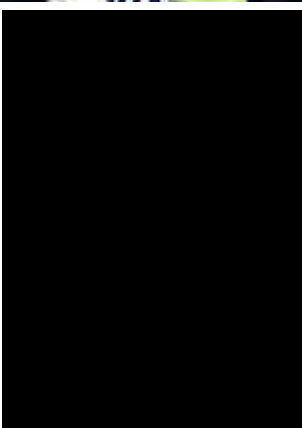
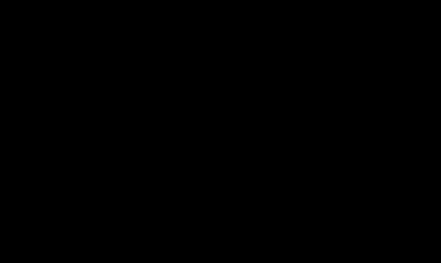




STANDING STRONG

CORPORATE SOCIAL RESPONSIBILITY REPORT 2014



ABOUT THIS REPORT

The Carlsberg Brewery Malaysia Berhad (Carlsberg Malaysia) 2014 Corporate Social Responsibility Report serves as a tool to inform and update our stakeholders and other interested parties on the progress of our Corporate Social Responsibility (CSR) initiatives in 2014. This, our fourth CSR Report, complements our 2014 Annual Report that focuses on the operational and financial aspects of our business. Together, these two reports provide a clear, comprehensive and transparent representation of the Company's performance in managing the economic, social and environmental aspects of our business.

As per previous years, our 2014 CSR Report aims to be inclusive and address all material issues pertaining to our stakeholders. We have also endeavoured to enhance the level of transparency and objectivity of this Report, and wherever possible, have used quantitative indicators for accuracy. All measurements and claims in this Report have been collected and reported as accurately as possible.

In order to track the Company's progress, our achievements in 2014 have been compared against those of previous years. Going forward, our 2014 performance will be used as a benchmark for our 2015 targets.

Scope of Report

Reporting period : January 1st - December 31st 2014

Reporting cycle : Annually

Coverage : Carlsberg Brewery Malaysia Berhad including its subsidiaries based in Malaysia

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MANAGING DIRECTOR'S MESSAGE



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It is my privilege and pleasure to present Carlsberg Malaysia's fourth Corporate Social Responsibility (CSR) Report, which chronicles our CSR journey in the past one year. CSR forms an integral part in our business and is deeply embedded throughout our value chain as it plays a critical role in the success of our business.

The year 2014 was particularly meaningful to us as a company as we celebrated 45 years of our existence as a successful brewer and responsible corporate citizen in Malaysia. In that time, we have successfully implemented effective CSR initiatives that have made a positive impact on our many stakeholders and built enduring ties with them.

Today, we remain committed to strengthening this solid record of accomplishment and to bolstering our foundations for sustainable growth.

Amongst 178 of 900 companies listed on Bursa Malaysia with a market capitalisation of more than RMI billion,

Carlsberg Malaysia topped the list of companies with the best CR initiatives in the "below RM10 billion market capitalisation" category. This honour, which comes on the back of some remarkable milestones, underscores how serious we are about upholding good CSR practices.

Over the years, we have looked to our CSR Framework to guide us in all our undertakings and investments in the key focus areas of Marketplace, Community, Workplace and Environment. The framework has certainly helped create value for our businesses, operations and brands as well as our stakeholders and the environment.

I am extremely pleased to report that as testament to the significant progress we are making on the CSR front, Carlsberg Malaysia was awarded the first prize at the prestigious *The Edge* Billion Ringgit Club (BRC) Corporate Awards.

Our CSR efforts are also governed by a set of seven policies covering the important areas of Labour and Human Rights, Marketing Communications, Health and Safety, Business Ethics, Community Engagement, Environment and Drink Responsibly. We introduced the Drink Responsibly Policy in 2014 to strengthen our role in promoting responsible drinking among customers and consumers. In addition to the seven policies, we also have the Supplier & Licensee Code of Conduct, which guides our suppliers on their business conduct with us.

The year saw us continuing our collaboration with the Royal Danish Embassy of Malaysia to conduct supplier assessments for the second consecutive year, this time with another two suppliers. These assessments ensure that our suppliers comply with our Group policies including those pertaining to child labour, non-discrimination of race, religion and background, as well as the environment. Results indicate that these assessments have helped our suppliers to improve their internal processes. We aim to continue the assessment programme in 2015 so that more suppliers will benefit from adopting higher standards within their businesses.

In line with our aspirations to become an efficient green brewer, we developed a new strategy for sustainable packaging based on the four guiding principles of Reduce, Re-Use, Recycle

and Rethink. This initiative saw us collaborating with our suppliers to adopt a thinner 50 micron shrink wrap (previously a 60 micron shrink wrap) which gave us similar packaging strength while reducing our carbon footprint. We also successfully reduced energy consumption by 5% in 2014.

As a result of the many energy efficiency practices brought into play, Carlsberg Malaysia earned the distinction of being the second best company within the Carlsberg Group in Asia in terms of energy efficiency.

For a good part of our 45 years as a caring corporate citizen, Carlsberg Malaysia has endeavoured to make a tangible impact on communities through various charitable initiatives. In 2014, we expanded our reach by launching our charity outreach, the J.C. Jacobsen Foundation (the Foundation). Named after Carlsberg's founder to reflect his philanthropic spirit, the Foundation aims to provide sustainable solutions for the betterment of Malaysian society through education, sports and environmental activities.

Post-launch, the Foundation initiated several environmental-related activities. Going forward, it will focus its efforts on activities that will yield the highest impact for beneficiaries in the areas of education and the environment.

