golden energy and resources

GOLDEN ENERGY AND RESOURCES LIMITED

SUSTAINABILITY REPORT 2019

ABOUT THIS REPORT

Golden Energy and Resources Limited (the "**Company**" or "**GEAR**") publishes an annual sustainability report detailing our policies, practices and performances with regards to environmental, social and governance ("**ESG**") matters which are most material to our business, as well as to our stakeholders, with comparison data from FY2017 to FY2019, where applicable. Some policies and practices are group-wide while some are specific to our subsidiary, PT Golden Energy Mines Tbk ("**GEMS**"). 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 as its production volume and sales revenue accounted for more than 93% of GEAR's total production volume and 90% of GEAR's total revenue, respectively. 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 sustainability report ("**Report**") has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards – "Core" 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 sought external assurance on the disclosures made but will consider seeking independent verification for sustainability reporting as our reporting matures over time.

In line with GEAR's commitment to environmental sustainability, no printed copies of the Report were made. This Report and previous editions are available online at: http://investor.gear.com.sg/sustain.html.

For any queries in relation to this Report, please address them to sr@gear.com.sg.

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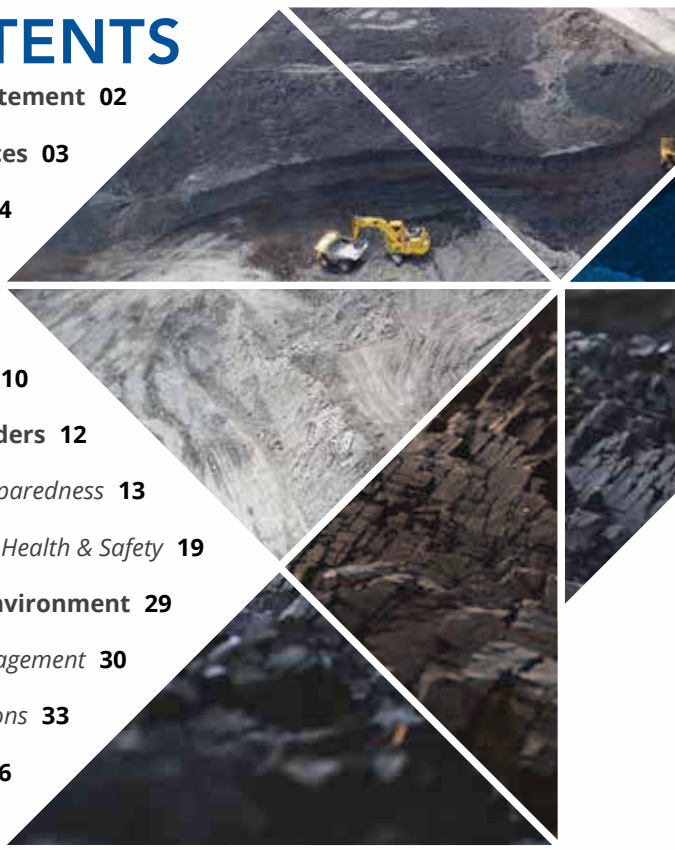


BOARD STATEMENT

Dear **Shareholders**,

The Board of Directors (the "**Board**") of GEAR is pleased to share our Report for the financial year ended 31 December 2019 ("**FY2019**") which provides an overview of our performance and commitment towards material ESG matters. As GEAR continues to be engaged in the coal mining industry, global coal demand, trends and opportunities remain integral to the sustainability of our business.

Data from the International Energy Agency's latest analysis report titled Coal 2019, states coal remains a major fuel in global energy systems contributing to almost 40% of electricity generation[1]. At GEAR, we continuously strive to enhance our efficiency and operate in an environmentally friendly manner. We are committed to remain at the forefront of Indonesia's leading coal industry, while evolving alongside sectoral changes in a dynamic market.

The Board works closely with our senior management, overseeing and regularly reviewing material ESG matters. We take ESG matters into consideration in our business strategy, in order to continue our ongoing sustainability efforts.

In this past year, GEAR has made significant progress to further advance our sustainability initiatives. We have worked closely with our local communities engaging in activities with focus on 8 pillars aligned with Regulation No. 1824 (year 2018) of the Ministry of Energy and Mineral Resources of the Republic of Indonesia ("**ESDM**"). The pillars are centred on development of the following key areas: Education (Pendidikan), Health (Kesehatan), Real economy (Ekonomi riil), Self-reliance economy (Kemandirian ekonomi), Infrastructure (Infrastruktur), Social, culture and religious (Sosial budaya dan agama), Environment (Lingkungan) and Institution (Kelembagaan). Our sustainability initiatives have ranged from providing health examinations with the help of local health offices, to constructing water towers for distribution to homes during periods of shortage. We consider our work supporting local communities as an integral part of our Company activities, and our social responsibility.

In this financial year, we have once again exceeded our performance in FY2018 in terms of production and revenue. We have also achieved our safety targets below our thresholds of 0.19 and 10.45 for lost time injury frequency rate ("**LTIFR**") and lost time injury severity rate ("**LTISR**") respectively.

In early 2020, the onset of the COVID-19 pandemic has brought about disruptions to businesses all over the world, including GEAR. Beyond complying with local regulatory enforcements, we have implemented various precautionary measures throughout the Group to protect our workers as well as local communities from the risk of contracting the infectious disease. It is with utmost dedication that we strive to grow stronger as a Group in our sustainability efforts – where our primary objective is to build value in the long term. We thank all our stakeholders for your unwavering support during this period while we seek to ensure the continuity of our business.

"In this financial year, we have once again exceeded our performance in FY2018 in terms of production and revenue. We have also achieved our safety targets below our thresholds of 0.19 and 10.45 for lost time injury frequency rate ("LTIFR") and lost time injury severity rate ("LTISR") respectively."

[1] For more information, please refer to https://www.iea.org/reports/coal-2019.

ABOUT GOLDEN ENERGY AND RESOURCES

VISION

To be a sustainable energy and resources company in Asia Pacific embarking on achieving carbon neutrality.

MISSION

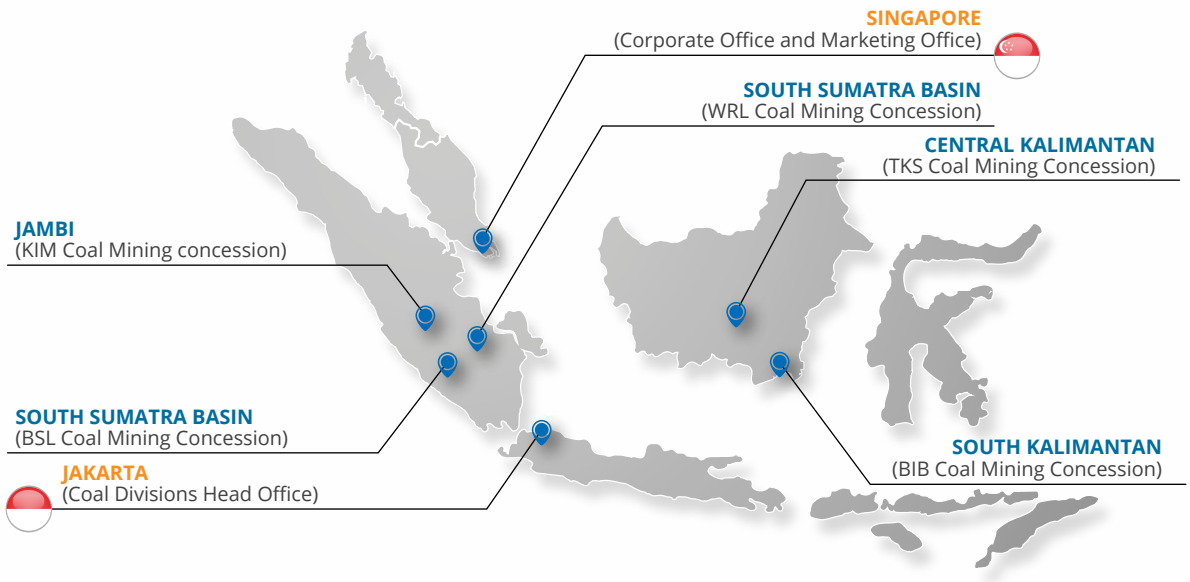
- Develop and nurture a leading corporate culture centred on human capital
- Amplify on excellence in operations and processes
- Continue sustainable growth trajectory through high safety standards, meaningful community development programmes, while maintaining and conserving our environment

GEAR is a Singapore listed (SGX:AUE) leading energy and resources company in the Asia Pacific region. GEAR owns 5 mining concessions in Indonesia covering an aggregate area of approximately 66,204 hectares, with the right to mine for more than 2.8 billion tonnes of thermal coal resources with coal reserve estimates of over 1.0 billion tonnes as at 31 December 2019.

GEAR's business activities include:

- Mining of thermal coal through its subsidiary GEMS operating in Indonesia;
- Mining of metallurgical coal through its 75.33%-owned Stanmore Coal Limited[2];
- Mining of gold through its 50%-owned Ravenswood Gold Mine; and
- Various investments in renewable energy projects initiatives.

Figure 1: Key coal mining concessions



[2] Increase from 31.35% as of 20 March 2020 to 75.33% as of 18 May 2020.

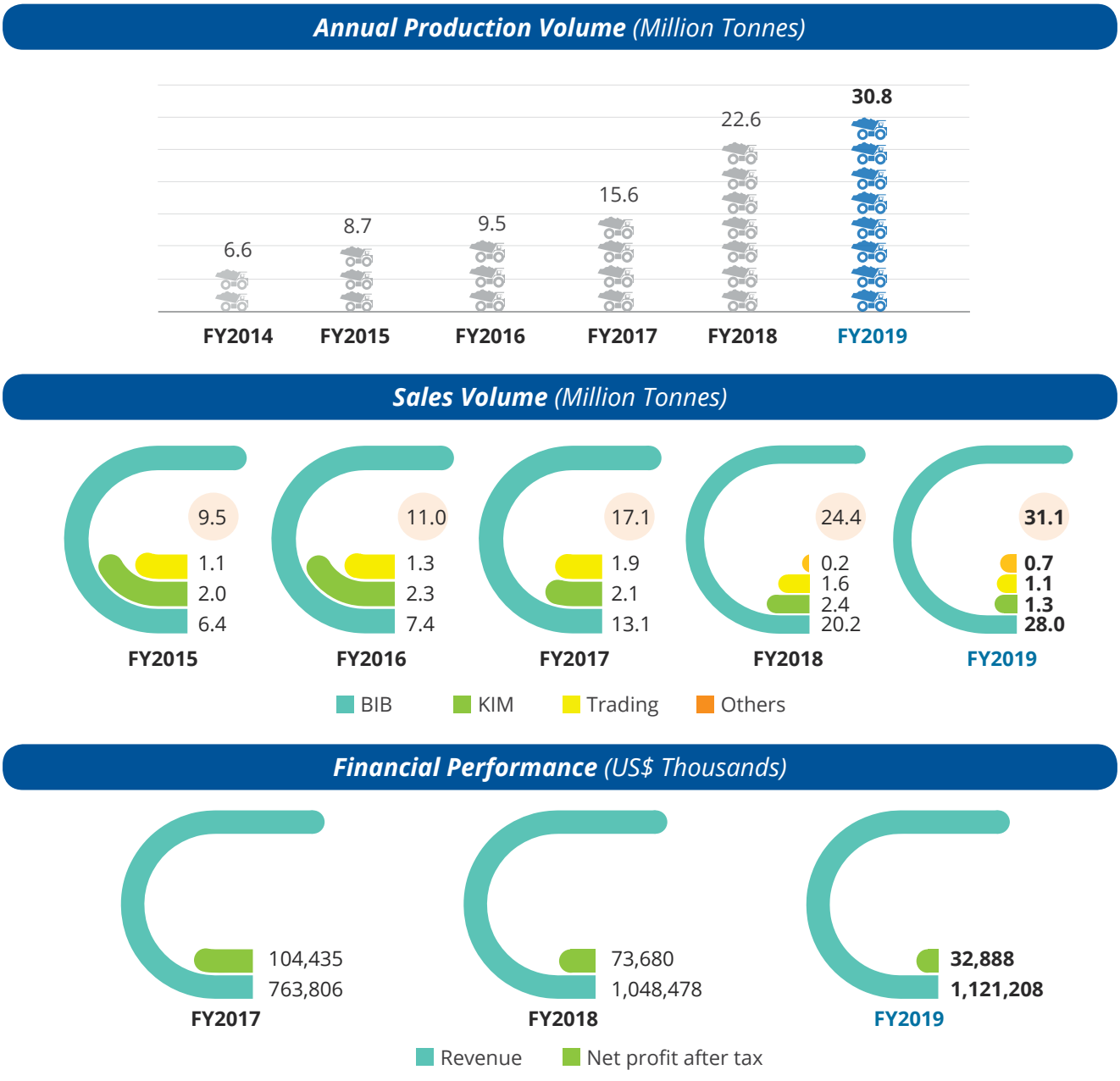
ABOUT GOLDEN ENERGY AND RESOURCES

ECONOMIC PERFORMANCE

The Group's revenue comprises of revenue generated from our coal mining and coal trading divisions as well as non-coal businesses. Total revenue in FY2019 increased by US$72.73 million or 6.9% from FY2018 (US$1,049 million in FY2018 to US$1,121 million in FY2019). The overall increase in revenue was primarily due to an increase in BIB's production volume and sale of coal.

GEAR's coal production volume demonstrated a 36.3% growth, from 22.6 million tonnes in FY2018 to 30.8 million tonnes in FY2019. Coal price fluctuations worldwide were reflected with average selling price showing a decline of 15.5% from US$41.4 per metric tonne in FY2018 to US$35.0 per metric tonne in FY2019. To offset the lower average selling price, GEAR successfully ramped up its production volume and sales volume from 22.6 million tonnes in FY2018 to 30.8 million tonnes in FY2019 and 24.4 million tonnes in FY2018 to 31.1 million tonnes in FY2019, respectively. Overall, GEAR maintained a positive increase in production and sales metrics despite fluctuations in coal prices globally.

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



ABOUT GOLDEN ENERGY AND RESOURCES

Figure 3: GEAR's revenue mix by business segment

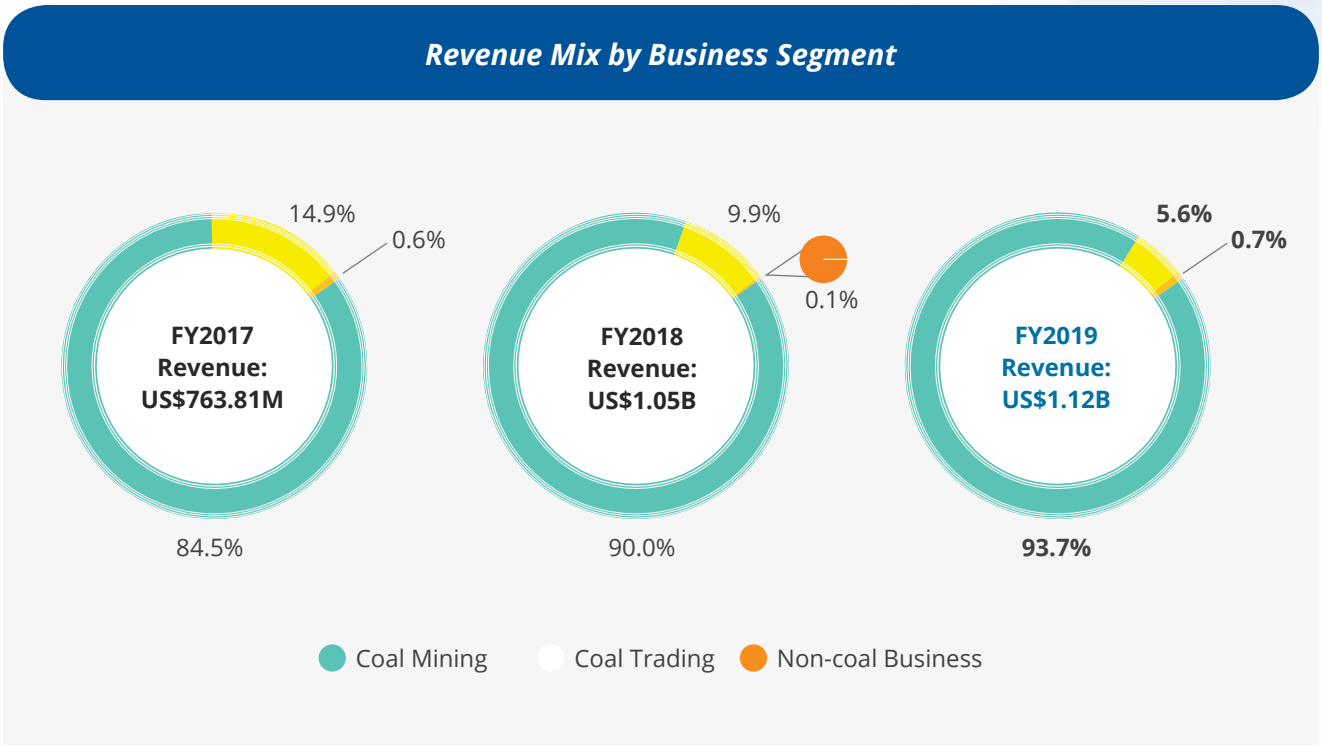
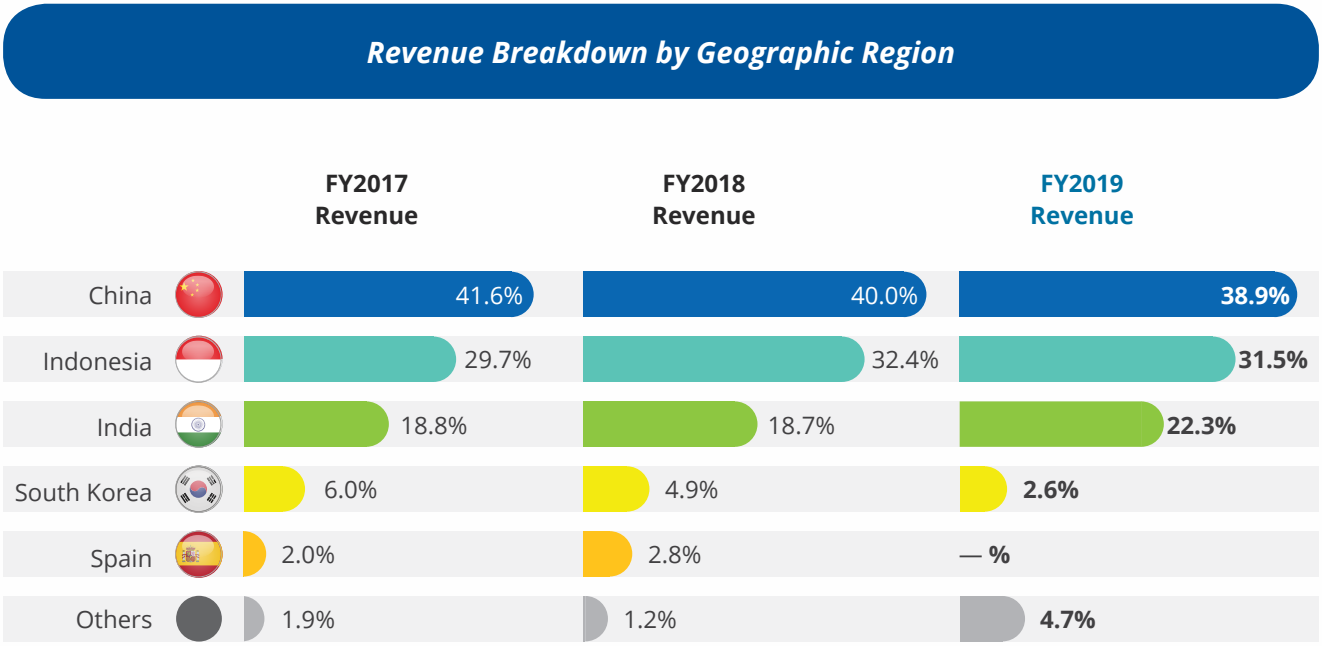
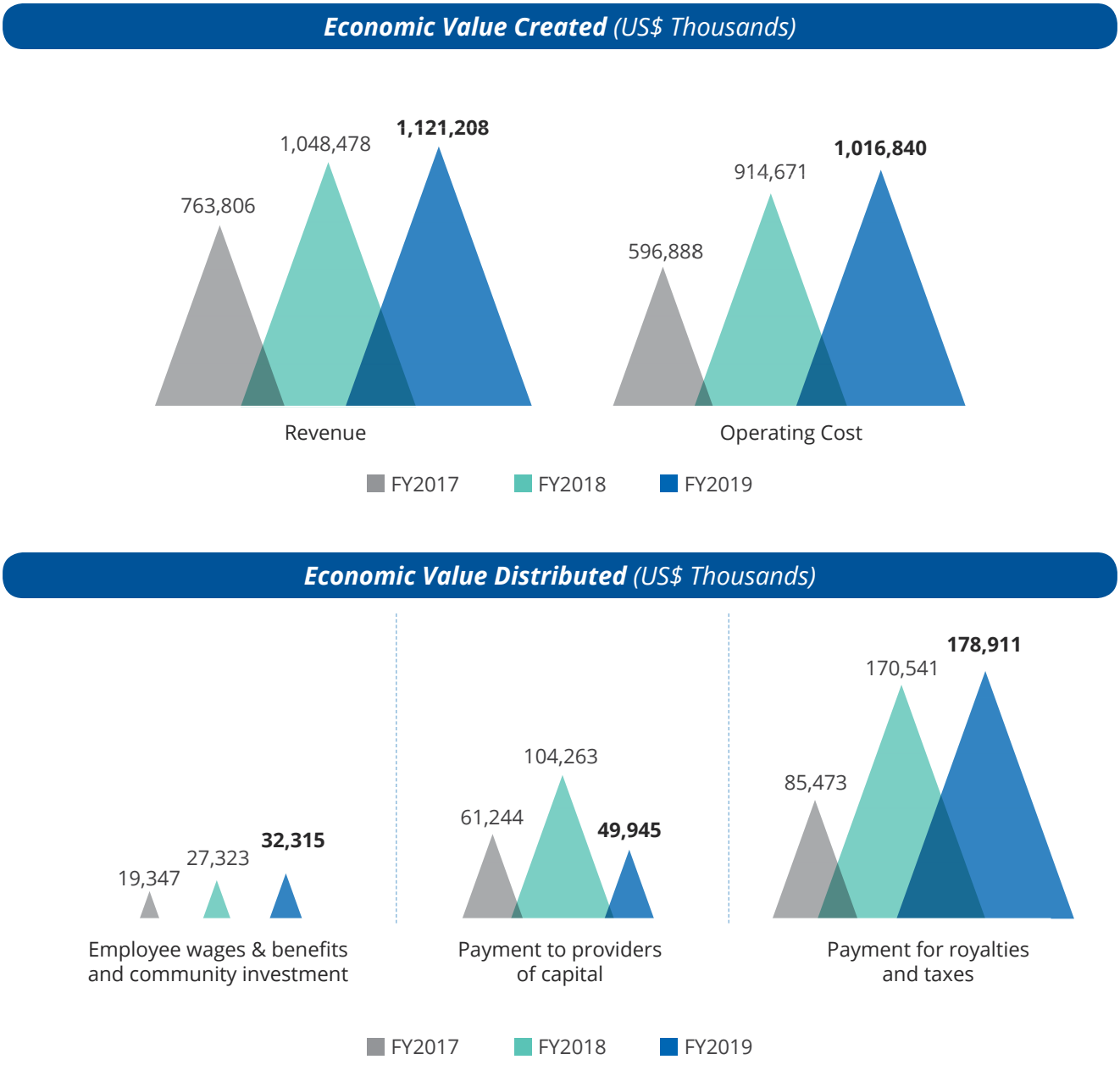


