



Sustainability Statement

At Golden Land Berhad (“GLBHD”) we are aware of the need for us to grow our businesses in a sustainable and responsible manner. We are also cognizant of the global trends toward sustainable business practices and the challenges that come with them in light of the rise of other vegetable oil alternatives that may erode the dominance of palm oil in the very near future.

In light of the above, we present our Sustainability Report (“Report”) for the financial year ended 30 June 2019 (“FY2019”) which highlights our ongoing sustainability initiatives and continuing efforts in managing our economic, environment and social aspects of our businesses.

As we grow in strength, we will continue to expand the scope and breadth of our reporting including the expansion of the measurement of GLBHD’s performance indicators. Ultimately, the end game is for our stakeholders to have a snapshot of our sustainability efforts within our operations and how these efforts will benefit them in the long run.



About this Report

This Report aims to communicate our on-going efforts in managing our sustainability initiatives which encompass all operations within GLBHD for the period commencing 1 July 2018 to 30 June 2019.

This Report has been prepared in accordance with Bursa Malaysia Securities Berhad’s Sustainability Reporting Guidelines and the Main Market Listing Requirements. As before, it is divided into three main pillars – Economic, Environment and Social.

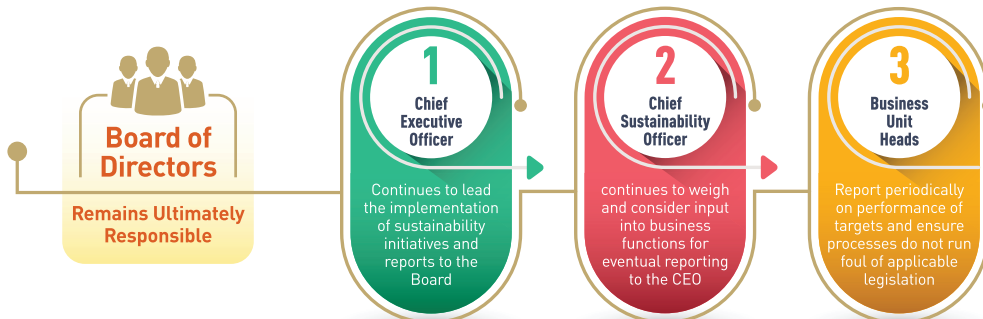
For more information, please visit: WWW.GLBHD.COM



Sustainability Governance

The Board of Directors (“Board”) is the custodian of sustainability governance at Golden Land Berhad.

Our corporate governance structure embraces and embeds sustainability in all key aspects of our business engagement. Our Board believes that sustainability management should be part of our corporate culture so that, as we weave it into our daily operational activities, everyone in the organization shall have the opportunity to make a sustained and meaningful contribution.



Ultimately, the goal is to embed the concept and practice of sustainability into GLBHD’s businesses.



Sustainability Statement (cont'd)



Stakeholders Engagement

We continue to engage with all our stakeholders to understand their needs and wants and to also address any concerns that they may have in order to maintain an ongoing sustainable business.



Customers

For both our Plantation and Property Divisions, we reach out through GLBHD's website which is updated on a needs basis.

The Property Division has also held a few roadshows to gauge public opinion on its ANGGUN development and will continue to do so prior to any launch of same.



Employees

Both Divisions have regular meetings to ensure all employees and management are on the same page on the vision and direction of the Group to maximize efficiency and overall productivity.

Employee engagement is also of paramount importance and an annual assessment is undertaken to enable management to provide employees with detailed constructive feedback for their career development.



Government / Regulatory

Engagement with regulatory authorities is an on-going exercise within our Plantation Division in view of the need for frequent renewals of permits and licenses at our various estates.



Local Communities

The opening of plantation lands requires the Group to have constant and direct engagement with the local communities. As a measure of its effectiveness the Division has since opened up more than 1,200 Ha in the year under review.



Investors / Financiers

Both of GLBHD's Divisions continue to directly engage our financiers in Malaysia and Indonesia as a matter of course.

GLBHD directly engages its investors/shareholders at its Annual General Meeting as well.



Material Sustainability Matters





Sustainability Statement (cont'd)

Economic

The Economic Pillar (Plantation)

GLBHD's core business is and continues to be oil palm cultivation and production of fresh fruit bunches.

At our estates, we not only recognize the importance of Good Agricultural Practices (GAP) but continue to implement its provisions to secure and enhance productivity whilst reducing operational inefficiency.

As such, our agricultural practices continue to be in line with the Industrial Code of Practices all of which are embedded in our Plantation Manual.

The Plantation Manual itself may be subject to amendment(s) which will always be in aid of operational efficiency.

