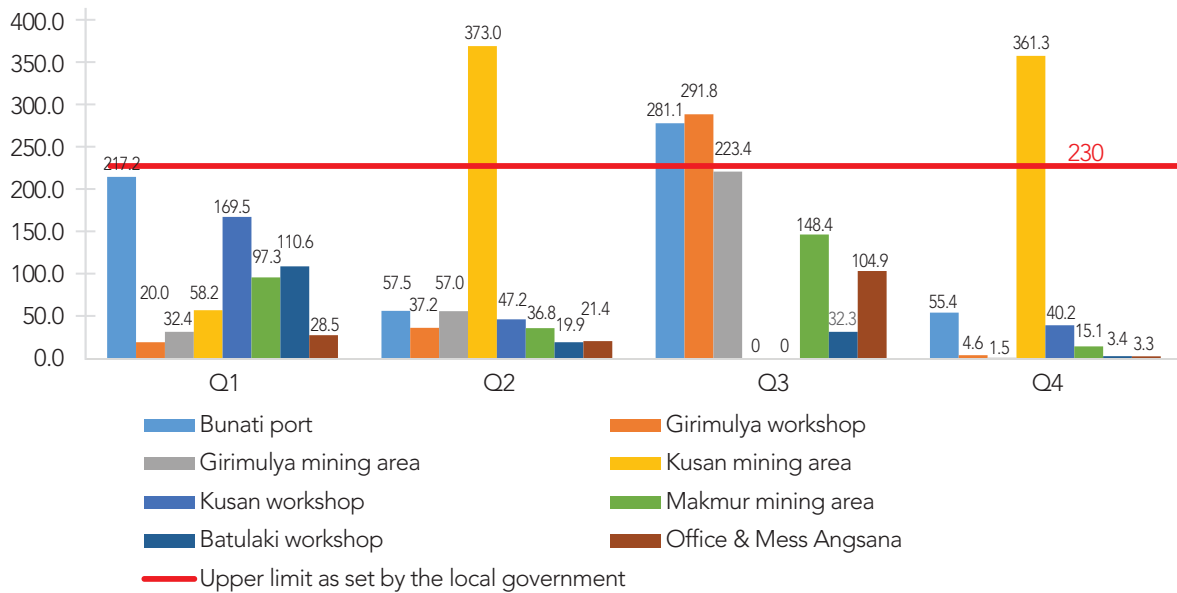


Figure 19: BIB's TSP-ambient emissions (ambient air) in FY 2018 in comparison to the upper limit set by the local government



ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

As part of our operations, we regularly monitor our energy consumption and greenhouse gas ("GHG") emissions into the atmosphere. In addition, we recognise our role in complying to the local regulatory limits and also consuming energy efficiently. Both Singapore and Indonesia have pledged⁵ to reduce GHG emissions as per the Paris Accord.

In December 2018, BIB attained the ISO 14001:2015 Environmental Management System, an assurance to our management and employees, as well as external stakeholders that environmental impact is being measured and improved.

In Indonesia where our main operational activities are carried out, the government encourages the use of B15-graded biodiesel by all mining companies in its effort to achieve its GHG emission reduction target.



⁵ Singapore committed to reduce its GHG emissions intensity by 36% from 2005 levels by 2030, while Indonesia committed to reduce its GHG emissions by 29% from business-as-usual scenario by 2030.

NURTURING THE ENVIRONMENT

We are gradually adopting the B10-graded biodiesel in our operations in a bid to join national efforts in reducing GHG emissions. In FY 2018, we consumed a mixture of petrodiesel, gasoline and B10-graded biodiesel in our operations.

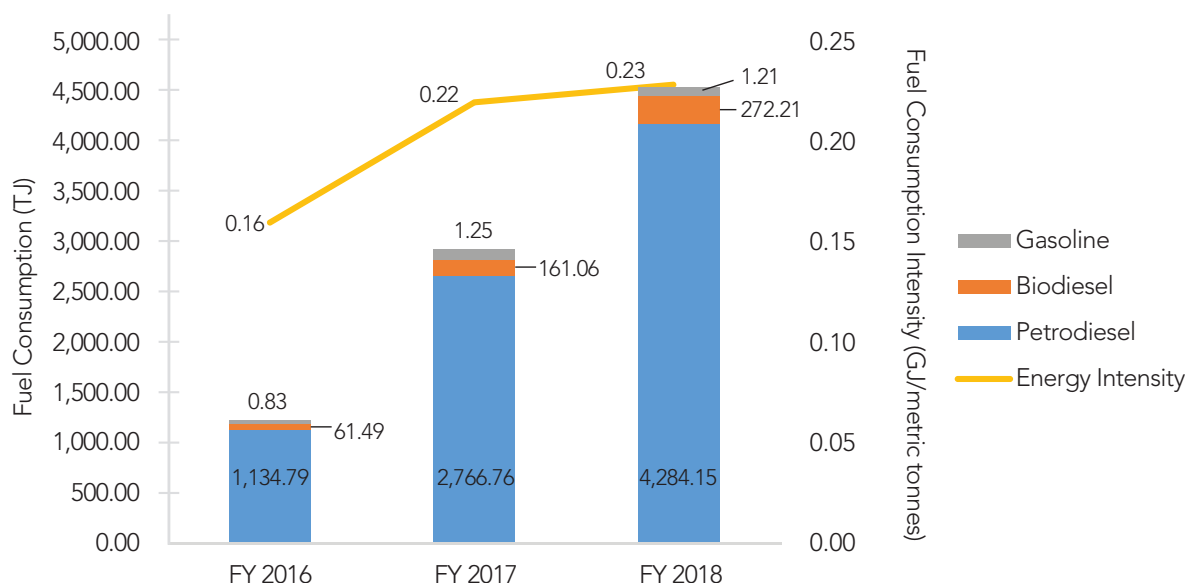
Some of our contractors were still using B10-graded biodiesel which was sourced from smaller-scale suppliers. In order to meet our increased biodiesel consumption in FY 2018, we are currently engaging larger suppliers to supply higher-graded biodiesel to our contractors.

In FY 2018, we have increased the consumption of bio-diesel by 69% from 6,702 m³ in FY 2017 to 11,328 m³ in FY 2018. Overall, the total fuel consumption at BIB has increased by 56% from FY 2017 to FY 2018 due to increased volume of production and activities.

Our consumption of petrodiesel and gasoline (non-renewable energy) in terms of energy was 4,285 terajoules (TJ) in total, while our consumption of biodiesel (renewable energy) in terms of energy was 272 TJ, in FY 2018. The increase in fuel consumption has also led to an increase in Scope 1⁶ GHG emissions. In FY 2018, our GHG emission intensity from fossil fuels (petrodiesel and gasoline) was 15.68 Kg CO₂/metric tonne production at BIB.

The electricity consumption at BIB has increased by 33.9% from FY 2017 to FY 2018 due to a higher production volume. As a result, our Scope 2⁷ GHG emissions, arising from grid electrical energy, have also increased. However, our energy and emission intensity due to electricity consumption has decreased due to electricity saving and a significant increase in production volume.

Figure 20: BIB's direct energy consumption from fuel⁸



⁶ Direct (Scope 1) GHG emissions are GHG emissions from sources that are owned or controlled by an organisation

⁷ Energy indirect (Scope 2) GHG emissions are GHG emissions that result from the generation of purchased or acquired electricity.

⁸ Biodiesel and gasoline consumption data in FY 2016 and FY 2017 has been revised.

Figure 21: BIB's Scope 1 emissions (arising from direct energy)⁹

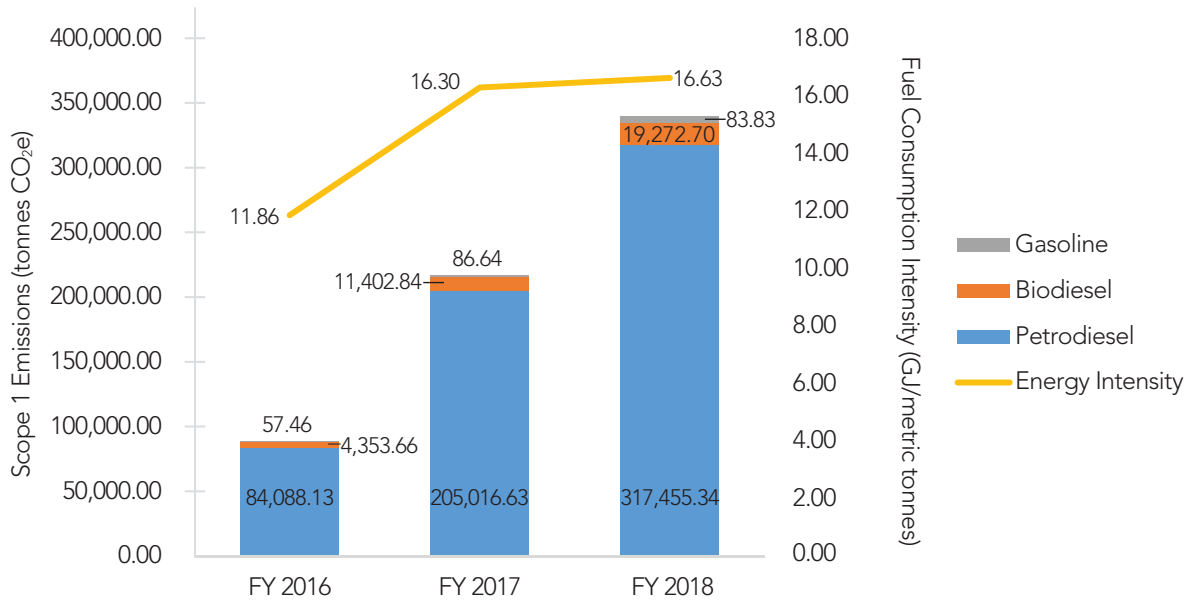
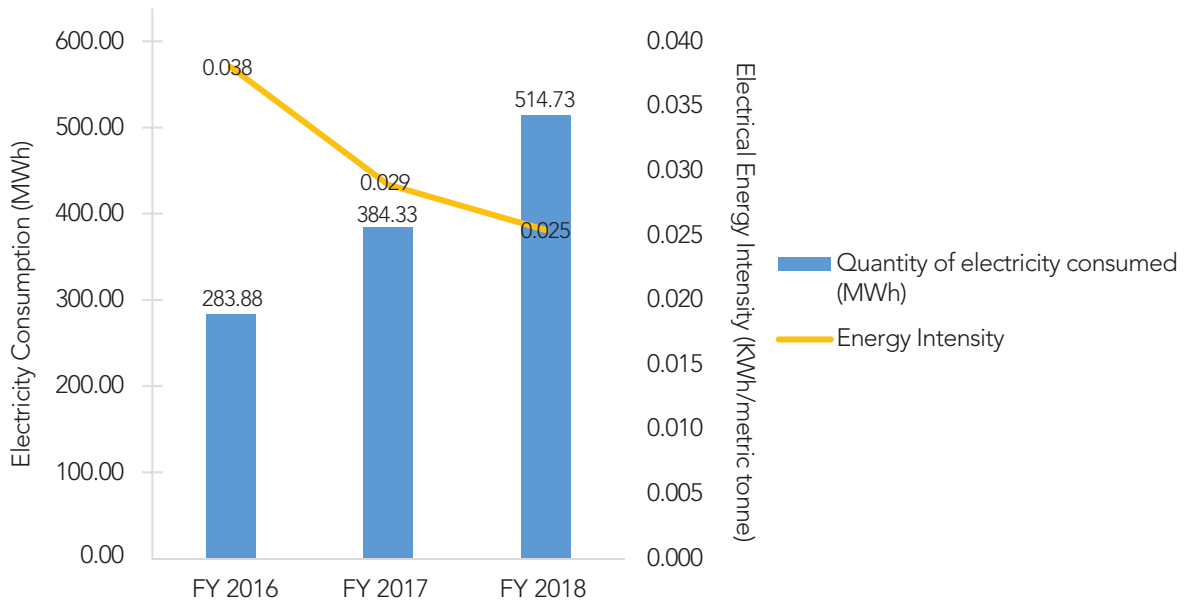


