

Sustainability Statement

At GLBHD and our subsidiaries (the “Group”), we continuously embrace the values of corporate responsibility and elements of sustainability management in all parts of our business endeavour. In the face of the COVID-19 pandemic, we have become even more keenly cognisant of the 3 key pillars of economic, environmental, and social (EES) which form the backbone of our sustainability framework and practices across the Group.

We are pleased to present our Sustainability Statement (“Statement”) for the financial year ended 30 June 2021 (“FY2021”) which highlights our ongoing sustainability initiatives and continuing efforts in managing the EES aspects of our businesses.

ABOUT THIS STATEMENT

Scope and Boundary

This Sustainability Statement covers the EES performances for the Group’s operations in Malaysia and Indonesia.

Reporting Guidelines

The disclosures in this statement have been prepared in accordance with the Listing Requirements and in reference to the Second Edition of Bursa Malaysia’s Sustainability Reporting Guide and Toolkits.

We have also aligned our sustainability strategies presented in this report with 5 of the United Nations Sustainability Development Goals (“UN SDGs”), as shown below.



 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>5 GENDER EQUALITY</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	 <p>15 LIFE ON LAND</p>
Ensure healthy lives and promote well-being for all at all ages	Achieve gender equality and empower all women and girls	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

We have developed a Sustainability Policy that defines our commitment towards improved sustainability management as we endeavour to integrate sustainability-related practices into our long term business strategies and daily operations.

We aim to continually enhance the disclosures and coverage of the Sustainability Statement as we move forward and in providing our stakeholders with a broader view of the Group's sustainability initiatives.

This Statement should be read along with the entirety of the Annual Report FY2021 as there are other pertinent details of the operations being presented in other sections in the Annual Report FY2021.

Sustainability Governance

Effective governance and management structure combined with our core values are vital in driving our long term success. The Group's Sustainability Governance structure is explained below:-

THE BOARD OF DIRECTORS

The Board has the ultimate oversight on sustainability efforts and is accountable for the Group's overall sustainability direction. They are supported by members of the Senior Management from the Business Divisions and relevant Head Office functions, who are responsible for the implementation of the Group's sustainability agenda in business strategies, as well as reporting of the initiatives.

With Board oversight, sustainability strategies are translated into effective initiatives which are implemented throughout the Group.

THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee is entrusted by the Board in undertaking the following responsibilities:-

- Providing oversight on the adequacy and effectiveness of the Group's sustainability management and reporting processes; and
- Reviewing and ensuring that all material sustainability matters are considered throughout the Group's business operations.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer will be responsible for the overall decision making in the implementation of the Groups' business strategy and operational directions that are aligned to realize the longer term sustainability goals and targets.

MANAGEMENT COMMITTEES CHAIRED BY THE CHIEF EXECUTIVE OFFICER

The Committees consist of key management personnel from the business divisions and Head Office functions. Collectively, the committees provide oversight on the formulation and implementation of sustainability related policy and initiatives. Other key roles include:-

Discuss sustainability risks and issues

- Formulate action plans and establish priorities and targets
- Review sustainability performance and report to the Board

CHIEF SUSTAINABILITY OFFICER

The Chief Sustainability Officer will be responsible to assist the Board, Chief Executive Officers and Management Committees in driving and coordinating the implementation of various sustainability initiatives developed under the 3 pillars of EES.








SUSTAINABILITY WORKING TEAMS IN THE BUSINESS DIVISION

The Sustainability Working Teams will be responsible to support the Chief Sustainability Officer and divisional management teams in coordinating and monitoring the implementation of sustainability initiatives within the operations.

Aside from the above-mentioned structure, sustainability governance is also driven through the Group's formalised policies and procedures, and adherence to industry and regulatory standards and laws.