In the financial year 2019, we have opened up and planted more than 1,200Ha despite the challenges inherent in the licensing and land compensation processes within the Republic of Indonesia. GLBHD's objective of organic growth in Indonesia will see it intensifying its efforts to obtain its Right to Cultivate or Hak Guna Usaha but all within the regulatory and legislative framework.



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

It was previously reported under our Certification indicator that the Plantation Division has commenced the process of applying for ISPO certification, or Indonesian Sustainable Palm Oil, for one of our estates in Indonesia.

At the end of last financial year, we applied for ISPO and reported that it is likely that we will obtain same sometime in 2019.

The application process is now in its final stages and it is likely the certification will only be obtained by the end of financial year 2021. In this respect, GLBHD feels the progress in the audit process which can be onerous and time consuming, is largely due to policies put in place to closely monitor the said audit progress. These include, but are not limited to, the Occupational Health and Safety Policy, Environmental Policy, Health and Safety Policy and No Open Burning Policy, as examples. GLBHD is therefore still on track to complete the certification process on or before the end of financial year 2021 as we ramp up our efforts in its first quarter with the Head of Occupational Safety and Health as the process owner.

In fact, we proceeded to construction of a Fire House as well as waste storage facilities as these are part of ISPO's Guidelines on our path to certification.



Environment

The Environment Pillar (Plantation)

In the exploitation of the country's natural resources Indonesian laws demand that compliance of same be of paramount importance.

To ensure there is no disruption to operations, compliance with regulatory and licensing requirements is of paramount importance. To this end GLBHD has implemented an Online Tracking System ("OTS") to ensure all our estates' permits and licenses are valid and subsisting.



Sustainability Statement (cont'd)



Online Tracking System ("OTS")

The OTS system alerts each of the respective process owners on the impending expiry of the various permits and licenses that make up the regulatory framework of plantation operations in Indonesia.

Two months before expiry, the process owners accountable will be alerted and, a month later from such an alert notification, they will be alerted again.

So, at best, there will be 2 months to procure the issuance of a permit or license and, at worst, there will be a month.

A parallel run of the OTS and the now defunct manual reminder system has not highlighted any operation gaps. With the OTS tried and tested, we will continue to report on its efficacy in future years.

Environmental Compliance

Environmental Compliance is a subset of Compliance which we at GLBHD believe constitutes a key component to long-term sustainability; we adhere to all applicable environmental laws and regulations. In fact, we implemented policies such as Environmental Policy, No Open Burning Policy and Sustainability Policy to ensure that all activities and operations are substantially in compliance with such regulatory requirements.

For the Biodiversity and Conservation limb, we recognize that the sites we operate in are natural habitats and, as such, they are fragile ecosystems which deserve to be protected from degradation. These so-called High Conservation Area(s) ("HCV") have great ecological, social and/or cultural values.

At GLBHD, we will continue to protect and preserve HCV areas which are stipulated in our Plantation Manual. In fact, and as an example, we expressly provide that any identification of endangered species is to be reported to the local authorities for their cataloguing and further action.

GLBHD continues to provide the necessary education to our employees and the locals in the communities that it operates in to ensure that preservation of such areas is key to their own sustainability.

We also continue to identify and monitor each estate's flora and fauna so that a list of any rare and endangered species can be generated for reporting to the relevant authorities. This initiative is an on-going exercise as we believe the locals will grow to understand and appreciate that preservation of same is key to their own economic survival.



Environment

The Environment Pillar (Property)

As always, we at GLBHD are concerned with how our operations at the Property Division will impact the environment. Forefront in our minds is the reduction of pollution and the saving of resources which, in turn, will promote and encourage sustainability for all.



We reported previously that we will be infusing green building elements in our property projects. At inception, we ensure that there is sufficient cross-ventilation in our projects by fixing their orientation at design stage.



Sustainability Statement (cont'd)

We have installed energy saving features such as light emitting diode lighting to conserve energy; presently we believe fluorescent and compact fluorescent lighting are not in vogue due to their lifespan and less efficient lumens per watt rating.



We have also equipped rainwater harvesting system in our property projects so that we can recycle the rain water for general use. In fact, throughout the Division we have continued to encourage the 3R's which are *Reduce, Reuse, and Recycle* waste management practices at all our sites.

We have also instructed our contractors to adopt a balanced cut and fill approach during construction in our effort to prevent soil erosion and reduce siltation. We continue to monitor compliance with such instructions via our attendance at the obligatory site meetings.

We also incorporate the use of eco-friendly and re-cycled building materials in our projects in an attempt to reduce costs. Any savings will then be passed on to our customers.

We are of the view that incorporating all these elements in our projects will pay dividends in the long run as it may result in a superior product at a competitive cost which, in turn, will result in a sustainable business for the Division. We continue to drive home the point that such sustainable practices will benefit all.