As a leading brewery, we advocate responsible drinking among consumers. Following the success of 2013's Drink Responsibly Awareness Campaign, we rolled out our 2014 campaign at several activations and key promotional events such as Future Music Festival Asia, the Maybank Malaysian Open, Harvest Festival in East Malaysia and the Oktoberfest festivities. Through our efforts, some 1,200 consumers signed up to be Drink Responsibly ambassadors.

Our people are indeed the reason for our success and we are committed to growing our workforce by attracting, retaining and developing great talent.

In 2014, we continued to enhance the leadership skills and competencies of our people, implement a host of effective training and development programmes, offer competitive remuneration packages and create a conducive workplace. Through employee engagement platforms like our Thirst for Great Hour and Sports & Recreation Club, we built esprit de corps, infused a good work-life balance and strengthened employee satisfaction levels. Our efforts in this area proved fruitful as reflected in our 2014 MyVoice annual employee satisfaction survey that showed scores for the employee engagement category rising by 2% to 75%.

As Carlsberg Malaysia commits to making strong strides forward on the business front, we remain committed to integrating good CSR practices throughout our value chain and

business functions. We are deeply grateful to all stakeholders who have encouraged us to push the CSR envelope with their feedback and support. Our heartfelt appreciation also goes to our management and employees for their unwavering dedication and contributions to making CSR an integral component of our operations and a priority going forward.

We trust you will find our 2014 CSR Report a useful, informative and inspiring read and we look forward to more opportunities in 2015 where we can continue to make an impact among our stakeholders. Thank you.

Henrik Juel Andersen
Managing Director

J.C. Jacobsen Foundation was officially launched in June 2014 at a fundraising dinner where over RM400,000 was raised from the event and some RM300,000 immediately disbursed towards education, sports and environmental causes.



CARLSBERG MALAYSIA CSR AT A GLANCE

OUR COMPANY

- Part of Carlsberg Group, the fourth largest global brewer with leading positions in Western Europe, Eastern Europe and Asia.
- Incorporated in 1969 and listed on the Main Board of Bursa Malaysia Securities Berhad.
- Owns one production plant in Shah Alam, Selangor, Malaysia.

OUR BRAND PORTFOLIO

Carlsberg Malaysia Group today has a beer for every drinker with different palates and lifestyles, and for every occasion.

Our expanded brand portfolio includes Carlsberg, Carlsberg Special Brew, Kronenbourg 1664, Kronenbourg Blanc, Asahi Super Dry, Somersby Apple Cider, Somersby Pear Cider, SKOL beer, SKOL Super beer, Danish Royal Stout, Corona Extra, Connor's Stout, Jolly Shandy and the non-alcoholic Nutrimalt drink.

Through our subsidiaries, we have a wide range of imported international beer and cider brands such as Hoegaarden, Stella Artois, Budweiser, Erdinger, Grimbergen, Becks, Magners and Savanna Dry; as well as other fine wines and premium spirits such as Stolichnaya® vodka, Pravda premium vodka and Nikka whisky.

As a brewer at the forefront of innovation and quality, Carlsberg Malaysia continues to lead the market with relevant product launches and effective consumer campaigns. As a result of these efforts, our brands have strengthened their market presence.

OUR CSR COMMITMENT

As a responsible corporate citizen that has been operating in Malaysia for 45 years, Carlsberg Malaysia is committed to positively shaping society while delivering sustainable growth via our CSR initiatives.

CSR is an integral part of the way we run our business and is embedded in the Company's Strategic Levers under the Society and Reputation Lever.

OUR CSR FRAMEWORK

Carlsberg Malaysia remains committed to making a positive impact on its diverse range of stakeholders including our shareholders, employees, customers, consumers, associates, and the communities and environment in which we operate.

We have formalised our CSR Framework which covers four key areas: Marketplace, Community, Workplace and Environment. These four broad areas are supported by the Company's seven CSR policies: our existing Labour and Human Rights, Marketing Communications, Health and Safety, Business Ethics, Community Engagement and Environment policies; a new Drink Responsibly Policy that was introduced in 2014; as well as the Supplier & Licensee Code of Conduct Guidelines. Complementing one another, these policies and guidelines are integrated into all areas of our business and communicated to our almost 700 employees at every level of our organisation.



CSR POLICIES & GUIDELINES

Carlsberg Malaysia's seven key CSR policies and a code of conduct cover areas that are vital to conducting our business operations in a responsible, sustainable and profitable manner. In 2014, aside from introducing a new policy, we also updated several of our existing policies to better reflect the changing market environment and business practices.



1. Labour and Human Rights

Our employees are of great value to us and key to our success. We shall endeavour to establish a workplace where our employees can develop their potential in an open and inspirational working environment.

Policy Owner: Human Resources



2. Marketing Communications

"Enjoyment in moderation" is the philosophy that guides all our marketing. As a company, we take our social responsibility seriously. Our brands are household names: we know that they play a part in the lives of millions of our consumers, all over the world.

Policy Owner: Group Communications & Marketing Activation



3. Health and Safety

Carlsberg Malaysia shall be committed to achieving high standards of health and safety throughout our business as we recognise the significant contribution of good health and safety conditions to our overall business performance.