Figure 4: GEAR's revenue breakdown by geographic region



ABOUT GOLDEN ENERGY AND RESOURCES

Figure 5: GEAR's economic value created and distributed



ABOUT GOLDEN ENERGY AND RESOURCES

ESG PERFORMANCE

BELOW REGULATORY LIMITS
for TSS, pH Limits and Metal Content of Effluents

33.6% INCREASE
Thermal Coal Production for GEMS

Community Investments
OVER RP 33,786,946,240

ZERO
Fatalities, strikes and lockouts in our operational areas, business disruptions due to emergency

NO_2, SO_2 and CO emissions are
MUCH LOWER
than regulatory limits

Job Creation
378 employees in FY2019 against 355 in FY2018

Number of Emergency Simulations Participants
54%
INCREASE

ENGAGING OUR STAKEHOLDERS

At the heart of our business is our vision to enhance value for all stakeholders. At the same time, we believe in forging collaborative partnerships with our stakeholders to achieve sustainable development. For these reasons, we place great emphasis on effective stakeholder engagement, as summarised in Figure 6 below.

Figure 6: GEAR's approach towards stakeholder engagement

Stakeholder group	Stakeholder's expectations	Stakeholder management/Response(s) to stakeholder's expectations	Engagement platform(s)	Frequency of engagement
 **Shareholders**	• GEAR's financial health	• Formulation of strategies to enhance GEAR's financial performance	• Regular updates and announcements on financial performance • Annual and Sustainability Reports • Meetings with shareholders • Communications through "Investor Relations" section on GEAR's company website	• At least once per quarter • Annual • At least once per year • As necessary
	• Accountability of ESG performance	• Implementation of sustainable business practices		
 **Employees and workers**	• Fair employment practices	• Implementation of fair employment practices based on meritocracy	• Electronic updates through e-mail and intranet • Townhalls and meetings with the management	• Periodic for all engagements
	• Training and development	• Provision of in-house and external training opportunities		
	• Occupational health and safety	• Establishment of Health, Safety and Environment ("**HSE**") system, regular safety briefings, emergency drills, provision of personal protective equipment	• Training programmes, including intensive coaching to potential identified leaders • HSE campaign involving all employees to create a safe work environment • Performance appraisal	
 **Customers**	• Product and service quality	• Implementation of quality control processes • Provide transparent information about our product to customers • Regular engagement with customers to understand their satisfaction level	• Meetings • Annual Reports • Tours to site	• Periodic • Annual • As necessary
	• Sustainable business practices	• Implementation of sustainable business practices and transparent reporting	• Sustainability Reports	• Annual

ENGAGING OUR STAKEHOLDERS

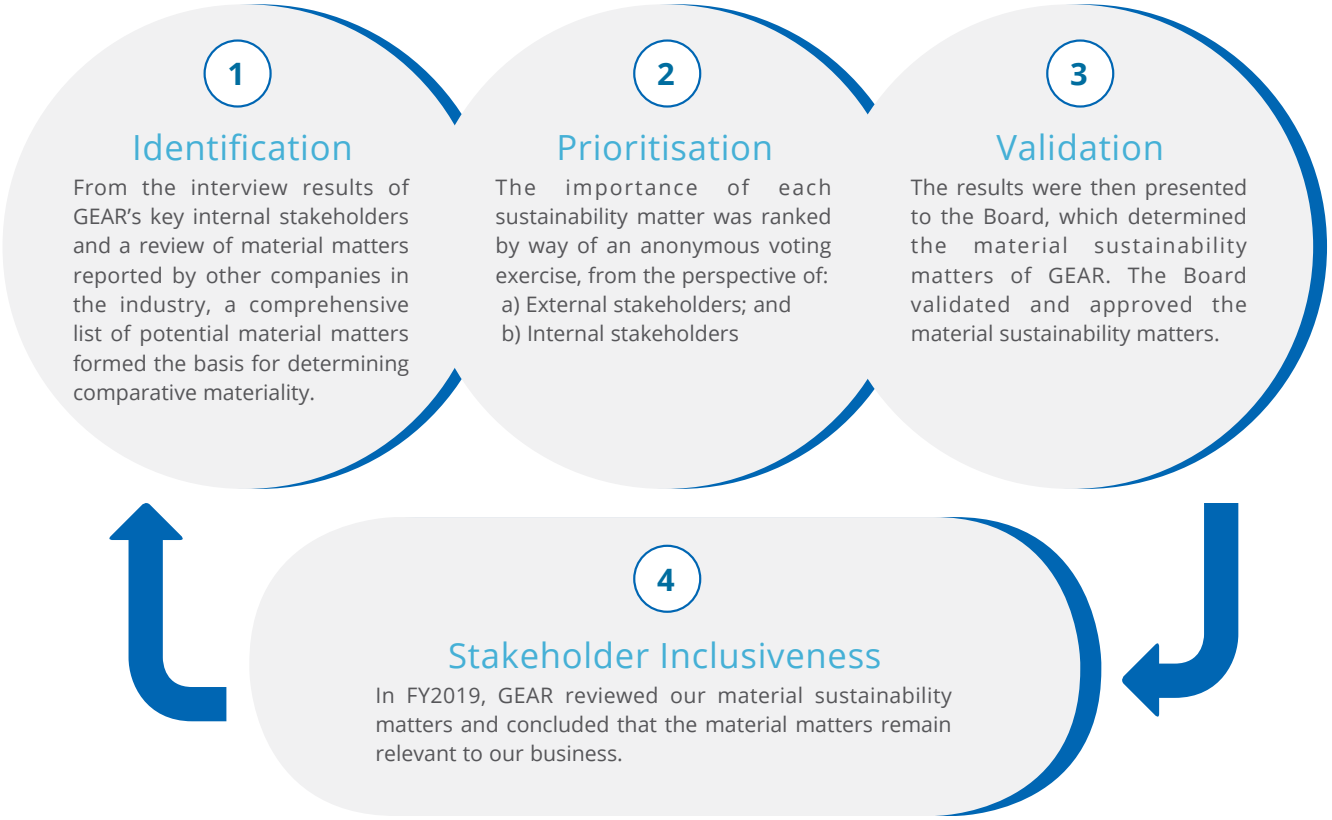
Stakeholder group	Stakeholder's expectations	Stakeholder management/Response(s) to stakeholder's expectations	Engagement platform(s)	Frequency of engagement
Local communities	• Socioeconomic development • Management of negative economic, environmental and social impact	• Local employment opportunities • Provision of trainings to enable the local community to earn their livelihood • Implementation of Corporate Social Responsibility ("**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	• Dialogues with the local community • 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	• Periodic • Periodic • Periodic • As necessary • As necessary • Every time • Every time
Regulatory authorities	• Regulatory compliance	• Keeping abreast of regulatory requirements and ensuring compliance to all	• Statutory reporting • Public consultation forums/events • On-site inspections	• Periodic • Periodic • As necessary
	• Community empowerment	• Implementation of CSR programmes		
Contractors and suppliers	• Fair procurement practices • Business opportunities	• Administration of open and fair tender process	• Tender process	• As necessary
	• Safe working environment	• Implementation of occupational health and safety initiatives	• Performance Review	• Periodic
	• Feedback on performance	• Review of supplies' performance		

FOCUSING ON WHAT MATTERS MOST

GEAR's future sustainability growth is dependent on identifying ESG materiality matters pertaining to our stakeholders' interests. We achieved this by conducting a formal materiality assessment in 2017 with key personnel from respective departments, with the help of independent sustainability consultants. The formal materiality assessment in 2017 included the identification, prioritisation and validation of material matters, as shown in Figure 7.

The process, detailed in Figure 7 below, considers GRI's Principles for Defining Report Content and focuses on the material matters determination process. The results are laid out in Figure 8.

Figure 7: Materiality assessment process



FOCUSING ON WHAT MATTERS MOST

Figure 8: Materiality Matrix and Material Matters

No.	Material matters	Sub-matters
1	Safety	Emergency preparedness
		Occupational health & safety
2	Environment	Air quality management
		Energy management
		GHG 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

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

Why is this important to GEAR?

As a coal mining operator, GEAR sees the health and safety of our stakeholders as one of our most crucial priority due to the inherent risk of the operations. To ensure our employees and workers are well protected from danger and unhealthy circumstances, we have in place various systems, measures and practices, such as emergency preparedness and safety management systems.

Policy/Management Systems

- GEMS' Emergency Readiness and Response Policy
- Mining Safety Management System by ESDM
- ISO 45001:2018 Occupational Health and Safety Management System
- GEM's General Mining Safety and Environmental Protection Policy
- GEMS' HIV / AIDS Policy
- GEMS' Use of Drugs and Alcohol Policy

Safety Performance Highlights for FY2019

	Increase in Lost Time Injury Frequency Rate ("**LTIFR**") from **0.05** in FY2018 to **0.07** in FY2019
	Increase in Lost Time Injury Severity Rate ("**LTISR**") from **4.68** in FY2018 to **6.65** in FY2019
	Zero recordable work-related injury in the Singapore office for four consecutive years
	54% increase in number of emergency simulations participants

FY2019 Target Achieved

	LTIFR threshold **below** 0.19
	LTISR threshold **below** 10.45

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

EMERGENCY PREPAREDNESS

At GEAR, we acknowledge that our business environment is subjected to uncertainties from the natural environment and human causes, which poses great risks to our stakeholders and business operations. It is therefore imperative that we are well prepared in the event of an emergency to prevent further damage and minimise business disruption. In Figure 9, our Emergency Readiness and Response Policy lists the measures in place to prevent and contain emergency situations and minimise damage to our assets, environment and stakeholders.

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

Types of emergency covered by the policy

- 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, landslides, and drowning incidents.
- Blockade, mass demonstration and bomb threats.
- Natural disasters (such as flood and windstorm).

Training on emergency preparedness

- All employees and visitors are briefed on potential hazards at the mine, as well as steps to be taken during an emergency, including communication protocol and evacuation plans.
- ERT is required to attend emergency simulations.

Emergency Simulations

- Emergency simulations are done for all types of possible emergencies as identified by the HSE Manager and approved by the Mining Head at the start of each year.
- The frequency of the emergency simulations is as follows:
  - Full-scale (covering all concession areas): At least once a year;
  - Limited scale (covering selected areas): At least twice a year; and
  - Administrative simulations: At least once every three months.

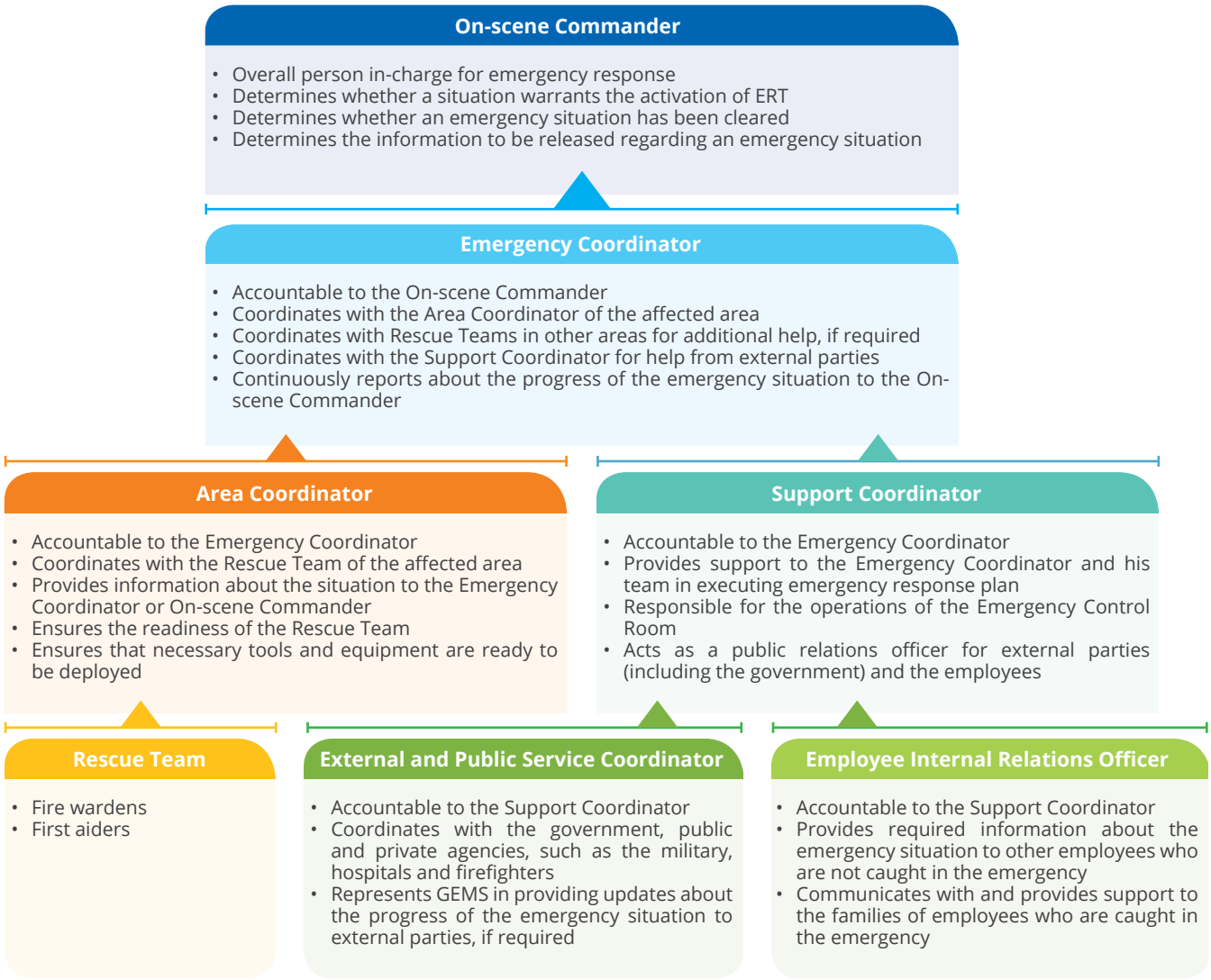
Evaluation and audit

- Evaluation is done at each emergency simulation to assess the readiness of the ERT in handling emergency situations.
- Audit is carried out to ensure that all procedures relating to emergency preparedness exercise have been performed 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

In the event of an emergency, our Emergency Response Team ("**ERT**") established by our Mining Head will be activated to ensure smooth implementation of mitigation actions, as shown in Figure 10. Comprising representatives from our employees, workers and contractors' employees, the ERT is continually trained through simulations to improve overall competency in emergency response preparedness. To ensure that our emergency response is well coordinated, all members are equipped with a Deployment Card (Kartu Tugas), which contains a guide on the emergency procedures, the type of administrative forms to use and emergency checklist. It also ensures that other employees can replace the ERT members who are not present at the site during any emergency.

Figure 10: GEMS' ERT Structure



Emergency Procedures using the Deployment Card

For any emergency call, there are three potential outcomes:
1. the ERT is available in full team; or
2. the ERT is available nearby but not in full team, or
3. the ERT is away and not available.

The Deployment Card will be used as follows:
1. In the first situation, the ERT Captain will function as the On-Scene Commander. He shall conduct briefing to each of ERT members tasks using the Deployment Card. The Deployment Card will function as a guide and a quick recap for the trained ERT members.
2. In the second situation, the ERT Captain will gather the available ERT members, and non-ERT members if necessary. Non-ERT members are employees who are preferably trained in first aid, firefighting, or CPR. The ERT Captain will explain the tasks using the Deployment Cards.
3. In the third situation, the Fire Warden or the First Aider of the area will resume the duty as Emergency Responder. He will gather team members, preferably employees who are trained in first aid, firefighting, or CPR. He then explains the step-by-step emergency response using the Deployment Card instructions.

Deployment Cards

The Emergency Deployment Cards are ready-for-use instructions to respond to specific emergency situations, such as fire case, personal injury and medical emergency. For most of the ERT members who are trained in various emergency situations, the Deployment Cards will function as a guide and a quick recap. For the non-ERT members[3], the Deployment Cards will provide them with valuable information on performing the emergency response through the step-by-step instructions.

Some examples of Deployment Cards are shown in Figure 11 below.