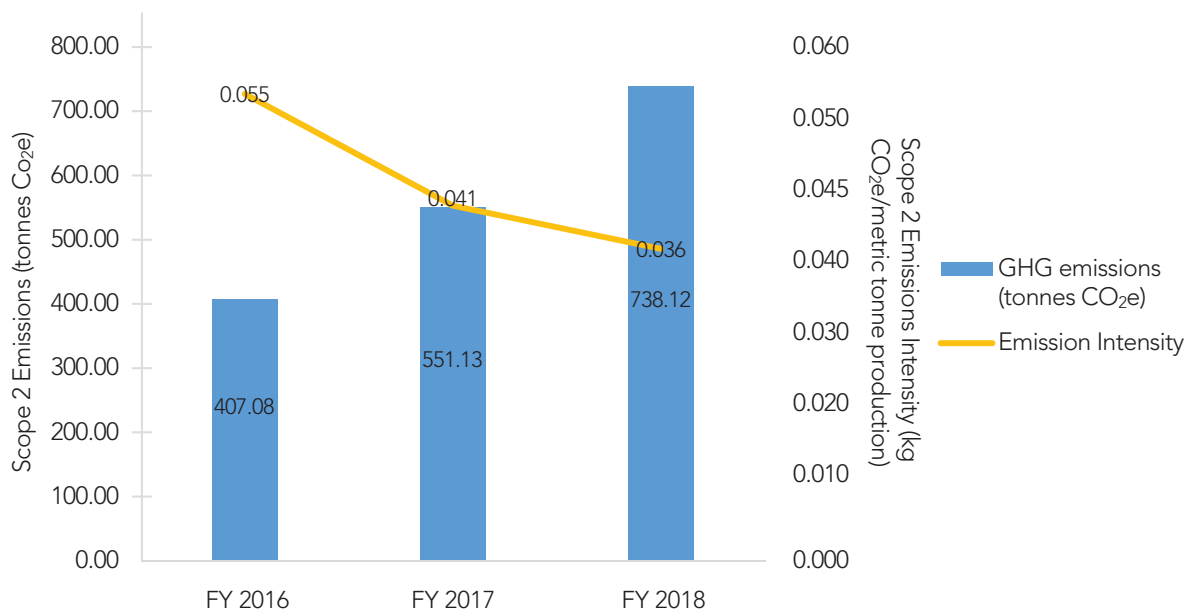
Figure 22: BIB's electrical energy consumption



⁹ Biodiesel and gasoline emissions data in FY 2016 and FY 2017 has been revised due to correction in consumption figure.

NURTURING THE ENVIRONMENT

Figure 23: BIB's Scope 2 emissions (arising from grid electrical energy)



SOLID WASTE MANAGEMENT

Solid waste management, which includes the collection, transportation, treatment and disposal of waste, is integral to reduce adverse effects of waste on human health and the environment.

For better land rehabilitation at the post-mining stage, we remain dedicated to minimise the environmental damage and safety hazards due to the structural failure of overburden pile with proper storage and disposal in accordance with our Waste Dumping Policy.

Figure 24: Elements of GEMS' Waste Dumping Policy

Waste Dumping Policy

- Two ways of waste dumping:
 - Direct dumping – dumping of material using a haul truck at the dump crest
 - Indirect dumping – dumping of material using a haul truck at a safe distance away from the dump crest, to be pushed by a dozer towards the dump crest
- Identification of potentially acid forming (“**PAF**”) and non-acid forming (“**NAF**”) substances.
 - PAF should not be placed at the ground surface.
 - NAF may be used to encapsulate PAF, with a minimum thickness of 10 metres
- Mud is to be mixed with other material prior to dumping, to maintain slope stability.
- Overburden and other waste can only be dumped at specific dumping locations as assigned by the Mine Planning and Development (“**MPD**”) department, taking into account geotechnical and geoengineering considerations.
 - Overburden is to be reused for land reclamation before rehabilitation works are carried out.
- The active and inactive dumping areas are to be monitored by our geotechnical engineers at all times to prevent landslides.

Being in a waste-intensive industry, we generated a significant amount of solid waste, mostly in the form of overburden, which consists of clay, silt and sandstone that came from material covered coal. In FY 2018, total cumulative overburden was 98,727,410 bank cubic metres (“**BCM**”) of overburden (Figure 25), due to the expansion of our operations and low reclamation in FY 2017. We have used approximately 8,990,000 BCM of overburden for rehabilitating 97.95 hectares in FY 2018, while the remaining 89,737,410 BCM of overburden will be used to reclaim and rehabilitate 281.35 hectares of land.

Figure 25: Volume of overburden and weight of overburden disposed

	FY 2017	FY 2018
Volume of overburden ¹⁰	49,535,553 BCM	98,727,410 BCM

As part of our solid waste management, we also encourage employees to minimise in-house waste such as office waste and domestic waste by holding the Kreasi Enviro Contest to raise awareness on waste generation.

Kreasi Enviro Contest

“Kreasi Enviro” is an open competition for all employees to demonstrate their ideas of turning domestic waste into useful items, an intended activity to engage employees and raise awareness on green living and life cycle perspectives in their daily activities. Waste such as paper, plastic, tin can, tyre were converted to photo frames and decorative household items.



LAND MANAGEMENT

Our coal resources and reserves in BIB are mostly located in forested areas. While we hold the License to Borrow and Use of Forest Areas (Izin Pinjam Pakai Kawasan Hutan or “**IPPKH**”), we recognise our role in restoring the function of the natural environment through reclamation and rehabilitation. Having mined the resources, we are committed to returning the mined land to its original state and/or for its intended purpose. As our employees and local communities will be affected by land management, we strive to prevent environment contamination, as well as erosion and landslides that could potentially occur. BIB has expanded its manpower capability for reclamation to ensure the quality of reclamation by minimising the disturbed area and maximising dumping to mine-out pit. The policy is shown in Figure 26.

¹⁰ Overburden refers to the topsoil removed for accessing the coal reserves mined below, commonly measured in BCM.

Figure 26: Elements of GEMS' land reclamation policy

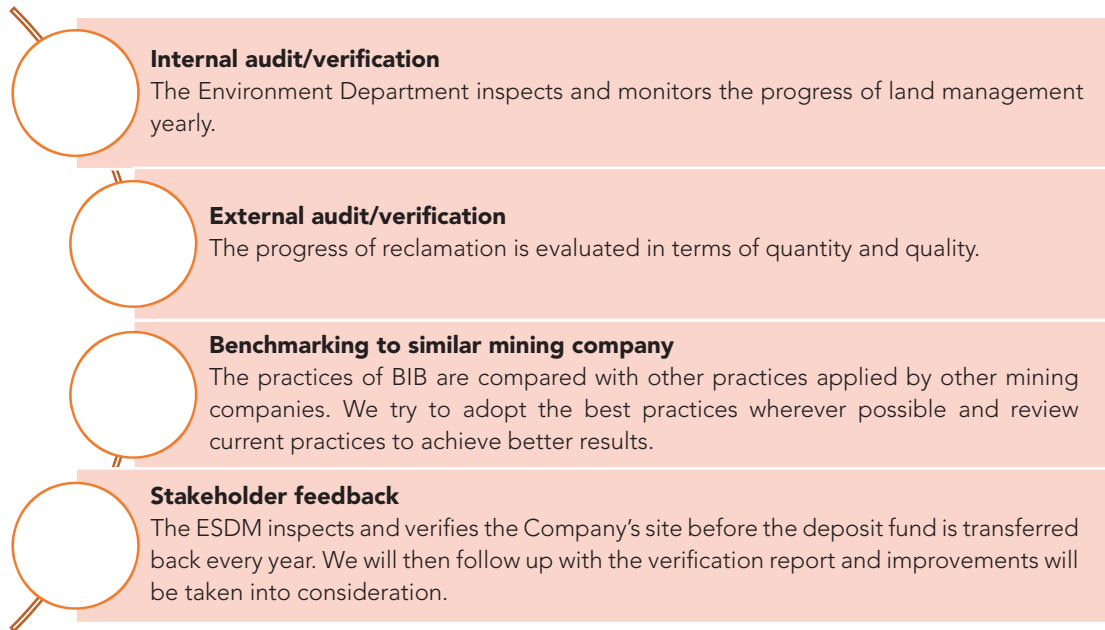
GEMS' Land Reclamation Policy	Mined land shall be returned to its original state and/or its intended purpose.
	The size of reclaimed area shall be equal to the size of mined area.
	Top soil shall be stored appropriately for post-mining revegetation purposes.
	Reclamation process shall be monitored and managed to happen as planned.
	Disruptions to drainage patterns due to mining activities shall be rectified.
	Erosion shall be minimised during and after the reclamation process.
	Revegetation shall be done using the plant species as listed on the Environment Management Plan that is submitted to the ESDM.
	During reclamation, the road access to the reclaimed area shall be closed.

