



# Sustainability Statement

**At Golden Land Berhad (“GLBHD”), we recognise the importance of developing and growing our business in a sustainable and responsible manner. We are aware of the global trends toward sustainable business practices and the increasing demand for more accountability and transparency from our stakeholders.**

We are pleased to present our inaugural Sustainability Statement (“Statement”) for the financial year ended 30 June 2018 (“FY2018”) which highlights our sustainability initiatives and efforts in managing our economic, environment and social aspects of our business.

We look forward to continuing our sustainability journey as we move into the next chapter of growth and expansion of our businesses. We will continuously expand the scope of our reporting, including enhancing the measurement of performance indicators disclosed as we progress.

# Sustainability Statement (cont'd)



## About This Statement

This Statement aims to communicate our efforts in managing our material sustainability matters with our stakeholders, which covers all operations within the Group for the period starting 1 July 2017 to 30 June 2018.

This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad's Sustainability Reporting Guidelines and the Main Market Listing Requirements. It is divided into three main areas - our Economic, Environment and Social ("EES") matters.



For more information, please visit:  
[WWW.GLBHD.COM](http://WWW.GLBHD.COM)



## Sustainability Governance

Strong governance and ethical conduct are the cornerstone to our business as it is the foundation that enables us to build a sustainable, resilient business and gain the trust of our stakeholders. As part of our efforts to strengthen the Group's corporate governance as well as to develop a comprehensive long-term vision, GLBHD has introduced a sustainability governance structure during the year to drive the Group's sustainability initiatives as follows:








Diagram 1: Sustainability Governance Structure

# Sustainability Statement (cont'd)

## Stakeholders Engagement

We recognise the importance of engaging our stakeholders to understand their interests and manage their concerns in order to maintain a sustainable business. We have identified five (5) key stakeholders which have significant influence to our business operations, as presented in the table below:

Key Stakeholder Groups	Engagement platforms	Frequency of Engagement
 <b>Customers</b>	<ul style="list-style-type: none"><li>• Roadshows</li><li>• Company website</li></ul>	<ul style="list-style-type: none"><li>• Ad hoc</li></ul>
 <b>Employees</b>	<ul style="list-style-type: none"><li>• Team meetings</li><li>• Appraisal</li></ul>	<ul style="list-style-type: none"><li>• Frequent</li><li>• Annually</li></ul>
 <b>Government/Regulators</b>	<ul style="list-style-type: none"><li>• Discussion and consultation</li></ul>	<ul style="list-style-type: none"><li>• Ad hoc</li></ul>
 <b>Local Communities</b>	<ul style="list-style-type: none"><li>• Direct engagement</li></ul>	<ul style="list-style-type: none"><li>• Regularly</li></ul>
 <b>Investors/Financiers</b>	<ul style="list-style-type: none"><li>• Direct engagement</li><li>• Annual general meeting</li></ul>	<ul style="list-style-type: none"><li>• Regularly</li><li>• Annually</li></ul>



# Sustainability Statement (cont'd)

## Material Sustainability Matters

Material sustainability matters are matters that have significant EES impact to the Group.

In the preparation of GLBHD's first Sustainability Statement for FY2018, a materiality assessment workshop was conducted to identify the Group's material sustainability matters. The identified material matters were then prioritised through an anonymous online voting exercise during the workshop. The assessment process allows GLBHD to focus on its business strategy and report on material matters that are of the highest concern to our business and stakeholders.

Our materiality assessment process is as below:



Diagram 2: Materiality Assessment Process

Through our materiality assessment process, we have identified the top material sustainability matters as follows:

	Economic	Environment	Social
 <b>Plantation</b>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Certification</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Compliance</li> <li>Biodiversity and Conservation</li> </ul>	<ul style="list-style-type: none"> <li>Labor and Employee Management</li> <li>Occupational Health and Safety</li> <li>Community Relations and Conflict Resolution</li> </ul>
 <b>Property</b>	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Customer Satisfaction</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Compliance</li> <li>Green practices</li> </ul>	<ul style="list-style-type: none"> <li>Labor and Employee Management</li> <li>Occupational Health and Safety</li> </ul>

Diagram 3: Material Sustainability Matters

# Sustainability Statement (cont'd)

## Economic



### Economic Performance

GLBHD's core business is oil palm cultivation and production of fresh fruit bunches. At our plantations, we recognise the importance of Good Agricultural Practices (GAP) for long-term productivity and to ensure that natural resources are being used efficiently at our estates.

GLBHD's agricultural practices are in line with the Industrial Code of Practices (ICOP) - Code of Good Agricultural Practice. We have a Plantation Manual in place to serve as a guide on GAP which includes zero-burning, planting of Leguminous Cover Crop (LCC) and water management.