Figure 11: Examples of Deployment Cards for firefighters (*left*) and first aiders (*right*)

Kartu Tugas / Deployment Card Pemadam Kebakaran / Firefighters	
Tugas / Task	Sudah / Done
Mempersiapkan perlengkapan pemadaman, APAR, dan water truck *Preparing the firefighting equipment, fire extinguishers, and water truck*	
Memastikan semua karyawan di area keadaan darurat sudah berada di lokasi berkumpul / lokasi aman *Ensure that all employees in the* incident area are at the *assembly location / safe location*	
Melakukan penilaian kelas kebakaran, besarnya kebakaran serta potensi meluasnya kebakaran *Conduct a fire classification assessment, the magnitude of the fire and the potential for widespread fire*	
Melakukan penilaian potensi aset dan potensi korban untuk kepentingan prioritas penanganan *Conduct an assessment of potential assets and potential victims for priority handling*	
Meminta bantuan personil / peralatan / water truck jika diperlukan *Request for personnel / equipment / water truck assistance if needed*	
Melakukan pemadaman kebakaran yang diperlukan *Extinguish fire as needed*	
Mengidentifikasi APAR yang sudah dipakai dan membuat laporan upaya pemadaman *Identify the fire extinguisher that has been used and prepare the fire extinguishing effort report*	
Menjadi pemandu bagi ambulans, pemadam kebakaran atau kendaraan dukungan lain yang akan datang ke lokasi *Provide a guide for ambulances, firefighters or other support vehicles should they come to the location*	

Kartu Tugas / Deployment Card Petugas P3K / First Aid Officer	
Tugas / Task	Sudah / Done
Mempersiapkan obat-obatan, peralatan dan perlengkapan P3K *Preparing first-aid medicines, equipment and supplies*	
Melakukan penilaian jumlah korban dan sifat cidera yang dialami korban *Assess the number of victims and the nature of the injuries suffered by the victims*	
Menentukan tingkat prioritas korban yang perlu ditangani *Determine the priority level of victims that need to be addressed*	
Meminta bantuan peralatan dan material yang diperlukan *Request for assistance on equipment and materials needed*	
Melakukan stabilisasi korban dan jika diperlukan mempersiapkan korban untuk evakuasi selanjutnya *Stabilize the victims and if necessary prepare victims for further evacuation*	
Memberikan penenangan kepada korban *Provide comfort to the victim*	
Mendistribusikan peralatan, perlengkapan dan obat-obatan yang diperlukan *Distribute equipment, supplies and medicines needed*	
Membuat laporan mengenai pertolongan *Prepare a report on the first aid assistance*	

[3] Non-ERT members are gathered from employees who have received trainings in first aid, firefighting, or CPR.

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

In response to our aim of improving our overall capacity in emergency response as set in FY2018, we have achieved the following, as shown in Figure 12. Moving forward, we hope to carry out monthly emergency drills/simulations and scenario-based emergency situations such as Fatality Preventions and Oil Spill Response on land or offshore.

Figure 12: Our performance against our goals for emergency response

Material matters	Sub-matters
Strengthening our ERT structure	We have established a strong Emergency Response structure comprising all departments and contractors on site. In FY2019, we deployed six firefighting teams covering pit areas, hauling roads, port, and offices. In the same year, we have also established our Emergency Command Centre and Emergency Call Centre.
Improving the competencies of our ERT members	We conducted various trainings to enhance the competencies of our ERT members: **AK3 Firefighting Certification** Period: May 2019 Venue: Kemenakertrans Jakarta Participant: 1 employee **Basic Open Mine Rescue – BASARNAS** Period: 22 July – 2 August 2019 Venue: Training Room, Angsana Site Participants: 31 employees **Intensive Trainings** • High Angle Rescue, • Confined Space Rescue, • Water Rescue, • Collapsed Structure Search and Rescue. Period: 25 – 30 September 2019 Venue: Basarnas Banjarbaru Participants: 9 employees **Advanced Cardiovascular Life Support Certification** Period: 10 – 12 December 2019 Venue: Pro Emergency Bibinong, Bogor Participant: 1 employee
Constructing our ERT First Aid Station and Emergency Response ("**ER**") Command Centre	In FY2019, the construction for our First Aid Station ("**FAS**"), located at Hauling Road KM07, was completed At the same time, we started the construction of the Emergency Response Command Centre at Kusan's new office. 
Procuring additional rescue tools for vehicle extrication, water rescue, firefighting, confined space rescue and high angle rescue	In FY2019, 18 types of emergency tools and equipment were added to the ERT for firefighting, high angle rescue, water rescue, vehicle accident rescue, medical rescue and collapsed structure rescue. As at 31 December 2019, the ERT has 63 types of emergency tools and equipment ready to be deployed for any emergency event.
Conducting emergency simulations for handling fatality prevention and oil spill related scenarios	A total of 13 emergency drills and simulations were conducted in FY2019. Emergency simulations for fatality prevention such as fire and vehicle accidents, fall from height, drowning, slope failures, electric shock and working in confined spaces. Emergency drills for oil spills were conducted regularly in workshops and offshore tugboats.

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

Performance

In FY2019, we have carried out a total of 13 emergency simulations, a slight decrease from 15 in FY2018. These simulations saw a total of 375 participants, including BIB's ERT and contractors. The participants also include BIB employees who we encourage to participate in all drills and simulations as part of our ongoing education programme so that they are prepared in the event of an emergency.

Figure 13: FY2019 emergency simulations

No.	Location	Emergency Scenario
1	Angsana Office	Fire Case – Building Fire, Search and Rescue
2	Pit Kusan Bawah	Mud Accident Rescue – Evacuate victim at mud area (Search and Rescue)
3	Settling Pond Girimulya	Water Rescue – Rescue victim (injury case) at settling pond
4	Pit Kusan Bawah	Mine Slope Failure – Rescue victim (injury case)
5	Hauling Road	Road Accident Rescue – Rescue victim (injury case and extrication method)
6	Workshop Area	Electrical Shock Rescue – Rescue victim (injury case)
7	Exploration Area	Jungle Rescue – Search and Rescue (evacuation of victims crushed by a tree)
8	Magazine Area	Fire Case – Building Fire, Search and Rescue
9	Pit Kusan Atas	High Angle Rescue – Rescue victim who fell on the slope (injury case)
10	Fuel Storage Area	Confined Space Rescue – Search and Rescue (injury case)
11	Hauling Road	Motor Vehicle Accident Rescue – Rescue and Evacuate victim (mass casualties in collusion)
12	Pit Kusan Atas	Mud Accident Rescue – Evacuate victim at mud area (Search and Rescue)
13	BLC Area	High Angle Rescue Combination with Water Rescue (open sea water) – Rescue victim who fell on the slope (injury case)

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

In FY2019, ERT has participated in various events of national disasters, and emergency, and fire and rescue competition.

Search and Rescue during Bengkulu Earthquake

In May 2019, our ERT members were deployed to Bengkulu Earthquake Disaster Recovery Programme, providing search and rescue assistance as well as medical attention to the affected victims. In addition, we donated basic food, household groceries, women and baby clothing, cookware and emergency tents to the victims.

Providing Assistance to Victims of Kusan Hulu's Flood

In June 2019, our ERT members were deployed to help to evacuate affected villagers, using rubber raft boats, trapped in their homes to the designated emergency safety points. The ERT, together with the paramedic team from Tanah Bumbu Regency, provided medical care for infants and elderly at the emergency safety points. The ERT also helped the affected villagers post the flood disaster at Kusan Hulu sub-district, an area near BIB's mining concession. Items such as basic food, household groceries, women and baby clothing and cookware were donated to the victims of the flood.

Indonesia Fire Rescue Competition ("IFRC")

In October 2019, our ERT took part in the 6th IFRC as a new joiner, held in Sekolah Tinggi Penerbangan Indonesia in Curug, West Java. Our ERT members gained extensive knowledge and experience throughout the 8 competitions in the Fire Rescue Competition – Firefighting in Enclosed Building, Vehicle Accident Rescue, High Angle Rescue, Water Rescue, Collapsed Structure Search and Rescue, Aircraft Firefighting, Firefighter Knowledge Competition, and Firefighter Combat Challenge.

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

OCCUPATIONAL HEALTH & SAFETY

Ensuring occupational health and safety is no doubt one of our highest priority given the operational risk of our business. To protect our employees and contractors, we leverage on the highest safety standards available to drive operational excellence and sustainable growth. Our policies (Figure 14) and procedures serve to prevent these risks from developing into actual hazards and are reviewed periodically to ensure they are in line with our operations and compliant with the latest regulations.

Figure 14: GEMS' suite of policies for occupational health and safety

1 General Mining Safety and Environmental 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 on the environment.
- We develop work programmes which are based on continuous improvement and covering all our operational activities, taking into account HSE considerations.
- We are committed to engage 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 safely.

2 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 our 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 choices for workers to undergo HIV/AIDS screening without any compulsion and maintaining confidentiality of the test results;
  - » Offering regular health services for infected workers; and
  - » Safeguarding the health and safety of all other workers

3 Use of Drugs and Alcohol Policy

- Zero tolerance towards the use of 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; and
  - » 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; and
  - » Terminate employment contract with workers who are found to distribute and consume drugs and alcohol at our work facilities.

Occupational Health and Safety Management System

GEAR's management systems comprise the Mining Safety Management System by the Ministry of Energy and Mineral Resources of the Republic of Indonesia ("**ESDM**") and ISO 45001:2018 Occupational Health and Safety Management System ("**OHSMS**"). BIB attained the ISO 45001:2018 OHSMS certification in December 2018, valid till December 2021. In FY2019, we have passed our annual ISO 45001:2018 audit as a requirement of the ISO standard. Although not a legal requirement, the Management expects that the implementation of ISO 45001 will improve overall workplace health and safety and reduce occupational injuries and diseases at BIB.

Figure 15: GEAR's management systems

	Mining Safety Management System by ESDM	ISO 45001:2018 Occupational Health and Safety Management System
System implemented because of legal requirements	Yes	No
Scope of workers covered under this system	All employees of BIB and registered contractors' employees on site	All employees of BIB and registered contractors' employees on site

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

Hazard Identification, Risk Assessment and Incident Investigation

We adopt the Root Cause Analysis ("**RCA**") method to investigate the root cause of every incident and implement the corrective actions to prevent reoccurrence. To ensure the quality of investigation, at least one member of the investigation team will have to undergo RCA training. When the root cause has been identified, we will select the most effective recommendation using the hierarchy of controls, with priority going to engineering controls, followed by administrative controls, work practices and lastly, personal protective equipment.

After each investigation, the Health, Safety and Environment ("**HSE**") Department logged the incident through the HSE incident report application portal. Historical incidents will serve as data feeds for the software in analysing our safety performance. The analysis will then reveal the classification of the incidents based on time, category of incident (health, safety or environment), degree of severity (mild, moderate, high or fatal), direct/indirect cause, root cause and recommendations to the management of BIB and its contractors for data analytics and audit trail.

In the face of work-related hazards and hazardous situations, our employees and workers are to report work-related hazards to their supervisors and remove themselves from hazardous situations without fear of reprisals. To protect our employees and workers against reprisals, BIB ensures that the name of the employee or worker who reports the hazardous situation is kept confidential. To facilitate a more efficient reporting system, we have an online Hazard Reporting System using iSAFE application. Our iSAFE application is accessible on our employees' and workers' mobile phones. The online Hazard Reporting System is accessible in most of our BIB's concession area, except in remote areas where telecommunication connection is weak. On 16 December 2019, we launched the iSAFE application and at the same time, announced the rollout of our online Hazard Reporting System.

Unlike the traditional reporting system which required the Hazard Report Form to be submitted physically through the dropbox or to the Safety Administrator, our online Hazard Reporting System allows employees to report the hazards through iSAFE application using their mobile phones. The iSAFE application is designed to capture the description of the hazard(s), location(s), time of each report, photographic evidence, personnel, facilities and equipment involved. The reported information, through the iSAFE application, will be sent immediately to the Responsible Area Manager and recorded automatically in the database. Upon receiving the hazard report(s), the supervisor or Responsible Area Manager will review the information, identify the nature of hazard(s) and promptly conduct the follow-up action(s). Once the follow-up is completed, the Responsible Area Manager will report and send the follow-up evidence to the Safety Administrator. If the follow-up is deemed inappropriate, the report will be sent back to the Responsible Area Manager to make changes to the follow-up action and resubmit the evidence back to the Safety Administrator.

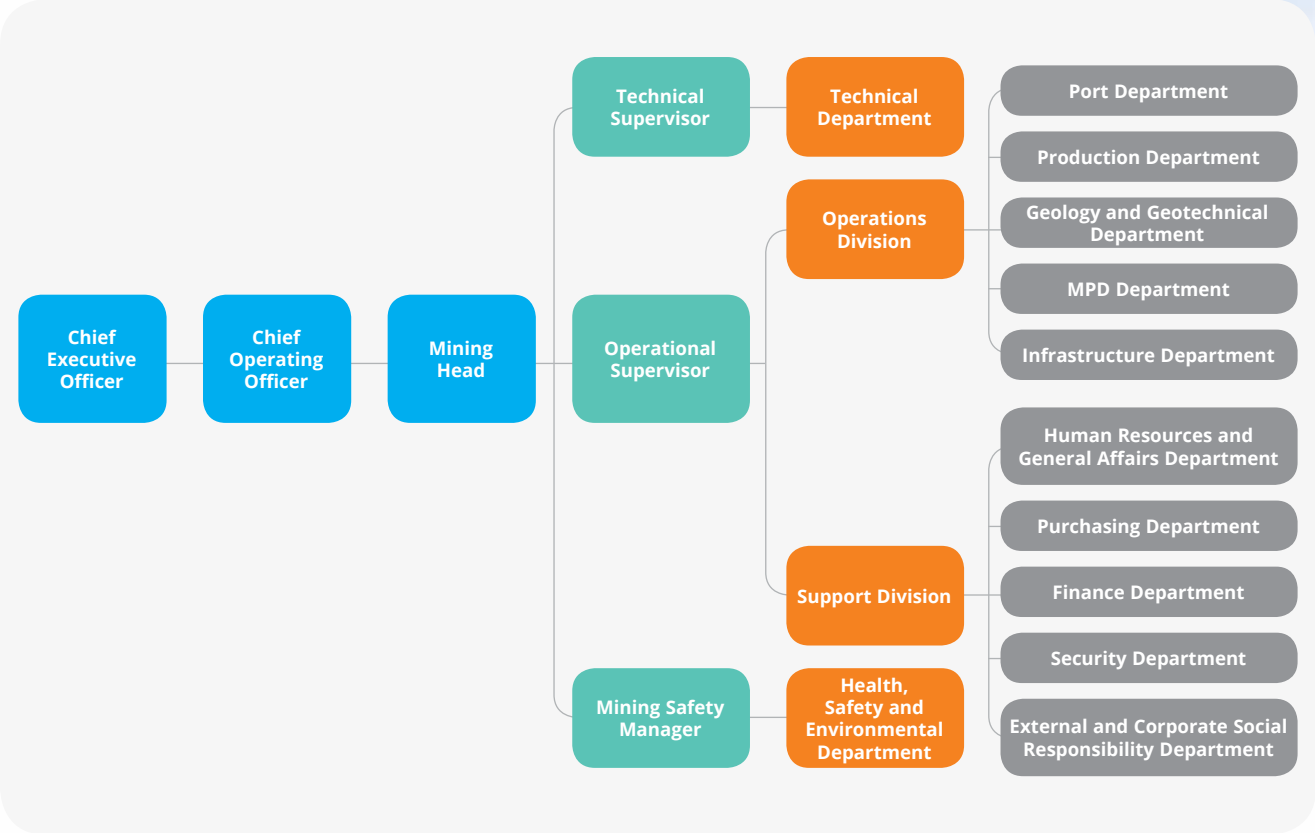
Worker Participation, Consultation and Communication on Occupational Health and Safety

Our Occupational Health and Safety ("**OHS**") management is administered by our HSE Department, as shown in Figure 17. To ensure that our workers are represented, BIB's OHS committee conducts several activities such as safety committee meetings, safety talks, management review and other ad-hoc safety meetings whenever an improvement area is identified.

Figure 16: Frequency of meetings

Type of meeting	Frequency
Safety Committee Meeting	Monthly
General Safety Talk	Monthly
Weekly Safety Talk	Weekly
Management Review	Annual
Ad-hoc safety meetings	As and when required by the ad-hoc team

Figure 17: GEMS/BIB's OHS committee



Worker Training on Occupational Health and Safety

In FY2019, a total of 71 training sessions related to health and safety were carried, with an average of 14 participants, including BIB employees and its contractors, in each training. The training sessions include generic trainings such as filing system and documentation management, first aid, safety leadership, as well as training on specific work-related hazardous activities such as mining precautions, slope failure rescue techniques and job safety analysis. In addition, a total of 10 certification courses were provided to 141 participants, including BIB's employees and contractors, free of charge and during working hours. The courses include specific training in, amongst others, Mine Supervisory, Mine Surveyor, Electrical Safety, and Basic Open Mine Rescue.

To evaluate the effectiveness of our trainings, we use either one of the following three methods.

1. The first method involves an open-ended questionnaire to be completed by the participants at the end of the training session. This feedback is provided to the trainer regarding the quality of training materials, teaching method, equipment used, classroom facilities, duration, the participants' understanding of the training, and how the training could benefit them.
2. The second method requires participants to take a test at the end of the training session to assess the participant's degree of understanding of the training. If the test result is lower than the established minimum standard, the participant will be asked to reattend the training and retake the test.
3. The third method involves obtaining feedback from the participants' supervisor on any improvement shown by the participants sometime after they have completed the training. This is particularly crucial for maintaining the competency level of our mining supervisors such as POP (Mining Supervisory Competency – level 1) or POM (Mining Supervisory Competency – level 2). Should the feedback be negative, the participant is required to attend subsequent coaching session or be closely mentored by his direct supervisor.

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

Occupational Health Services and Promotion of Worker Health

As part of our contingency plans, all of our concession areas have their own first aid station ("**FAS**") with paramedics on site to provide basic emergency medical services. Some of our FAS include medical professionals such as doctors on-site. During emergencies, our trained and experienced first aiders will practice the DR-ABC principle, as follows.

- **D**anger – the first aider shall determine if it is safe to approach the casualty. The first aider must ensure he does not put himself or any bystander in danger when approaching the casualty.
- **R**esponse – the first aider shall try to obtain responses from the casualty when the first aider talks to him, touches his hands or squeezes his shoulder. This is to ensure that the casualty is conscious and can communicate his condition to the first aider.
- **A**irway – If the casualty is not responding and he is unconscious, the first aider shall open the casualty's mouth and have a look inside. If his mouth is clear, the first aider shall tilt the casualty's head gently back (by lifting his chin) and check for breathing. If the mouth is not clear, the first aider shall place the casualty on his side, open his mouth and clear the contents, then tilt the head back and check for his breathing. The casualty's head shall remain tilted to keep the airway open to allow for breathing.
- **B**reathing – The first aider shall check for breathing of the casualty by looking for chest movements (up and down). CPR will be applied if the casualty's breathing is abnormal. If the casualty can breathe on his own, he shall be put in the recovery position.
- **C**irculation – The first aider shall check for a pulse if the casualty does not respond to the first aider's questions or when the casualty is unconscious. If the first aider could not detect a pulse, the first aider will call for help from the emergency team immediately. Chest compressions may be practiced only by a trained first aider.

Once the vital signs have stabilised, subsequent treatment of injury can then be conducted, depending on the type of injury sustained.

Our occupational health services at BIB include:

1. Pre-employment medical check-up involving rigorous physical examination such as hearing impairment, respiratory, visual, routine blood tests, urine tests, x-ray imaging, electrocardiogram (ECG), and treadmill tests.
2. Annual medical check-up involves the same medical parameters as pre-employment medical check-up, to detect any health issue at the earliest.
3. Biannual medical check-ups for high-risk positions such as personnel at risk of exposure to electrical, chemical, or radioactive hazards.
4. One-on-one medical consultations are conducted after each medical check-up.
5. Health risk assessments are conducted in the office and on-site.
6. Health-related surveys are conducted to measure the adequacy of lighting, noise, dust, air quality, temperature, humidity, heat stress, and vibration.
7. Health talk programmes are conducted by medical doctors from local clinics.

