



# CREATING SUSTAINABLE FUTURE

SUSTAINABILITY REPORT 2017

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# BOARD STATEMENT

GRI 102-14

## DEAR FELLOW SHAREHOLDERS,

Our commitment to sustainable performance and strategy is driven by the paramount responsibility of the Board, which is to protect and enhance long-term shareholder value. Gallant Venture Ltd ("Gallant Venture" or the "Group") understands that sustainability aspects from energy efficiency to employee turnover are intricately tied to financial returns and therefore, must be managed in conjunction to optimise value over time.

As a future-minded company, we must develop and maintain a vision for how we will remain competitive amongst evolving industry standards, new policies, and an ever-changing physical environment.

Key sustainability aspects represent not only the issues of corporate responsibility, but also financial business context, as the future offers both new opportunities for innovation and development, as well as a new landscape of risks to be managed. We believe that to ensure long-term success, corporates should integrate sustainability into their operations and strategies. We are committed to conduct our businesses in a responsible manner and aim to create positive value for all our stakeholders.

As this is our inaugural Sustainability Report, the focus is on the investigation of material aspects and the development of core strategy. This is the year where we cultivate commitment, establish baselines, and develop a vision based on material aspects and measurable goals. In future reports we will begin to assess performance and improvement over time.

We believe integrating sustainability begins with the responsibilities of the highest levels of corporate management. We have included sustainability in the Group's overall corporate governance strategy and consider sustainability issues (e.g. environmental and social factors) in the formulation of our policies and procedures.



# BOARD STATEMENT

GRI 102-14

In line with our strong commitment to high standards of corporate sustainability, we adopt practices and strategies to ensure the protection of shareholders' interests related to sustainability aspects. In doing so, we establish a framework of prudent and effective controls to enable sustainability related risks to be assessed and managed. The Board also supervises the management and monitoring of sustainability performance and goals to enhance shareholder value.

As we commence the integration of sustainability, we have set up a Sustainability Reporting Committee with members from senior management across all business segments. We have assessed our social, environmental, and economic performance within the context of our operations and core values. We have involved our stakeholders in order to gain their feedback and identify the issues most relevant to them. We further benchmarked ourselves against our peers and the best industry practices, which allowed us to understand the material aspects significant to our businesses.

As we translate our commitment to sustainability into action, we will:

- Consistently monitor our progress to ensure we continuously improve our sustainability performance;
- Set targets to meet the expectations of our stakeholders;
- Collaborate with internal and external stakeholders to create a unified vision of success;
- Develop strategies to identify and manage risks and opportunities related to aspects of sustainability;
- Minimise our impacts on the environment and the communities in which we operate; and
- Leverage sustainability strategy to enhance long-term shareholder value.

This year we built the foundation that will enable Gallant Venture to foster and thrive in our sustainable future.



# CORPORATE PROFILE

## ABOUT GALLANT VENTURE LTD

GRI 102-1 | 102-2 | 102-3 | 102-4 | 102-6

Gallant Venture is an Indonesia-focused investment holding company headquartered in Singapore and listed on the Singapore Exchange. We are an integrated automotive group with coverage across Indonesia and a master planner for industrial parks and resorts in Batam and Bintan. The ultimate controlling shareholder is Indonesia based Salim Group.

The Group primarily operates in Indonesia through its subsidiaries throughout Indonesia and Singapore. A complete list of our companies can be found on page 16 - 18 of the FY2017 Annual Report. The Group organises its businesses into five business segments and they are Automotive, Property Development, Industrial Parks, Utilities, and Resort Operations. The Automotive segment accounted for more than 90 percent of the Group's revenue in FY2017.

### Automotive

Our automotive business includes distribution of passenger vehicles, commercial vehicle, heavy duty equipment, vehicle and equipment financing, supply of spare parts, vehicle servicing, and vehicle rental and logistics services.

### Property Development

We are the master planner and infrastructure provider for our properties situated in Batam and Bintan. We master planned land parcels for industrial, commercial, residential, and resort projects. Our land inventory in Bintan is approximately 18,000 hectares and in 2007, we launched the Lagoi Bay Development, which is approximately 1,300 hectares for integrated resort development featuring resorts, residences, shopping, restaurants, entertainments, and sea-sport facilities.

### Industrial Parks

We own and manage Batamindo Industrial Park ("BIP") in Batam and the Bintan Industrial Estate ("BIE") in Bintan. We offer the convenience of a one-stop manufacturing environment with ready access to Singapore's financial, infrastructure, and logistics network. Our activities include the development of the industrial parks, sales and lease of prepared industrial land as well as the provision of ready-built factories and dormitories for lease. With continuous efforts to upgrade our products offering, we have repositioned our Bintan Industrial Estate into an offshore marine clusters, Bintan Offshore Marine Centre ("BOMC"), and a regional food hub.

Our BIP was the first industrial park in the Asia-Pacific to be certified ISO 9001 and ISO 14001, hallmarks of a manufacturing site that is efficient, cost effective, and environmentally friendly.

### Utilities

We are a private utilities provider in Batam and Bintan, providing electricity, telecommunications, water and waste management services to its Industrial Parks' and Resorts' customers. We have invested approximately S\$435 million in the construction and development of utilities infrastructure and resources including power generation and distribution facilities, portable water treatment facilities, sewage treatment plants and waste water treatment facilities, and landfills.