As our palms mature, the agricultural procedures in the Plantation Manual will be adopted in all our estate operations to produce high quality agricultural products.

Our plantation division is guided by our operating principles "GREAT" which will serve to guide the sustainable management of our plantation operations.

- G** Growth Continuity
- R** Real Commitment
- E** Efficient & Effective
- A** Act With Integrity
- T** Teamwork

It has been a busy year for the property division as the Group launched the latest Freehold Light & Medium Industrial Project - Golden Gateway in Batu Kawan, Penang. Further information on our projects are highlighted in the following page.

Our property division is guided by the "CARE" principles which reflect our strong sense of commitment and quality assurance to all stakeholders

- C** Committed to Quality and Services
- A** Attentive to Details
- R** Reliable to the Community
- E** Engaging to Everyone

Details on our financial performance and business review are further discussed in the Management Discussion and Analysis section as well as the financial statements in this Annual Report.



# Sustainability Statement (cont'd)

## Economic (cont'd)



### Economic Performance (cont'd)

<b>NEW Project</b>	<b>Batu Kawan</b>	<b>Light &amp; Medium Industrial</b>	<b>FREEHOLD LAND</b>	Estimated GDV: <b>RM182 mil</b>
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**Golden Gateway** is a newly launched freehold light and medium industrial project which comprises 52 plots of 3-storey semi-detached factories and 2 plots of 3-storey detached factories situated on a freehold, 21-acre tract to the southeast of Batu Kawan, Penang. The semi-detached and detached units have built-ups of 5,543 to 8,000 sq. ft.

Golden Gateway features units that have their front facing the main road for maximum visibility and accessibility. Each unit is designed as a 4-in-1 business solution making sure all aspects of business use (production, warehouse, showroom and office) are covered and completely integrated for seamless processes.

More details are available at [www.ourgoldengateway.com](http://www.ourgoldengateway.com).

<b>Upcoming Project</b>	<b>Setia Alam</b>	<b>Serviced Residence</b>	<b>Prime FREEHOLD LAND</b>	Estimated GDV: <b>RM280 mil</b>
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**Anggun by Golden Land** is an upcoming freehold mixed development which consists of 500 units of serviced apartments and 16 lots of retail consisting of 2 towers of 33-storey and 35-storey with retail lots on the ground floor. This exciting development is strategically located at Setia Alam, a vibrant and matured township with comprehensive amenities to cater for all types of lifestyle needs while at the same time conveniently connected via the Setia Alam-NKVE link, Federal Highway and the upcoming DASH Highway.

This development features a unique 5 senses thematic garden which promises an immersive experience, emphasising on rejuvenation of the mind and soul. This upcoming serviced residence is designed with the idea of community living where home is beyond just four walls.



# Sustainability Statement (cont'd)

## Economic (cont'd)



### Certification

The Indonesian Sustainable Palm Oil ("ISPO") Standard was introduced in 2011 by the Government of Indonesia to ensure that all Indonesian oil palm growers conform to higher agricultural standards and to support the government's commitment in reducing greenhouse gas emissions.

During the year, the Group has started the process of applying for the ISPO certification for one of its estates in Indonesia. Application for the certification is at its initial stage and the Group expects to obtain the same by 2019. As part of the Group's commitment to obtain the ISPO certification, an ISPO committee has been set up to implement and carry out the procedures and plans needed to obtain the certification.

The Group has also put in place several policies to guide the implementation process of obtaining the ISPO certification which include Occupational Health and Safety Policy, Environmental Policy, No Open Burning Policy and Sustainability Policy.



### Customer Satisfaction

Customers are one of our most important stakeholders and therefore it is critical that we understand their needs and expectations well in order to improve our performance. We engage with our customers through various platforms such as roadshows, social media and our official website. Customer feedbacks and queries received through these platforms are addressed and followed up in a timely manner.

As our projects are currently under development, we intend to engage with our customers through surveys to obtain insights for further improvement once the developments have been completed.



### Compliance

Complying with local laws and regulations is of paramount importance to us in running a sustainable business and to prevent disruptions in our daily operations. For our Plantation Division, we have put in place an Online Tracking System to ensure all our permits and licenses are valid and subsisting.