To encourage our employees to maintain a healthy lifestyle, BIB provides medical checkup for new hires and periodical checkups for existing employees. We also organise health programmes such as Health Talk with the Doctor, the Badan Penyelenggara Jaminan Sosial ("**BPJS**")[4] Programme (or Social Security Administration Body) and Cooperation with Local Clinic. The BPJS programme informs employees on the copayment of social security by the employer and employee in the proportion regulated by the Indonesian law. For employees registered under the BPJS Employment and BPJS Health programmes, they will be covered under the insurance for work-related incidents and illnesses. The terms and conditions of the insurance coverage are regulated by law. The Cooperation with Local Clinic involves a binding contract between BIB and local medical service providers located within sub-district Angsana, to provide BIB's employees with regular/emergency medical services, medical check-ups and other health promotion programmes conducted by the medical doctors.

[4] BPJS is a legal body established by the government to administer social security program.

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

Performance

BIB reported a slight increase in Lost Time Injury Frequency Rate ("**LTIFR**") from 0.05 in FY2018 to 0.07 in FY2019 and Lost Time Injury Severity Rate ("**LTISR**") from 4.68 in FY2018 to 6.65 in FY2019. This is due to an increase in one lost time injury case which led to twice the number the lost days in FY2019 compared to FY2018. In FY2019, there were zero fatalities, 13 recordable work-related injuries (one employee and 12 contractors' workers) and 2 high-consequence work-related injuries. The 2 high-consequence injuries include a worker falling from a safety berm of 2 metres high, and another worker being hit by a pile crane machine. We take these injuries seriously and are determined to prevent such high-consequence injuries from happening again through various efforts, as shown in Figure 18 below. We have identified hazards that pose any risk of high-consequence injury through our Hazard Identification, Risk Assessment and Determining Control ("**HIRADC**") system where our team leaders are equipped in identifying hazards in their daily working activities.

Figure 18: Efforts to prevent high-consequence injuries

Efforts in preventing high-consequence injuries
Improve our Hazard Identification, Risk Assessment and Determining Control ("**HIRADC**") system to ensure hazards are properly identified and risk controls are properly established and implemented on field operations.
Improve safety competency of field supervisors by identifying gaps in their current competency and providing training programmes to close or narrow the competency gaps.
Conduct Safety Behaviour Observations to identify deviations in actual day-to-day implementations of the safety procedures, gathering supervisors' knowledge and their understanding of safety procedures and provide corrections or feedback for improvement, if any.
Through our Safety Culture Change Management, we aim to improve the safety behaviour of our employees and contractors and change their mindset from "Safety is an Obligation" to "Safety is My Necessity".
Continuously review our safety procedures to find deficiencies and provide corrections and revisions based on field observations or recommendations for improvement from incident investigations.
Conduct specific-purpose Safety Improvement Projects in pit; hauling road; and port operations.

In light of the COVID-19 outbreak, GEAR has adopted business continuity plans such as facilitating employees working from home and providing surgical masks, cloth masks and hand-sanitisers. In particular, BIB has implemented the following:

1. Limited travel policy. All business travels and regular day-offs shall be cancelled until the safety measures for Covid-19 ease.
2. Employees working in Head Office (Jakarta) shall follow Work From Home policy.
3. Employees working on-site shall follow restrictions such as twice daily monitoring of body temperature; meeting online instead of physical in-room meeting; safe distancing measures; maintain self-health and self-cleanliness programme; no visitors policy; and more detailed logistic handling policy.
4. Mask-wearing policy. Surgical mask shall be worn only for medical practitioners and employees who are unwell whereas the remaining employees shall wear cloth masks at all times during and after working hours.
5. Improved sanitation and hygiene by providing hand-washing facilities at the office entrance; hand sanitisers inside the buildings; and additional water-soap-based disinfectant chambers at the main entrance to the office.
6. Observation policy. All employees returning from intercity travels must report at the designated medical clinic upon arrival on-site. They will be examined by the medical doctors, and subject to a 7-14 days observation in a dedicated observation house depending on the doctor's recommendation. When the observation period is over, the employees must be examined again by a medical doctor, and only the healthy employees are permitted to work.

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

Figure 19: BIB's year-to-date Lost Time Injury Frequency[5] and Severity[6] Rate in FY2017, FY2018 and FY2019

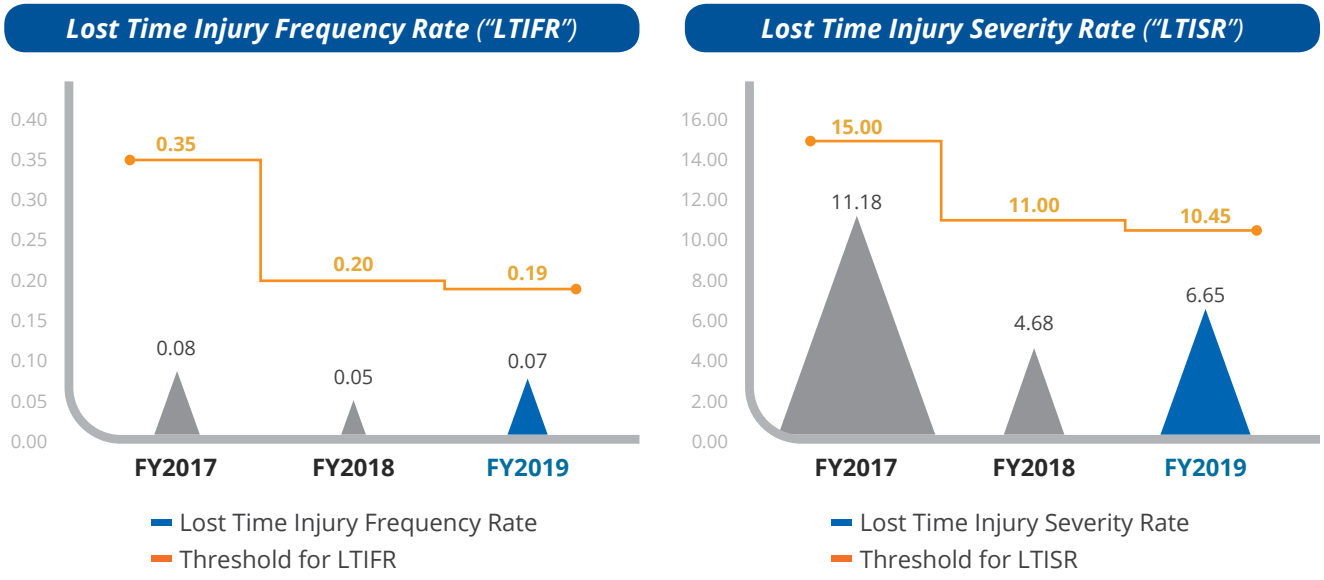


Figure 20: Number and rate[7] of recordable work-related injury, man-hours worked for BIB employees and contractors in FY2019

	BIB Employees	BIB Contractors
Number of man-hours worked	1,395,490	26,287,050
Rate of recordable work-related injury	0.72	0.46

[5] Lost Time Injury Frequency Rate is the number of lost time injuries occurred per million man-hours worked.
[6] Lost Time Injury Severity Rate is the number of lost time injuries incurred per million man-hours worked.
[7] Rate of recordable work-related injury is the number recordable work-related injuries per million man-hours worked.

One-Day Without Incident ("**ODWI**") Programme

The OHS department conducted a root-cause assessment after the occurrence of the first lost time injury incident. The outcome of the assessment highlighted the inconsistency in the hazard identification and hazard reporting by the supervisors and field operators. One of the solutions implemented was the ODWI programme, where all the mining supervisors and field operators shall spend at least one day each week to identify and report hazards in their surrounding workplace.

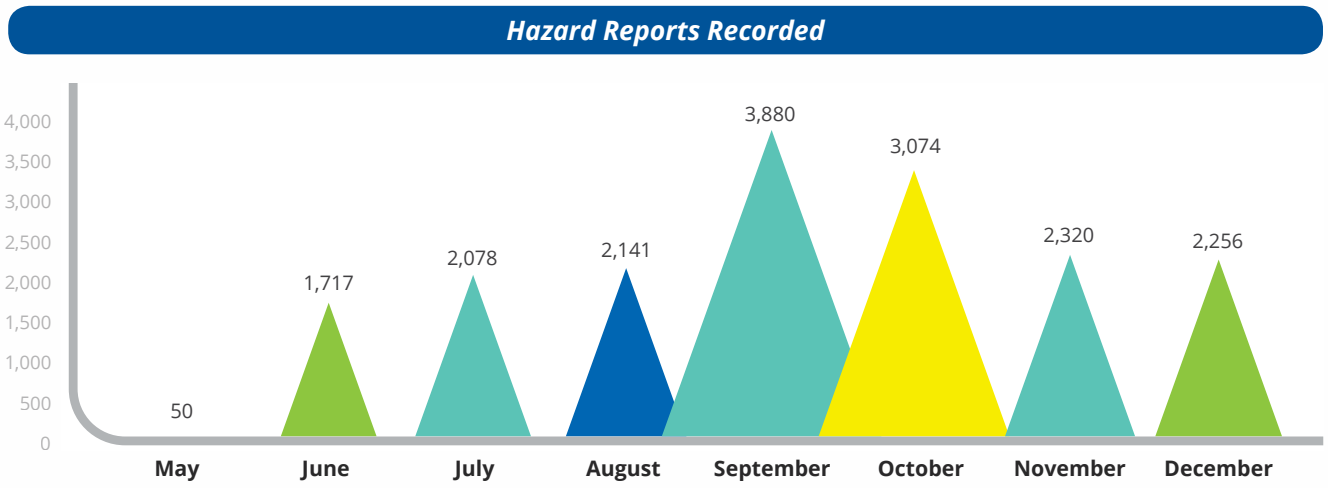
The result of ODWI in the upcoming months saw a significant improvement in the format and timeliness in the hazard reports submitted to the OHS Department.

ODWI provides a deep analysis of hazard reports according to location, time, nature and frequency for further analysis. Top-ten hazards were identified promptly on a weekly basis, and the information was communicated to the Pit Operation Department for corrective actions to mitigate the risks and preventing further cases of such incidents.

The ODWI has proven to be an effective programme in increasing our employees and workers hazard awareness as well as a useful predictive tool for incident prevention. The aim was to have adequate data for analysis of observed hazards to remove the hazards before they developed further. This effort, we believed, has substantially reduced the frequency of the incidents.

The graph in Figure 21 shows the increase in the number of hazards reported from May to December 2019 after the initiation of ODWI programme in March 2019[8]. Records of hazard reports from January to April were significantly lower[9]. Data spikes in September and October were due to high dust occurrence during the dry season with little rain for almost two months.

Figure 21: Hazard reports recorded following implementation of ODWI



[8] ODWI was initiated in March 2019, and officially implemented on 22 May 2019.
[9] ODWI from January to April could not be obtained due to inadequate recording on the database of hazard reports in the Pit Operations in this period; only paper records were evident.

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

Figure 22: Top ten hazards as advised by ODWI weekly report communicated to Pit Operation Department for further mitigation of potential risks and focused on preventing further cases of such incidents.

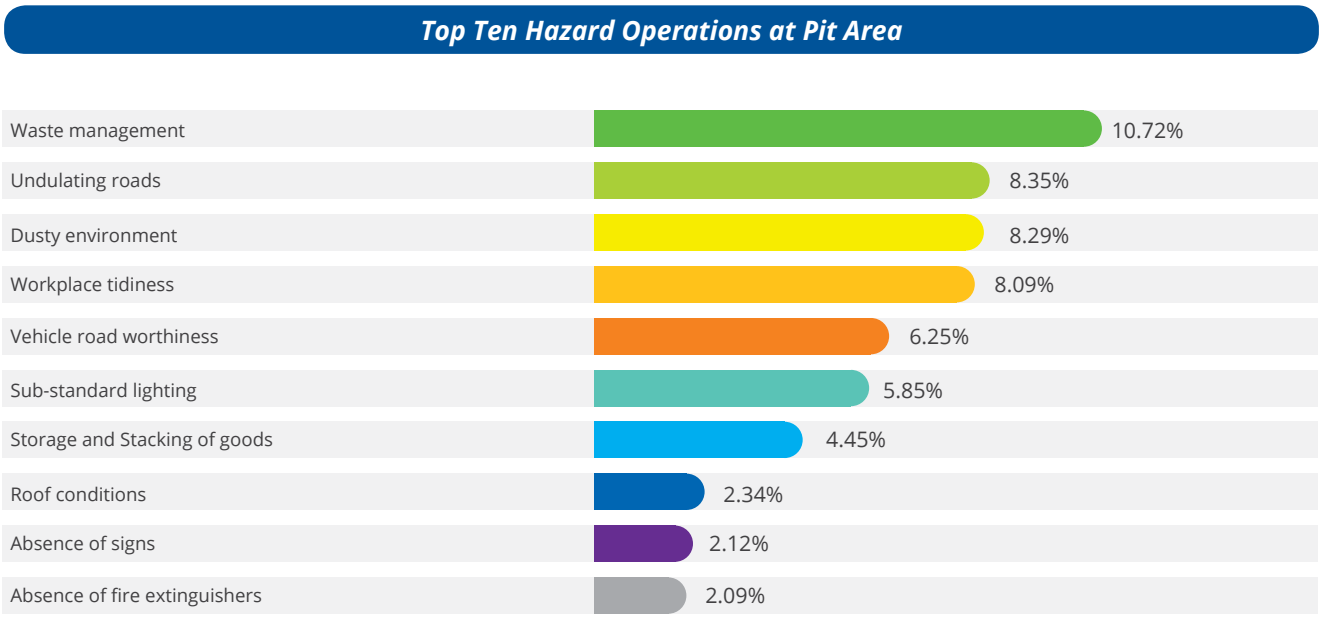
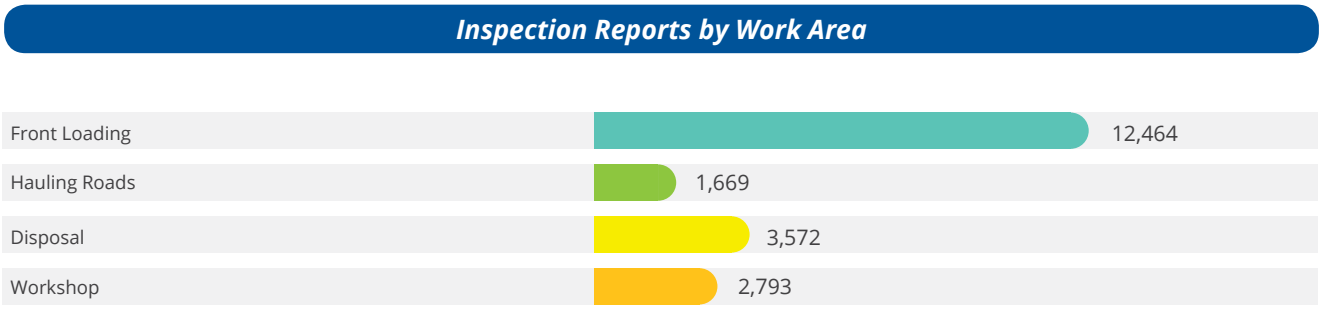


Figure 23: Drill-down of hazard reports by work area to highlight the highly reported hazard locations and less reported hazard locations. The outcome from this graph could be used to remind the personnel in the less reported hazard locations to improve their hazard reporting frequency. In this example, Hauling Roads is encouraged to improve their reporting frequency.



iSAFE Mobile Application

iSAFE is a mobile application that is accessible by every employee on their mobile phones. iSAFE application was developed to answer the needs of speed and accuracy in safety reporting. By using iSAFE, data records will be intact, there will be no data loss and reduced time spent on writing safety reports.

There are currently six main functions in the iSAFE application:

a. Hazard reporting
b. Safety inspection reporting
c. Safe behaviour observation reporting
d. Knowledge base (online library)
e. Validity check of personnel's and equipment's identification
f. Nonconformity ("**NC**") follow-up tracking

The purpose of using iSAFE application is to increase general safety awareness, care for one another, and fostering a safety culture among all employees.

Snapshots of iSAFE application as shown on mobile phone in Figure 24. Every employee can use this application to report hazards, inspections or observations from his work area. This application enables tracking follow-up nonconformities arising from iSAFE hazard reports, inspections or observations deviations.

Figure 24: Snapshots of iSAFE application as shown on mobile phone

Figure 25: Snapshots of iSAFE data analysis using a separate data analysis software

HEALTH AND SAFETY
PROTECTION OF OUR STAKEHOLDERS

Safety Culture Change Management

The Safety Culture Change Management ("**SCCM**") was initiated in FY2019 as a response to our safety culture surveys conducted in 2018 and early 2019. The survey concept is based on five levels of the Safety Maturity Model in the Minerals Industry Risk Management. The survey result concluded our current maturity level as "Reactive".

Minerals Industry Risk Management (MIRM) Maturity Chart

Vulnerable	Reactive	Compliant	Proactive	Resilient
Accept that incidents happen	*Prevent a similar incident*	*Prevent incidents before they occur*	*Improve the systems*	*Way we do business*

• No care culture
  • Apathy/resistance
  • Near misses not considered
  • Negligence
  • Dishonesty
  • Hiding of incidents
• No or little training
• Poor or no communication
	• Blame culture
	  • Accept need to care
	  • Some near miss reporting
	  • Some window dressing e.g. pre-inspection cleanups and light duty
	  • Disciplinary action
	• Minimum / inconsistent training
	• Some communication on a need to know basis
		• Compliance culture
		  • Some participation
		  • Near miss discussions
		• Acceptable training/ awareness
		• Established and good communication channels
		• Regular people involvement and focus
			• Ownership culture
			  • Involvement at all levels
			  • Near miss involvement
			• High level of training awareness
			• Communication at a high level hiding nothing
				• Way of life
				  • Comes natural
				  • Personal involvement by all to prevent incidents
				• Complete understanding
				• All informed at all times about everything

• Reactive approach
• No system
• **No risk assessment**
• Legal noncompliance
• Accept equipment / process decay
• Superficial incident investigation
• **Poor investigation**
• **No monitoring/audits**
• Permit noncompliance
• Potential illegal practices
	• Administrator driven
	• Loose systems, elements of a Health and Safety Management System
	• **Re-active risk assessment**
	• Minimum legal compliance
	• Apply Personal Protective Equipment as a way of eliminating exposure
	• **Incident investigation but limited analysis**
	  • Focus on what happened
	  • No systems focus
	  • Human fault focus
	• **Ad-hoc monitoring/ audits**
	• No occupational hygiene or health initiatives
	• Reactive medical monitoring
	• Monitoring as per regulations
		• OH&S Coordination driven
		• OH&S Standards system and ISO 9002 or equivalent
		• **Risk assessment through existing systems**
		• Total legal compliance
		• Strictly enforce the use of PPE where required (knowing risk)
		• **Causal incident analysis based on event potential**
		• Information sharing from events
		• Planned occupational hygience / evironmental monitoring
		• Periodical medical examinations
		• **Planned monitoring/ audits**
		• Safety meetings & talks
		• Some task observations
			• Line driven systems improvement
			• ISO 14001 and OHSAS 18000 or equivalent
			• **Pro-active formal risk assmt**
			• Beyond legal compliance
			• Seek to actively engineer out process/equipment inadequacies
			• **Incident learnings shared with all levels**
			• Well designed plans/ procedures
			• **Focus on adhering to site plans and procedures**
			• **Integrated audits**
			• Peer evaluation and discussion
				• Individually internalised
				• Integrated management systems
				• **Risk assessment integrated into all systems**
				• Self regulating style
				• **Eliminate problems before they occur**
				• All threats considered in decision-making
				• **Systems enhancement through external evaluation / auditing**

BIB is currently at the "Reactive" level in the SCCM Maturity Chart and has plan to reach the "Compliant" level by the end of 2022. To achieve this target, the first move of the SCCM is to educate selected employees as the "Change Agents" or also known as "Influencers". The Change Agents are expected to initiate changes in employees on certain safety culture issues which need to be addressed and corrected. As of November 2019, BIB has engaged third party professionals to provide the necessary training to the Change Agents. BIB intends to carry out the Safety Culture Change Management pilot projects by February 2020, in our pit; hauling road; and port operations.