# CORPORATE PROFILE

## ABOUT GALLANT VENTURE LTD

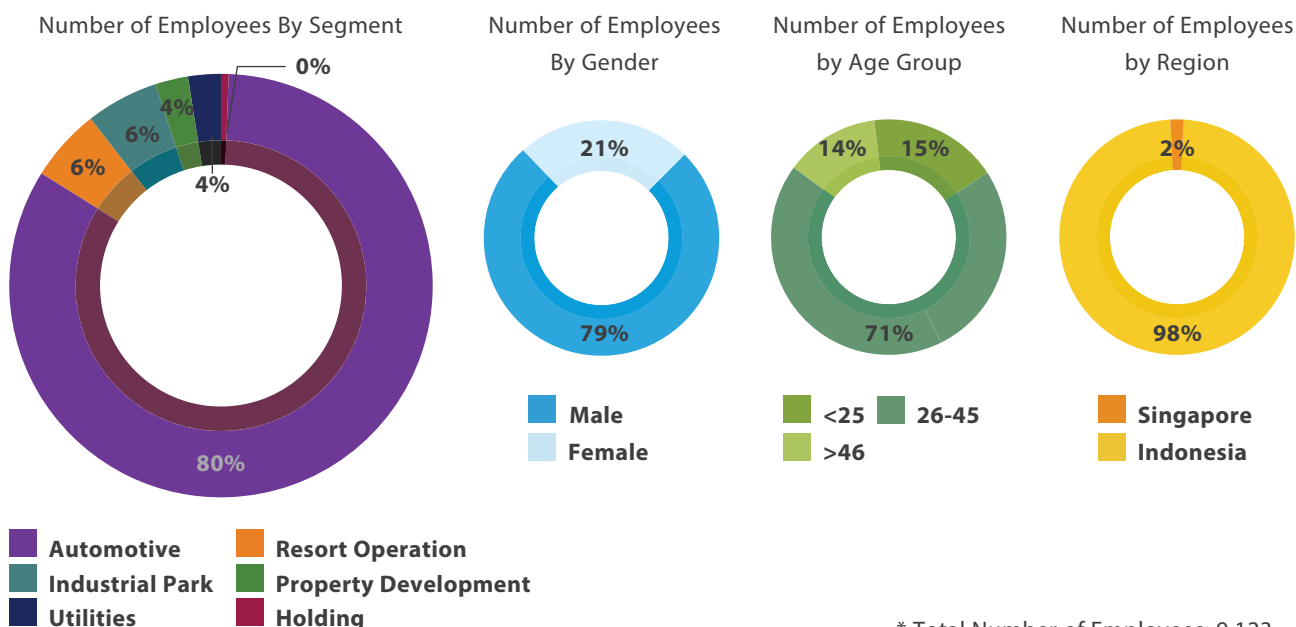
GRI 102-1 | 102-2 | 102-3 | 102-4 | 102-6

### Resort Operations

We provide overall support, facilities, and services to Bintan Resorts. We undertake the overall planning, development, operations, and marketing of Bintan Resorts and provide services to the hotels and resorts located within Bintan Resorts. This includes ferry services and terminal operations, tour operations, property rental, workers' accommodation, medical support, and estate and township maintenance such as road maintenance and drainage as well as the operation of a 24-hour crisis centre.

### OUR PEOPLE

GRI 102-7 | 102-8



### VALUES AND PRINCIPLES

GRI 102-16

At Gallant Venture, the principles of sustainability and ethics are integrated into our vision to **'Create growth and build value'**, and our mission to **'Leverage on our resources to create growth and deliver long-term value for our stakeholders'**.

Our Board and members of senior management take responsibility for investigating sustainability aspects that are crucial to our long-term value and growth. We also develop measures that manage the related risks and leverage the related opportunities.

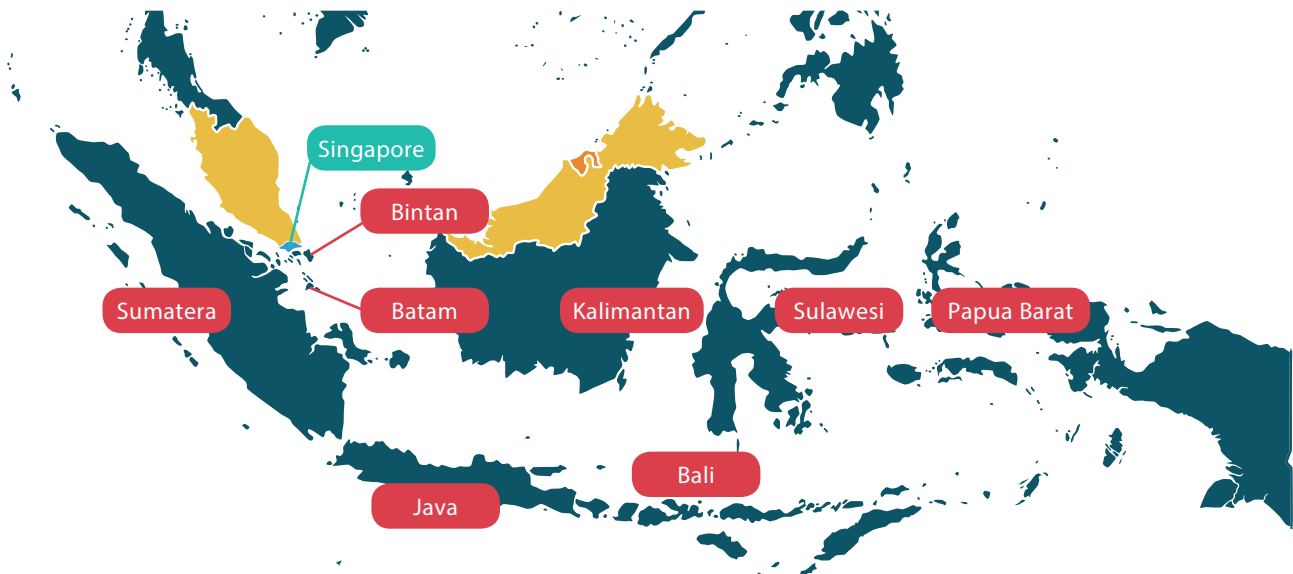
Core values such as long-term value creation and accountability are reflected in our 2012 Code of Corporate Governance ("Code"), which was developed based on best practices and cultivates high standards of corporate governance. The 16 Principles of the Code aim to enhance transparency, protect shareholders' interests, and build sustainable value. We have adopted these principles and are responsible for the proper consideration of sustainability aspects.

# CORPORATE PROFILE

## ABOUT GALLANT VENTURE LTD

### LOCATION OF OPERATION

GRI 102-4 | 102-7



### SUPPLY CHAIN

GRI 102-9

We manage an international supply chain of 280 suppliers across 13 countries. Approximately 90 percent of our suppliers are within Indonesia and approximately 60 percent serve our automotive segment.

Our operations create a significant demand for products and services related to the activities and roles of our developers, owners, and operators. Operating and maintaining our facilities requires numerous suppliers of fuel, equipment, components, vehicles, and consultants. These suppliers require skilled technicians and operators. For any project development process, our developers call on various bankers, consultants, contractors, and equipment suppliers to outsource various engineering, procurement, and construction activities.

We hold a strong commitment to ensure the highest standards of ethics are upheld throughout our supply chain. This is rooted not only in terms corporate responsibility, but also on our reliance on an efficient, reliable, and responsible supply chain to deliver consistent and exceptional quality. We seek to do business with suppliers who understand the business value of environmental and social resources.