On top of ensuring our operations are in compliance with the regulations, project personnel in our Property Division also assess and monitor our contractors by having regular meetings to ensure they are also in compliance with such regulations. Amongst the laws and regulations that we comply with are:

#### Laws and regulations

- National Land Code 1965 (Act 65)
- Housing Development (Control and Licensing) Act 1966 (Act 118) and Regulations
- Strata Titles Act 1985 (Act 318)
- Strata Management Act 2013 (Act 757)
- Town and Country Planning Act 1976 (Act 172)
- Uniform Building By-laws 1984
- Water Services Industry Act 2006 (Act 655)
- Street, Drainage and Building Act 1974
- Electricity Supply Act 1990 (Act 447)
- Personal Data Protection Act (Act 709)
- Wiring Regulation for Tenaga Nasional Berhad
- Various local government planning and building policies and guidelines
- Occupational Safety and Health Act 1994 (Act 154)
- Factories and Machinery Act 1967

# Sustainability Statement (cont'd)

## Environment



### Environmental Compliance

The Group adheres to strict environmental laws and regulations in Indonesia. The Group has implemented policies such as Environmental Policy, No Open Burning Policy and Sustainability Policy to ensure that all activities and operations are in compliance with the local regulatory requirements.

The Group has not observed any environmental-related fines or complaints nor reports during the current financial year.

### **GLBHD's No Open Burning Policy**

Open burning is strictly prohibited under the ASEAN Zero Burning Policy (1999), the Environmental Quality (Open Burning) Order 2003 and the Environmental Law by the Ministry of Environment Indonesia No.18, 2004.

The policy requires all operating units to adhere to the following:

- Strictly no open burning is allowed unless the Group obtains approval from the relevant authorities; this includes domestic waste, agricultural waste, and biomass or by-products generated by the palm oil estates and oil mills.
- All wastes generated should be disposed through proper waste management such as scheduled waste and recycled waste.
- Under proper supervision, limited open burning is only allowed for cooking and religious purposes.



### Biodiversity and Conservation

All natural habitats inherit conservation values, including the presence of rare or endemic species, provision of ecosystem services, sacred sites or resources harvested by local residents. High Conservation Values ("HCV") are biological, ecological, social and/or cultural values of outstanding significance. At GLBHD, we strive to protect HCV areas within our estates such as peat swamps, steep terrains and rivers which are rich in biodiversity. These areas are stipulated in our Plantation Manual and will not be developed for the protection of the ecosystem.

GLBHD has assigned trained personnel who monitor the management of these HCV areas as guided by the Group's internal policies and procedures. The Group has also provided education to our employees and local folks to create awareness among the local communities on the importance of protecting and conserving these areas.

Moving forward, we will identify and monitor the flora and fauna within these parameters, focusing on the rare, endangered and threatened species. The list of observed species will be recorded and reported to the relevant authorities.



# Sustainability Statement (cont'd)

## Environment (cont'd)



### Sustainable Living

As a Group, we are concerned with the environmental impacts of our operations. At our property division, we are looking to develop various environmental practices to promote and encourage sustainable lifestyles while reducing our environmental impacts. Some of the sustainable practices which will be incorporated include:

- Infusing green building design elements in our property projects
- Installing energy saving features such as light emitting diode ("LED") lightings to conserve and reduce energy consumption
- Equipping rainwater harvesting system in our property projects
- Encouraging the 3Rs - **Reduce, Reuse and Recycle** waste management practices at all project sites
- Adopting a balanced cut and fill approach during construction to prevent soil erosion and reduce siltation
- Incorporating the use of eco-friendly and recycled building materials in our development.



Anggun by Golden Land

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# Sustainability Statement (cont'd)

## Social



### Labour and Employee Management

At GLBHD, we believe that our employees are our most valuable asset and strive to provide the best working conditions to all employees regardless of their nationality, age, or gender. During the current financial year, 99% of our employees are local hires.