Our practices include developing a mine closure and reclamation plan before the commencement of mining activities at all our concession areas. This reclamation plan is approved by the ESDM, and serves as a guide for our rehabilitation efforts. In FY 2018, we obtained a score of 60% and above during the independent audit on the reclamation progress conducted by ESDM, without any findings of non-compliance. Our Mine Closure and Reclamation Plan consists of 60% reclamation and 40% rehabilitation. At the moment, the reclamation process, including land preparation, is complete. We will proceed with the revegetation of reclaimed land as per the Mine Closure and Reclamation Plan.

In FY 2018, we rehabilitated 98 hectares of land, more than double the 44 hectares in FY 2017. Due to an increase in production, our disturbed area in FY 2018 was 704 hectares, 7.6% higher than the original plan of 655 hectares. Our total cumulative land disturbed and not yet rehabilitated is 2,208 hectares in FY 2018, an increase from 1,270 hectares in FY 2017. Although the submitted reclamation plan to the ESDM was 74.54 hectares for FY 2018, we have realised 97.95 hectares in FY 2018 including those outstanding for FY 2017 of 23.41 hectares. Moving forward, our reclamation target for FY 2019 would be approximately 87.28 hectares.

Our detailed evaluation methods of land management are shown in Figure 27 below.

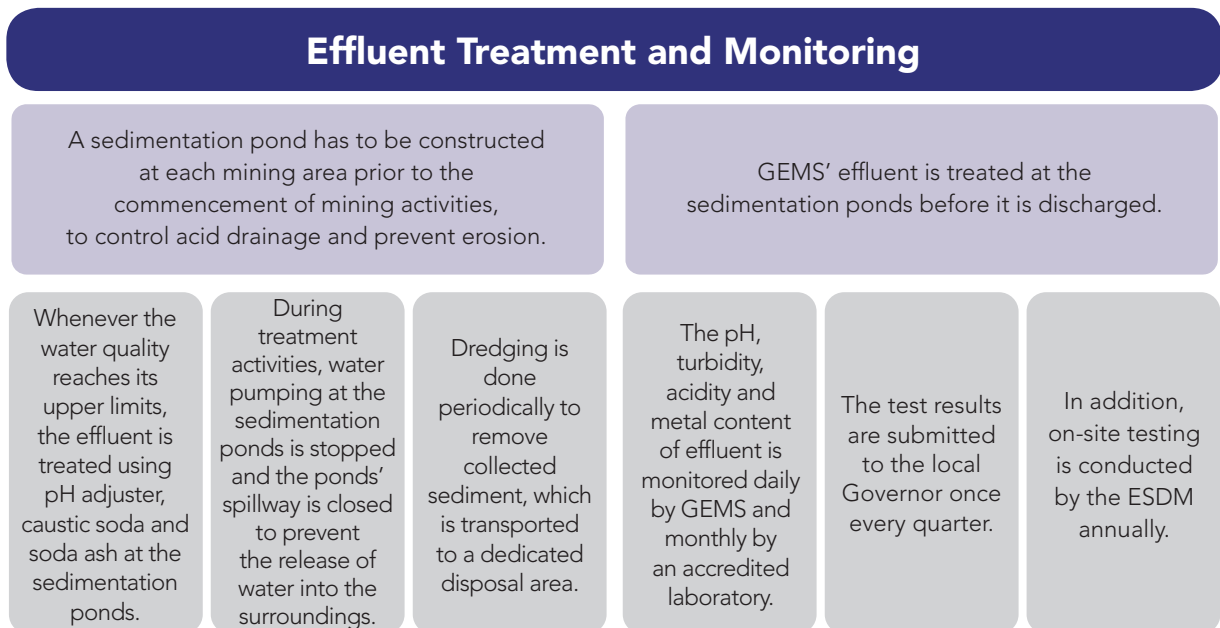
Figure 27: Evaluation of land management approach



WATER RESOURCE MANAGEMENT

The local community surrounding our concession areas is dependent on the surrounding water bodies to serve their day-to-day needs. We hold a responsibility to ensure that our effluent discharged does not pollute the water bodies by complying with the applicable regulatory limits, as shown in Figure 28 below.

Figure 28: GEMS' approach towards effluent management



NURTURING THE ENVIRONMENT

Figures 29 to 33 present the quality of effluents from our mining operations in FY 2018. We have ensured all our parameters to be under the upper limit set by the local government for total suspended solids (“TSS”), average pH value, cadmium content, iron content and manganese content.

The measurements are carried out on treated effluents before being released into surrounding water bodies, and are done monthly by an external laboratory. In addition, we also monitor the water quality of rivers around our site. However, the data for water quality in surrounding rivers is not within the focus on this report, as there are various factors affecting the data, including the presence of other mining companies nearby. We will continue to strive to improve the quality of effluents arising from our mining activities.

To ensure that the local communities have a channel to voice their opinions regarding our operations, we have formalised GEMS’ External Relations Department where stakeholders can submit their feedback on our sites’ operations. When feedback is received, GEMS’ Chief Operating Officer and Mining Head investigates the situation and meets the feedback provider, where necessary. In FY 2018, we did not receive any grievance reports from the local communities.

Figure 29: BIB’s effluent’s average TSS in comparison to the upper limit set by the local government in FY 2018

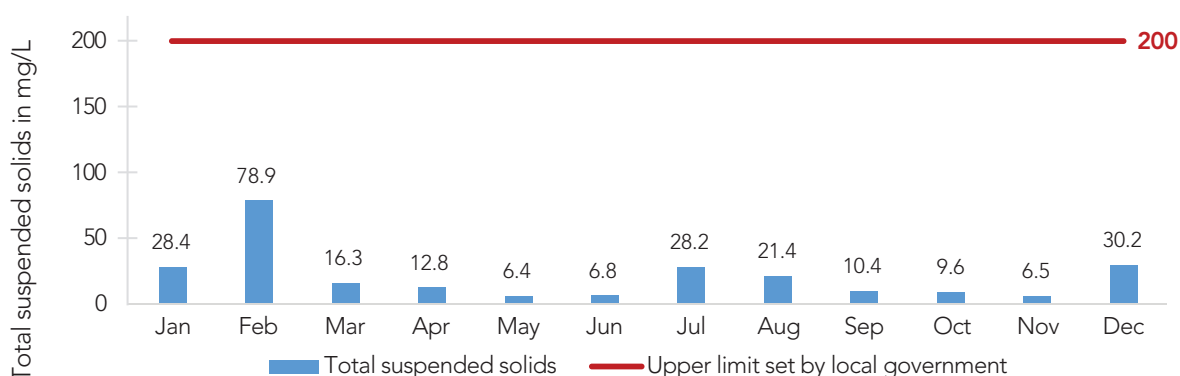


Figure 30: BIB’s effluent’s average pH value in comparison to the upper and lower limits set by the local government in FY 2018

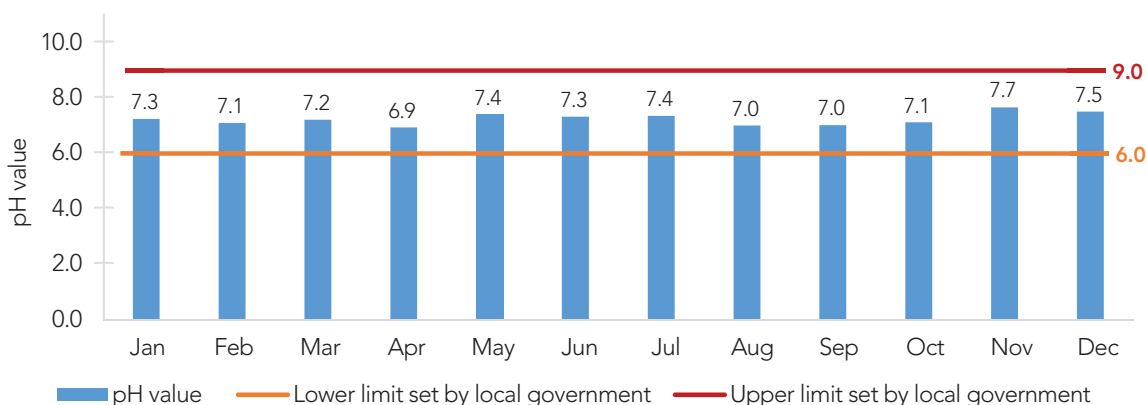


Figure 31: BIB's effluent's average cadmium content in comparison to the upper limit set by the local government in FY 2018