# CORPORATE PROFILE

## AWARDS AND RECOGNITION

### PT Indomobil Finance Indonesia

Most Trusted Company in  
Microfinance Service of the Year  
(Indonesia Excellent Quality Award  
2017)



### PT Indomobil Finance Indonesia

Best Overseas Debt Management  
Corporation  
(Bank Indonesia, July 2017)



### Bintan Resorts International Pte Ltd

Readers' Choice – The Most  
Popular Overseas Holiday  
Destination 2017  
(China National Travel Magazine)



### PT Taman Indah

Guest Review Awards  
(Booking.com, 2017)



### Bintan Resorts International Pte Ltd

Annual Award for Overseas  
Honeymoon Destination 2017  
(International Shanghai Wedding  
Fashion Week, 2017)





# CORPORATE PROFILE

## GOVERNANCE AND RISK MANAGEMENT

GRI 102-11 | 102-12 | 102-18

Gallant Venture applies precautionary approach when managing risks and planning developments. When it comes to impacts, we are continuously searching for, developing, and implementing cost effective measures to protect the environment and enhance the social value of the communities we affect. We believe that vibrant natural environments and thriving local communities and economies are essential to the long-term success of the Group. It is therefore, in our best business interest to exercise the Precautionary Principle introduced by the United Nations in Principle 15 of 'The Rio Declaration on Environment and Development'.

We have set up the Sustainability Reporting Committee within the Group to investigate our material sustainability aspects, and how these relate to our operations. We will continue to monitor our sustainability performance and develop strategies to minimise negative impacts, identify and manage related risks, and avoid environmental degradation whenever possible.

We also engage with industry and academic experts to ensure the proper management of natural and social resources in the context of specific projects and business ventures. For example, the Bintan Resorts (BR) Development was planned collaboratively with Professor Alfonso Vegara (Founder of Fundación Metropoli) to foster an Eco Island' Vision that balances aspects of the complex ecosystems of Bintan, emerging economic clusters, and the broader geo-political context. The resulting master plan focused on true sustainable development that protects valuable natural resources, designs intelligent landscapes, and promotes symbiosis between nature and urban components.

Beyond our internal governance and practices, we also participate in several externally developed sustainability initiatives. We have aligned our operations and practices with comprehensive international and national standards. For example, our BIP was the first industrial park in the Asia-Pacific to be certified ISO 9001 and ISO 14001, hallmarks of a manufacturing site that is efficient, cost effective, and environmentally friendly. 'ISO<sup>2</sup> is an independent, non-governmental international organisation with a membership of 161 national standards bodies. The members bring together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges'. ISO 9001 specifies requirements for organisational quality management systems while ISO 14001 specifies requirements for environmental management systems (EMSs).

### Notes:

1. [http://gallantventure.listedcompany.com/misc/gv\\_slides.pdf](http://gallantventure.listedcompany.com/misc/gv_slides.pdf)
2. <https://www.iso.org/about-us.html>



# CORPORATE PROFILE

## MEMBERSHIPS OF ASSOCIATIONS

GRI 102-13



"As an industry-led organisation, NATAS represents the Singapore travel agency community that commands 80% of the total market share. Acting as the voice of the industry, NATAS strives to ensure the sustained and continued development of travel agencies while supporting and spearheading education and training."

<http://www.natas.travel/Home/MenuItem.aspx?subid=2>



"The Singapore Business Federation (SBF) is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations. It represents 25,800 companies, as well as key local and foreign business chambers."

<http://www.sbf.org.sg/about-us/overview-about-us>



"Singapore Commercial Credit Bureau (SCCB) serves to create a higher level of credit transparency in the local business arena by sharing information on payment behaviour, associated with trade credit and credit facilities, of borrowers."

<http://www.dnb.com.sg/singapore-commercial-credit-bureau.html>



"Singapore National Employers Federation has a vision of 'Responsible Employers, Sustainable Business' and aims to advance tripartism and enhance labour market flexibility to enable employers to implement responsible employment practices".

<https://snef.org.sg/about-us/our-vision-mission/>



"The Financial Services Authority (Otoritas Jasa Keuangan - OJK) has a vision to become a trustworthy monitoring institution that oversees financial services industry, in order to protect the interests of consumers and public, and to be able to bring about the financial services industry into becoming a pillar of national economy with global competitiveness as well as capability to promote public prosperity."

<https://www.ojk.go.id/en/tentang-ojk/Pages/Visi-Misi.aspx>



GABUNGAN  
INDUSTRI KENDARAAN BERMOTOR  
INDONESIA

"The Association of Indonesia Automotive Industries (Gabungan Industri Kendaraan Bermotor Indonesia – GAIKINDO) is a non-profit organisation. All members of GAIKINDO are companies of brand-holder agents (APM) that comprise producers, distributors, and manufacturers. GAIKINDO facilitates its members' interests in relation with the Government's policies regarding the automotive industry. This includes policies on industry and trade, energy, tax, safety standards, the use of technology, and environment".

<https://www.gaikindo.or.id/en/profile/>

# ABOUT THIS REPORT

GRI 102-51 | 102-52 | 102-54

This inaugural annual Sustainability Report of Gallant Venture describes our corporate responsibility performance and commitment to long-term value creation through sustainable business practices.

We have developed our report with reference to the Global Reporting Initiative ("GRI") Core Standards. The GRI Content Index on page 22 indicates the full list of GRI references and disclosures used in this report.

## REPORTING SCOPE AND BOUNDARIES

GRI 102-46 | 102-50 | 102-53 | 102-56

The general disclosures in this report cover the entirety of our business operations, however, the scope of the specific indicators focuses on our three major business segments: Automotive, Industrial Parks, and Utilities, which together accounted approximately 99 percent of our total revenue in FY2017.

The content and aspect boundaries in this report reflect our overall sustainability strategy, which was carefully developed with deep consideration for the GRI's Reporting Principles: Materiality, Stakeholder Inclusiveness, Sustainability Context, and Completeness. To capture these principles, we engaged our key stakeholders through surveys and benchmarked ourselves against our peers to identify the sustainability aspects that are most material to Gallant Venture.

The information provided in this report is the period of 1<sup>st</sup> January to 31<sup>st</sup> December 2017. From hereafter, we will publish an updated Sustainability Report annually. All information and data in this report are verified through rigorous internal controls prior to publication. Although we do not employ external verification, the integrity and credibility of the information in this report is assured through internal review processes, the Sustainability Reporting Committee, and external reporting consultants.