Policy Owner: Supply Chain



4. Business Ethics

At Carlsberg Malaysia, we believe in fair and transparent business practices. Our Business Ethics Policy seeks to ensure ethical business conduct by guiding our employees when they face dilemmas of a business ethics nature in their day-to-day tasks. **In 2014, this policy was updated to reflect our change to zero tolerance of facilitation payments.**

Policy Owner: Internal Audit & Legal



5. Community Engagement

Being engaged with society is one of the Carlsberg Winning Behaviours. We recognise our impact and the opportunity to engage with the communities where we operate in and we are committed to making a positive contribution. **In 2014, this policy was updated to emphasise the prohibition of underage drinking as well as to encourage employees to participate in community activities.**

Policy Owner: Group Communications & Marketing Activation



6. Environment

The sustainability of the environment plays a vital role within our business as the continued success of our business is directly linked to the health of the environment. As we grow and our environmental impact increases, we are continually looking for ways to reduce our impact on the environment and climate. **In 2014, this policy was updated to include a new requirement for packaging-related initiatives to further mitigate the environmental impact of our operations.**

Policy Owner: Supply Chain



7. Drink Responsibly

While beer brings people together in joyful moments, as a responsible brewer, we are also conscious that beer is an alcoholic beverage and that its misuse can have severe and harmful effects on people. We continue to seek to address the potentially negative effects of misuse of alcohol.

Policy Owner: Group Communications & Marketing Activation



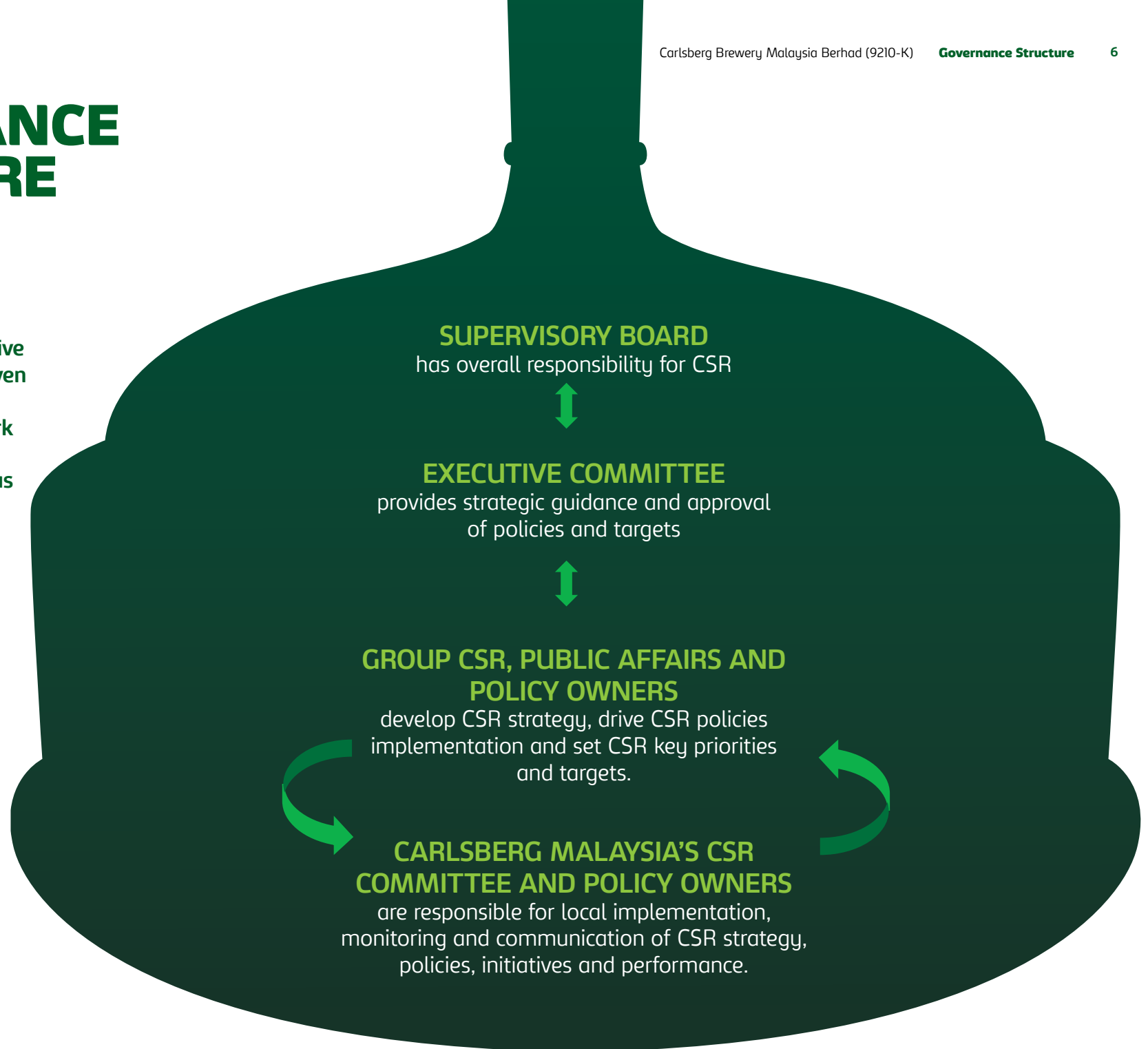
8. Supplier & Licensee Code of Conduct Guidelines

Our commitment to growing in a sustainable and responsible manner extends to enforcing a code of conduct among our suppliers in the areas of labour and human rights, health and safety, the environment and business ethics. We value honest and open communication with our suppliers and believe that transparency is vital to a successful business relationship.

Policy Owner: Procurement

GOVERNANCE STRUCTURE

To ensure CSR is cascaded down throughout Carlsberg Malaysia in the most effective manner, we look to our proven CSR Governance Structure for guidance. This framework provides an overview of the responsibilities of the various stakeholders and outlines how our teams are to work together to embed CSR throughout every level of our organisation.