The outcome of the SCCM programme is expected to improve the safety culture BIB-wide, resulting in a change of mindset from "Safety is an Obligation" to "Safety is My Necessity".

NURTURING THE ENVIRONMENT

Why is this important to GEAR?

Coal mining is a resource intensive process. Due to the nature of operation, the sector has high impact on the environment from air pollution, waste generation, land use and GHG emissions. We, at GEAR, take a strong stand in preserving the environment that we operate in and are committed to carrying out our operations in a responsible and sustainable manner.

Policy/Management System

- ISO 14001:2015 Environmental Management System attained by BIB in December 2018
- GEMS' Waste Dumping Policy
- GEMS' Land Reclamation Policy

Environment Performance Highlights for FY2019
75% compliance with local air quality regulations
15% decrease in fuel energy intensity from 0.23 GJ/tonne in FY2018 to **0.20 GJ**/tonne in FY2019
Increase in electricity usage intensity from 0.025 kWh/tonne in FY2018 to **0.045 kWh**/tonne in FY2019
100% compliance with local effluent discharge limits
124.11 ha of land reclaimed and rehabilitated in FY2019

FY2019 Targets Achieved
Air Quality for nitrous oxide, sulphur dioxide and carbon monoxide **below** government limits
Met land reclamation target of 87.28 hectares
All effluent parameters **under** the upper limit set by the local government

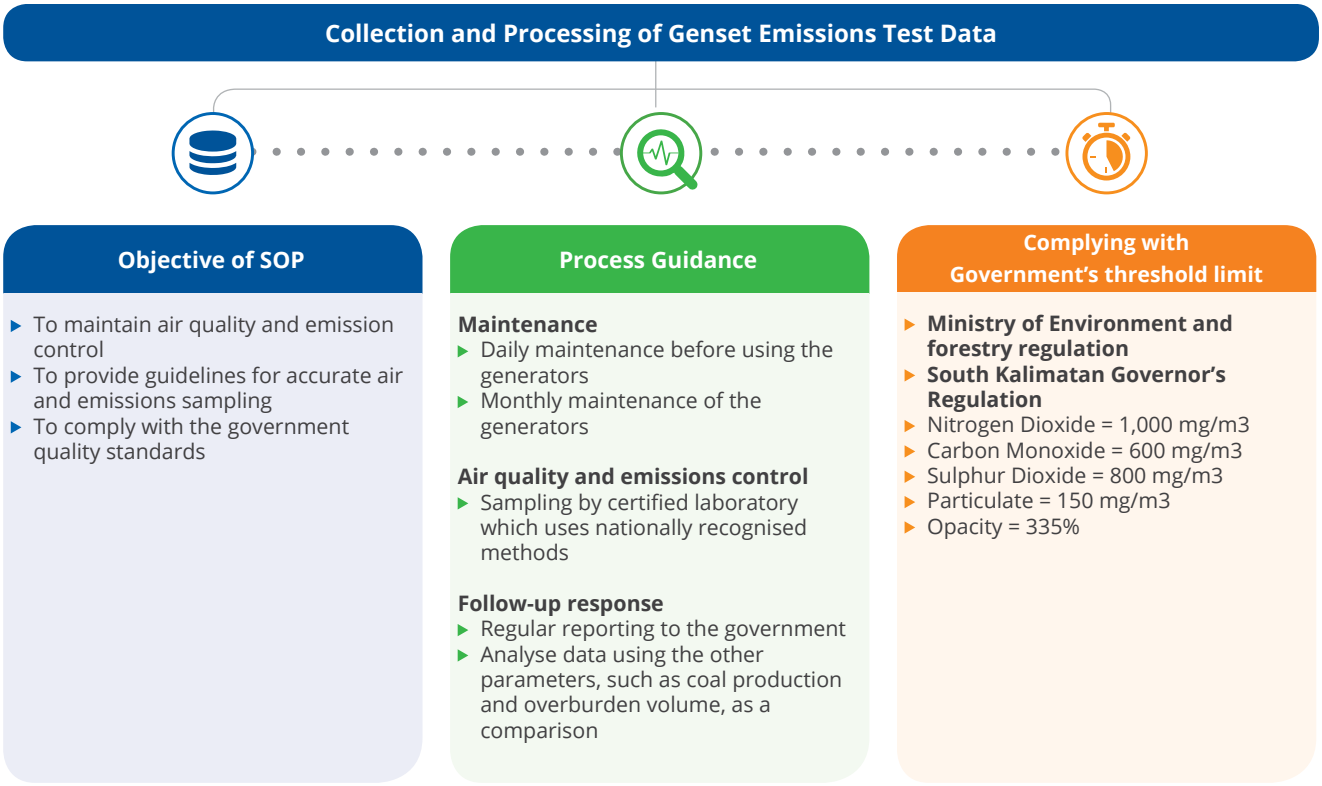
NURTURING THE ENVIRONMENT

AIR QUALITY MANAGEMENT

At GEAR, we understand the importance of maintaining our air quality as it not only affects the environment, but also the communities living near our concession area. We have therefore implemented measures to avert the release of harmful gases as well as to suppress dust emissions.

Our Standard Operating Procedure ("**SOP**") on the "Collection and Processing of Genset Emissions Test Data" serves to guide our operations in measuring the emissions from generators.

Figure 26: SOP on the Collection and Processing of Genset Emissions Test Data



To ensure that the emissions released from our operations remain at an acceptable level, we have set our targets for air quality maintenance within the upper limits set by the Indonesian government. We have engaged an accredited external laboratory to monitor the quality of ambient air at our concession area and reports are submitted to the Environmental Department of Tanah Bumbu quarterly. Inspections by the local regulatory authority are carried out depending on the Environmental Laboratory team's schedule.

NURTURING THE ENVIRONMENT

Performance

In FY2019, we have met the local government's air quality upper limits for NO_2, SO_2 and CO. For total suspended particulate ("**TSP**"), there were cases where TSP-ambient emissions crossed the local government's limit, as shown in Figure 30. The high TSP-ambient emissions was due to increased production volume and longer dry spells in the second and third quarters of 2019 compared to the same quarters in 2018, which resulted in a lack of water in the sediment ponds for dust suppression.

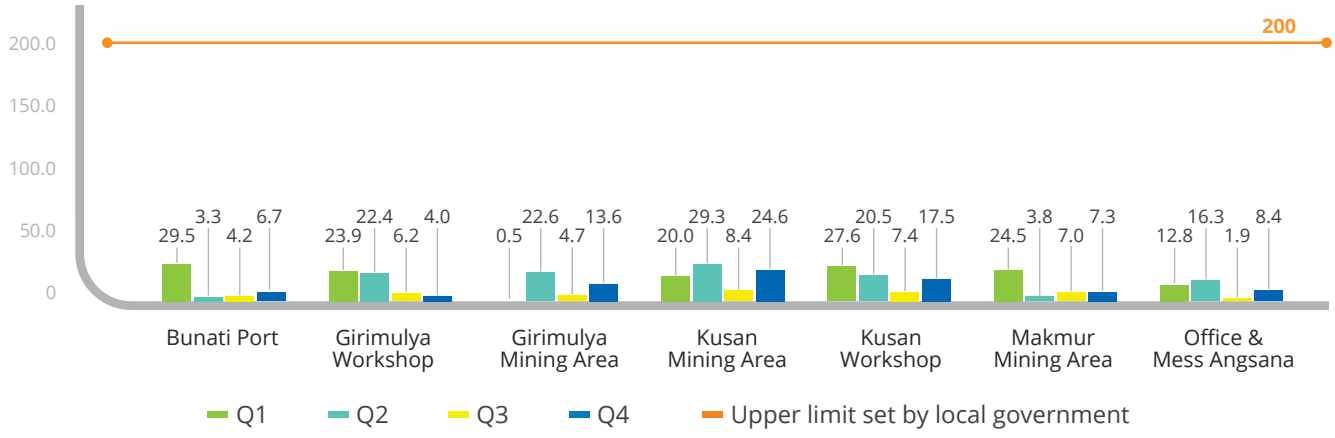
GEAR understands that additional water trucks are crucial to reduce the TSP-ambient emissions in both Kusan and Girimulya mining areas. As such, we have increased our fleet of water trucks from 13 units to a total of 18 units in FY2019, with 7 units for Kusan mining area and 11 units for Girimulya. We also strive to maintain our Performance Availability ("**PA**") and Utilisation Availability ("**UA**") for all 18 units of water trucks above 85% and 70% respectively. To mitigate the issue of low levels of water in the sediment ponds, we have:

a. constructed a check dump in Kusan mining area;
b. built 7 additional sediment ponds around pits and disposal grounds; and
c. installed water sprays at Girimulya and Kusan workshops to suppress dust.

Except for the TSP-ambient emissions for Kusan mining area and workshop crossed the government's limit in second and third quarters of 2019, the TSP-ambient emissions in FY2019 has generally improved as compared to FY2018.

The Batulaki workshop has been dismantled in 2019 due to the lack of mining activity at the Batulaki block. Since the closure of the mine, regular environmental monitoring is no longer required.

Figure 27: BIB's NO_2 emissions (ambient air) in FY2019 in comparison with the upper limit set by the local government



NURTURING THE ENVIRONMENT

Figure 28: BIB's SO_2 emissions (ambient air) in FY2019 in comparison with the upper limit set by the local government

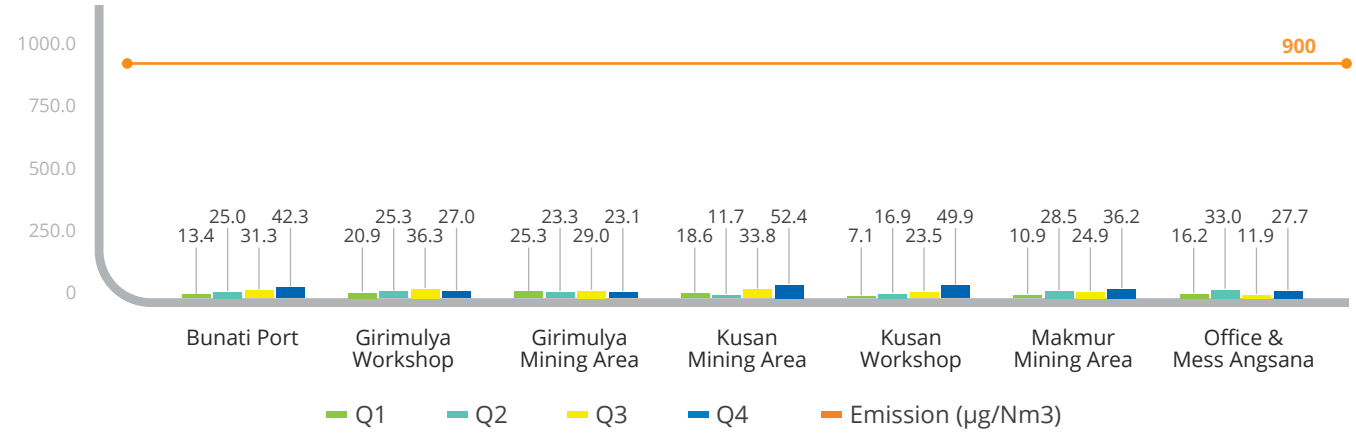


Figure 29: BIB's CO emissions (ambient air) in FY2019 in comparison with the upper limit set by the local government

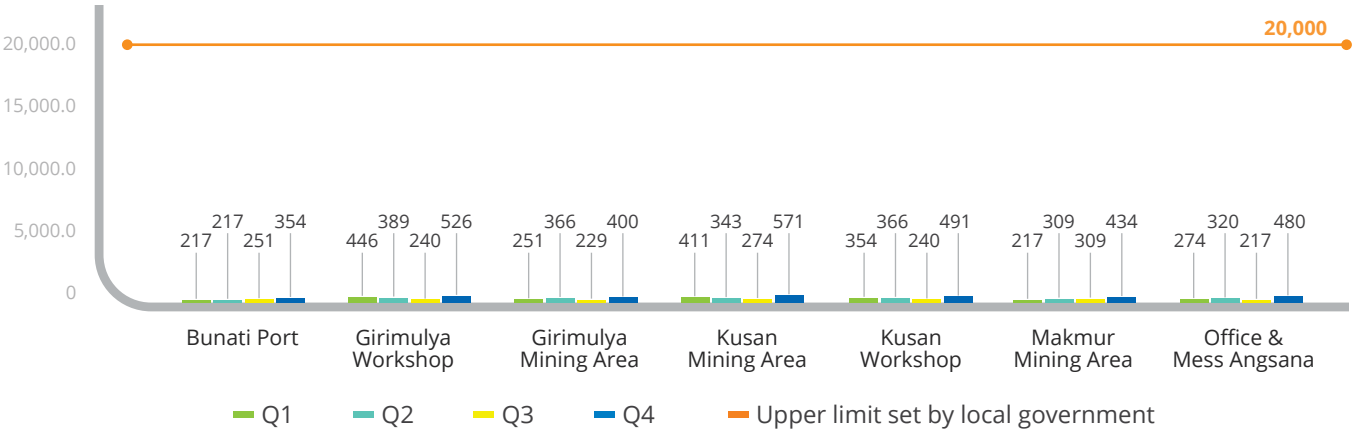
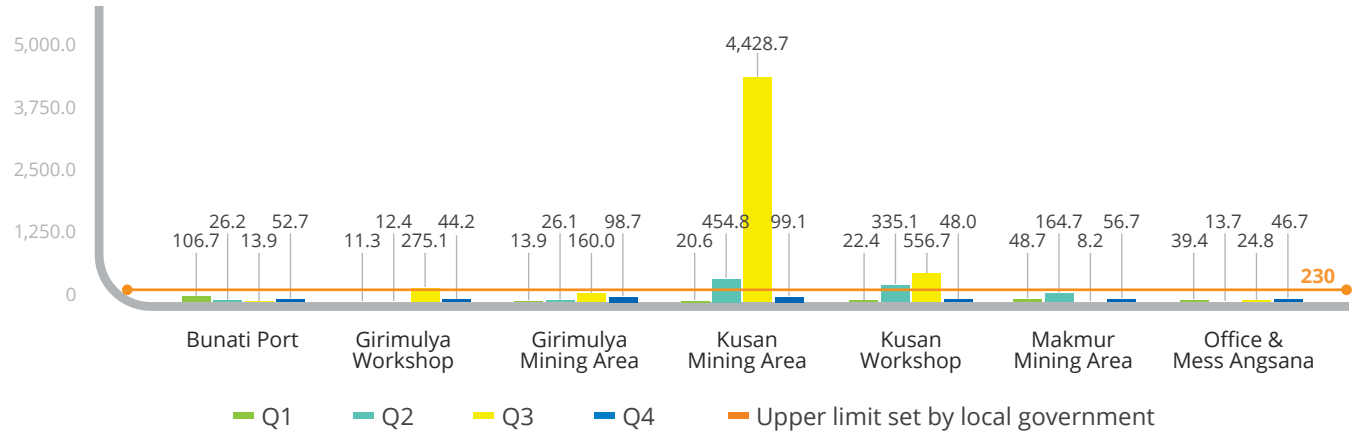


Figure 30: BIB's TSP-ambient emissions (ambient air) in FY2019 in comparison with the upper limit set by the local government



NURTURING THE ENVIRONMENT

ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

Over the years, global warming has become a critical area of concern and both Singapore and Indonesia have pledged[10] to reduce their GHG emissions as per the Paris Accord. At GEAR, we recognise the importance of responsible and sustainable use of energy and remain committed to consuming energy efficiently to minimise our carbon footprint wherever possible.

Figure 31: BIB's Mining Safety and Environment Policy

In achieving this vision, BIB has a mission to build a corporate culture centred on human resource assets, a superior operational focus and build sustainable growth through high safety standards, the development of good community empowerment programmes, consistently manage and protect the environment and maintain biodiversity, undertaking efforts in energy efficiency and recycling waste.

In carrying out this mission, BIB is fully committed to implement this Mining Safety and Environmental Policy. BIB is aware that mining operations have impacts that need to be managed appropriately to ensure the safety of people, operations, equipment, environmental protection, conserving water resources, maintaining biodiversity and undertaking waste recycling efforts.

BIB attained ISO 14001:2015 Environmental Management System in December 2018, valid till December 2021. In FY2019, an annual audit was done and 4 inspections have been performed on the robustness of our system, as well as keeping the environmental management system in check.

[10] 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

Performance

In January 2016, the Indonesian government has mandated the use of B20-graded biodiesel for all mining operations. In FY2019, we consumed a mixture of Petrodiesel, gasoline and B20-graded biodiesel in our operations. We will start to use the B30-graded biodiesel in our mining operations in FY2020 based on the recent government regulations.

To increase our biodiesel consumption, we have engaged larger suppliers to supply higher-graded biodiesel to our contractors. In FY2019, our biodiesel consumption increased by 202% compared to our consumption in FY2018. Overall, total fuel consumption in BIB has increased by 31% due to increased production volume from 20.3 million tonnes in FY2018 to 28.7 million tonnes in FY2019.

Electricity consumption at BIB has also increased by 151% from 18.5 TJ in FY2018 to 46.5 TJ in FY2019 due to higher production volume. However, electricity intensity has also increased due to higher coal production; twice the number of employees living in the Angsana office camp; and increase in number of air-conditioning and electric fixtures in the buildings used to house the increased number of employees. As a result, scope 2 emissions arising from grid electricity consumption has also increased.