Detailed financial information not included in this Report can be found in our FY2017 Annual Report, available on our corporate website:

<http://gallantventure.listedcompany.com/misc/ar2017/>

### *Contact for Feedback:*

We welcome all queries, comments, and feedback regarding our Sustainability Report to be addressed to our Sustainability Reporting Committee ("SRC") via [gallant@gallantventure.com](mailto:gallant@gallantventure.com)



# STAKEHOLDER ENGAGEMENT

GRI 102-40 | 102-42 | 102-43 | 102-44

In order to investigate our sustainability aspects and gain feedback on material issues, we engaged with our key stakeholders. The Sustainability Reporting Committee identified the stakeholder groups based on influence, representation, responsibility, dependency, and proximity. We conducted an in-depth review of stakeholder feedback, internal operations, industry benchmarks, and best practices to illuminate the material aspects that are most significant to our businesses and the impacts thereof. The results served as the foundation for our sustainability management approach as well as the content of this report.

Our engagement with our key stakeholders is not limited to reporting purposes or confined to periodic frequencies. We are perpetually seeking feedback as fuel for continual improvement as we value their opinions and understand that our best interests are intertwined.

Stakeholder	Concern Raised	Mode of Engagement	Frequency of Engagement
Shareholders	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Indirect Economic Impacts</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meetings (AGMs)</li> <li>Informal communications through phone calls or meetings</li> </ul>	Annually Quarterly
Suppliers	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Procurement Practices</li> <li>Supplier Social Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Regular site visits</li> <li>Face-to-face meetings and phone calls</li> <li>Routine notices / email updates</li> <li>Corporate events</li> </ul>	Ongoing basis
Customers	<ul style="list-style-type: none"> <li>Customer Health and Safety</li> <li>Customer Privacy</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Regular site visits</li> <li>Face-to-face meetings and phone calls</li> <li>Routine notices / email updates</li> <li>Corporate events</li> </ul>	Ongoing basis
Regulators	<ul style="list-style-type: none"> <li>Water</li> <li>Energy</li> <li>Emissions</li> </ul>	<ul style="list-style-type: none"> <li>Site visits</li> <li>Face-to-face meetings</li> <li>E-mails and formal letters</li> </ul>	Ongoing basis
Top Management	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Energy</li> <li>Employment</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	Weekly Ongoing basis
Employees	<ul style="list-style-type: none"> <li>Employment</li> <li>Training and Education</li> <li>Economic Performance</li> </ul>	<ul style="list-style-type: none"> <li>Performance reviews</li> <li>Internal / external trainings</li> <li>E-mail updates</li> </ul>	Annually Ongoing basis

# MATERIALITY ASSESSMENT

GRI 102-46 | 102-47 | 103-1

Our materiality assessment strategy was guided by GRI's four Reporting Principles and resulted in the ultimate identification of the material aspects and the topic boundaries of this report. First and foremost, we embraced Stakeholder Inclusiveness to ensure the concerns of all key stakeholders are addressed. We then carefully selected specific indicators based on the specific Sustainability Context in which we operate, ensuring the most relevant data is captured and exhibited. The perspectives of our stakeholders were considered alongside the specific impacts of our operations to ensure that the principles of Materiality and Completeness are respected when selecting indicators for this Sustainability Report, as well as for prioritising sustainability issues in business management.

What we have discovered during this process is that our core business interests, impacts, and the interests of our key stakeholders are all intricately aligned. This is evidenced in the list below, which captures the indicators we prioritised based on importance to external stakeholders and the impact we are making towards the environment, society, and economy.

Categories	Material Aspects	List of Indicators		Aspect Boundary
Economic	Economic Performance	201-1	Direct economic value generated and distributed	Within organisation
	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Within organisation
Environment	Energy	302-1	Energy consumption within the organisation	Within organisation
	Emissions	305-1	Direct (scope 1) GHG emissions	Within organisation
	Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Within organisation
Social	Employment	401-1	New employee hires and employee turnover	Within organisation
	Training and Education	404-1	Average hours of training per year per employee	Within organisation

# ECONOMIC

## ECONOMIC PERFORMANCE

GRI 103-1 | 103-2 | 103-3 | 201-1

Economic performance is the key driving factor for the long-term success of the Group. Likewise, it is one of the top three concerns raised by shareholders, suppliers, top management, and employees, representing four out of the six key stakeholder groups. Therefore, the economic performance of Gallant Venture is the epitome of a material aspect for which the Group has the highest responsibility to protect. Our primary objective is to safeguard the Group's assets, shareholders' interests, long-term value, and growth.

To optimise the management of our economic performance, the Group implements a system of internal controls and a risk management framework to ensure that financial information and accounting records are accurate, and that business risks and opportunities are properly managed. This is crucial to safeguard shareholders' investments and the Company's assets. The risk management framework fosters a systematic assessment and structured review of levels of risk, the effectiveness of controls, and opportunities for continual improvement.

The scope of our economic management systems spans the operational boundaries of our businesses. Likewise, our economic impacts occur throughout our organisation and supply chain.

The Group notes that no system of internal control and risk management can provide absolute assurance against the occurrence of material errors, imperfect decision making, human error, fraud or other irregularities. However, we take pride in our efforts to eliminate, minimise, and learn from error whenever possible.

In order to evaluate the Group's economic management approach and results, regular in-depth reviews are performed by the Group's internal and external auditors and Top Management. Further assurance and evaluations are provided by the CEO, CFO, the Board, and the Audit Committee. The most recent results of this process indicated a consensus that as of 31<sup>st</sup> December 2017, the economic controls were adequate and effective to address financial, operational, compliance and information technology risks.

The financial highlights can be found on our FY2017 Annual Report, the summary for the Automotive, Industrial Parks, and Utilities are as follows:

Automotive	Utilities	Industrial Parks
Revenue = S\$1,587.9 mil	Revenue = S\$101.6 mil	Revenue = S\$32.7 mil
EBITDA = S\$72.9 mil	EBITDA = S\$36.5 mil	EBITDA = S\$15.2 mil
NPAT= S\$(79.9) mil	NPAT = S\$7.0 mil	NPAT = S\$(17.7) mil
Total Assets = S\$1,793.2 mil	Total Assets = S\$172.9 mil	Total Assets = S\$109.4 mil
<ul style="list-style-type: none"> <li>• Distribution &amp; dealership</li> <li>• Vehicle financing</li> <li>• Vehicle rental</li> <li>• Automotive spare parts</li> <li>• Assembly</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity</li> <li>• Telecommunications</li> <li>• Water</li> <li>• Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>• Rental</li> <li>• Logistics services</li> <li>• Accommodation &amp; amenities</li> <li>• Other services</li> </ul>

EBITDA: Earnings before interest, tax, depreciation and amortisation

NPAT: Net profit after taxation

Our target is to continue creating value for the shareholders and contribute to the development of the community in the upcoming financial year.