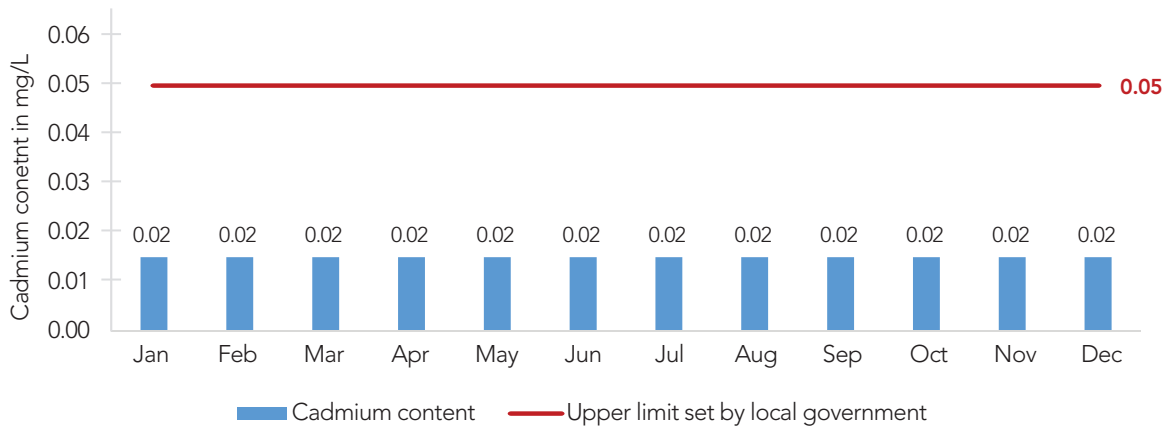


Figure 32: BIB's effluent's average iron content in comparison to the upper limit set by the local government in FY 2018

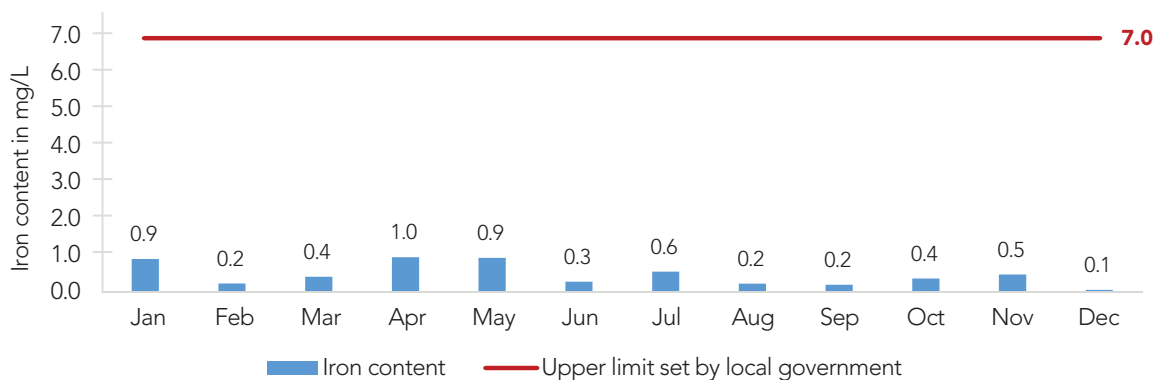
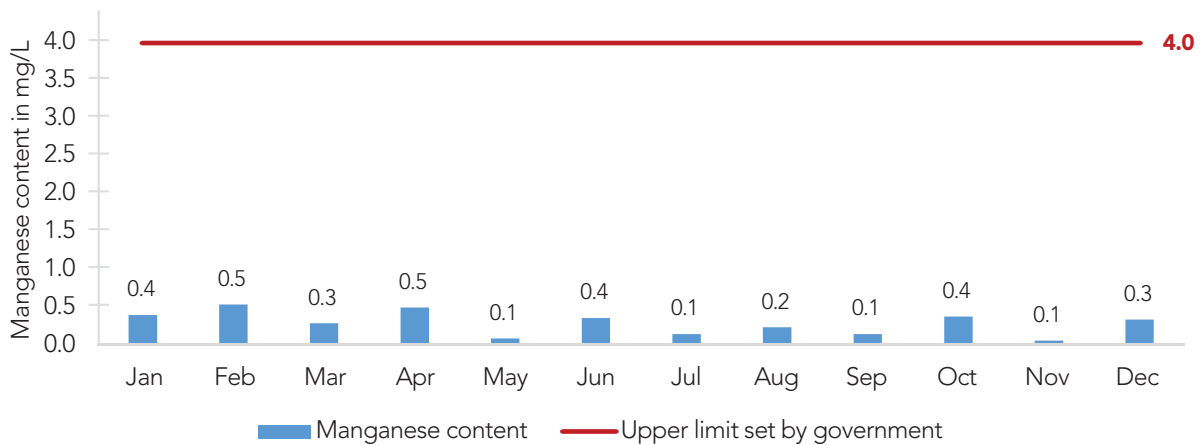


Figure 33: BIB's effluent's average manganese content in comparison to the upper limit set by the local government in FY 2018



NURTURING THE ENVIRONMENT

Figure 34: Proper Awards “Blue” Rating in Environmental Performance Assessment received by BIB

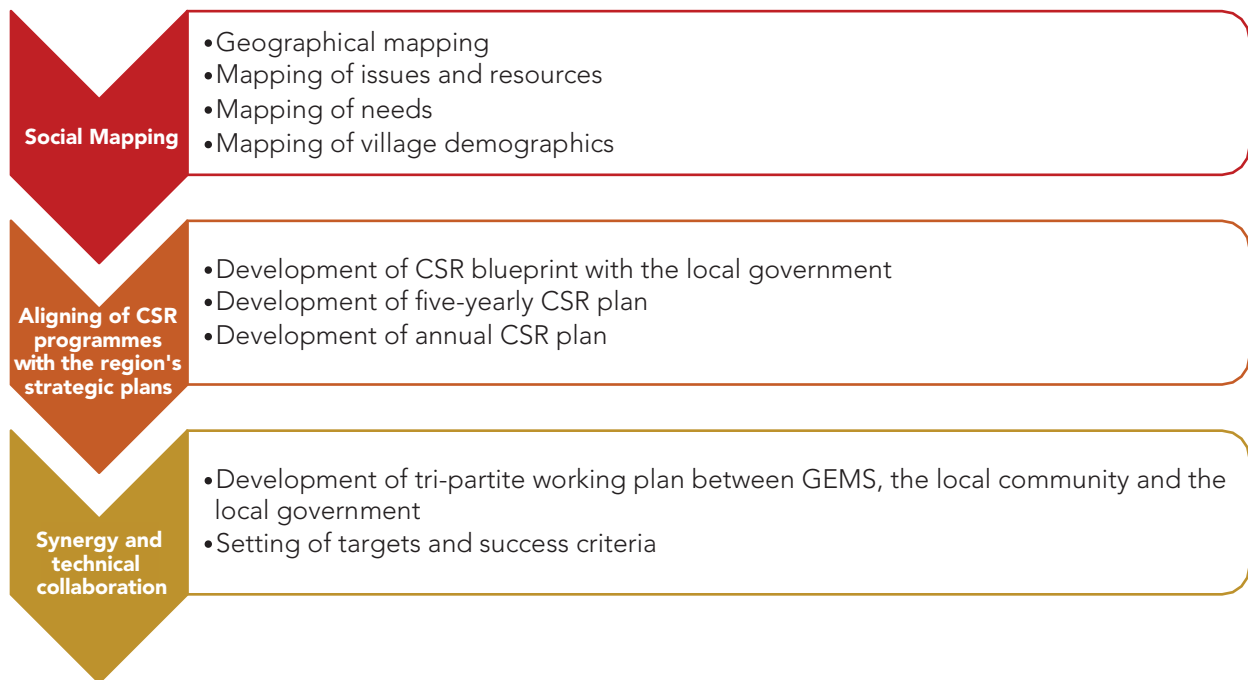


EMPOWERING LOCAL COMMUNITIES

We regard community empowerment as one of our main responsibilities. As our mines are located at the developing regions in Indonesia, we are presented with opportunities to meet the existing needs of local communities around us and helping them improve their standards of living. We respond to these opportunities by implementing various Corporate Social Responsibility (“**CSR**”) activities to meet the needs of local communities, where we seek to relentlessly strive in our endeavour of nation-building, sustainable development, accelerated inclusive growth and social equity through local community investment. We regularly engage the local community to understand their changing needs and design strategic CSR programmes that target these needs. Our ultimate aim is to help the local community attain self-sustaining financial independence and enhanced standard of living through partnership and environmental protection. Formal and information education to build the capacity of the local community, as well as skills upgrading programmes to develop the local economy, form the backbone of all our CSR efforts.

In line with Regulation no. 1824 (year 2018) about local community development as used by Indonesia’s ESDM, we aligned our CSR activities with the pillars of the CSR blueprint of the local governor. As a result, we managed to meet the standard for pillars such as education, health, real income/livelihood, socio-culture and infrastructure development in FY 2018, as shown in Table 3.