Figure 32: BIB's direct energy consumption from fuel (*left*) and scope 1 emissions arising from direct energy (*right*)

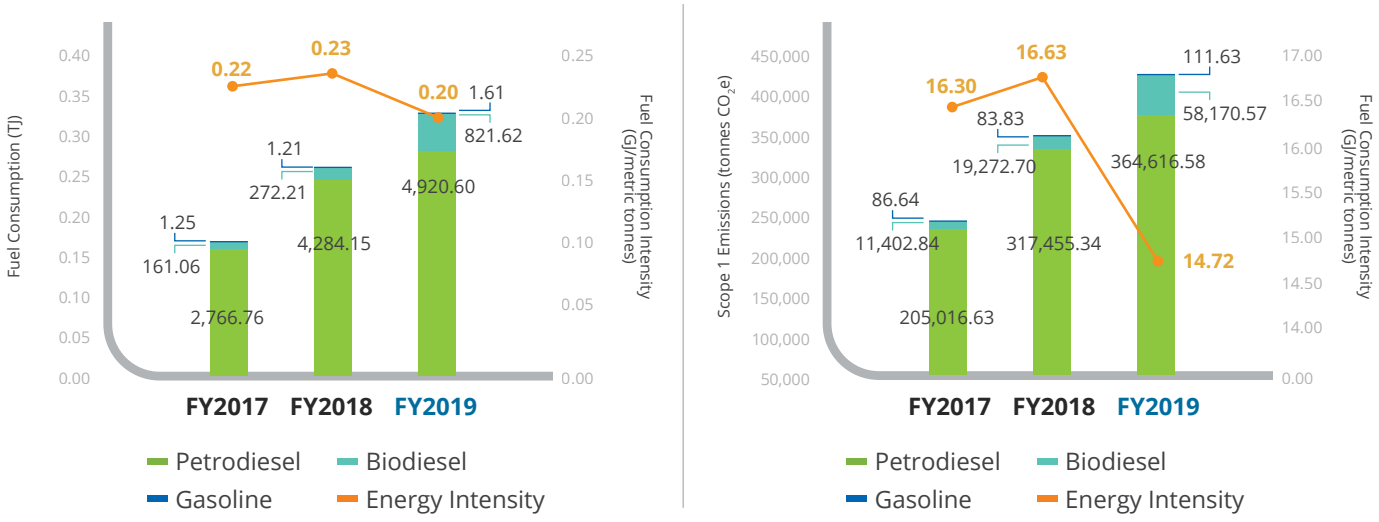
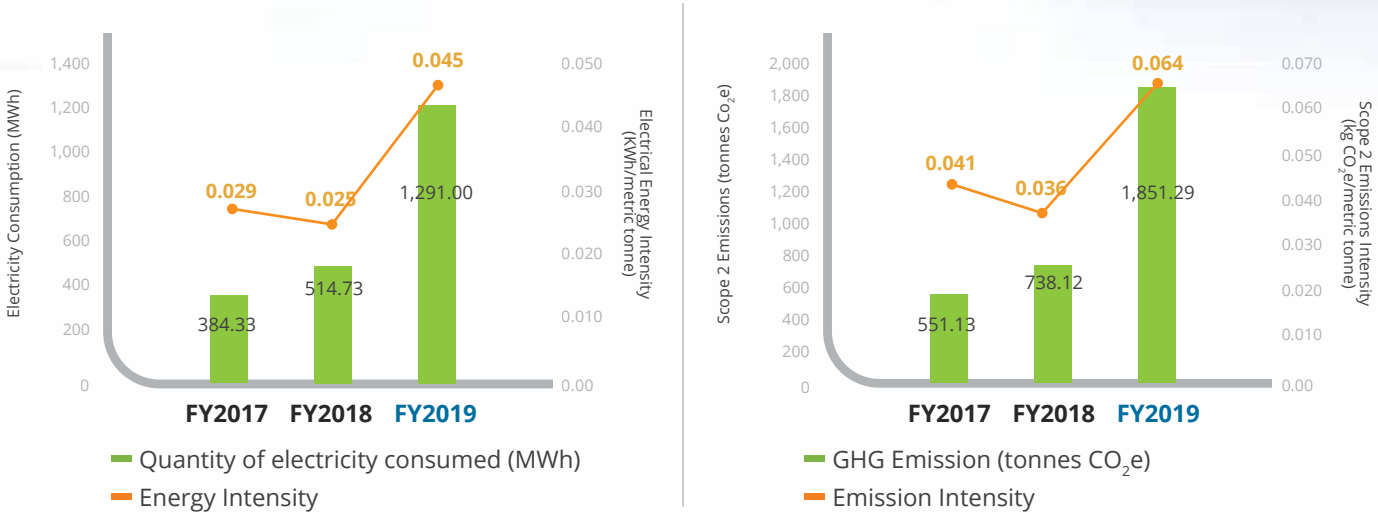


Figure 33: BIB's electrical energy consumption (*left*) and scope 2 emissions arising from grid electricity usage (*right*)



Road to tie-in Perusahaan Listrik Negara ("**PLN**") – Bunati Port

In July 2019, BIB started the project of connecting Bunati Port's electricity generated from generator sets to PLN, Indonesia's government-owned electricity distribution corporation. With the new electricity supply that will commence from 2 March 2020, BIB's Bunati Port can tap on the grid for electricity at 5.5MW capacity instead of using generators that consume fuel. This will reduce BIB's fuel consumption which will significantly reduce emissions and ultimately the operating costs of Bunati Port. The existing generators will be used as backups instead. In January 2020, BIB has also sent a formal request to PLN on supplying electricity to the mining area at Bunati Port. Should the request be successful, the project would be expected to be completed in 2021.

NURTURING THE ENVIRONMENT

SOLID WASTE MANAGEMENT

Waste rock, tailings and other solid waste are key concerns in the process of land rehabilitation. Effective solid-waste management is integral to GEAR's commitment to alleviating negative impacts to our areas of operations.

GEAR has in place a comprehensive Waste Dumping Policy, which outlines the tools and safeguards in place to securely collect, transport and treat solid waste. The Waste Dumping Policy ensures best practices are set in place to restore land and mitigate any adverse effects on human safety and the environment.

BIB's Hazardous Solid Waste Disposal Policy extends further than the national standard regulated by the Environment Ministry for hazardous waste disposal. In BIB, the vendor collects hazardous waste every month to prevent overload in the storage building, compared to the 90-day mandate.

Figure 34: Elements of GEMS' Waste Dumping Policy

- Two ways of dumping solid-waste
  - Direct dumping - dumping of material using a hauling truck at the dump crest
  - Indirect dumping - dumping of material using a hauling 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 meters
- 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, considering 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 the geotechnical engineers at all times to prevent landslides

Figure 35: BIB's Hazardous Solid Waste Disposal Policy

BIB conforms to the national standard regulated by the Environment Ministry

- Registered and approved vendor will collect the material kept locked in the storage building every month to prevent overloading

Performance

In FY2019, our total cumulative overburden was measured to be 123,526,934 BCM (Bank Cubic Meters). Overburden primarily consists of clay, silt and sandstone extracted during coal mining activities. The data below refers to the overburden measured. Our total overburden increased in FY2019 was due to BIB's increased production. We have used approximately 37,200,000 BCM of overburden for rehabilitating 124.11 hectares in FY2019. The remaining overburden of 30,500,000 BCM will be used for reclamation and rehabilitating 101.55 ha areas in FY2020.

Year	Volume of overburden (BCM)
FY2017	49,535,553
FY2018	98,727,410
FY2019	123,526,934

NURTURING THE ENVIRONMENT

BIB recycles and re-uses non-B3 solid waste

BIB uses non-B3 solid waste such as tyres, drums, metal for various purposes such as to retain sea-water abrasion, restrict parking of heavy vehicles, and signage for directions. In FY2019, 403,000 kg of tyres and 203,000 kg of scrap metal were recycled through contractors.

LAND MANAGEMENT

Although GEAR has obtained the required legal authorisations such as the License to Borrow and Use of Forest Areas (Izin Pinjam Pakai Kawasan Hutan or "**IPPKH**"), it is essential to restore land affected by mining operations according to our mine closure and reclamation plan. GEAR greatly values our surrounding communities and is cognizant of the importance of natural resources towards the health and economic development of the local population. We are committed to preventing long-term environmental degradation, contamination; and other possible negative effects such as landslides, that could endanger our employees or communities from surrounding areas. Our policy is shown in Figure 35.

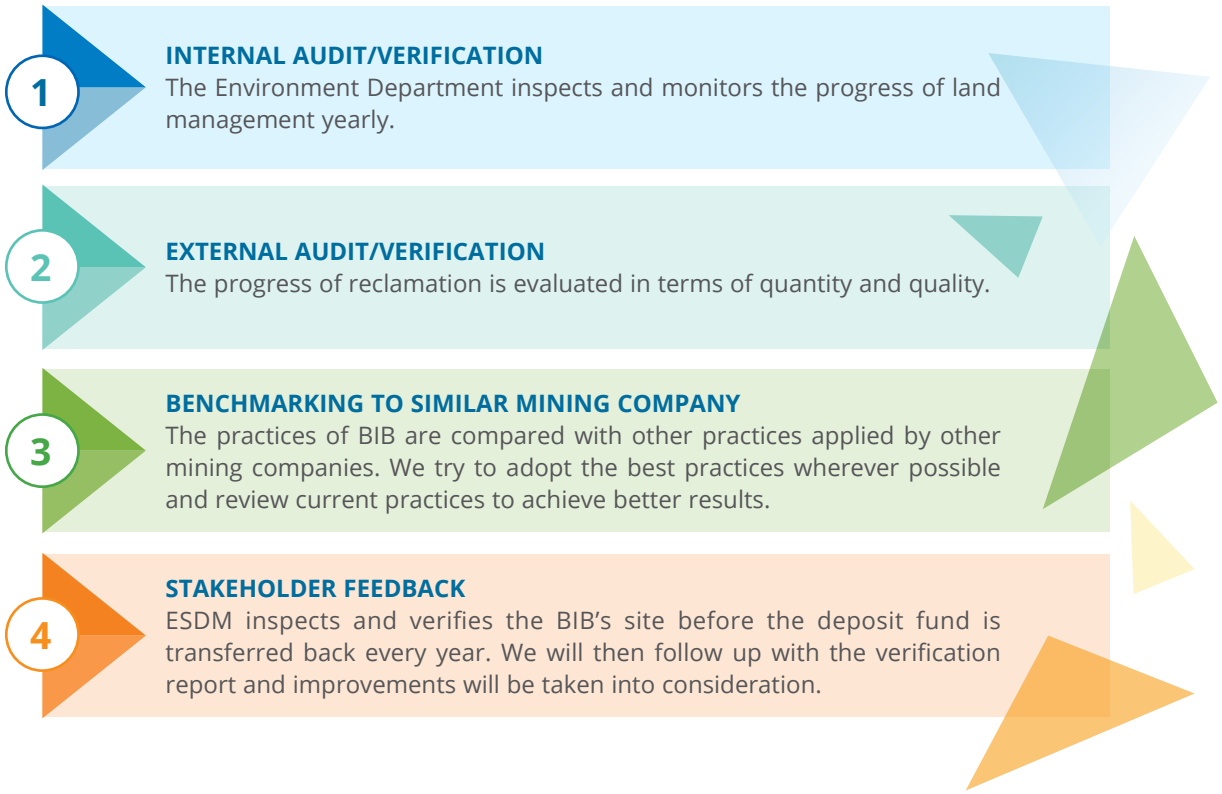
Figure 35: GEMS' Land Reclamation Policy

- 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 ESDM (Mineral and Coal division)
- During reclamation, the road access to the reclaimed area shall be closed

To ensure that our land management approach remains effective, we conduct internal and external audits, benchmark our practices to other similar mining companies, as well as obtain feedback from ESDM, as shown in Figure 36. Prior to the commencement of mining activities at our concession areas, we develop a mine closure and reclamation plan which is then approved by ESDM and serves as a guide for our rehabilitation efforts.

NURTURING THE ENVIRONMENT

Figure 36: Evaluation of land management approach



Performance

In FY2019, GEAR received a score of 48.85% from ESDM for the area rehabilitated in FY2018. For the area that was rehabilitated in FY2017 and the year before, the score given by the mine inspectors ranged between 72% – 100% and met the criteria in terms of plants planted and erosion prevention. An independent audit conducted by Coal & Mineral Office Inspectors on the progress of reclamation conducted by BIB, showed no findings of non-compliance. The reclamation process is on track as per our five-year reclamation plan and will be conducted continuously until the mine closure.

Our Mine Closure and Reclamation Plan consists of reclaiming and rehabilitating approximately 80% of the disturbed land. The total land reclamation area, including land preparation, is 557.26 hectares as of the end of FY2019. This year, we rehabilitated 124.11 hectares of land, as compared to 98 hectares in FY2018 and met our reclamation target set in FY2018 of 87.28 hectares. Moving forward, our reclamation target for FY2020 is approximately 83.94 hectares.

Our disturbed area decreased from 704 hectares in FY2018 to 519.74 hectares in FY2019. In addition, our total cumulative land disturbed and not yet rehabilitated is 2,423.63 hectares in FY2019, an increase from 2,208 hectares in FY2018.

NURTURING THE ENVIRONMENT

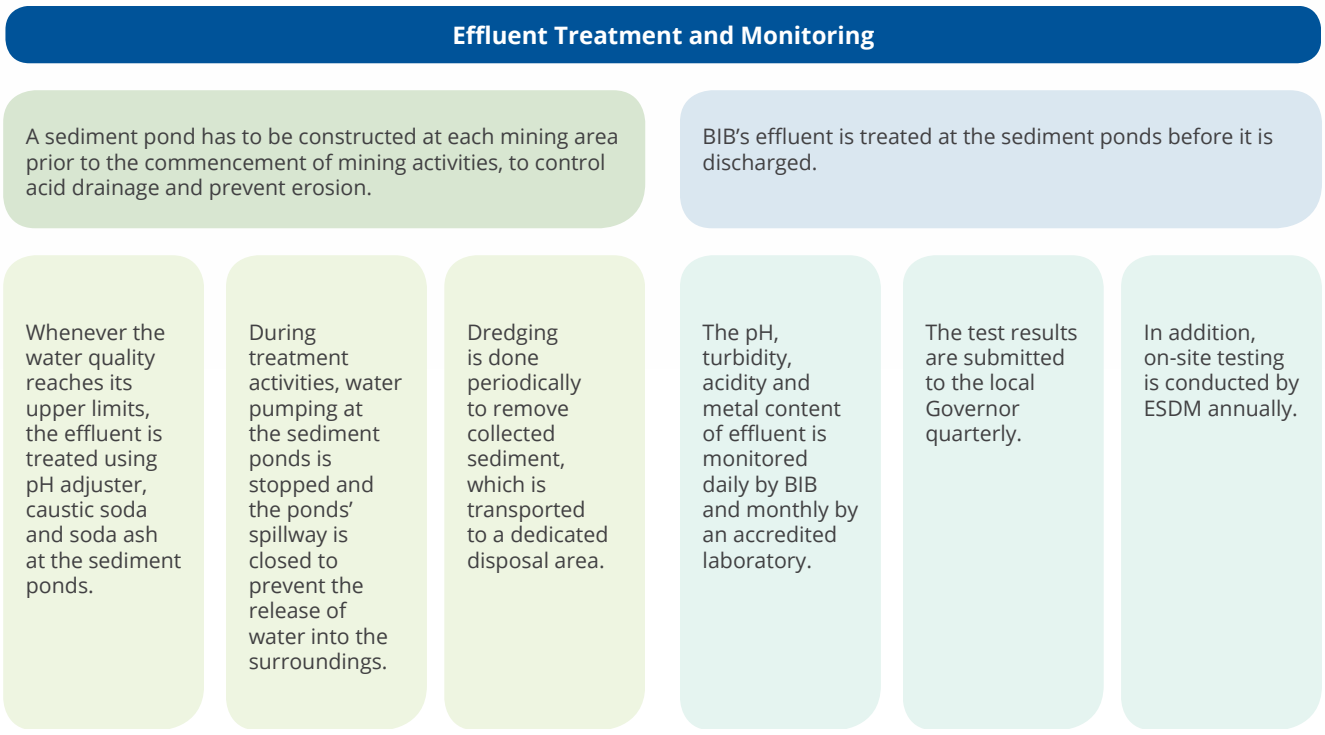
WATER RESOURCE MANAGEMENT

GEAR is sensitive to the potential health, safety and environmental hazards of untreated effluents from mining operations. We are aware of the importance and responsibility we hold in ensuring effluent discharge is within the regulatory norms and does not disrupt the surrounding communities.

To ensure that GEAR is in full compliance with the necessary effluent limits set by the local government, we have in place effluent treatment and monitoring processes as shown in Figure 37. As part of our effluent monitoring process, we treat and measure the quality of the effluents before releasing into the surrounding water bodies. We also engaged an external laboratory to conduct testing on our treated effluents on a monthly basis.

Our BIB's External Relations Department was formed to provide a channel for local communities to provide feedback on our operations. In FY2019 we had one report of grievances relating to water management caused by dry spells in the second and third quarters of FY2019 at the Kusan mining area and workshops. In the event of negative feedback, our External Relations and CSR department worked together to address the issues with the feedback provider to resolve the situation. GEAR immediately took action by increasing the number of water trucks to 7 units in the Kusan mining area.

Figure 37: BIB's approach towards effluent management



NURTURING THE ENVIRONMENT

Performance

In FY2019, we have ensured all our effluent parameters to be below the upper limit set by the local government, as shown in the figures below.

Figure 38: BIB's effluent's average total suspended solids ("TSS") in comparison to the upper limit set by the local government in FY2019

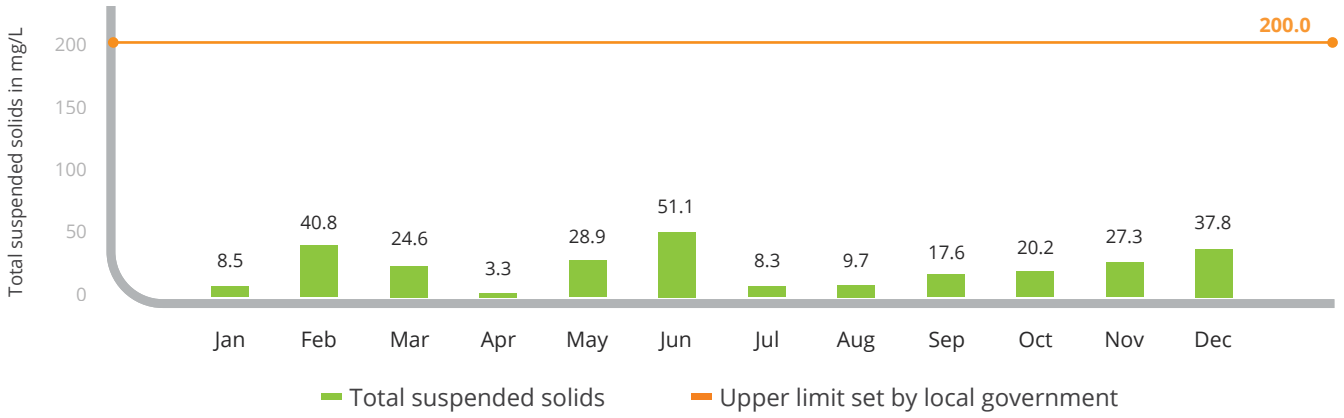


Figure 39: BIB's effluent's average pH value in comparison to the upper and lower limits set by the local government in FY2019

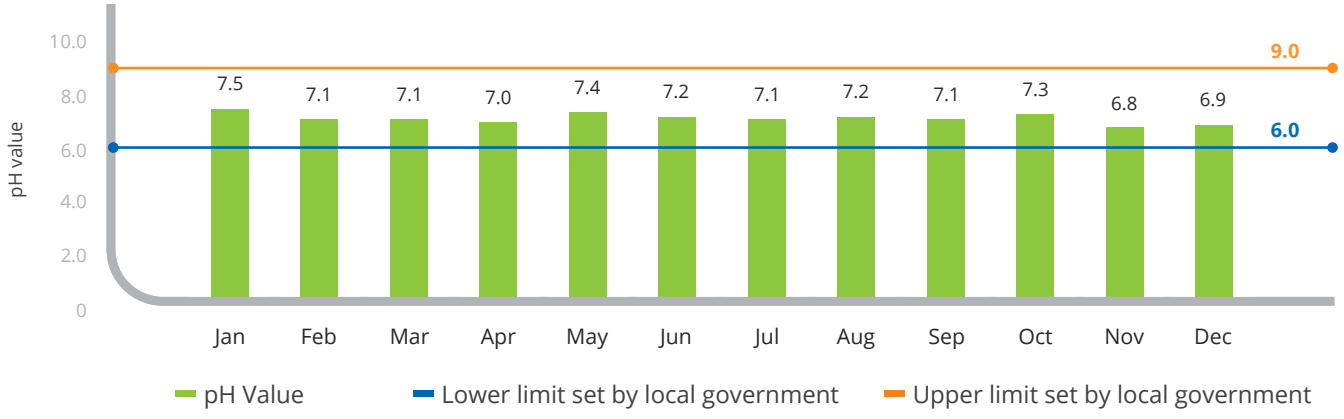


Figure 40: BIB's effluent's average cadmium content in comparison to the upper limit set by the local government in FY2019