# ECONOMIC

## ANTI-CORRUPTION

GRI 103-1 | 103-2 | 103-3 | 205-2

Anti-corruption is a material economic aspect due to the Group's commitment to integrity and ethics, as well as the expressed interests of shareholders and customers. We are fully committed to conduct our business in compliance with the highest ethical standards and all applicable laws for the prevention of corruption and bribery. We implement a zero-tolerance policy throughout the Group against all forms of corruption, fraud, bribery, and unethical actions of all kinds. Our Anti-corruption Policy applies to all employees of the Group including Directors, and Officers.

In order to prevent corruption and unethical behaviour, we have developed a comprehensive Anti-corruption policy that:

- Outlines the responsibilities of the Group and each employee to observe and uphold the Group's zero tolerance on corruption and bribery.
- Informs and guides employees on how to recognise, address, resolve, avoid, and prevent instances of corruption and bribery that may arise in the course of their work.

Our Anti-corruption Policy includes guidance and clarifications regarding ethical conduct, compliance with laws, anti-corruption, gifts and hospitality, and donations and contributions.

This Anti-Corruption Policy does not and cannot reasonably cover every situation that an employee may face in the course of employment with the Group. If in doubt, employees are strongly encouraged to seek immediate guidance from their supervisors, the Human Resource Department, the Legal Department or, where appropriate, the Group's senior management.

This Policy is subjected to regular review by the Group, and it may be revised periodically to reflect changes in the Group's procedures. The effectiveness of the policy is evaluated through the results of various preventive, detective, and responsive anti-corruption measures.

- |                      |  |
|----------------------|--|
| Preventive measures: | Code of business conduct, employee code of conduct, conflict of interest policy, corporate gift policy, fraud risk assessments, employee, and third party due diligence. |
| Detective measures:  | Whistle-blowing policy, forensic data analysis, compliance and monitoring, and pre-employment screening.   |
| Responsive measures: | Fraud reporting procedures, fraud investigation procedures, and grievance handling procedures.   |

Our anti-corruption policies have been communicated to all employees and major business partners of Gallant Venture, across all regions, sectors and management / governance levels. There have been no violations of our anti-corruption policies identified in FY2017.

We aim to ensure that all our employees are made aware of, and kept up-to-date on our policies.

# ENVIRONMENT

## ENVIRONMENTAL COMPLIANCE

GRI 103-1 | 103-2 | 103-3 | 307-1

To be good stewards of the environment, we comply with all applicable laws and regulations. We are committed to understand and meet the requirements of all applicable laws designed to protect environmental resources. We continuously monitor the impacts of all organisational activities and ensure that mandatory standards are met.

We enhance our operational efficiency across the Group through optimising resources such as water and energy, and to reduce waste generated. Beyond our internal operations, we are mindful of the business activities carried on by our tenants and customers, and how these activities contribute to the environment both positively and negatively. We engage with our tenants to emphasise on the importance of compliance with environmental regulations and raise environmental awareness. We avoid tenants with harmful business activities that impact the environment through excessive pollution, improper disposal of waste, and poor awareness of environmental sustainability.

To ensure environmental compliance, our relevant employees are tasked to understand the applicable regulations and stay up to date with the changes. Our performance is compared to the requirements to ensure compliance. Risk management measures are implemented to assess what future regulatory changes may affect our businesses. If any major issues are detected, they will be escalated to the senior management and corrective action will be implemented in a timely manner to manage the issue.

To aid with compliance management processes, monthly reports are submitted to highlight any issues that may impact the environment negatively as well as ideas to promote sustainability.

We have not identified any non-compliance with environmental laws and regulations for FY2017. We aim to achieve zero non-compliance with environment laws and regulations for the upcoming financial year.



# ENVIRONMENT

## ENERGY

GRI 103-1 | 103-2 | 103-3 | 302-1

As an energy provider, power production has a considerable influence over our revenue. It also has direct and indirect impacts on the environment. Therefore, it is a highly material subject and a topic of interest to the Group and regulators.

We consume energy through power production and internal usage. Our energy consumption management strategy aims to:

- Achieve a business portfolio that balances the economic expectations of our stakeholders and our businesses' impact on the climate;
- Fulfil our duty to protect the environment and conserve resources, while providing competitive and reliable solutions for our stakeholders; and
- Improve energy efficiency through best practices and economically viable solutions.

To achieve this, we implement a sustainability performance framework which is both relevant to our core businesses and promotes awareness amongst key stakeholder groups. The scope of energy consumption is within the organisation.

Providing power to tenants and resort operators in our industrial parks and resorts is one of our core business. We are continuously vetting opportunities to produce power in a more productive and efficient manner, as this affects both the environment and our bottom line. We continue to assess emerging risks related to energy consumption and identify opportunities to promote responsibility without compromising profitability.

We prioritise measures to reduce carbon footprints that are both good for the group and society as a whole. For example, initiatives that promote efficient power production improve profit margins and minimise climate impacts.

We evaluate our energy management approach through monitoring and reporting on a monthly basis. This is done to both assess efficiency and to set future targets. We aim to achieve an efficiency of 80%. Any significant deviation from the targets will be flagged and the matter will be immediately escalated to the senior management. Rectifying measures will be implemented to ensure corrective action and continual improvement.

For 2017, the total energy consumption for internal use (excluding electricity sold) was 71,776,016 kWh. The method used to compute the energy consumption is based on transmission loss during power production, internal usage and our office electricity bill compiled for the reporting period. Non-renewable fuel sources used for power production include diesel and gas. Gallant venture did not consume any renewable energy fuel in FY2017.



**TOTAL ENERGY CONSUMPTION**

**71,776,016 kWh**

Our energy consumption target is to decrease consumption by 10% by 2022 (baseline 2017).