Stakeholders Engagement

The Group has identified and categorised its key stakeholders considering their influence and dependence on the Group's businesses. 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 Stakeholder Group	Engagement Methods	Areas of Interest
Shareholders /Investors 	<ul style="list-style-type: none"> • Annual Report • Announcements to Bursa Malaysia • Press and media releases • Corporate website • Annual General Meeting • Correspondences to address queries 	<ul style="list-style-type: none"> • Corporate development and financial performance • Capital appreciation and shareholders' returns • Board and management's analysis and projection • Business continuity • Corporate governance, compliance and sustainability practices
Employees 	<ul style="list-style-type: none"> • Operational and Committee meetings – physical and virtual • Target setting and performance review sessions • Informal gathering / team events • Training & Workshop events • Complaint, counselling and grievance procedures 	<ul style="list-style-type: none"> • Corporate update, direction, policies and procedures • Operational performance and productivity • Safe and conducive working environment • Fair HR policy and practices • Welfare and remuneration • Identification of training needs and implementation of competency development programme • Career development
Customers 	<ul style="list-style-type: none"> • Meetings • Regular engagements • Press releases • Showrooms • Email and phone call • Social media • Customer feedback form and satisfaction survey 	<ul style="list-style-type: none"> • Operational efficiency • Pricing • Logistic & transportation • Product quality & safety assurance • Timely delivery • Regulatory compliance
Suppliers, vendors and contractors 	<ul style="list-style-type: none"> • Meetings • Regular engagements • Procurement agreement 	<ul style="list-style-type: none"> • Supply chain management • Procurement practices • Costs and charges • Logistic & transportation • Product quality & safety assurance • Timely delivery • Regulatory compliance
Government agencies, law enforcers and regulators 	<ul style="list-style-type: none"> • Consultation on regulatory matters • Periodic site visits and inspections • Surveys from government agencies • Periodical reporting 	<ul style="list-style-type: none"> • Compliance with regulations
Local communities, smallholders and plasma schemes 	<ul style="list-style-type: none"> • Recurrent dialogues and engagement meetings • CSR events • Participation at local community events and festivals • Training and briefing sessions 	<ul style="list-style-type: none"> • Contribution towards local economy and community • Local employment opportunity • Health and wellbeing of local communities • Sharing of agriculture best practices • OSH and Environmental awareness matters
Financial institutions / lenders and the media 	<ul style="list-style-type: none"> • Meetings • Regular engagements • Site visits 	<ul style="list-style-type: none"> • Corporate development and financial performance • Capital appreciation and shareholders' returns • Board and management's analysis and projection • Business continuity • Corporate governance, compliance and sustainability practices

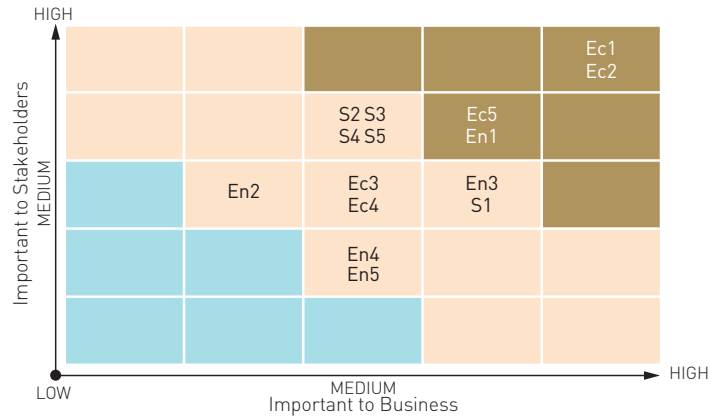
Materiality Assessment

The Group conducted a materiality assessment to identify the issues and topics that reflect the EES impacts that are of interest to the Group and our stakeholders. The Group's review of its materiality assessment as part of the broader Enterprise Risk Management practices by considering the following:-

- the significance of the sustainability matter and its impact in relation to the Group's businesses; and
- how substantively the sustainability matter affects key stakeholders' assessments and decisions.

The Group's Material Sustainability Matters are presented in the following materiality matrix.

