

Sustainability Statement

The financial year ended 30 June 2020 presented GLBHD with the twin challenges of the COVID-19 pandemic and the negative disinformation on palm oil. Notwithstanding this, GLBHD continues resolutely in its journey to grow its business in a sustainable and responsible manner.

To this end, we hereby present our Sustainability Report ("Report") for the financial year ended 30 June 2020 ("FY2020") which highlights our ongoing sustainability initiatives and continuing efforts in managing the economic, environment and social aspects of our businesses.

Recognizing the importance of incorporating sustainability initiatives into our operations, GLBHD undertakes to expand the scope and breadth of its Sustainability Reporting to ensure its stakeholders have a clear snapshot of its efforts.



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 year ended 30 June 2020.

This Report has been prepared in accordance with Bursa Malaysia's Sustainability Reporting Guidelines and the Main Market Listing Requirements ("Listing Requirements"). As before, the Report addresses GLBHD's 3 main pillars namely Economic, Environment and Social pillars.

For more information, please visit: www.glbhd.com



SUSTAINABILITY GOVERNANCE

We believe that integrity and ethics will always underpin a sustainable business whilst preserving the trust of all our stakeholders.

As part of our continuing effort to strengthen GLBHD's corporate governance as well as its long-term vision, the GLBHD Board has adopted, among other initiatives, the Anti-Bribery and Anti-Corruption Policy in compliance with the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act. GLBHD, as part of the implementation of these Guidelines, have communicated its requirements to its stakeholders including its business partners.

Notwithstanding this, the Board, as always, remains accountable.





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.

KEY STAKEHOLDERS



Customers



Employees



Government /
Regulatory
Bodies



Local
Communities



Investors /
Financiers



Customers

GLBHD updates its website whenever necessary to give its existing and potential customers relevant information on the Group.

In addition, the Property Division held roadshows in relation to its Golden Gateway project where both existing customers and interested parties were invited.



Employees

Both divisions have frequent team meetings and will continue to organize and hold such meetings to minimize any disconnect between employees which may lead to a reduction in their efficiency and overall productivity but we had to adjourn group wide team building session due to the MCO that was in place then.

Employees and their immediate superiors also continue to engage each other annually to assess the former's achievements and contribution throughout the year under review.



Government/Regulatory

For our Plantation Division, the engagement is frequent due to the fact that permits and licenses expire which in turn necessitates frequent renewals.

As for our Property Division, engagement is generally on an ad-hoc basis or when necessary.



Local Communities

For our Plantation Division, direct engagement is crucial as this is the preferred avenue available to open up land for oil palm cultivation. In fact, as a measure of its effectiveness the Division has since opened up more than in the previous year.



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

Throughout the materiality assessment process, we continue to be guided by the **3 PILLARS** which will underpin GLBHD's long term sustainability goals.



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 is subject to amendments to reflect current legislations and regulations as well as technical and operational updates.

As mentioned above, our commitment to opening up land for plantation saw the Group achieving a gross planted area of 7,011.26 Ha notwithstanding the COVID-19 pandemic which saw similar lockdown requirements by the Indonesian government

GLBHD will continue to look for further opportunities in the Republic of Indonesia to grow and expand our Plantation business in the years to come.

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 two of our estates in Indonesia.

In the midst of the audit processes for ISPO certification the global pandemic arrived in the Republic of Indonesia and, in March 2020, the Government of President Jokowi ordered a lockdown which continues till today. As such, it is likely that the conclusion of the certification process will be deferred to 2021.



SOCIAL

The Economic Pillar (Property)

Our Property Division faced unique challenges in the year under review.

Due to the present economic downturn as well as the lockdown imposed by our Government we encountered hurdles which prevented us from launching our ANGGUN development.



Nevertheless, we managed to secure an opportunity to work with MyAngkasa Bina Sdn Bhd ("MASB") via an exclusive marketing arrangement on the 3rd June 2020.