# ENVIRONMENT

## EMISSIONS

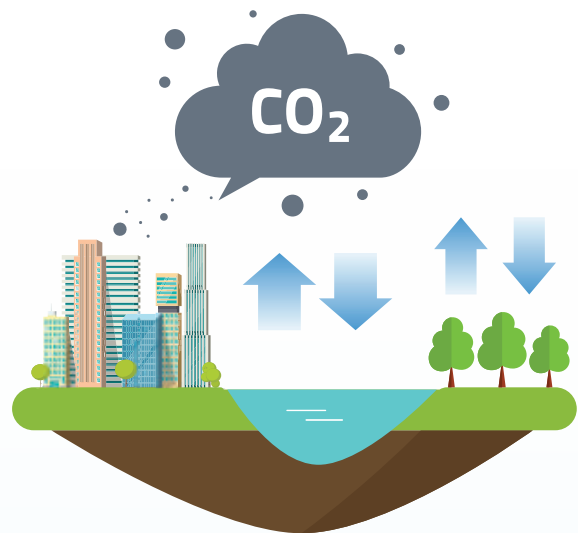
GRI 103-1 | 103-2 | 305-1

The materiality of our greenhouse gas ("GHG") emissions is founded on the basis that it is our main environmental impact. In addition, the issue of climate change holds considerable business context beyond corporate responsibility. Energy consumption, GHG emissions, and our economic performance are all intricately linked. Therefore, it is crucial that we monitor, manage, and minimise our GHG emissions. The effects of climate change will also bring changes that impact the business context of our operations, bringing new risks and opportunities. Such changes include rising fuel prices, new regulations, and shift of consumer preferences. For these reasons, both our contributions to, and the impacts of, climate change are highly material to us.

Our GHG emissions are primarily driven by our energy consumption. Therefore, the topic boundary and management approach of these two topics are one and the same.

This is our first year of reporting GHG emissions. Gases included in the calculation include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O), with totals expressed in units of tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). GHG emissions were calculated based on Greenhouse Gas Protocol Standards.

Our GHG emissions target is to decrease emissions by 10% by 2022 (baseline 2017).



**GHG EMISSIONS**

**17,962 tCO<sub>2</sub>e**



# SOCIAL

## EMPLOYMENT

GRI 103-1 | 103-2 | 103-3 | 401-1

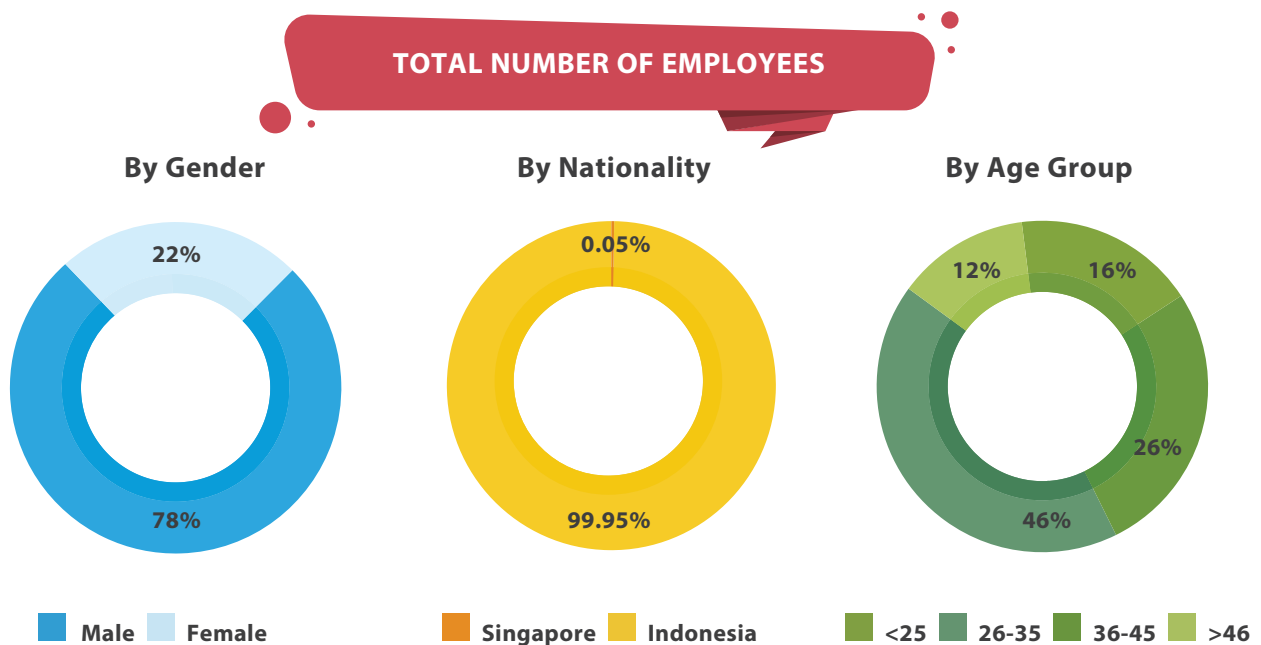
We understand that our employees are our most valuable resource. We promote diversity and equal opportunity, and are continuously looking for ways to protect and enhance our employees' well-being.

In setting remuneration packages, the level and structure of remuneration is aligned with the long-term interests and risk policies of the company. The Group's principles and employee satisfaction measures are designed to attract, retain, and motivate top talent. We understand that the best interests of our employees serve the long-term value of the Group. Therefore, investing in the development of our people is a direct investment in the future of the Group.

Investing in our workforce starts in our recruitment process, where we emphasise merit-based recruitment practices, diversity, and inclusiveness. After joining the Group, we give our employees every opportunity possible to thrive and advance.

Employees are encouraged to bring feedback, suggestions, and complaints to the attention of their supervisors, the Human Resources Department, or the Legal Department. Any effort to retaliate against any person making a complaint in good faith is strictly prohibited and shall be reported to the CEO.

We will continue to emphasise the importance of diversity and inclusion in our workplace culture. We believe that people should have access to the same opportunities regardless of religion, ethnicity, race, gender, marital status or age.