#### Employee Benefits

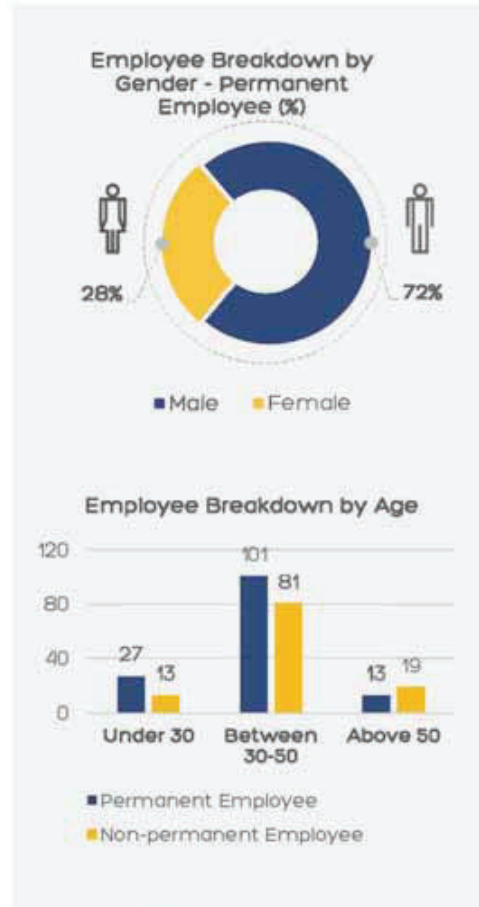
At GLBHD, we provide a competitive remuneration package in order to attract and retain talent. We also provide employee benefits which include insurance coverage, hospitalisation leave, compassionate leave, maternity leave, medical leave, examination leave, dental benefits and professional membership. We also provide increments and bonuses based on individual employee's as well as the Group's financial performance. Also, GLBHD had, with effect from 9 November 2017, obtained shareholders' approval to implement the Employees' Share Scheme. Ultimately, we believe that a good and fair reward system will increase the employees' productivity as well as incentivising them.

In addition, we reward employees who have served GLBHD for 5, 10, 15 and 20 years with Long Service Awards to appreciate their continuous efforts in contributing to the Group's organic growth.

#### Talent Development and Capacity Building

Apart from providing job opportunities and broad benefits schemes to our employees, we also invest in their training and development to enhance the skills of our workforce.

Our employees are trained under a planned development program based on the individual training needs, position and types of work performed. During the year, the total training hours for our plantation division is 292 hours and 56 hours for the management level and other employees respectively.



ISPO Certification Knowledge Transfer and Training

# Sustainability Statement (cont'd)

## Social (cont'd)



### Occupational Health and Safety

At GLBHD, we emphasise strongly on our employees and workers' safety and well-being, guided by the Group's Occupational Health and Safety ("OSH") Policy. The objectives of our OSH Policy are as follows:

- To prepare and preserve a workplace with a safe and healthy working environment
- To ensure that all staffs are provided with enough relevant information, instruction, training and supervision regarding methods to carry out their duties in a safe manner without causing any risk to health.
- To investigate all accidents, diseases, and/or dangerous occurrences and to institute remedial action to ensure that such occurrences will not be repeated
- To comply with all legislative requirements related to safety and health as well as regulations and code of practice which have been approved.
- To provide basic welfare facilities to all employees

For our plantation division, we have established a Health and Safety Committee to manage daily health and safety-related matters at the estates. The Committee comprise managers, safety officers and employee representatives at the estates. Safety meetings are held quarterly to raise safety and health issues faced by workers at the estates.

Various training sessions such as during induction, Personal Protective Equipment demonstrations, fire-fighting and fire prevention training and safety training on handling pesticides have been conducted to ensure that all employees are equipped with knowledge related to health and safety. During the year, there were no injuries nor fatalities reported at our estates.



For our property division, OSH training sessions are provided to our employees including the Personal Protective Equipment demonstration and checklist, housekeeping, fire-fighting and fire prevention.

As part of our tender process, we also assess our contractors to ensure that they are in compliance with all applicable and relevant laws. Furthermore, our appointed contractors are required to comply with all provisions of statutes, codes of practices and laws relating to health and safety such as having a Health and Safety Plan to safeguard and ensure the safety of all personnel on site, including workers and third parties. Our project manager monitors and executes inspections to ensure that the contractors adhere to all applicable safety requirements.

During the year under review, there were no injuries or fatalities reported for any of our projects.

# Sustainability Statement (cont'd)

## Social (cont'd)

### Community relations and conflict resolution

GLBHD is committed to making a positive impact to the local communities. We engage with our local communities regularly through various social and welfare activities. Our activities focus on the provision of basic amenities, education and religious activities during festivals as well as the improvement of road access.

We believe that education is key in empowering the people at our local communities and to unlock greater opportunities for them. Therefore, we continuously provide donations to the local schools to fund the teachers payroll and to purchase stationeries so that more children at our local communities are able to have access to education. We have also taken a step further by providing a full scholarship to an ambitious individual from our local community to attend university.



Provision of free drinking water for the local communities

We have established a grievance procedure to allow all employees and communities at the estate to voice out their concerns. During the year, the Group has not observed any fines or non-monetary sanctions for non-compliance with social laws and regulations.



Construction of link bridge at Desa Manubar, Kutai Timur, Indonesia

Improving road access and connectivity is important for the well-being of our local communities. We have constructed a link bridge connecting our estate at Desa Manubar, Kutai Timur to the mainland. The bridge has provided convenience to the local communities living on the estate to commute to the mainland by shortening the travelling time and distance.