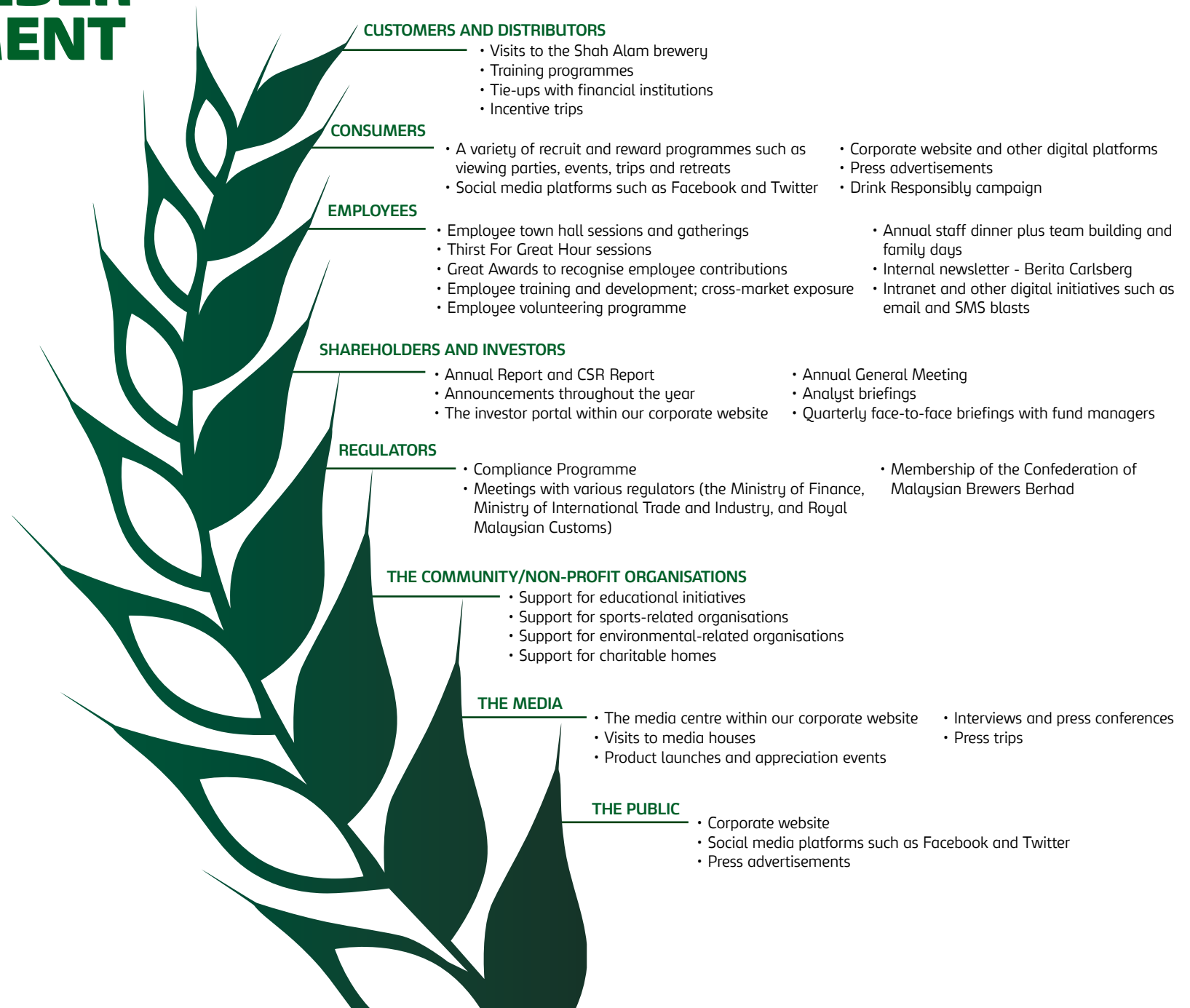


STAKEHOLDER ENGAGEMENT

In our 45 years of existence as a successful brewer and responsible corporate citizen in Malaysia, we have made good headway in creating sustainable value for our many stakeholders and building enduring ties with them.

As our business evolves and the market environment becomes more complex, we continue to engage with diverse stakeholder groups and communicate how we are delivering responsible, sustainable growth.

In 2014, we continued to leverage on a host of platforms to interact with our many stakeholders. In doing so, we were able to acknowledge their concerns, respond to their needs, fine-tune our CSR programmes and operations, as well as deliver sustainable value. The following Stakeholder Engagement diagram summarises our ongoing efforts.



MARKETPLACE

RESPONSIBLE MARKETPLACE PRACTICES

Responsible marketplace practices are a key part of the overall business strategy at Carlsberg Malaysia. From promoting moderate consumption through our Drink Responsibly mandate, to conducting supplier assessments in compliance with Supplier & Licensee Code of Conduct, to ensuring marketing communications that are always decent, honest and truthful, we are always looking to engage with our marketplace audiences in a fair, responsible and transparent manner. In 2014, we continued to roll out several proven initiatives while implementing new ones to strengthen our Marketplace agenda.

Our new Drink Responsibly Policy

We understand that while beer brings people together when enjoyed in moderation, we also acknowledge that overconsumption can result in harmful effects. As such, we are committed to helping fight binge drinking and supporting consumers to make responsible choices. We want to be part of the solution to the problems caused by overconsumption.