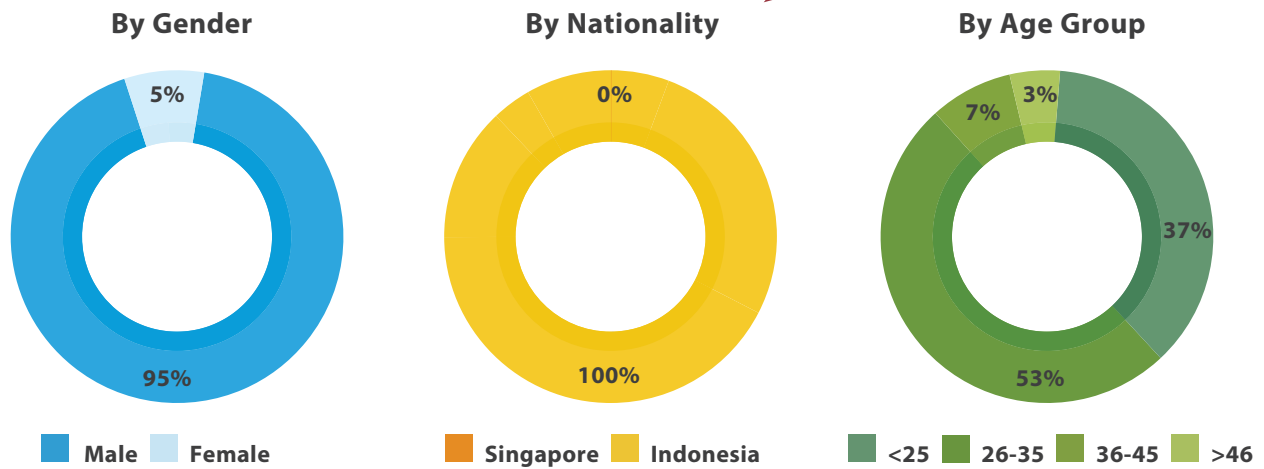
\* Total Number of Employees: 8,220

# SOCIAL

## EMPLOYMENT

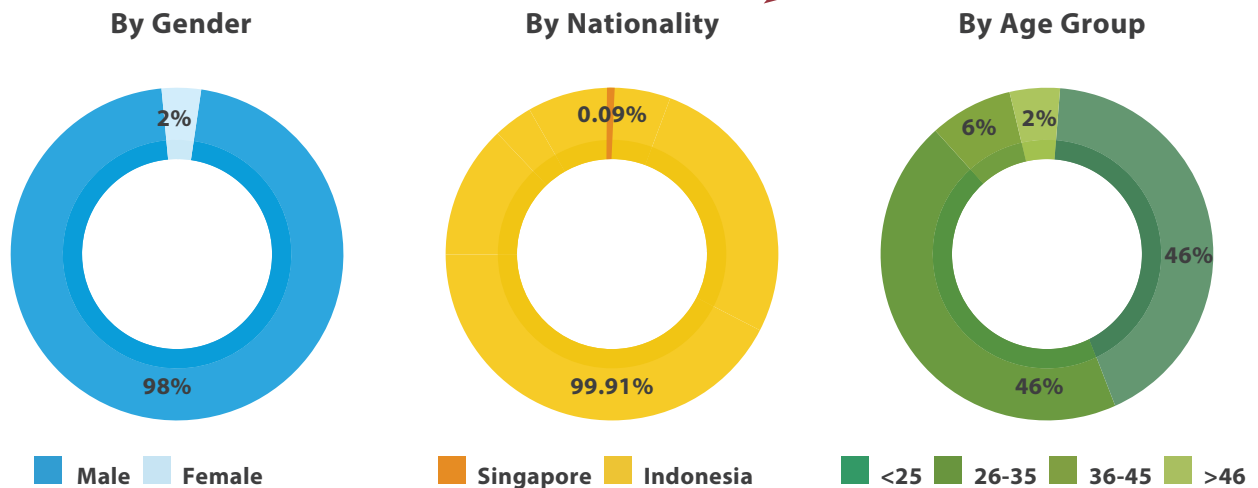
GRI 103-1 | 103-2 | 103-3 | 401-1

### TOTAL NUMBER OF NEW HIRES



\* Total Number of New Hires: 658

### TOTAL NUMBER OF TURNOVER



\* Total Number of Employee Turnover: 1,112



**NEW HIRE RATE PER**  
employee **8.00**



**TURNOVER RATE PER**  
employee **13.53**



# SOCIAL

## TRAINING AND EDUCATION

GRI 103-1 | 103-2 | 103-3 | 404-1

One of the most effective ways of helping employees thrive and advance is to provide them with the proper training and education. With the rapid changes in our industry, it is important for our people to keep abreast of the latest industry trends and developments and familiarise themselves with cutting-edge tools and technology.

Every employee is encouraged to participate in training and development that can further their career and refine their skills and expertise. Our efforts to train and educate our employees are organisation-wide, as such all employees are encouraged to undergo the courses and seminars. We measure the success of these efforts by hours of training. The results indicate that although managers receive the most training on average, non-managerial staff also receive a comparable amount of training and education.

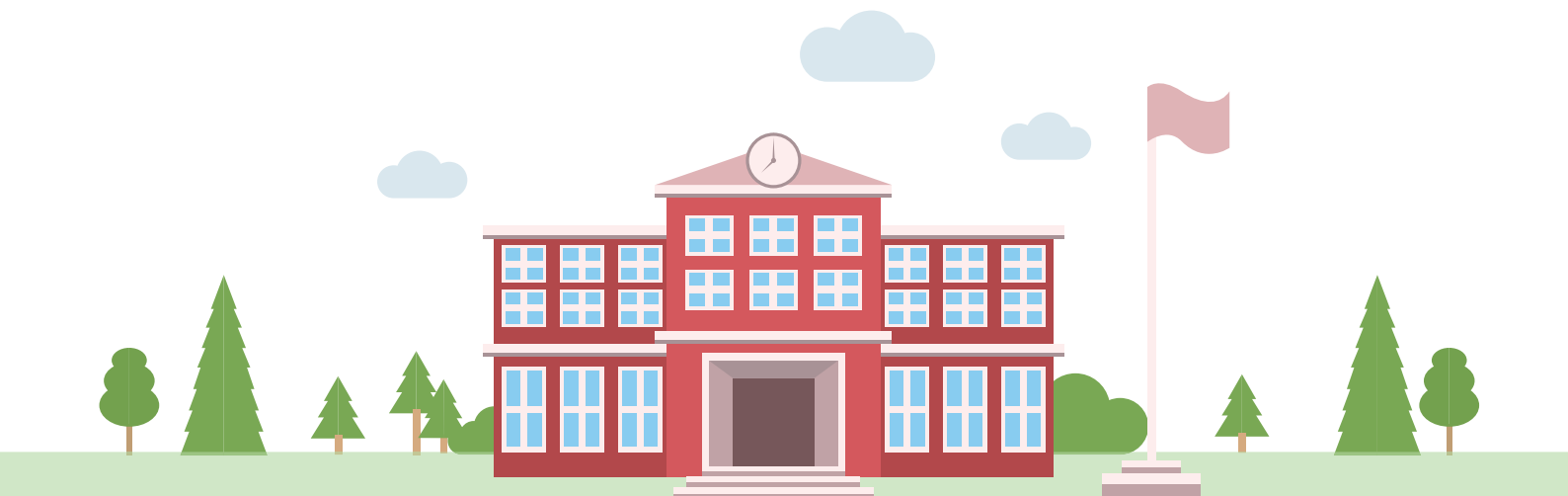
Performance appraisals are conducted annually. Employees are evaluated by their managers on their performance and opportunities for improvement are identified. During the appraisals, employees' career progression, rewards, key performance indicators, and training needs are determined. Employees are provided with equal opportunity to be considered for training and development based on their needs to help them to achieve their full potential.