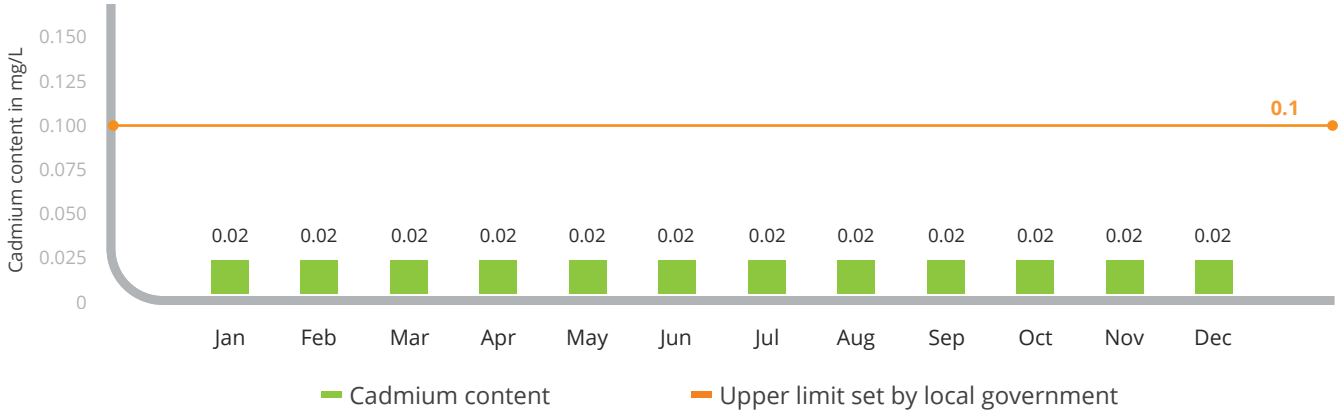


Figure 41: BIB's effluent's average iron content in comparison to the upper limit set by the local government in FY2019

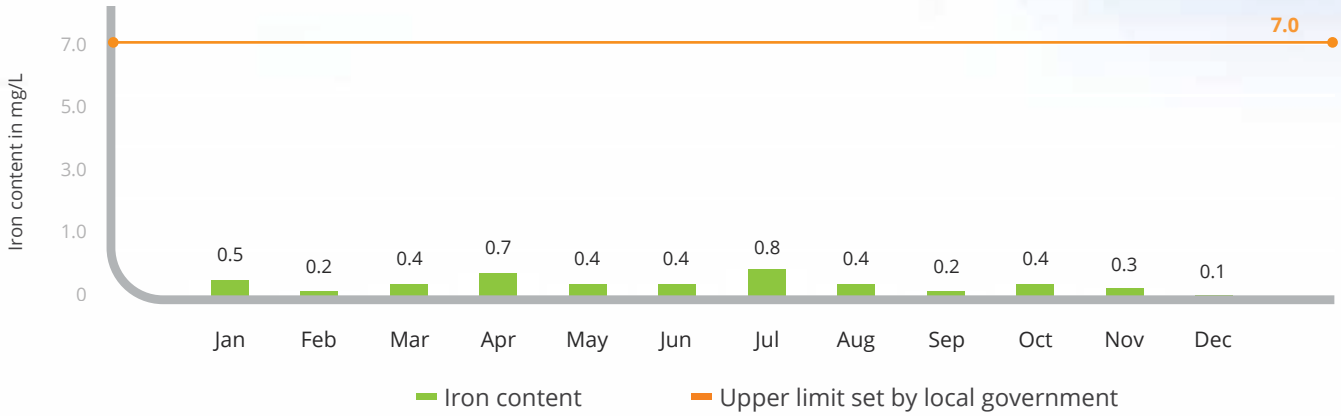
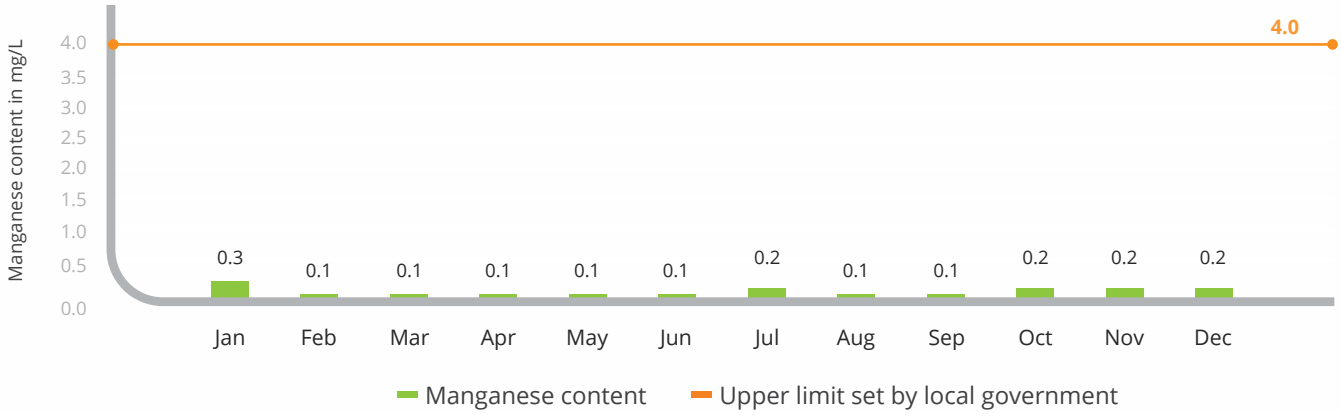


Figure 42: BIB's effluent's average manganese content in comparison to the upper limit set by the local government in FY2019



EMPOWERING LOCAL COMMUNITIES

Why is this important to GEAR?

As our mines are located at the developing regions of Indonesia, we see the opportunity to contribute to the development of the surrounding communities as a part of our social responsibility. Through the various Corporate Social Responsibility ("**CSR**") blueprints and plans, we seek to contribute to our endeavours involving sustainable development, accelerated inclusive growth and social equity.

CSR Blueprints[11]

- GEAR's CSR activity is focused on the following pillars:
  Education (Pendidikan), Health (Kesehatan), Real economy (Ekonomi riil), Self-reliance economy (Kemandirian Ekonomi), infrastructure (Insfrastruktur), Social, culture and religious (Sosial budaya dan agama), Environment (Lingkungan) and Institution (Kelembagaan)
- CSR initiatives supported by elements from the BIB Mining Safety and Environment Policy

Local Communities Performance Highlights for FY2019

	100% compliance with ESDM on local community development
	More than **754,908** number of beneficiaries

FY2019 Target Achieved

	Compliance with Regulation No. 1824 (year 2018) regarding local community development as stipulated by ESDM

[11] GEAR's CSR initiatives are aligned to the BIB Mining Safety and Environment Policy Fig 31.

EMPOWERING LOCAL COMMUNITIES

An integral part of GEAR's growth and development is tied to our efforts in improving the quality of life of our local communities. As demonstrated below, by the various initiatives and our CSR management frameworks, GEAR has a long-term plan with targets that support local communities from a grassroots level.

GEAR is aligned with Regulation No. 1824 (year 2018) regarding local community development as stipulated by ESDM. Furthermore, CSR activities by GEAR are in accordance with the local government's CSR blueprint, with a focus on the 8 pillars: Education (Pendidikan), Health (Kesehatan), Real economy (Ekonomi riil), Self-reliance economy (Kemandirian ekonomi) , Infrastructure (Infrastruktur), Social, culture and religious (Sosial budaya dan agama), Environment (Lingkungan) and Institution (Kelembagaan). To make any CSR initiative meaningful, it is important to understand the needs of the local communities. We use a three-pronged approach that covers social needs assessments, aligns GEAR's CSR with the region's strategic plans, and collaborates with the local community and the government. This is shown in Figure 43.

Figure 43: GEMS' approach towards CSR management

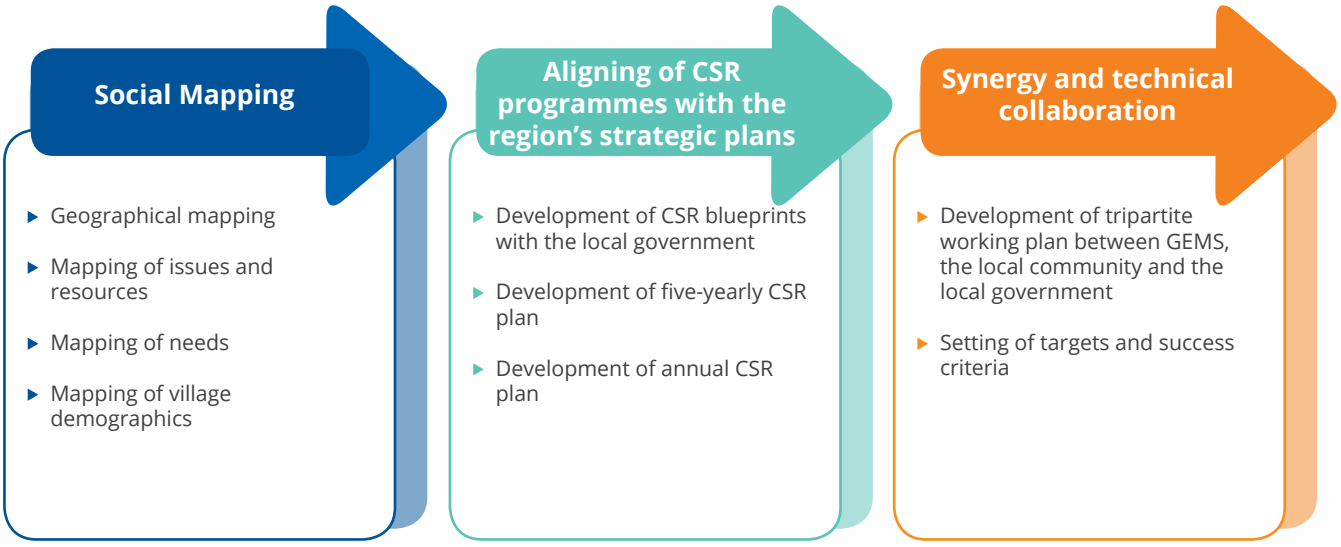


Figure 44: Milestone model

EMPOWERING LOCAL COMMUNITIES

Performance

In FY2019, GEAR implemented a range of CSR initiatives to meet the needs of local communities where we have presence in. Overall, our various initiatives have benefited over 754,908 members of our communities.

Figure 45: BIB's community investment activities

CSR Blueprint Pillars	Community investments and initiatives in FY2019
Education	• Provision of additional classrooms and classrooms renovations, 480 chairs and 480 study desks for 10 local schools in the community. • Plastic waste reuse and recycling programme targeted at housewives to create economic and environmental value addition in households. • Free of charge school bus for underprivileged children in the Mekarjaya village.
Health	• Provide free health examinations and services to the community in collaboration with the local health office and puskesmas inpatient (Public Health Centre) constructed by BIB. • Healthcare education to the community, targeted at housewives on basic first aid in the event of an accident in the house before seeing the doctor. • Provision of an ambulance for the inpatient Public Health Centre constructed by BIB.
Real economy, Self-reliance economy, Institution, Environment & Infrastructure	• Provide capital and training to the fishing community of Bunati village on Kelulut honey cultivation and marketing strategy to supplement fishermen's income. • Organic paddy planting programme benefitting 3 groups of farmers from 3 villages by increasing their income from growing healthier rice grains at lower planting cost. • Vanilla farming enhancement programme benefitting 3 groups of farmers from 3 villages by increasing their income from improved quality and quantity of vanilla. • Developed and constructed a 2-storey inpatient public health centre offering accessible and affordable healthcare services to the surrounding community. • Geoelectric activity in searching for water sources in the Bunati village, aiding access to clean water for the surrounding community. • Construction of water towers and distributing clean water to homes during periods of water shortage, benefitting over 1,000 families. Providing improved sanitation to schools in collaboration with local business owners. • Community-based clean water supply management programme for 4 villages.
Social, cultural and religious	• Provision of 1,100 copies of religious books to the villagers of 17 villages. • Donations to underprivileged families during Hari Raya Haji for 17 villages. • Groceries donations during Ramadhan to families of 17 villages and institutions.

EMPOWERING LOCAL COMMUNITIES

Plant-A-Tree Programme

In FY2019, GEAR and its employees, together with their family members, participated in caring for the environment by planting coastal hill forest trees in Labrador Nature Reserve under the Plant-A-Tree Programme organised by the Garden City Fund. Garden City Fund was established in 2002 by the National Parks Board of Singapore with the vision to enhance green spaces, support conservation of urban biodiversity and engaging our community.

Food Ration Packing & Distribution Exercise

In the same year, as part of our caring for disadvantaged families programme, GEAR and its employees, in collaboration with Yong-en Care Centre, had also participated in a Food Ration Packing & Distribution exercise, purchasing, packing and distributing food rations for 150 families residing at Banda Street in Chinatown, Singapore.

OUR HUMAN CAPITAL

At GEAR, human capital is our greatest asset. As our mining business requires a significant number of human resources, we take pride in ensuring the well-being of our employees. We also acknowledge the competitive advantage of investing in the learning and skills development of our employees. GEAR strives to build and enhance the capabilities of our employees by providing ample opportunities for professional growth.

OUR HUMAN CAPITAL

PROFILE OF OUR WORKFORCE

FY2019 recorded a slight increase to our workforce, from 355 employees in FY2018 to 378 in FY2019. These employees are mostly located in Indonesia, where BIB is located. In FY2019, there were 77 new hires and 54 turnovers.

The percentage of female employees increased from 16.3% in FY2018 to 18.5% in FY2019, considering mining typically attracts more male employees. The percentage of employees hired on a full-time basis with permanent contract[12] increased from 71.5% in FY2018 to 75.7% in FY2019, and no employee was engaged for daily labour purposes[13].

Figure 46: Number and percentage of employees by gender

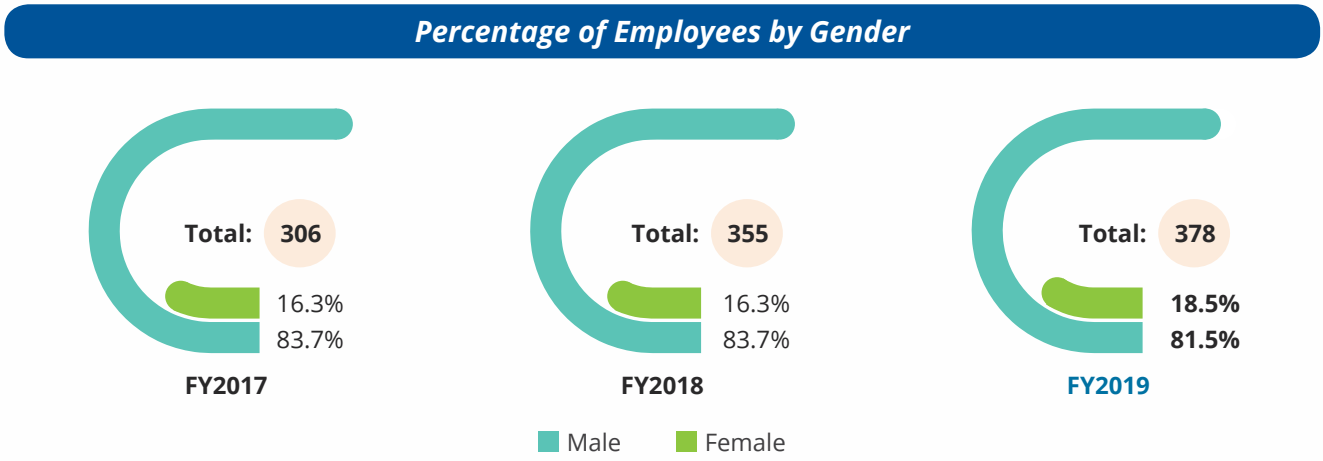
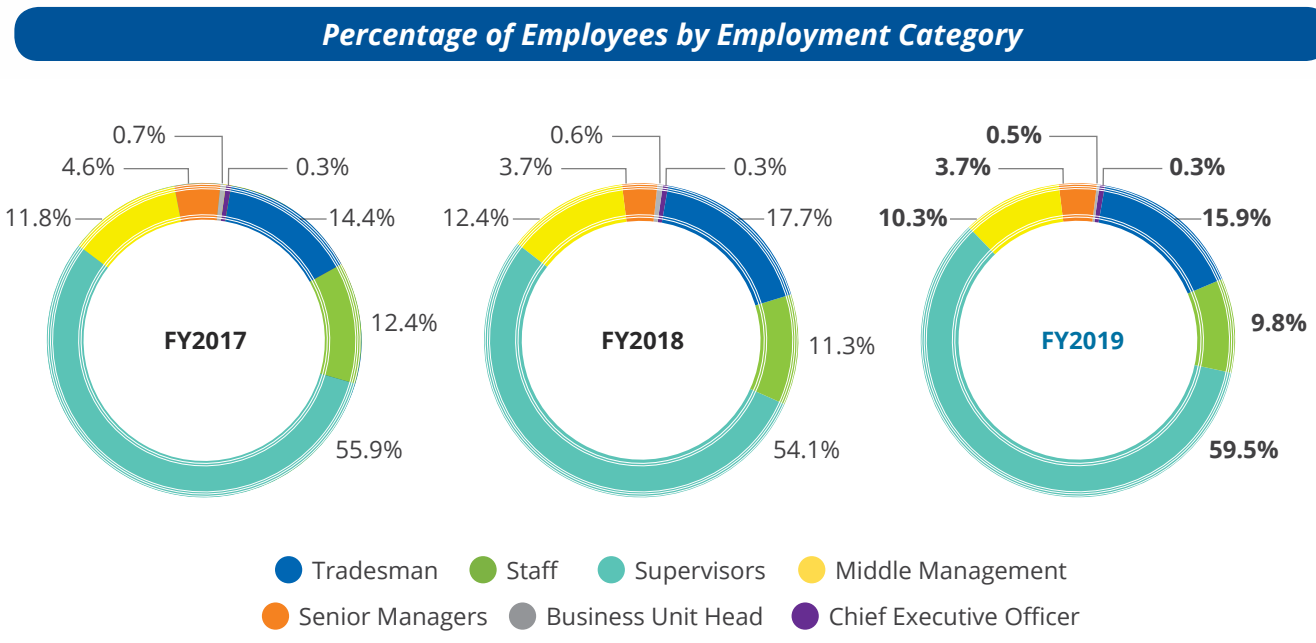


Figure 47: Number and percentage of employees by employment category



[12] 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.

[13] GEAR has no part-time employees in both Singapore and Indonesia.

OUR HUMAN CAPITAL

Figure 48: Number of employees by employment contract (*left*) and employment type (*right*) in FY2019

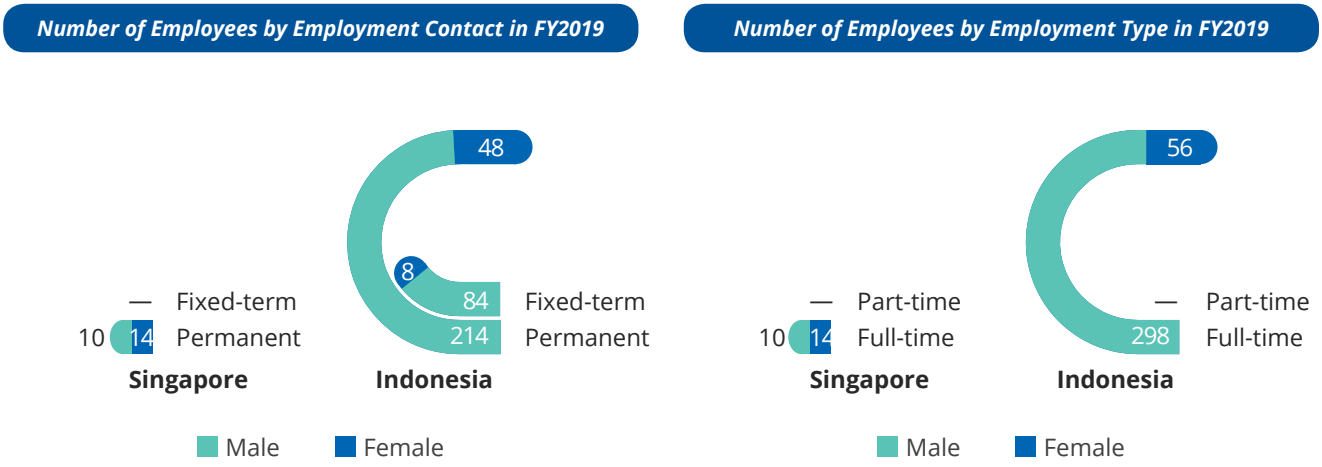
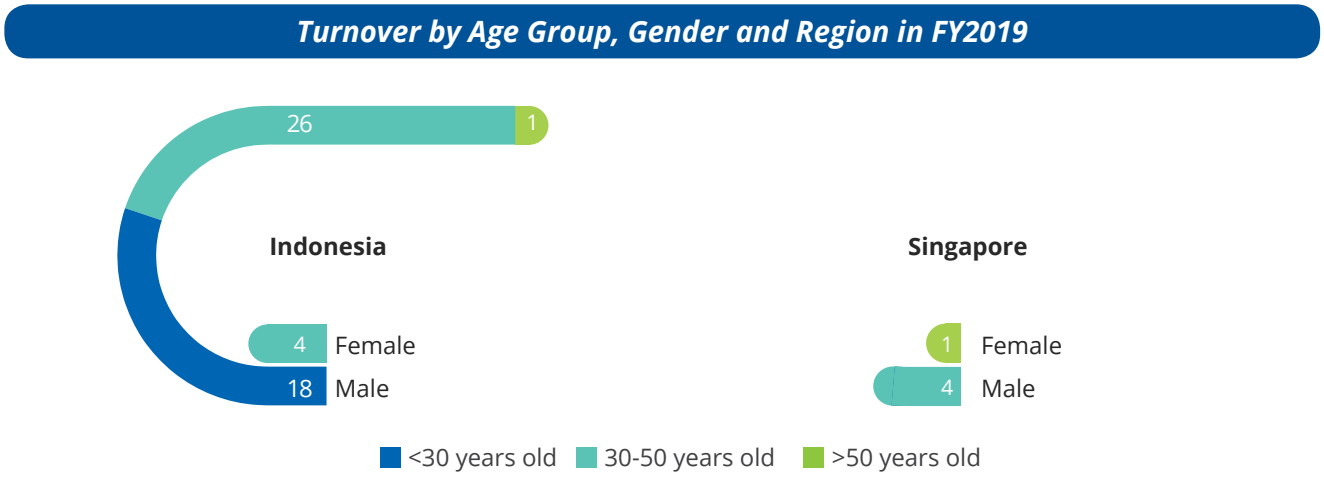


Figure 49: Turnover by age group, gender and region in FY2019



LOOKING AFTER OUR EMPLOYEES & TALENT MANAGEMENT

As a labour-intensive industry, GEAR values and actively supports the growth and development of our employees. By offering competitive remuneration packages, medical insurance and other benefits, we continuously strive to build an employee-friendly organisation.