To this end, 2014 saw us launching a new Drink Responsibly Policy which underscores our commitment to promoting responsible consumption. The policy mandates that we address the potentially negative effects of misuse of alcohol by:

- (i) providing consumers an informed choice;
- (ii) encouraging responsible drinking;
- (iii) supporting prevention and reduction of harmful drinking;
- (iv) supporting self-regulation of responsible marketing codes; and
- (v) promoting responsible drinking internally.

Advocating responsible drinking

We continue to advocate responsible drinking by actively engaging with our consumers and employees on our "Drink Responsibly" stand, as well as cultivating a mindset that says "No!" to drink driving, binge drinking and underage drinking.

OUR STAND ON "DRINK RESPONSIBLY"

Be **SAFE**

Designate a Driver OR call a cab

Be in **CONTROL**

Drink in moderation. Learn to pace your drinks

Drink **SMART**

Avoid binge drinking which causes intoxication

Stick to the **AGE LIMIT**

Don't consume alcohol if you are UNDER 18

5

Drink Responsibly awareness campaigns activated

20

employees volunteered as Drink Responsibly ambassadors

1,200

consumers signed up as Drink Responsibly ambassadors

Engaged with

28,900

consumers throughout the year

Outside work hours, Carlsberg Malaysia employee ambassadors volunteer their time to disseminate information on responsible drinking. We also highlight the legal limit of alcohol consumption in Malaysia and invite consumers to test their alcohol levels utilising breathalysers used by the Road Transport Department and Traffic Police.

At the same time, we distribute free personal breathalysers and bottles of mineral water. We also encourage consumers to catch a taxi home if their alcohol levels have exceeded the legal limits. As an added precaution, a pool of female taxi drivers is on standby to take our female employees home.

2014 Drink Responsibly Awareness Campaign

In 2014, we rolled out five activations in which we actively promoted responsible drinking. The campaign was deployed during these high beer consumption events:

- The two-day Future Music Festival Asia (FMFA);
- The four-day international Maybank Malaysian Open (MMO) golf tournament;
- The two-day Sabah Harvest Festival carnival; and
- The launch of Carlsberg Malaysia's Oktoberfest campaign.

We also set up a Drink Responsibly wall mural in the Carlsberg Malaysia Visitor's Lounge and during our 44th Annual General Meeting to advocate our stand on responsible drinking. During our New Employee Orientation process, all new employees were briefed on the Drink Responsibly Policy and pledged their commitment to adhering to our drinking guidelines.

Strengthening supplier standards

Our Supplier & Licensee Code of Conduct (the Code) is an enforced part of any agreement or contract with our suppliers. The Code, dictates, amongst other things, that our suppliers' operations do not discriminate or make use of forced or child labour; and that they allow freedom of association and the right to bargain collectively.

CSR assessment for suppliers

Following the introduction of CSR assessments for four suppliers in 2013, we again collaborated with the Royal Danish Embassy of Malaysia to assess another two suppliers for the second consecutive year. Our logistic supplier, LTS Haulage Sdn. Bhd., and bottle cap manufacturer, Hercules Sdn. Bhd., took part in the assessments that covered the areas of Child Labour, Forced Labour, Discrimination, Freedom of Association, Health and Safety, Working Conditions, the Environment and CSR Management Systems. While the assessments ensure that our suppliers comply with our Group policies, they are also helping our suppliers to improve their internal processes and adopt higher standards in their operations.

Responsible marketing

Carlsberg Malaysia self-regulates its marketing and advertisements to ensure that they target non-Muslims, aged 18 years and above. Our marketing communications are decent, honest and truthful. They comply with all relevant Malaysian laws including the guidelines from the Communications and Multimedia Content Forum of Malaysia and the Confederation of Malaysian Brewers Berhad's Code of Advertising Practice. We also conduct in-house training to ensure that our employees have a thorough understanding of their obligations and responsibilities under our marketing codes.

In particular, we ensure our marketing and promotions **DO NOT**

- ✗ Target minors in any way or encourage them to start drinking
- ✗ Target Muslims or use any cultural and religious symbols
- ✗ Mislead people with the alcohol strength of the beverages
- ✗ Associate drinking with driving or any motor sports
- ✗ Emphasise the stimulant effects of any beverage
- ✗ Show or encourage excessive consumption

Consumers are notified of the volume of alcohol and ingredients in all of our products with product labels clearly stating this information. Responsible advertising also demonstrates our respect for consumers and communities. Every advertisement is reviewed along with certain print and point of sale advertisements and digital marketing pieces for compliance with the Marketing Communications Policy.

Promoting ethical business practices

To ensure fair and transparent business practices in our marketplace, we updated our Business Ethics Policy in 2014 to reflect our zero tolerance of facilitation payments. This was communicated across our employees and business partners to ensure compliance as well as to reflect our commitment to integrity and transparency in doing business. Our employees, in particular, received training on the updated Business Ethics Policy to ensure that they understood their roles and responsibilities in upholding the guidelines.



COMMUNITY

ENGAGING COMMUNITY PRACTICES

Carlsberg Malaysia recognises the importance of engaging with the communities in which we operate in. In line with our commitment to enriching communities, we took steps to make positive contributions to society in 2014 by focusing our efforts in the areas of education, sports and the environment. For the first time ever, our community engagement activities came under two umbrellas – the newly established J.C. Jacobsen Foundation and our Carlsberg Malaysia community engagement efforts.

The J.C. Jacobsen Foundation

In 2014, we embarked on a new chapter of our CSR journey with the establishment of our charity outreach, the J.C. Jacobsen Foundation (the Foundation), the first charity outreach foundation in Asia for the Carlsberg Group. Set up and governed by Carlsberg Malaysia, and championing the tagline, “Let’s brew a better, greener future”, the Foundation’s main purpose is to provide sustainable solutions for the betterment of Malaysia.