Training & Education	Male	Female	Managerial	Executive	Non-Executive
Average Hours	9.06	3.40	14.30	4.68	9.23



**AVERAGE TRAINING HOURS PER**  
employee **7.82**

Our target is to increase our average training hours per employee to 10 hours by 2022 (baseline 2017).



## COMMUNITY ENGAGEMENT

Aside from our internal sustainable management frameworks and policies, Gallant Venture is continuously looking for opportunities to give back to the community and help promote environmental awareness.



### BLOOD DONATION

The blood stock at the Regional General Hospital ("RSUD") of Kepri Province in Tanjunguban was running low. Thus, RSUD and Bintan Inti Industrial Estate (BIIE) collaboratively held a blood donation event at Lobam Industrial Estate, Seri Kuala Lobam. The need for blood in RSUD Tanjunguban averages about 100 bags per month, however, only 70-80 bags can be filled by this hospital. This event was our effort to help meet the needs of the patients.



### BEYOND BORDER PROGRAM

This project aimed to improve the conversational English standards of students in Bintan by engaging them in interactive classroom sessions and games. The goal was to facilitate fun bonding activities while also building English speaking confidence, and inspiring students to continue developing their English skills.



### DONATION IN KIND

In March 2017, PT Indomobil Finance Indonesia donated groceries ("sembako") for the flood victims in Setako Raya Village, Rauh Panap Village, Batang Peranap Village. The assistance was expected to ease the burden of the flood victims in Indragiri Hulu Regency, Riau.



# COMMUNITY ENGAGEMENT



## ENGLISH PROGRAM

PT Indomobil Finance Indonesia conducted a Non-Formal English Program, TeachCast with Oxford, at several schools (Sekolah Kristen Lentera in Ambarawa, SDK Dian Wacana in Semarang, and SMAK Bentara Wacana in Muntilan, Magelang). Through this assistance, members of the younger generation became more skilled and ready to face the challenges of higher education.



## SCHOLARSHIP

Employees' Children Scholarship program runs continuously and is designed to help children of employees further their education and contribute to the cost of their studies.



## ENVIRONMENT DAY

To support awareness of the need for positive environmental action, the Group organises a monthly Environment Day on the 15th of each Month. One of the major focuses of the program is to encourage employees to participate in an organised clean-up of Bintan's coastline.



# GRI CONTENT INDEX

General Disclosures		
GRI Standard	Disclosure	Chapter, Page Reference, Performance and/or Explanation for Omissions
GRI 102: General Disclosures 2016	<b>ORGANISATIONAL PROFILE</b>	
	102-1 Name of the organisation	3
	102-2 Activities, brands, products and services	3
	102-3 Location of headquarters	3
	102-4 Location of operations	3, 5
	102-5 Ownership and legal form	Please refer to our Annual Report page 62
	102-6 Markets served	3
	102-7 Scale of the organisation	4, 5 Please refer to our Annual Report for additional information
	102-8 Information on employees and other workers	4
	102-9 Supply chain	5
	102-10 Significant changes to organisation and its supply chain	Please refer to our Annual Report
	102-11 Precautionary principle or approach	7
	102-12 External initiatives	7
	102-13 Membership of associations	8
	<b>STRATEGY</b>	
	102-14 Statement from the most senior decision maker of the organisation	1
	<b>ETHICS AND INTEGRITY</b>	
	102-16 Values, principles and norms of behaviour	4
	<b>GOVERNANCE</b>	
	102-18 Governance structure	7 Please refer to Page 26-27 of our Annual Report
	<b>STAKEHOLDER ENGAGEMENT</b>	
	102-40 List of stakeholder groups	10
	102-41 Collective bargaining agreements	Not Applicable
	102-42 Identifying and selecting stakeholders	10
	102-43 Approach to stakeholder engagement	10
	102-44 Key topics and concerns raised	10
	<b>REPORTING PRACTICE</b>	
	102-45 Entities included in the consolidated financial statements	Please refer to our Annual Report
	102-46 Defining report content and topic boundaries	9, 11
	102-47 List all material topics	11
	102-48 Restatements of information	Not Applicable
	102-49 Changes in reporting	Not Applicable as this is our inaugural report
	102-50 Reporting period	9
	102-51 Date of the most recent report	9
	102-52 Reporting cycle	9
	102-53 Contact point of questions regarding the report	9
	102-54 Claims of reporting in accordance with GRI Standards	9
	102-55 GRI Content Index	22, 23
	102-56 External assurance	9

# GRI CONTENT INDEX

Material Topics			
GRI Standard	Disclosure		Chapter, Page Reference, Performance and/or Explanation for Omissions
ECONOMIC			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	11, 12
	103-2	The management approach and its components	12
	103-3	Evaluation of the management approach	12
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	12 Please refer to our Annual Report for additional information
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	11, 13
	103-2	The management approach and its components	13
	103-3	Evaluation of the management approach	13
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	13
ENVIRONMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	11, 14
	103-2	The management approach and its components	14
	103-3	Evaluation of the management approach	14
GRI 302: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	14
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	11, 15
	103-2	The management approach and its components	15
	103-3	Evaluation of the management approach	15
GRI 303: Energy 2016	302-1	Energy consumption within the organisation	15
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	11, 16
	103-2	The management approach and its components	16
	103-3	Evaluation of the management approach	16
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	16
SOCIAL			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	11, 17
	103-2	The management approach and its components	17
	103-3	Evaluation of the management approach	17
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	17, 18
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	11, 19
	103-2	The management approach and its components	19
	103-3	Evaluation of the management approach	19
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	19



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