Figure 35: GEMS’ approach towards CSR management



EMPOWERING LOCAL COMMUNITIES

Figure 36: Milestone model

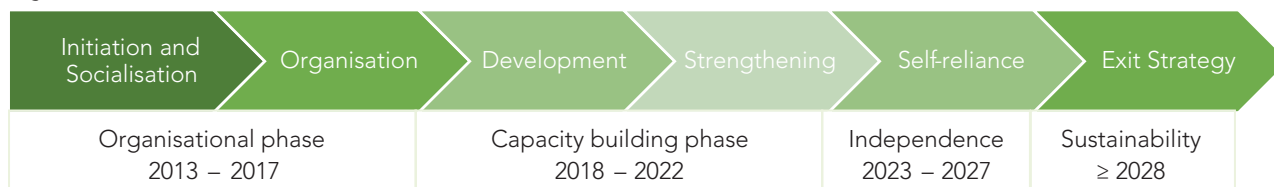


Table 3: GEMS' community investment activities by investment type

Pillars of local governor's CSR blueprint	GEMS' community investment activities in FY 2018	Investment beneficiaries
Education	Teacher Quality Improvement Program for 1,000 teachers (Stage 1 and Stage 2)	140 teachers allocated to BIB
	Support for National Science Olympiad	673 students & teachers
	The Development and Construction of Kids House for Learning Qur'an (Rumah Tahfidz)	75 students
	The Construction of Classroom in 10 schools (Stage 1 & Stage 2)	400 students
Health promotion	Monitoring health condition of local community surrounding mining areas	300 students & teachers
	The Development and Construction of Community Health Centre	200 people/day
Real Income/ Livelihood	Group Empowerment of Plywood Home Industry	50 people
	Agricultural Development of Corn and Vanilla	70 farmers and their families
	The Empowerment of Cattle Group in line with Post Mining Activities	Villagers
	Pilot Project of the Development of Atsiri Oil	Villagers
Socio-cultural	Happy led Qurban	294 people
	Fasting Month Bazaar	750 people
Infrastructure development	Support for MTQ in District and Sub District	1 district
	The Development of Community Based Clean Water Management	1,020 households
	Support for Village Development	Village community
	Road Improvement and Maintenance for 5.2 km of public road	Village community

EMPOWERING LOCAL COMMUNITIES

This year, our subsidiary, GEMS, attained the 'TOP CSR 2018' Award – CSR Planning and Strategy towards Community Independence, under the Indonesia CSR Society. In addition, the CEO of GEMS also attained the 'TOP Leader on CSR Commitment 2018' Award for his commitment and leadership in driving GEMS' CSR activities.



Building Classrooms at BIB

As part of our CSR blueprint in 'GEMS: Infrastructure-Health-Religious-Education-Economics', GEMS built additional classroom facilities for students in the local community nearby our BIB concession areas after noticing the lack of classroom facilities for the teachers to conduct and students to attend their lessons. In addition, BIB collaborated with a plywood factory nearby its concession area to provide opportunities for local communities in using plywood to make furniture for classrooms., and wood carving products for sale. To encourage the local communities to participate in our collaborations with the plywood factory, we also provide the necessary trainings for them in working towards self-sufficiency.



GEAR's CSR Activities in Singapore

GEAR also participated in the SGX Bull Charge and donated to SGX's flagship charity initiative. For 2018, SGX has 6 adopted beneficiaries, namely, AWWA Ltd, Autism Association (Singapore), Community Chest, Fei Yue Community Services, HCSA community Services, and Shared Services for Charities, and this initiative is committed to raising funds for these beneficiaries.

EMPOWERING LOCAL COMMUNITIES

Bread and Food Distribution (GEAR activities in Singapore)

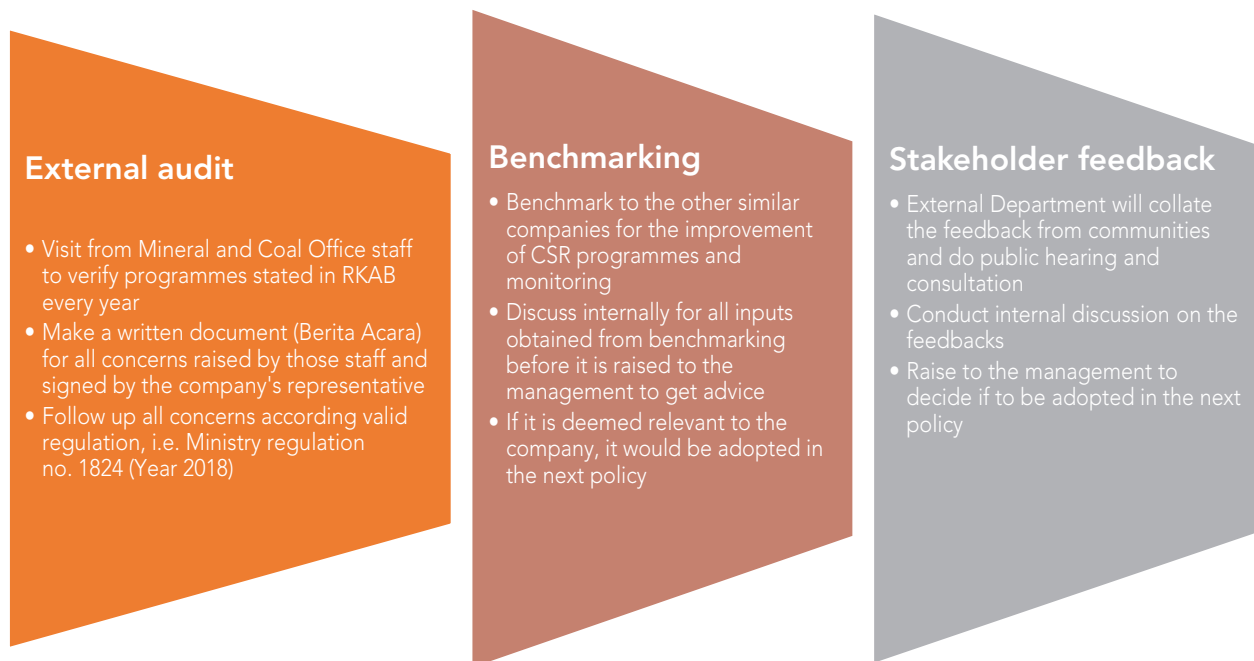
In 2018, GEAR has participated in the Bread and Food Distribution, buying, packing and distributing food rations for 155 families at Banda Street in Chinatown, Singapore. This Bread and Food Distribution exercise was organised by Yong-en Care Centre ("Yong-en"). Yong-en has 3 core services, namely Dementia Day Care Service for the senior residents, Family Support Services which aim to empower clients and the community to become self-reliant and take appropriate actions to improve their lives, and finally the Home Care Services to look after the needs of the senior residents in the area of Chinatown, Singapore.



We remain committed to continue our efforts in engaging the local communities, as well as designing new CSR programmes to better meet their needs.

We have in place evaluation methods to allow us to continually improve on our approach towards empowering local communities. Our evaluation approach is listed in Figure 37 below.

Figure 37: CSR management and evaluation approaches



OUR HUMAN CAPITAL

PROFILE OF OUR WORKFORCE

In FY 2018, we saw a 16% increase in our workforce, from 306 in FY 2017 to 355 in FY 2018, as a result of the increase of our production activities. These employees are mostly located in Indonesia, where BIB is located. In FY 2018, 24 out of our 355 employees were located in Singapore, an increase from the 15 employees in the previous year.

71.5% of our employees were hired on a full-time basis with permanent contract in FY 2018, an increase from 68.6% in FY 2017, enabling us to equip them with skillsets for their growth.

In FY 2018, there were 85 new hires and 37 turnovers.

While our gender breakdown indicates a higher proportion of male to female, this can be attributed to the fact that the nature of mining activities traditionally attracts more male workers over female workers. We have managed to maintain the percentage of female employees of 16% in FY 2018. Nevertheless, we will actively continue to promote gender diversity in our operations in the following years.

Figure 38: Number and percentage of employees by gender in FY 2016, FY 2017 and FY 2018

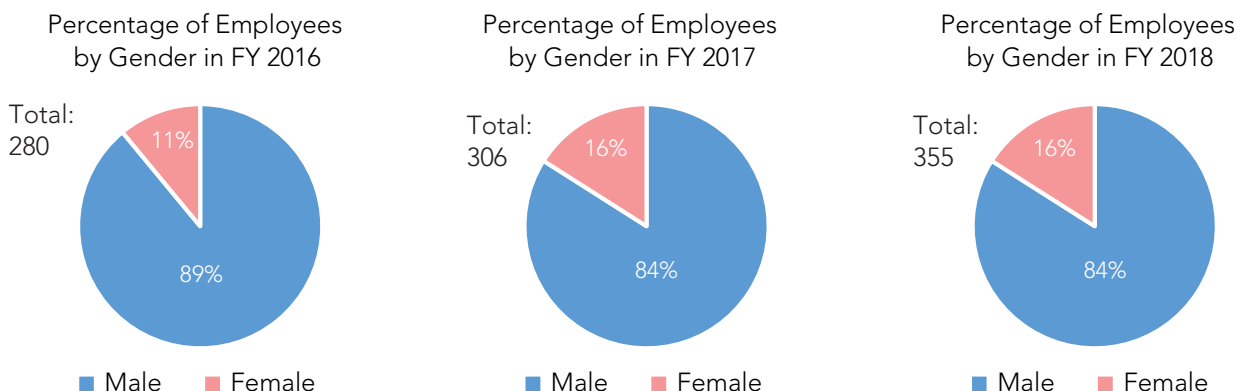


Figure 39: Number and percentage of employees by employment category in FY 2016, FY 2017 and FY 2018