MATERIALITY MATRIX



Economic

- Ec1** Economic and Business Performance
- Ec2** Product and Service Quality
- Ec3** Customer Satisfaction
- Ec4** Supply Chain Management
- Ec5** Governance and Regulatory Compliance



Environmental

- En1** Environmental Compliance
- En2** Sustainable Design and Practices
- En3** Biodiversity, Conservation and Land Use
- En4** Waste Management
- En5** Energy and Water



Social

- S1** Occupational Safety and Health
- S2** Talent Retention and Development
- S3** Employee Engagement and Welfare
- S4** Inclusion and Diversity
- S5** Community Engagement and Development

Economic Impact

ECONOMIC AND BUSINESS PERFORMANCE

The economic performance of GLBHD is vital to sustain the long term viability of the Group's businesses. We endeavour to create long-term economic value through the contribution and collaboration with all of our business partners and stakeholders.

Since the first wave of the COVID-19 pandemic, almost all business divisions globally have been grappling with the effects of the pandemic. Against this challenging backdrop, we reflected and refreshed our focus and explored new approach to enhance effectiveness and efficiency in all parts of the group business processes including effective use of digital technology to stay connected and engaged with our people and stakeholders.

PRODUCT AND SERVICE QUALITY

The Group is committed to delivering quality products and services in a timely manner, optimising value creation for the Group's customers. Apart from that, we make multiple support channels available to our customers, where they can obtain information on our offerings and pose queries:-

- Our website provides insights on our business activities and products. It also acts as a platform for prospective customers to obtain buying advice and recommendations, with the availability of sales support.
- Phone, hotline and social media platform available allow customers to contact us with their concerns or requests, to get immediate response.

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 namely for PT Sumber Bumi Serasi and PT Tasnida Agro Lestari. Stage 1 of the ISPO audit has been completed and Stage 2 of the ISPO audit is being carried out in quarter 3 of 2021.

CUSTOMERS SATISFACTION

Customers are one of the Group's major stakeholder groups and play an important role in our value proposition. Therefore, it is essential for us to build a long-lasting and trusting relationships with our customers by serving their needs effectively as we strive for growth.

The satisfaction of our customers is vital to the development and sustainability of the Group. As a company that is involved in oil palm cultivation, supply of FFB and property development, we remain committed on delivering high level of customer satisfaction by producing quality products and services to our customers.

With that in mind, we engage regularly with our customers to solicit for feedback on the level of satisfaction on our products and services besides serving our learning and improvement needs.

SUPPLY CHAIN MANAGEMENT

We recognise that sustainability encompasses the entire value chain with suppliers and business partners. Our focus is on maintaining smooth operations with a cost-effective and secure supply chain by engaging with reputable and trusted suppliers, vendors and contractors.

In the process of selecting and appointing suppliers, vendors and contractors, we take into consideration various factors to ensure the reliability of the products and services, which include track record, certification, qualification, pricing, delivery, safety compliance and work ethics.

GOVERNANCE AND REGULATORY COMPLIANCE

The Group is committed to maintaining high standards of corporate governance, integrity, and accountability, underpinned by robust management of risks and internal controls to ensure the long-term sustainability of its businesses and to safeguard the interests of all stakeholders. Further to the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which took effect from 1 June 2020, The Group has implemented the Anti-Bribery and Corruption (ABAC) and Whistleblowing Policy across the Group to uphold all applicable laws in relation to anti-bribery and corruption.

More details on the Groups' governance practices are available in the Statement on Corporate Governance section of this Annual Report.

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

Environmental Impact

ENVIRONMENTAL COMPLIANCE

Environmental Compliance constitutes a key component to long-term sustainability which we shall 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.

In addition to incorporating various environmental-friendly and green technology and initiatives in our product design and construction process in the Property division, the pursuit of ISPO certification in the Plantation operations is another testament in our effort to manage the environmental impact in a more proactive and responsible way.

SUSTAINABILITY DESIGN AND PRACTICES

We integrate environmental and social considerations into our company strategy as we believe that the balanced harmony between the environment, society, and the Group's businesses, be it in our property units or construction of our estate facilities and accommodations would enable better sustainability practices and create long-term value to our stakeholders.