As for our signature project in Batu Kawan known as Golden Gateway, its strategic location is close to the Batu Kawan Interchange of Penang's Second Bridge. Hence, despite the MCO and a global economic headwind coupled with generally slow property sentiments the sales in this financial year performed better than those of the previous year.



ENVIRONMENT

The Environment Pillar (Plantation)

Indonesian laws demand compliance to its system of laws and regulations.

Compliance will ensure there are no disruptions to operations by regulatory authorities and, to that end, we reported the implementation of an Online Tracking System ("OTS") to ensure all our estates' permits and licenses are valid and subsisting.

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.

In the year under review, the OTS has not alerted us of any expired permits and licenses which would have the effect of disrupting our operations in the estates.

As the OTS system is tried and tested, we will continue to report on its efficacy in the years to come.



Online Tracking System ("OTS")



ENVIRONMENT



Environmental Compliance is a subset of Compliance which we at GLBHD believe constitutes a key component to long-term sustainability; we strictly 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.

We are pleased to report that in the year under review we have not observed any environmental-related fines.

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, we are in the closing stages of appointing an independent consultant to catalogue the HCV areas in our estates for eventual reporting to relevant authorities.

GLBHD continue 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.

The Environment Pillar (Property)

At GLBHD, we are concerned with how 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, for example.

We will also install energy saving features such as light emitting diode lighting to conserve energy.

We have also equipped a rainwater harvesting system in our Golden Gateway project which is able to harvest some 350 liters 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 main contractors to adopt a balanced cut and fill approach during construction in an effort to prevent soil erosion and reduce siltation.

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.



SOCIAL

The Social Pillar (Plantation and Property)

We maintain the belief that GLBHD’s employees remain our most valuable asset and, as such, we continue to provide the best working conditions for them regardless of their nationality, age, gender or political affiliation. In fact, GLBHD “walked the talk” by not retrenching any of our staff during what has globally been a difficult year.

In addition, we are continuing our Long Service Awards program wherein 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, we have decided to award 2 employees for their long service to GLBHD.



Whilst we have obtained shareholders’ approval to implement the Employees’ Share Scheme with effect from 9th November 2017, it was still felt that current market conditions may not be attractive enough for the staff to subscribe to same. As such, we are deferring it until such time when said conditions improve.

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.

In the year under review, 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 increased substantially to cater for the increasing complexity of operations in all our estates.

PT. GOLDEN LAND GEMILANG
OSHE Training Record Summary

PARTICULARS	2019	2020	Variance	%	Todate
Training Manhours	148.5	960.05	811.55	546%	1108.55

Note: For year 2020 is up to end June 2020 only

In the year under review, the Group continues to be guided by its Occupational Health and Safety (“OSH”) Policy. The objectives include, but are not limited to, the following:

- 01 Preparation and preservation of a safe and healthy environment via compulsory adoption of Government mandated Standard Operating Procedures to curb the spread of COVID-19
- 02 Training to ensure staff discharge their duties in a safe manner and with no risk to their health
- 03 Investigation into any accidents and/or incidents via Root Cause Analyses
- 04 Compliance with relevant legislation in respect of health and safety
- 05 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 and, with the advent of the current global pandemic, the Committee has been industrious in its holding of briefings to ensure a zero infection rate of COVID-19 in the Group. In fact, when we opened up our Malaysian offices, our Ministry of Health’s recommended Standard Operating Procedures were adopted in toto; in addition, we ensured that each and every employee be subject to sanitization processes which include administration of a disinfecting spray and wearing of indoor shoes in lieu of outdoor ones.





SOCIAL

Our Group Health Safety & Environment continue to provide training sessions in respect of such health and safety related matters 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.

We further monitor our contractors to ensure that they are in compliance with relevant legislation in respect of their deliverables.

Our Project Manager, along with our consultants, continue to 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 projects.

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.

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 contribute to same via provision of donations to schools so that more teachers can be hired in such schools.

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.