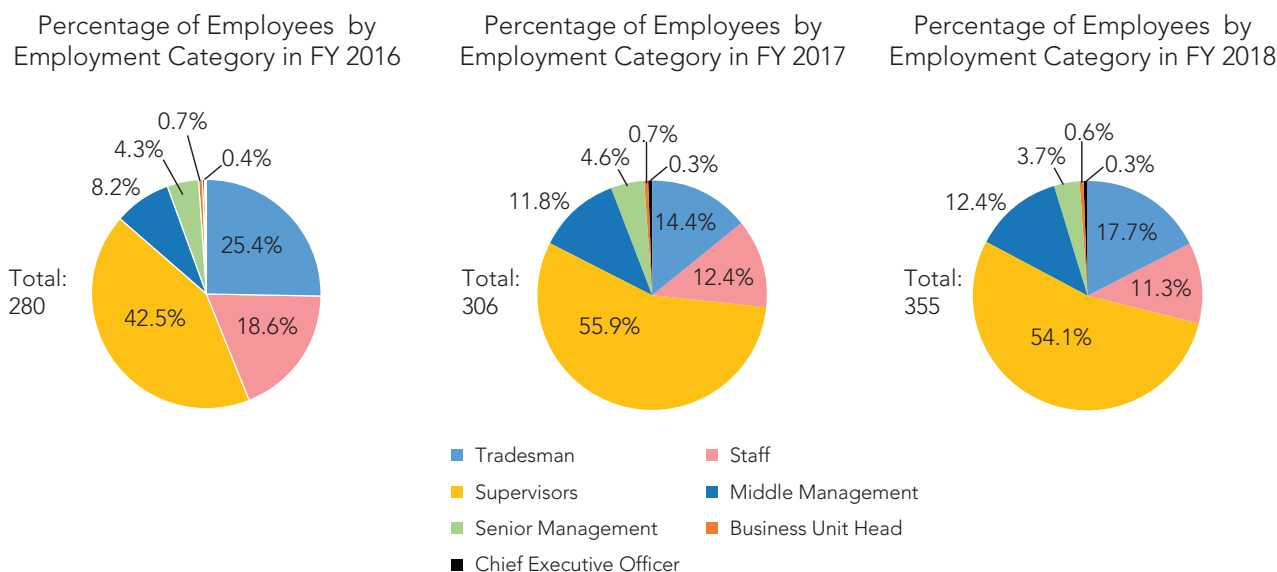


Figure 40: Number of employees by employment contract¹⁰ (left) and employment type¹¹ (right) in FY 2018

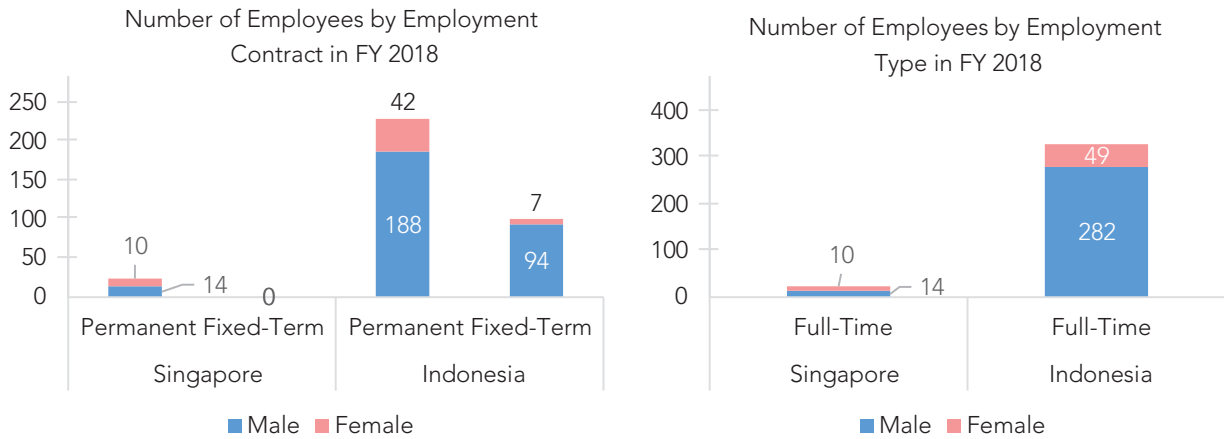


Figure 41: New hires by age group, gender and region in FY 2018

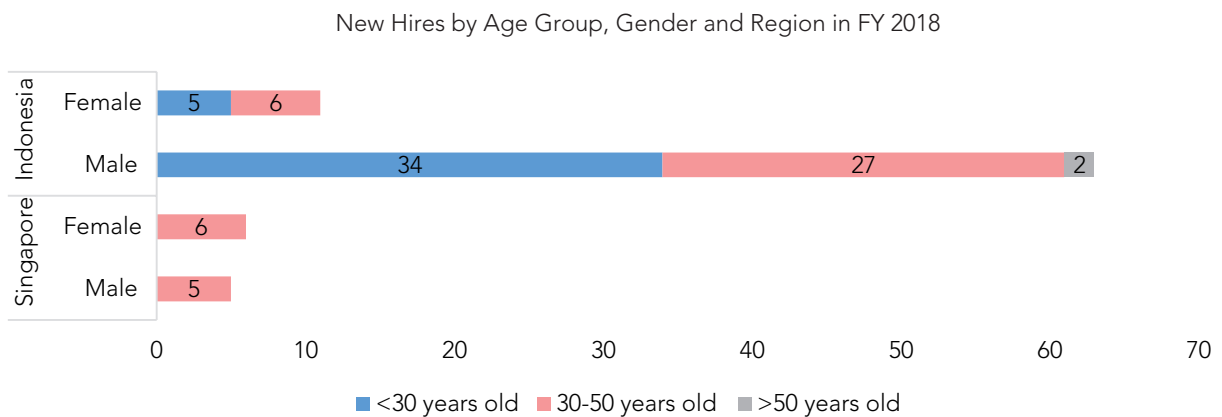
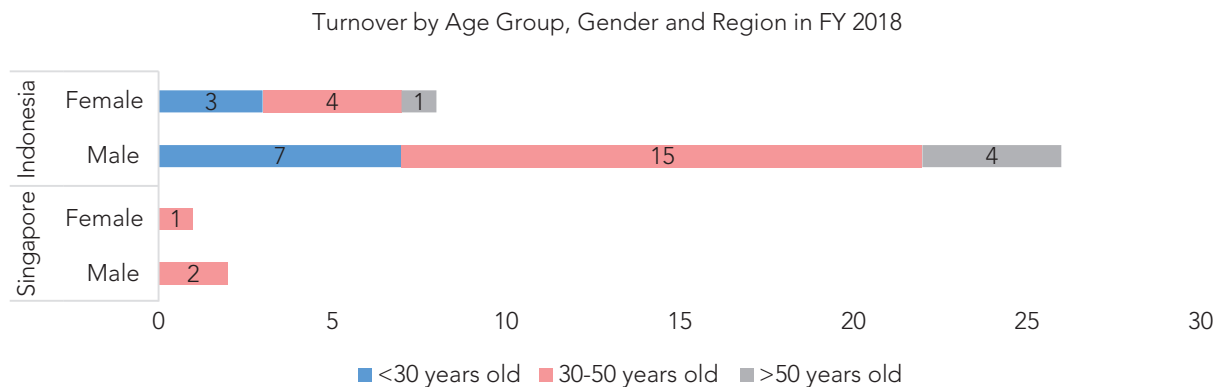


Figure 42: Turnover by age group, gender and region in FY 2018



¹⁰ Employment contract is defined as either permanent contract or temporary contract, according to GRI Standards. A permanent employment contract is a contract with an employee, for full-time or part-time work, for an indeterminate period. A fixed-term employment contract is an employment contract that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed. GEAR has no fixed-term employees in Singapore.

¹¹ GEAR has no part-time employees in both Singapore and Indonesia.

LOOKING AFTER OUR EMPLOYEES & TALENT MANAGEMENT

At GEAR, we believe that creating a working environment where employees are appreciated and engaged is key to sustainable business. One of our core values is "Loyalty", where we advocate a sense of fraternity and pride as members of our group. We are committed to looking after our employees' welfare by offering competitive remuneration packages, medical insurance and other benefits.

We also care for our employees' talent development because they are key to the company's future growth. To this end, we provide various trainings to improve their technical skills (e.g. Coal Estimation Resource Workshop, Reporting Exploration Result and Estimation Coal Reserves Workshop, as well as Creative Accounting and Tax Planning Training), management skills (e.g. 1st and 2nd Mine Operational Supervisory), and safety awareness (e.g. Road to Safety Performance, Safety Convention).

In FY 2018, training hours in BIB increased to a total of 13,640 training hours for 217 participants, which consists of tradesman, staff, middle management and senior management. Our average training hours per employee is shown in Figures 43 to 45.

Figure 43: Average training hours by geography in FY 2016, FY 2017 and FY 2018



Figure 44: Average training hours by gender in FY 2016, FY 2017 and FY 2018

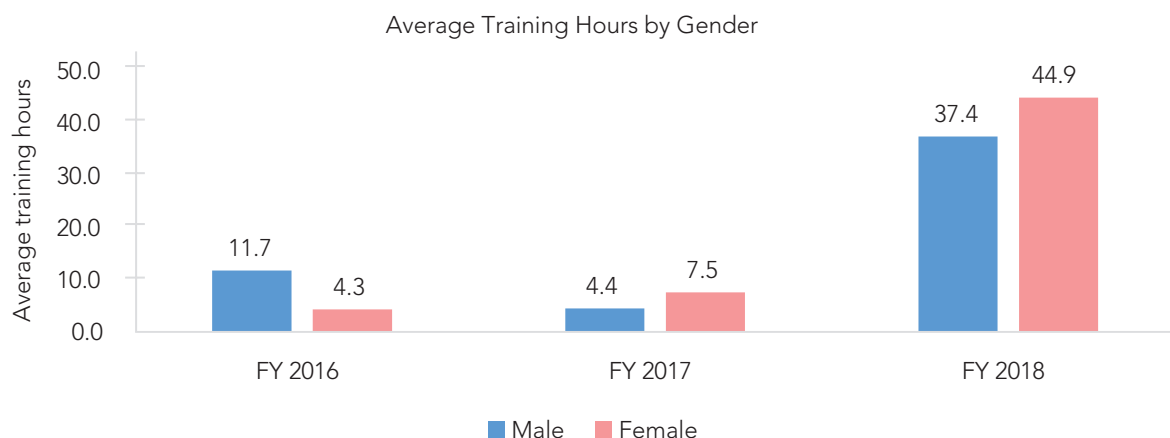
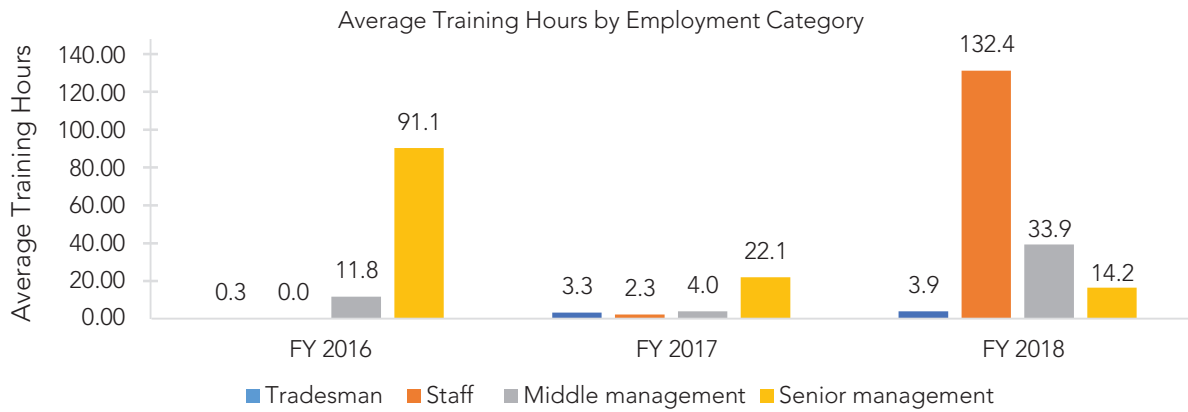