The Foundation also:

- Serves as a channel for the Company (in collaboration with several NGOs) to extend its reach to the community via its education, sports and environment pillars; and
- Provides a platform for our employee volunteers to engage with the community.

The Foundation was officially launched on 12 June 2014 at a gala dinner event and graced by Professor Flemming Besenbacher, Chairman of the Carlsberg Group and Carlsberg Foundation; the Danish Ambassador to Malaysia, His Excellency Nikolai Ruge; and five Trustees of the Foundation’s Board, namely Dato’ Lim Say Chong, Y.A.M Tunku Tan Sri Imran ibni al-Marhum Tuanku Ja’afar al-Haj, Dato’ N. Sadasivan a/l Pillay, Dato’ Larry Gan Nyap Liou and Henrik Juel Andersen.

Some 800 guests including dignitaries, customers, business associates, friends, beneficiaries and the media attended the event. Thanks to generous donations from customers, suppliers and agencies of Carlsberg Malaysia, a sum of RM400,000 was raised for 24 charitable homes, various NGOs and organisations.

It is Carlsberg Malaysia’s hope that through the Foundation, we will be able to pay homage and echo the life of J.C. Jacobsen, the Carlsberg founder and a man who truly embodied “public spirit”.

Post-launch Activity Timeline 2014

JUNE 2014

- RM300,000 raised from the gala dinner event was immediately channelled towards:
 - 18 vernacular schools, children’s homes and education-related institutions;
 - Environmental-related organisations such as Do Something Good, Hati Malaysia and Community Recycle for Charity (CRC); and
 - Five former athletes as well as sports-related organisations including the Olympic Council of Malaysia (OCM), Paralympic Council of Malaysia and Malaysia Federation of Wushu, Negeri Sembilan.

AUG 2014

- Our employee volunteers assisted CRC officers to place six recycling bins at high traffic and population areas around the Klang Valley.

SEPT 2014

- 80 employee volunteers cleaned up the Sungai Liam waterfall in Ulu Yam, Selangor.

OCT 2014

- RM30,000 was channelled to the OCM-Carlsberg Athletes Retirement Scheme that serves to provide life insurance endowment coverage to outstanding Malaysian athletes.
- RM15,000 was donated to SportsExcel, the foundation for Malaysian sporting excellence that promotes junior sports and assists young talented athletes to reach their full potential in the international arena.

NOV 2014

- 60 employee volunteers cleaned up the river-based recreational area of Sungai Kanching at Templer’s Park.

DEC 2014

- RM15,000 was channelled towards the annual upkeep and maintenance of two elephants at Zoo Negara.
- Sponsored RM45,000 to Shah Alam City Council’s year-long “Tree for Life” tree planting campaign in the industrial area where our brewery is located.

Carlsberg Malaysia Community Engagement Efforts

In 2014, we continued to show our support for vernacular schools by rolling out flagship fundraising campaigns such as the Top Ten Charity Campaign (Top Ten), I Love Chinese Education East Malaysia Charity Concert (EMCC) and Carlsberg-Hua Zong Chinese Education Fund (CEF).

Top Ten Charity Campaign (Top Ten)

Top Ten, the flagship Chinese community project of Carlsberg Malaysia, aims to support the development of local education and institutions. It is fully funded by Carlsberg Malaysia and supported by our media partners, *Nanyang Siang Pau* and *China Press*. Staying true to its principle of "Sharing with the Community Unconditionally", Top Ten continues to hold the titles "Longest Running" and the "Highest Funds Raised" for Chinese Charity Shows awarded by the Malaysia Book of Records.

In 2014, we strengthened our flagship fundraising project by increasing the number of Top Ten charity concerts to 14 from 8 previously. All in all, this platform raised a total of RM24 million for schools in Butterworth, Perak, Johor and the Klang Valley. A significant milestone was achieved when RM6.3 million was raised solely for the Hua Lian High School in Taiping, Perak.

Over the past 28 years, Top Ten has raised a total education fund in excess of RM438.8 million for 613 primary and secondary schools and various education institutions.

I Love Chinese Education East Malaysia Charity Concert (EMCC)

The EMCC platform aims to support the development of Chinese educational institutions in East Malaysia. In 2014, the EMCC raised a total of RM7.9 million to help four schools in Sabah and one school in Sarawak to enhance their infrastructure and learning environment.

Since its inception four years ago, the EMCC has raised funds amounting to RM15.2 million that have helped in the development of over 40 Chinese institutions and schools in Sabah and Sarawak.

Carlsberg-Hua Zong Chinese Education Fund (CEF)

CEF, a joint partnership between Carlsberg Malaysia and the Federation of Chinese Association Malaysia (HuaZong), aims to support young people in their educational pursuits. Via its interest-free study loan programme, CEF granted 30 students study loans amounting to RM552,000 plus scholarships worth RM48,000 in 2014.

Over the last 16 years, the CEF has helped 528 students pursue higher education amounting to some RM5.7 million.



WORKPLACE

GOOD WORKPLACE PRACTICES

It is the dedication and hard work of our people that enable us to brew great beer and win the hearts and minds of customers around the world. In 2014, we continued to provide our skilled workforce a conducive work environment and the necessary tools for their personal and professional development whilst ensuring a high level of engagement.

Upholding best workplace practices

Carlsberg Malaysia continues to uphold best workplace practices.



Employee Rights

We actively implement the United Nations' Universal Declaration on Human Rights, including ensuring that fair employment terms are used. Employees' rights clauses are contained in our Labour and Human Rights Policy.