Sustainability from the aspects of environmental and social impacts is considered from design to construction. Such considerations are made from the beginning of the conceptualisation of project ideas, which also takes into account economic conditions and demographics, and are carried out through close engagement and collaboration with our architects, quantity surveyors, contractors, and professionals engaged for the projects.

For the property development projects namely the Golden Gateway, Batu Kawan and Anggun, Setia Alam, considerations were given to incorporate rain-water harvesting tank and solar technology as additional new green initiatives.

We are also working with landscape consultant to further enhance on the green space utilisation by putting more higher density of trees, mixed with fruit trees species, more useable green area and using eco-friendly landscape furniture.





BIODIVERSITY, CONSERVATION AND LAND USE

We recognise that the sites we operate in Indonesia 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. We are committed to continue to protect and preserve these HCV areas. During the year, we have conducted two HCV assessment in PT. SBS and PT. TAL which was carried out by the consultants appointed. Such assessment is also one of the essential requirements under the ISPO certification process.

We will continue to provide the necessary education to our employees and the locals in the communities to ensure effective preservation of the rich biodiversity surrounding our estates operations.

The Group's Good Agricultural Practices (GAP) are also aligned to industry best practices and comply to the local legal requirements and sustainability standards, which include but not limited to the following:-

- Planting ground cover crops, application of empty fruit bunches and soil conditioner, and fronds stacking to enhance soil moisture retention
- Constructing and maintaining water gates and canals for improved water management
- Prohibiting planting on steep slopes with gradient above 25 degrees to minimise soil erosion
- Applying agronomic and science-based fertiliser based on studies conducted on soil and palm tree nutrient level needs



WASTE MANAGEMENT

We manage wastes arising from our projects responsibly and ensure proper storage as well as disposal of hazardous and non-hazardous waste. Waste generated is properly disposed of by registered contractors to approved disposal facilities and premises for treatment. Non-hazardous solid waste generated from our project sites are disposed of at approved landfills by licensed waste disposal vendors, through the management of main contractors.

ENERGY AND WATER

As part of our ongoing efforts to improve our sustainability management and disclosures, we have commenced to expand our scope to measure electricity and water consumption for the Batu Kawan and Setia Alam property management offices and throughout the estates operations in Balikpapan Indonesia.

The key sources of water supply for the estates operations in Balikpapan, Indonesia are from the nearby rivers, rain-fed ponds and water catchment areas. Drip irrigation system is being widely used in the main nurseries for oil palm seedlings cultivation. Rain-fed water retention structure such as reservoir are constructed to store and supply water to the nurseries and other general usage in and around the estate offices and workers' accommodation areas.

Electricity and water consumption is being monitored closely to conserve and optimize usage due to their scarcity nature and high costs of supply and maintenance.

Due to the remote location and the varied nature of our businesses, there were some challenges in compiling and normalising certain data sets because of the use of standalone generator units in the estates operations that are inconsistent in providing the required energy consumption data. Nevertheless, we continue to improve on our data collection process and make efforts to increase the quality of the disclosure in the future.

Social Impact

OCCUPATIONAL SAFETY AND HEALTH

During the extraordinary year, the emphasis on safety and health for our people and general public became even greater than before. We have always strive to achieve zero incidents, zero fatality and zero major non-compliance to our safety standards at workplace. Our Safety and Health policy and procedures outline the Group's commitments towards ensuring that our people and public's safety, health, and welfare are well-taken care of. We are in full compliance with laws, regulations, and procedures in the reporting period and achieved zero fatality.



We carried out various OSH training and awareness campaigns to inculcate the culture of safety in the workplace and create ownership and responsibilities to prioritise safety at work.

We will 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 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.

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.

In addition, for our operations in Indonesia, the local communities around our estates were invited to participate in various OSH related trainings including fire fighting training as preparation for the yearly drought season.