In FY2019, training in BIB decreased from 13,640 hours in FY2018 to 8,736 hours for 141 participants in FY2019, consisting of tradesman, staff, middle management, and senior management. In FY2018, the employees of BIB attended courses with an average duration of over 3 to 5 days per training whereas in FY2019, the employees attended workshops of shorter duration. Fewer employees attended certification courses in FY2019 as these employees had attended the required certification courses in 2018. Our average training hours per employee is shown in Figures 50 to 52.

OUR HUMAN CAPITAL

Figure 50: Average training hours by geography

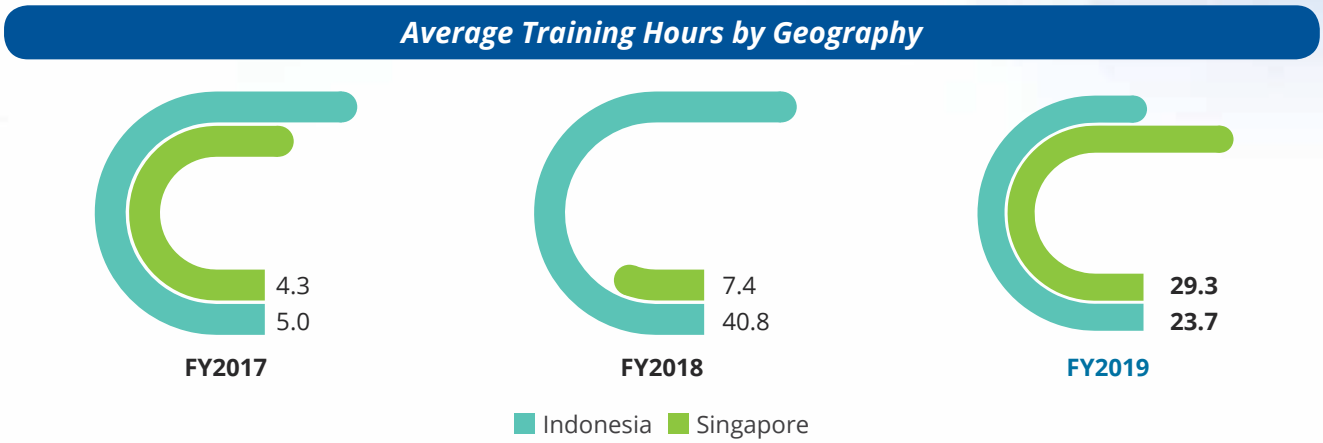


Figure 51: Average training hours by gender

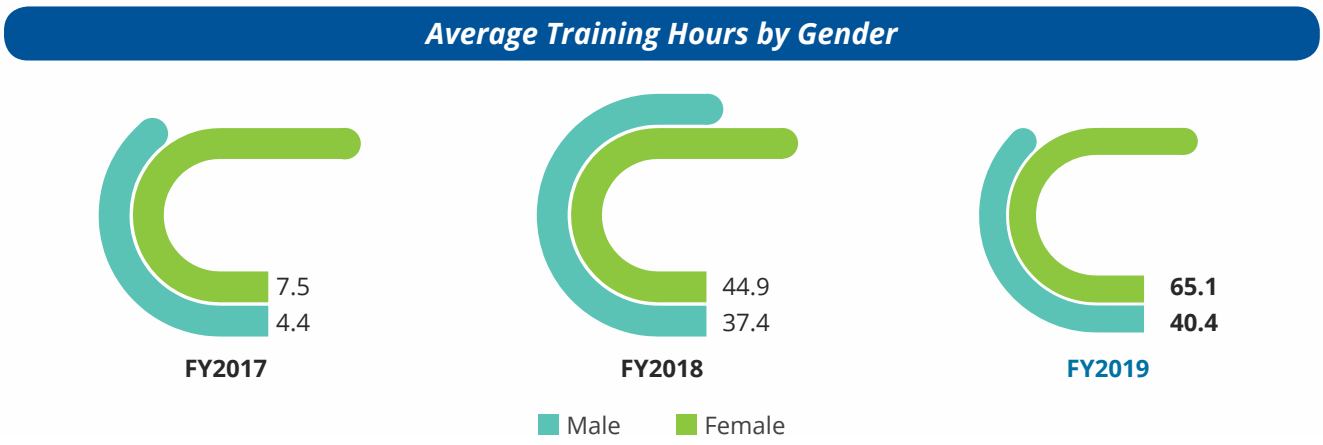
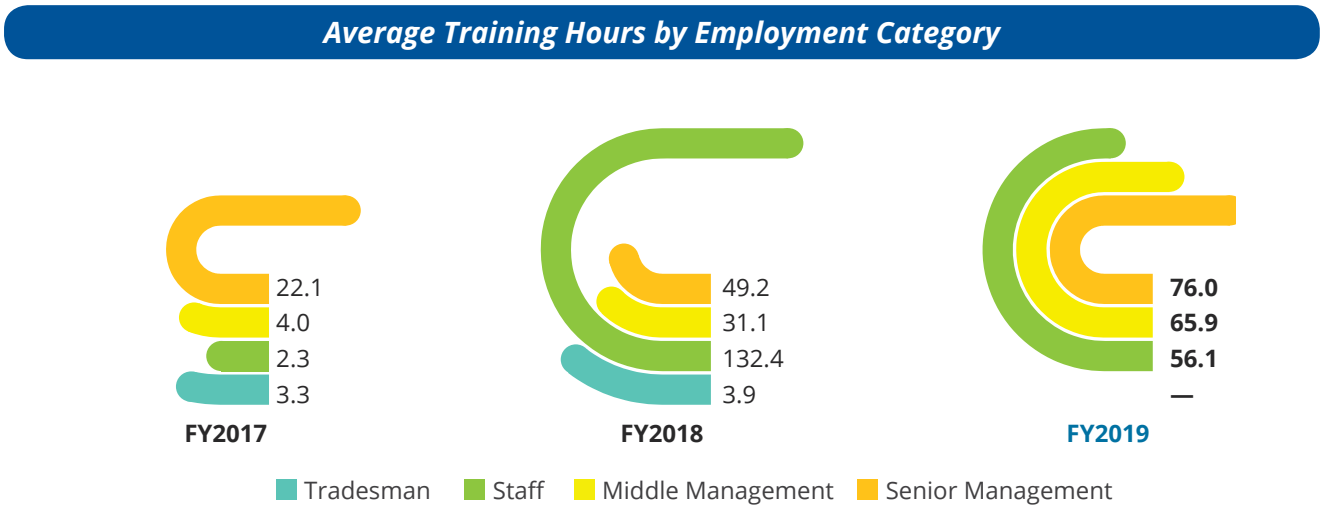


Figure 52: Average training hours by employment category



OUR HUMAN CAPITAL

In-house employee training sessions organised by BIB

GEAR recognises the potential of all our employees and aims to foster a working environment conducive to professional development and growth. In FY2019, employees attended various certification courses and workshops organised in-house, co-conducted with reputable leading institutions. The workshops covered various aspects of BIB business operations and supported our employees in developing skills ranging from gaining the necessary tools for effective leadership to technical workshops reinforcing the understanding of key mining concepts and global trends.

In FY2019, BIB organised the following training sessions to enhance the skill-set of our workforce and provide platforms for learning and professional development:

Figure 53: Training sessions organised by BIB

Course title	Learning
Leadership Training Workshop – Becoming an Effective Leader & Manager	Conducted by lecturers from Quantum Business International, participants were taught to develop fundamental skills needed to be a successful business leader and manager.
In-house training session on boiler technology	Keeping updated with the latest technology and developments, BIB's Geo-Services Department discussed the circulating fluidized bed boiler technology which has recently been considered to replace PC boilers due to PC boiler limitations to overcome the LRC combustion problem.
Mining Workshop for Employees who are non-miners	62 employees participated in this in-house session to improve knowledge of the global mining industry and understand key mining concepts.
Sigma Workshop	Learn and understand the Six Sigma Green Belt project management concepts and application in the workplace. Participants ranged from Senior Specialists to Division Heads.
7 habits of highly effective people	Conducted by Dunamis Organization Services, employees learnt how to make better choices on how they manage their time, while learning to work effectively with colleagues to achieve greater efficiency and results.
Stockpile Management and Coal Quality Workshop	Lecturers from the Singapore Chamber of Commerce Indonesia shared valuable insights on the best design principles to maintain the quality of the stockpile.
Workshop by Persiapan Sertifikasi Insinyur ("**PPI**") Professional	As a requirement and preparation for engineers to face professional engineer examination as stated on PP No. 25/2019 (Indonesia regulation for professional engineer), lecturers from PPI, a leading institution for engineers in Indonesia supported 24 participants in preparation for their examination.
Tender document preparation and contract draft	Personnel ranging from Specialists to Section Heads received training to improve their knowledge in the tendering process and its specifications.
In-house training presentation skills	48 employees participated to learn how to develop presentations that create maximum impact to audiences.

Figure 54: Leadership Training Workshop

Figure 55: Six Sigma Workshop

Figure 56: Mining Workshop for Employees who are Non-Miners

Figure 57: Stockpile Management and Coal Quality Workshop

Figure 58: Workshop by Persiapan Sertifikasi Insinyur Professional

Figure 59: In-house training session on boiler technology

OUR HUMAN CAPITAL

LABOUR RELATIONS MANAGEMENT

GEAR is pleased to report that in FY2019, there were zero cases of strikes and lockouts – a welcome reflection of the mutual respect and positive working relations built within our working community.

At GEAR, we believe the general well-being of our employees is essential to create a strong foundation for good working values and ethics. Therefore, we strongly encourage all workers and supervisors alike to build a good rapport for open communication and dialogue and work closely to resolve any problems they face early-on. Workers are encouraged to further communicate with the Human Resources Department, and in the event the team of supervisors is unable to be resolved, it is brought up to GEAR's Industrial Relations Team. The Industrial Relations Team is responsible for bringing relevant parties together in the event of a dispute, until a common understanding and a solution that is acceptable has been determined.

In the case of a significant change in operational activity that may affect GEAR's or BIB's employees, our policy is to communicate a notice period at a minimum of one month in advance. BIB is in full compliance with Indonesian labour laws, as demonstrated by annual audits conducted by the Ministry of Labour and Transmigration.

GOVERNANCE AND ETHICS

Good governance is key to ensuring that a business runs responsibly and sustainably. We are committed to high standards of corporate governance which in turn sets the tone for management and operational protocols at GEAR. This enables us to drive a strong element of integrity within our day-to-day business interactions, supporting stability and productivity within the organisation.

GOVERNANCE AND ETHICS

We have established a suite of policies in line with our core values, as shown in Figure 60. These policies undergo regular review by management to ensure its continued relevance to our business operations.

Figure 60: Our policies and core values

GOVERNANCE AND ETHICS

WHISTLE-BLOWING

At GEAR, we recognise that having a good corporate governance requires a system that is transparent yet confidential. Transparency is needed in order to gain trust among workers, yet confidentiality remains crucial in protecting workers from reprisals. To achieve this, our organisation has established our whistle-blowing policy (Figure 61) – a platform for employees to raise their concerns about possible improprieties within the Group, as well as to assure our employees they will be protected from reprisals or victimisation for whistle-blowing in good faith without malice.

Figure 61: Scope, process, safeguards and confidentiality of GEAR's whistle-blowing policy

SCOPE OF POLICY

1. Breach of business conduct and ethics or omission;
2. Financial reporting and accounting practices which are not in line with generally accepted accounting practices and Singapore Exchange regulations;
3. Audit matters, internal accounting and operational controls which are not in line with generally accepted accounting or trade practices prescribed by the GEAR Group;
4. Criminal offences, unlawful and/or unethical acts, frauds, corruption, bribery and blackmail;
5. Failure to comply with legal or regulatory obligations;
6. Miscarriage of justice;
7. Endangering the health and safety of an individual; and
8. Concealment of any of the above.
9. This policy applies to all employees of GEAR Group.

PROCEDURE OF POLICY

1. Concerns are submitted to the Chairman of GEAR's Audit Committee through e-mail, phone call or in writing (details can be found in GEAR's website).
2. Within 14 days of raising a concern, the whistle-blower will be informed about who has been appointed to handle the matter, how he[14] may contact the appointed person, and if he is required to provide further information.
3. Upon completion of investigation, the investigation officer will submit a full report of findings to the Audit Committee Chairman who will deliberate on the follow-up actions.
4. GEAR will release a copy of the report to the whistle-blower, including findings and follow-up actions.
5. GEAR endeavours to resolve the matter within one month from the receipt of the concern.

SAFEGUARDS AND CONFIDENTIALITY

1. GEAR will ensure that the rights of any employee who raises matters of concern under this Policy in good faith are respected and protected.
2. GEAR will not tolerate any reprisals, discrimination, harassment, intimidation or victimisation of any employee raising a genuine concern.
3. GEAR will take reasonable steps to ensure that the identity of any employee making a disclosure will remain anonymous unless otherwise stated. However, there must be sufficient evidence to form a reasonable basis for investigation, and following which, a statement by the employee reporting the concern may be required to enable appropriate action to be taken.
4. GEAR will ensure that no employee shall be put at risk of suffering from any form of retribution as a result of raising a genuine concern, even if there is a mistake. However, this will not be extended to employees who maliciously raise matters which they know is untrue.

[14] Word importing the masculine gender shall, where applicable, include the feminine and neuter genders.

GOVERNANCE AND ETHICS

Performance

FY2019 Target Achieved
Zero cases of corruption, fraud or non-compliance reported with all applicable laws and regulations

As a testament to our sound corporate governance and ethics, there were zero cases of corruption, fraud or non-compliance reported with all applicable laws and regulations in FY2019, a record that we aim to maintain every year. In the same year, our subsidiary, GEMS, continued to receive "The IICD Corporate Governance Award" in the category of top 50 largest publicly listed companies by market capitalisation, for the 7th consecutive year since 2013, as shown in Figure 62 below.

Figure 62: GEMS attainment of the Indonesian Institute for Corporate Directorship ("IICD") Corporate Governance Award

GLOBAL REPORTING INITIATIVE ("GRI") INDEX

GRI Standard	Disclosure	Section of Report	Page Reference
GENERAL DISCLOSURES			
GRI 102: General Disclosures		**ORGANISATIONAL PROFILE**	
	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	4-6
			Profile of our Workforce	47-48
	102-8	Information on employees and other workers	Profile of our Workforce	47-48
	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	53-55
	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	53
		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
		STAKEHOLDER ENGAGEMENT		
	102-45	Entities included in the consolidated financial statements	Annual Report 2019	105-107
	102-46	Defining report content and topic Boundaries	About This Report	Inside front cover
			Focusing on What Matters Most	10-11
	102-47	List of material topics	Focusing on What Matters Most	11
	102-48	Restatements of information	Not applicable	—
	102-49	Changes in reporting	Not applicable	—
	102-50	Reporting period	1 January 2019 – 31 December 2019	—
	102-51	Date of most recent report	GEAR's 2018 Sustainability Report	—
	102-52	Reporting cycle	Annual	—
	102-53	Contact point for questions regarding the report	About This Report	Inside front cover
	102-54	Claims of reporting in accordance with the GRI Standards	About This Report	Inside front cover
	102-55	GRI content index	GRI Content Index	57-60
	102-56	External assurance	GEAR has not sought external assurance for this 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	42
	103-2	The management approach and its components	Empowering Local Communities	42-45
	103-3	Evaluation of the management approach	Empowering Local Communities	42-45
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Empowering Local Communities	44
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	33
	103-2	The management approach and its components	Energy Consumption and Greenhouse Gas Emissions	33-35
	103-3	Evaluation of the management approach	Energy Consumption and Greenhouse Gas Emissions	33-35
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Consumption and Greenhouse Gas Emissions	34-35

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	37
	103-2	The management approach and its components	Land Management	37-38
	103-3	Evaluation of the management approach	Land Management	37-38
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	38
MATERIAL ASPECT: EMISSIONS				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Energy Consumption and Greenhouse Gas Emissions	33
	103-2	The management approach and its components	Energy Consumption and Greenhouse Gas Emissions	33-35
	103-3	Evaluation of the management approach	Energy Consumption and Greenhouse Gas Emissions	33-35
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy Consumption and Greenhouse Gas Emissions	34
	305-2	Energy indirect (Scope 2) GHG emissions	Energy Consumption and Greenhouse Gas Emissions	35
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Air Quality Management	30-32
MATERIAL ASPECT: EFFLUENTS AND WASTE				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Solid Waste Management;	36
			Water Resource Management	39
	103-2	The management approach and its components	Solid Waste Management;	36-37
			Water Resource Management	39-41
	103-3	Evaluation of the management approach	Solid Waste Management;	36-37
			Water Resource Management	39-41
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Water Resource Management	39-41
GRI G4: Mining and Metals	MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	Solid Waste Management	36

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	37
	103-2	The management approach and its components	Land Management	37-38
	103-3	Evaluation of the management approach	Land Management	38
GRI G4: Mining and Metals	MM10	Number and percentage of operations with closure plans	Land Management	38
CATEGORY: SOCIAL				
MATERIAL ASPECT: LABOUR MANAGEMENT RELATIONS				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Labour Relations Management	52
	103-2	The management approach and its components	Labour Relations Management	52
	103-3	Evaluation of the management approach	Labour Relations Management	52
GRI G4: Mining and Metals	MM4	Number of strikes and lock-outs exceeding one week's duration, by country	Labour Relations Management	52
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety	19
	103-2	The management approach and its components	Occupational Health and Safety	19-28
	103-3	Evaluation of the management approach	Occupational Health and Safety	19-28
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety	19
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	20
	403-3	Occupational health services	Occupational Health and Safety	22
	403-4	Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety	20-21
	403-5	Worker training on occupational health and safety	Occupational Health and Safety	21
	403-6	Promotion on worker health	Occupational Health and Safety	22
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable	—
	403-9	Work-related injuries	Occupational Health and Safety	24

golden energy and resources

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