Collective Bargaining

Back in June 2013, our Management and the Union officially concluded the renewal of the 2013-2015 Collective Agreement. Both parties raised and agreed upon the maximum scale and salary adjustment, accumulation of annual leave, funeral expenses, casual leave, mileage reimbursement and group personal accident insurance, among other things. No labour grievances were reported in 2014.



Equal Opportunities

We do not accept and work to avoid sexual harassment and discrimination in the workplace. Discrimination based on race, colour, sex, sexual orientation, age, language, religion, political opinion, and national or social origin is not tolerated. We hire and promote based on relevant and set criteria and legislation.



Forced Labour

We are opposed to forced or compulsory labour and ensure that our employees enter into employment of their own free will. Employee competition restrictions are only applied to employees to protect genuine business needs.

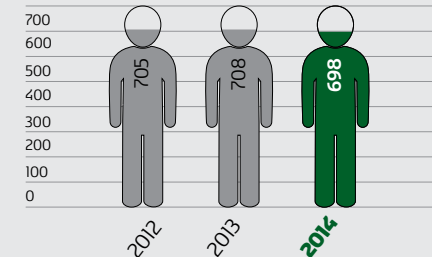


Child Labour

We do not employ children under the legal working age and do not support child labour. We comply fully with Malaysian Employment Law and regularly monitor compliance throughout our supply chain.

Carlsberg Malaysia Workforce

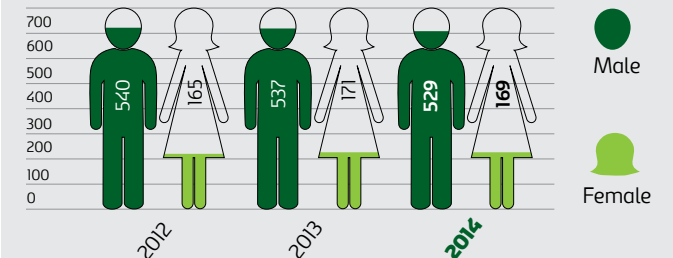
Total Employees



Breakdown of Permanent and Temporary Employees



Breakdown of Employees by Gender



Breakdown of employees by Executives or Non-Executives



Nurturing our talent

In 2014, we focused our efforts on developing the leadership skills and competencies of our employees as part of our talent grooming and retention objectives. The following activities were undertaken:

- Following the 2013 launch of the Carlsberg Group Leadership Competencies (the leadership culture and value system), we continued to build traction in this area by embedding the Leadership Competencies within our organisation.
- We assigned two high potential talents to other Carlsberg markets across Asia for exposure and development.
- Our first Supply Chain Management Associate successfully completed a vigorous two-year programme which culminated in a three-month stint in Cambodia.
- The Carlsberg Malaysia team beat 12 other teams to win the Carlsberg Business Simulation Programme organised by Carlsberg Asia for the Asia region.
- Our Internship Programme was endorsed by TalentCorp with 18 students gaining significant exposure and experience via internships at various departments within Carlsberg Malaysia.

Upskilling our people

To bolster the calibre of our workforce and ensure our employees are at the top of their game, we are continuously upskilling our people. In 2014, we undertook the following employee development efforts:

- We strengthened the calibre of our workforce by leveraging on training afforded by the Carlsberg Sales Academy, Carlsberg Supply Chain Academy and other programmes.
- We continued our investment in talent development by placing two high potential talents in the Carlsberg Asia & Africa Accelerated Development Initiative (CAADI) programme in collaboration with the China-Europe International Business School.

- We sent selected Supply Chain employees for the Executive in Beverage Industry Supply Chain Programme at the Scandinavian School of Brewing as well as the Carlsberg Group certified brewmaster course in collaboration with the VLB Institute in Berlin.

Engaging our employees

Employee engagement is another focal point of our workforce practices and we continue to roll out activities to build esprit de corps among our people.

- Aside from internal communications tools such as intranet, weekly updates via emails and notice boards, SMS updates and quarterly newsletters, as well as social platforms like Facebook and Twitter, we continue to undertake the following:

Employee engagement activities in 2014

Activity	Frequency	Involvement
Annual Dinner	Yearly	All employees
Townhall meeting	Quarterly	Supply Chain
Strategic Leadership Meeting	Quarterly	Managerial
Thirst for Great Hour (TFGH)	Quarterly	All employees
Team get-together	Ad-hoc	Departmental
Teambuilding	Ad-hoc	Departmental

- A series of initiatives were undertaken to encourage greater interaction in the workplace, including regular dialogue sessions, Thirst for Great How (TFGH) staff gathering and Sports & Recreation Club activities. These efforts proved to be successful as our 2014 MyVoice annual employee satisfaction survey showed employee engagement scores rising by 2% to 75%.

Recognising and rewarding our people

The Carlsberg Malaysia Great Awards aim to integrate Carlsberg Winning Behaviours into the way we perform our daily duties by recognising employees who demonstrate outstanding Winning Behaviours.

Carlsberg Winning Behaviours



The awards reinforce the Company's reputation as a special place to work by encouraging desired winning behaviours.

Number of Great Awards presented

Year	Individual	Team
2012	25	16
2013	9	8
2014	14	18

Keeping our people safe

Carlsberg Malaysia goes out of its way to put in place all necessary measures in order to keep employees and visiting guests safe while at the brewery site. In 2014, we undertook the following Occupational Safety and Health (OSH) activities:

- Rolled out OHSAS 18001 (Safety & Health Management System) awareness to Supply Chain employees.
- Implemented risk assessment training for selected employees who learnt the core methodologies related to conducting hazard identification, risk assessment and risk control in their day-to-day jobs.
- Emergency Response Team members underwent refresher training on First Aid and CPR.
- Organised a fire drill exercise on-site to identify areas for improvement. The exercise met with our expectations.
- Forklift drivers were sent to UMW Industries to enhance their competency in safe forklift handling.