Specifically for COVID-19 prevention and management measures, the Group has established and communicated various SOPs and guidance to our employees. Other measures undertaken to solidify our commitment to the safety, health and security of its stakeholders and curbing the impact of the COVID-19 pandemic include supplying all employees with a constant supply of face masks, placing sanitizers at strategic locations throughout the Group's various business premises, promoting and advocating



good hygiene practices within the Group's various business premises and increasing the frequency of sanitization of the Group's various business premises, to name a few.

In Indonesia, PSBB (Pembatasan Sosial Berskala Besar) and PPKM (Pemberlakuan Pembatasan Kegiatan Masyarakat) have been enforced by the Indonesian Government to restrict and to limit the movement of people in order to curb the spreading of COVID-19. Our office attendance has also been limited to 25% in order to adhere to these rulings.





TALENT RETENTION AND DEVELOPMENT

We are always mindful that our people are our greatest asset and we strive to empower them by offering continual development and growth opportunities for them to realise their full potential. We also recognise that our long term success is dependent on attracting, retaining and nurturing the right talent at all levels with a strong succession pipeline. As such, we offer a wide range of training prospects to support our employees' development and growth needs. These may include development in the area of management, GAP, engineering, sales and marketing, project management, ICT and inter-personal skills, to name a few.

Training-Needs-Analysis (TNA) and annual performance review are amongst some of the important channels to engage and recognise development needs of our people.

During the year under review, despite the challenges posed by the pandemic, the Group recorded approximately 1,150 hours of training for our employees across various functions and business divisions.



EMPLOYEES ENGAGEMENT AND WELFARE

The Group's management regularly engaged its employees through various platforms, 1-to-1 and group meetings were organised to help management to understand and identify the needs, strengths and opportunities towards creating a better workplace. The Group also strives to provide a decent living environment and safe workplace along with reasonable remuneration packages for its employees and workers. The workers' representatives are constantly being engaged to learn about their concerns and difficulties faced including matters relating to their family's health and well-being.

Although many programmes had to be postponed or cancelled due to the pandemic, we were able to hold most of the virtual and on-ground events with the employees.

The company has also facilitated for the registration of lower ranking employees to obtain financial aids provided by the Indonesian government as well as on the opening of bank accounts at the appointed banks for the above purpose.



Social Impact

INCLUSION AND DIVERSITY

We embrace diversity in the workplace and aim to maintain an inclusive workplace that encourages our talents to contribute positively to the long term success of the Group. By cultivating a diversified workforce, we hope to gain fresh insights and ideas on opportunities and challenges, which is vital to enhance decision-making and to achieve the intended outcome on various aspects of our business.

Our people are recruited on a fair and transparent basis, as we condemn all forms of discrimination based on, among others, nationality, qualification, gender, race or age. Our fair employment practices are communicated through the Group's Code of Conduct and other relevant policies, which are available on the corporate website.

COMMUNITY ENGAGEMENT AND DEVELOPMENT

We believe in assisting and working in partnership with the local communities surrounding our business operations as



this will help to propel the growth and wellbeing of the community and promote sustainable development within and beyond our business borders. We aim to enhance the shared economic value not only through employment creation opportunities but also to drive positive social and economic impacts for the surrounding communities.

The Group has participated in various initiatives organized to benefit the communities such as the following, to name a few:-

- We provided contributions to the DBKK to support the 'Milk Project', a project designed to provide food essentials like children milk powders, cereals and biscuits to children of the local communities.
- We provided financial assistance to the two primary schools located adjacent to the estate concession areas in Balikpapan, Indonesia. Assistance was in the form of salary payment to some of the teachers serving in the schools.

SUSTAINING OUR FUTURE

Looking ahead, we believe it is more important than ever that, in the environment and society that we live in today, we conduct our business sustainably by caring for our economy, our environment, and our surrounding communities. The Board and management, will continue to provide leadership to steer the Group to achieving sustainable growth and creating shared value to its stakeholders.