Figure 45: Average training hours by employment category in FY 2016, FY 2017¹² and FY 2018



1st and 2nd Mine Operational Supervisory

This training equips supervisors in managing team members. Attendees who passed the assessment have attained the “LSP – PERHAPI” certification from the Indonesia Mining Expert Association, a professional certification body.



¹² Training hours for FY 2017’s staff category has been restated.

OUR HUMAN CAPITAL

Coal Estimation Resource Workshop, and Reporting Exploration Result and Estimation Coal Reserves Workshop

In qualifying to be a Competent Person Indonesia (CPI) of the Kode Cadangan Mineral Indonesia (KCMI) under the Joint Ore Reserve Committee (JORC), geologists and mine plan engineers are required to pass an exam for "CPI – KCMI for Estimation Resource" and "CPI – KCMI for Reporting Exploration Result and Estimation Coal Reserves", respectively. To help geologists better prepare for the aforementioned certification exams, we have conducted workshops on Coal Estimation Resource to equip them with the necessary knowledge and skills to pass the examination. Similarly, for mine plan engineers, a workshop on Reporting Exploration Result and Estimation Coal Reserves was conducted. Upon passing the exam, the geologists and mine plan engineers have received the "CPI – KCMI for Estimation Resource" and "CPI – KCMI for Reporting Exploration Result and Estimation Coal Reserves" certification respectively from the Association of Indonesian Mining Professionals (PERHAPI) and Indonesian Association of Geologists (IAGI).



Coal Estimation Resource Workshop



Reporting Exploration Result and Estimation Coal Reserves Workshop

Accounting and Tax Planning Training

A customised training for employees under the Financial & Accounting, as well as the Tax & Treasury Department was organised. This training served to equip employees with the knowledge required in accounting business processes and tax planning.



LABOUR RELATIONS MANAGEMENT

Being in a labour-intensive industry, we seek to develop good industrial relations at all times. This helps to create a conducive working environment, and prevents undesirable operation disruptions. Our workers are encouraged to communicate to their supervisors and/or HR Department on any issues that they face at an early stage, so as to arrive at a mutually acceptable solution. In the event that the issue remains unresolved, the issue will be escalated to the Industrial Relations team for further discussions until a mutually acceptable solution is reached.

In FY 2018, as a reflection of a fair grievance mechanism and the good industrial relations that we have built with our workers, there were zero cases of strikes and lockouts concerning BIB. BIB is in full compliance with the Indonesia labour laws, as concluded in annual audits conducted by the Ministry of Labour and Transmigration.

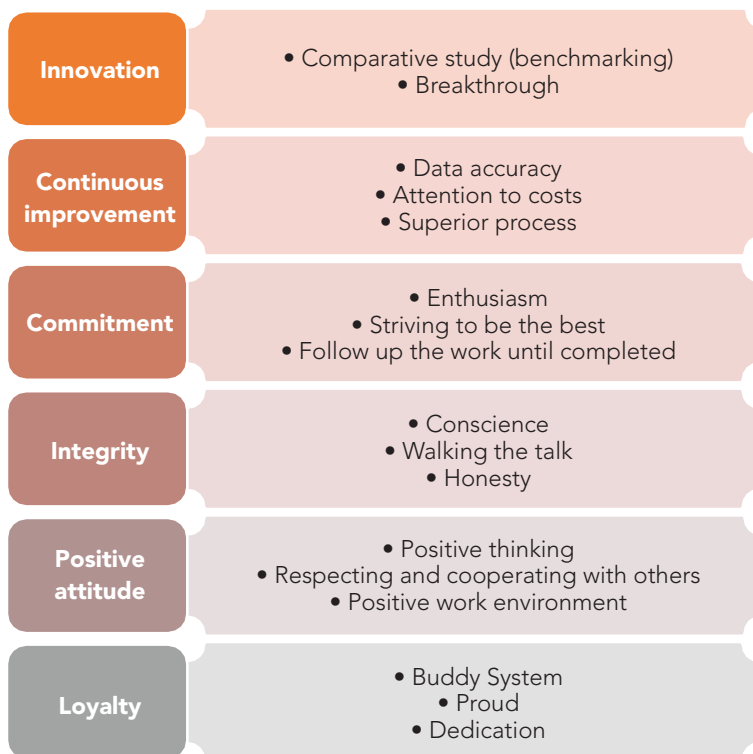
In event of any significant operational change that could substantially affect employees, there will be at least a 1-month notice period provided prior to the implementation of the change for us.

GOVERNANCE AND ETHICS

Underpinning all our efforts towards sustainable development is our continuing commitment to high standards of corporate governance. This helps to set the tone for the management and operational protocols at GEAR, impacting the integrity and quality of our business interactions on a day-to-day basis.

To that end, we have developed a suite of policies that addresses corporate governance and ethical business conduct in accordance with our core values (Figure 46) as the foundation. These policies include including conflict of interest, risk management, and whistle-blowing, among others. These policies also undergo regular reviews by management to ensure its continued relevance to our business operations.

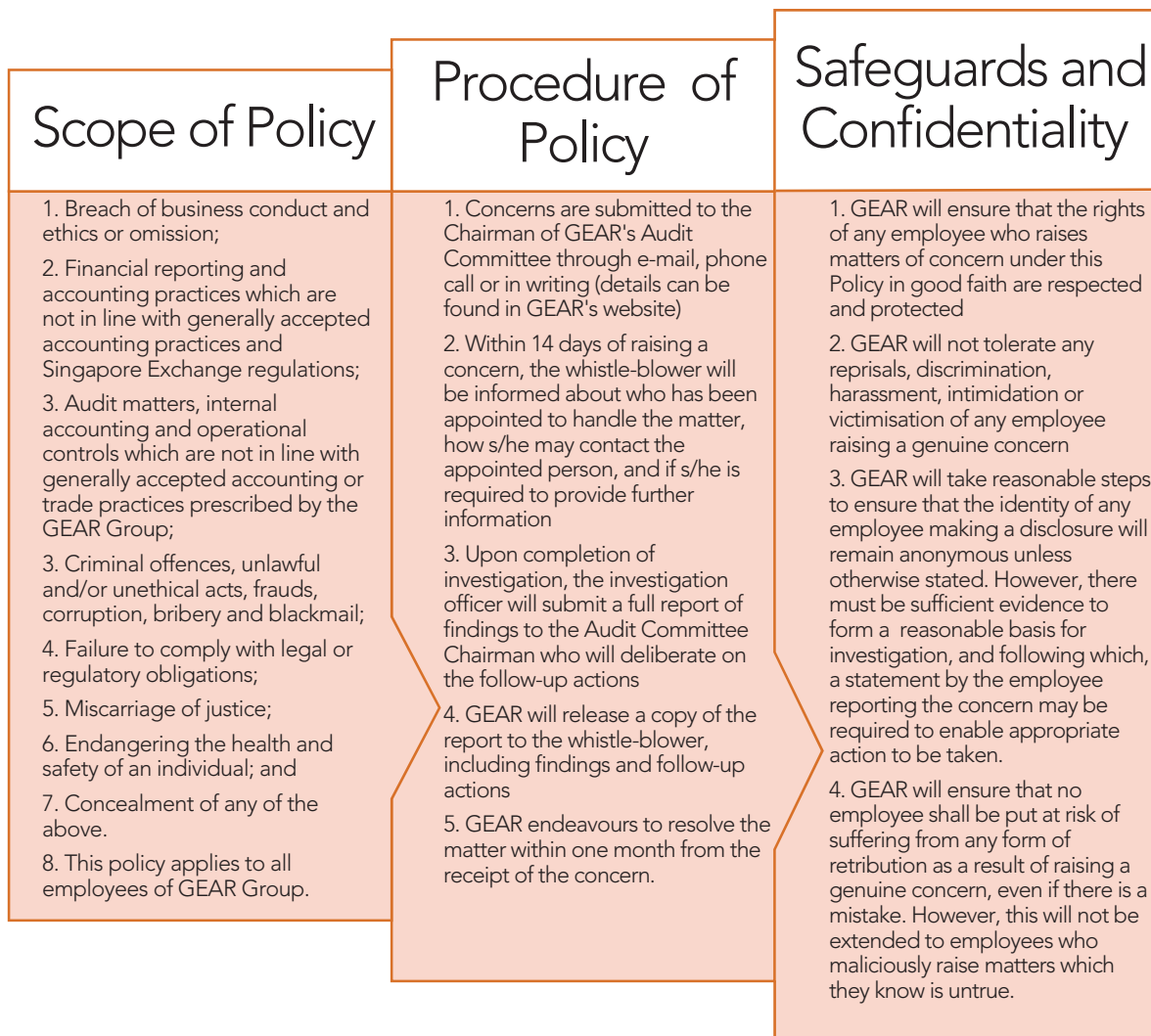
Figure 46: Our core values



WHISTLE-BLOWING

We recognise the importance to develop, promote and maintain high standards of corporate governance within GEAR and its subsidiaries. Our whistle-blowing policy provides a channel for our employees to raise their concerns about possible improprieties within the GEAR Group, as well as to provide assurance to our employees that they will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