Golden Gateway
(Artist impression)

Social



The Social Pillar (Plantation & Property)

GLBHD's employees remain its most valuable asset and, as such, we continue to strive to provide the best working conditions for them regardless of their nationality, age, gender or political affiliation.

GLBHD also strives to ensure its employee benefits are competitive within the respective industries. In addition to attractive remuneration packages GLBHD provides a contribution to the country's retirement fund in excess of that provided by law. Further, to incentivize our employees to deliver their best we continue to offer bonuses and increments which are based on the twin pre-requisites of their competency and key deliverables as we believe this will serve to retain talent; we continue to even offer such incentives despite the current economic slowdown.



In addition, under our Long Service Awards program, employees who have served GLBHD for 5,10, 15 and 20 years are granted cash awards as a token of the Group's appreciation in contributing to its growth. During the year under review, 2 employees qualified for the award and it is hoped they will serve as a beacon for the rest.





Sustainability Statement (cont'd)

When an organization relies on its employees to realize its goals, it becomes even more important to invest in their training and development as there is often a direct correlation between such investment and skills ultimately deployed by employees.

We have budgeted for staff to be trained based on the individual's training needs, position and type of work performed. During the year under review, the total training hours for our Plantation Division as per the table below. This training program is in recognition of the fact that they will deploy skills gained in steering the Division from treacherous roads to smoother ones.

PT. GOLDEN LAND GEMILANG OSH Training Record Summary

TOTAL MANHOURS (2018)	53.76
TOTAL MANHOURS (SEPTEMBER 2019)	1122.33
VARIANCE	1068.57
PERCENTAGE	1988%
CUMULATIVE MANHOURS TODATE	1176.09

Note: For year 2019 is up to September 2019 only

We continue to emphasize that our employees and workers' safety and well-being are of paramount importance and, to that end, the Group continues to be guided by its Occupational Health and Safety ("OSH") Policy. The objectives include, but are not limited to, the following:

- 1 Preparation and preservation of a safe and healthy environment.
- 2 Training to ensure staff discharge their duties in a safe manner and with no risk to their health.
- 3 Investigation into any accidents and/or incidents via Root Cause Analysis.
- 4 Compliance with relevant legislation in respect of health and safety.
- 5 Provision of basic welfare facilities to all employees.

For the Plantation Division, we reported that we have established a Health and Safety Committee for the continuous management of health and safety-related matters at the estates. We continue to hold safety meetings in every quarter to table safety and health issues (if any) faced by our estates workers.



We continue to provide training sessions in respect of such health and safety related matters viz. pesticides handling and fire prevention to name but a few to ensure all employees are re-equipped with sufficient knowledge. We are pleased to report that, in the year under review, there were no reports of any injuries or fatalities at any of our estates.

For our Property Division, OSH sessions continue to be provided to our employees on terms as stated in our inaugural Sustainability Statement.

We further assess our contractors to ensure that they are in compliance with relevant legislation in respect of what they do. Such assessment is done via our Project Manager, the consultants (employed by us) and site meetings where any event or events of non-compliance are tabled for discussion and further action. Further, we continue to hold our contractors and consultants liable in the event of any fines or penalty that may be imposed on us as the client.

Our Project Manager, along with our consultants, continue to monitor and hold ad-hoc inspections to ensure contractors adhere to safety requirements.

As a result of the totality of the above processes we are pleased to report that, in the year under review, there were no injuries or fatalities reported for any of our developments.





Sustainability Statement (cont'd)

For our Plantation Division, we continue our recognition of the fact that it is the local communities which will ultimately provide us with a sustainable business. Without the cooperation of such communities in Indonesia we will not have one.



So, we continue to engage with these communities regularly during the year under review. We focus on the provision of basic amenities, education and cultural activities as well as the improvement of roads in the respective areas in which we operate in. Such continuous upgrading will also facilitate the speed of ingress and egress to our estates.

We believe that education continues to be the key that will unlock opportunities. We donate to schools with the objective that more teachers can be hired to educate hungry minds. In addition, we funded a scholarship program known as INSTIPER Yogyakarta that serves to nurture talented and/or gifted individuals. We invited three potential candidates and finally chose one. Such an individual will then be invited to join GLBHD so that their journey will continue. We will report on this programme and the progress of this individual.

To ensure that our Division does not run foul of the prevailing social laws and regulations we continue to have in place a grievance procedure to allow employees, as well as the communities where they are based, to voice out any concerns they may have. All such reports will then be escalated to the Divisional Head for his further action.

We are pleased to report that, during the year under review, the Division was not penalized with any fines or non-monetary sanctions for non-compliance with these social laws and regulations in the Republic of Indonesia.