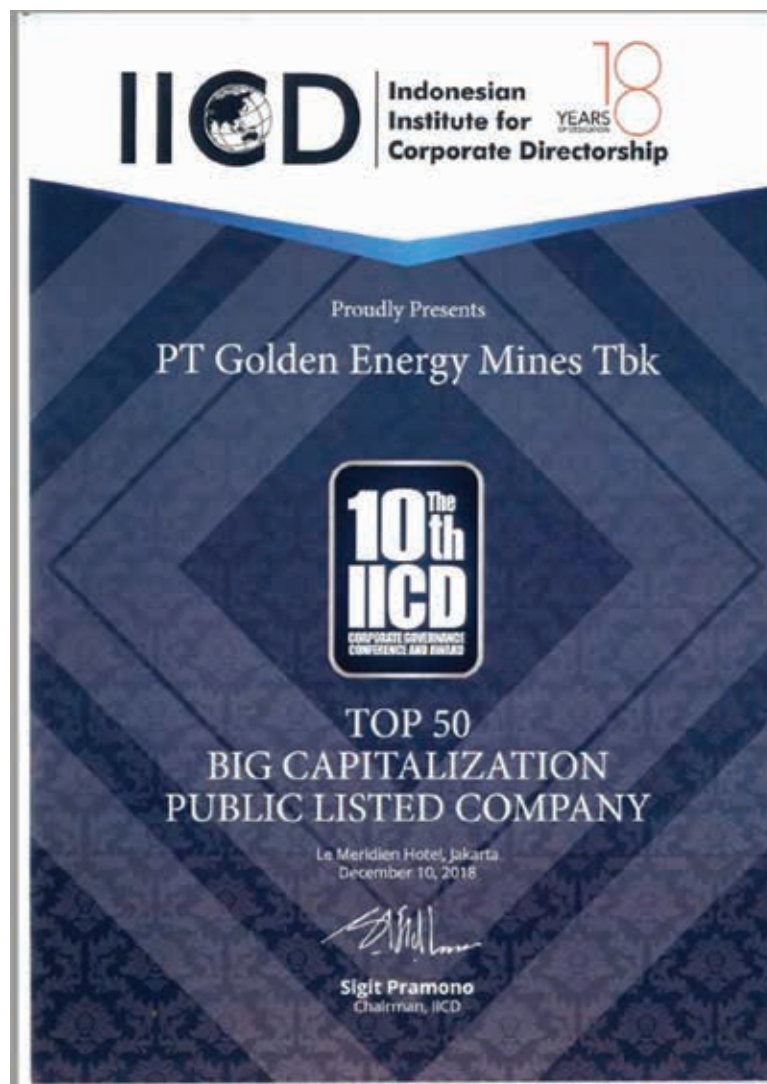
Figure 47: Scope, process, and safeguards and confidentiality of GEAR's whistle-blowing policy



GOVERNANCE AND ETHICS

As a testament of our sound corporate governance and ethics, there were zero cases of corruption, fraud or non-compliance with all applicable laws and regulations in FY 2018, a record that we aim to maintain every year. In the same year, our subsidiary, GEMS, received “The 10th IICD Corporate Governance Award” in the category of top 50 largest publicly listed companies by market capitalisation, for the 6th consecutive year since 2013, as shown in the Figure 47 below.

Figure 48: GEMS’ award on Top 50 Big Capitalisation Public Listed Company



GLOBAL REPORTING INITIATIVE ("GRI") INDEX

GRI Standard	Disclosure	Section of Report	Page Reference
GENERAL DISCLOSURES			
GRI 102:	ORGANISATIONAL PROFILE		
General Disclosures	102-1	Name of the organisation	About Golden Energy and Resources 3
	102-2	Activities, brands, products, and services	About Golden Energy and Resources 3
	102-3	Location of headquarters	About Golden Energy and Resources 3
	102-4	Location of operations	About Golden Energy and Resources 3
	102-5	Ownership and legal form	About Golden Energy and Resources 3
	102-6	Markets served	Economic Performance 5
	102-7	Scale of the organisation	Economic Performance; Profile of our Workforce 4-6 40-41
	102-8	Information on employees and other workers	Profile of our Workforce 40-41
	102-9	Supply chain	Engaging our Stakeholders 8-9
	102-10	Significant changes to the organisation and its supply chain	Not applicable –
	102-11	Precautionary Principle or approach	Governance and Ethics 46
	102-12	External initiatives	NIL –
	102-13	Membership of associations	Asosiasi Perusahaan Batubara Indonesia –
STRATEGY			
	102-14	Statement from senior decision-maker	Board Statement 2
INTERGRITY			
	102-16	Values, principles, standards, and norms of behaviour	Governance and Ethics 46
GOVERNANCE			
	102-18	Governance structure	Board Statement 2
STAKEHOLDER ENGAGEMENT			
	102-40	List of stakeholder groups	Engaging Our Stakeholders 8-9
	102-41	Collective bargaining agreements	Not applicable –
	102-42	Identifying and selecting stakeholders	Engaging Our Stakeholders 8-9
	102-43	Approach to stakeholder engagement	Engaging Our Stakeholders 8-9
	102-44	Key topics and concerns raised	Engaging Our Stakeholders 8-9

GLOBAL REPORTING INITIATIVE (“GRI”) INDEX

GRI Standard	Disclosure	Section of Report	Page Reference
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Annual Report 2018	120-122
102-46	Defining report content and topic Boundaries	About This Report Focusing on What Matters Most	1 10-11
102-47	List of material topics	Focusing on What Matters Most	11
102-48	Restatements of information	Energy Consumption and Greenhouse Gas Emissions	26-27
102-49	Changes in reporting	Not applicable	–
102-50	Reporting period	1 January 2018 – 31 December 2018	–
102-51	Date of most recent report	GEAR's 2017 Sustainability Report	–
102-52	Reporting cycle	Annual	–
102-53	Contact point for questions regarding the report	About This Report	1
102-54	Claims of reporting in accordance with the GRI Standards	About This Report	1
102-55	GRI content index	GRI Content Index	49-52
102-56	External assurance	GEAR has not sought external assurance for this inaugural report.	–

TOPIC SPECIFIC GRI STANDARDS DISCLOSURES

CATEGORY: ECONOMIC

MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Empowering Local Communities	35
	103-2	The management approach and its components	Empowering Local Communities	35-39
	103-3	Evaluation of the management approach	Empowering Local Communities	39
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Empowering Local Communities	36

CATEGORY: ENVIRONMENTAL

MATERIAL ASPECT: ENERGY

GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Energy Consumption and Greenhouse Gas Emissions	25
	103-2	The management approach and its components	Energy Consumption and Greenhouse Gas Emissions	25-28
	103-3	Evaluation of the management approach	Energy Consumption and Greenhouse Gas Emissions	25-28
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Consumption and Greenhouse Gas Emissions	26-27

GLOBAL REPORTING INITIATIVE ("GRI") INDEX

GRI Standard	Disclosure		Section of Report	Page Reference
MATERIAL ASPECT: BIODIVERSITY				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Land Management	29
	103-2	The management approach and its components	Land Management	29-31
	103-3	Evaluation of the management approach	Land Management	29-31
GRI G4: Mining and Metals	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) Disturbed or Rehabilitated	Land Management	30
MATERIAL ASPECT: EMISSIONS				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Energy Consumption and Greenhouse Gas Emissions	25
	103-2	The management approach and its components	Energy Consumption and Greenhouse Gas Emissions	25-28
	103-3	Evaluation of the management approach	Energy Consumption and Greenhouse Gas Emissions	25-28
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy Consumption and Greenhouse Gas Emissions	27
	305-2	Energy indirect (Scope 2) GHG emissions	Energy Consumption and Greenhouse Gas Emissions	28
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Air Quality Management	23-25
MATERIAL ASPECT: EFFLUENTS AND WASTE				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Solid Waste Management; Water Resource Management	28; 31
	103-2	The management approach and its components	Solid Waste Management; Water Resource Management	28-29; 31-33
	103-3	Evaluation of the management approach	Solid Waste Management; Water Resource Management	28-29; 31-33
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Water Resource Management	31-33
GRI G4: Mining and Metals	MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	Solid Waste Management	29

GLOBAL REPORTING INITIATIVE (“GRI”) INDEX

GRI Standard	Disclosure		Section of Report	Page Reference
MATERIAL ASPECT: CLOSURE PLANNING				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Land Management	29
	103-2	The management approach and its components	Land Management	29-31
	103-3	Evaluation of the management approach	Land Management	31
GRI G4: Mining and Metals	MM10	Number and percentage of operations with closure plans	Land Management	30
CATEGORY: SOCIAL				
MATERIAL ASPECT: LABOUR MANAGEMENT RELATIONS				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Labour Relations Management	45
	103-2	The management approach and its components	Labour Relations Management	45
	103-3	Evaluation of the management approach	Labour Relations Management	45
GRI G4: Mining and Metals	MM4	Number of strikes and lock-outs exceeding one week’s duration, by country	Labour Relations Management	45
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety	17
	103-2	The management approach and its components	Occupational Health and Safety	17-22
	103-3	Evaluation of the management approach	Occupational Health and Safety	20
GRI 403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Occupational Health and Safety	19-20

 golden energy and resources

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