ENVIRONMENT

EFFECTIVE ENVIRONMENTAL PRACTICES

Environmental sustainability is an important part of Carlsberg Malaysia's business operations. Given that our raw ingredients (malt, hops, water and yeast) are all natural, we have a vested interest in protecting the environment as the continued success of our business is dependent upon this. As our business expands, so does our environmental impact and we are constantly exploring ways to mitigate the impact of our operations.

Towards becoming an efficient green brewer

As we move towards becoming an efficient green brewer, we have developed a new strategy for sustainable packaging based on four guiding principles, namely Reduce, Re-Use, Recycle and Rethink. Aside from the environmental advantages, the use of more sustainable packaging is expected to generate cost savings and strengthen our relationship with key customers, many of whom work with sustainable packaging themselves.

One of our key initiatives under this strategy was sparked by collaboration with our suppliers. It involved our adoption of a thinner 50 micron shrink wrap (previously a 60 micron shrink wrap) which gave us similar packaging strength while reducing our carbon footprint.

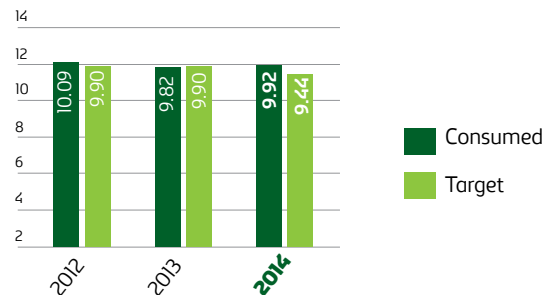
Making the most efficient use of our resources

Managing Energy Consumption

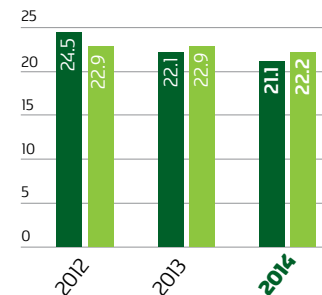
Our Environment Policy and Environmental Management Systems contain provisions for conserving energy. Carlsberg Malaysia has also established an Efficient Energy Management Team, represented by all departments, which focuses on energy conservation. The team is led by a certified Energy Manager who sends reports to the Energy Commission every six months. This report details energy conservation initiatives and activities performed, which is a requirement under the Energy Regulation 2008.

In 2014, we successfully reduced energy consumption by 5% against the preceding year, as reflected in the table below (i.e. lower consumed thermal energy vs targeted). However, we recorded a higher rate of electricity consumption due to lower production volume in 2014 compared with the previous year.

Electricity (kwh/hl), Operation



Thermal Energy (kwh/hl)



We leveraged on the following initiatives to help us reduce energy consumption in 2014:

- To deliver improvements in thermal energy and eliminate heat loss, we employed heat loss mapping to identify and remove old boilers and redundant piping;
- To reduce electricity consumption we:
 - Leveraged on the variable speed drive (VSD) system that regulates electricity based on load demand. This is currently being used to good effect to regulate our glycol and ammonia condensers as well as water circulation pumps;
 - Made improvements to our beer chiller so that it operates at a higher evaporation temperature; and
 - Undertook a boiler efficiency audit to establish losses and possible areas for improvement.

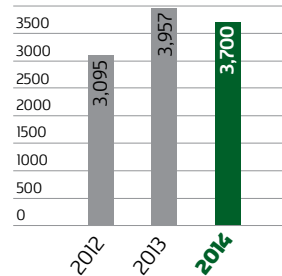
Carlsberg Malaysia is constantly looking for ways to ensure that we maintain the highest level of efficiency in energy and water consumption. We target at least a 5% improvement in utilities efficiency every year and in 2014 made some good inroads across the board. Today, Carlsberg Malaysia is the second best company within the Carlsberg Group in Asia in terms of energy efficiency.

Managing Emissions and Effluents

As part of efforts to reduce our carbon footprint, we invested in a state-of-the-art CO₂ recovery plant in 2012. Operational for some three years, the plant aims to collect and purify all CO₂ generated during the fermentation process for reuse or sale to external parties.

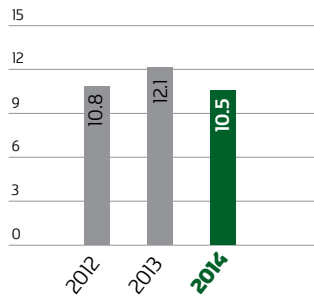
In 2014, CO₂ recovery was lower than previous year due to lower production volume, plus the plant experienced two major breakdowns that affected its CO₂ collection.

CO₂ Recovered from Fermentation (metric tonne)

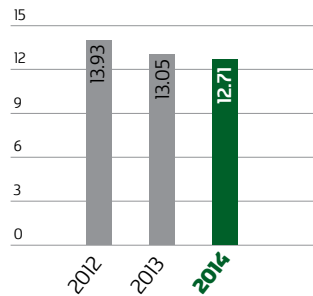


In 2014, we converted our biogas software to the Siemens S7 application. During the migration process, we experienced control system interruptions due to bugs in the system. This resulted in lower biogas collection readings as the new system did not accurately capture the emissions. The lower biogas readings collected in 2014 were also due to leakages in the anaerobic reactor settlers, which were subsequently replaced.

Biogas Energy (% replacement)



CO₂ Emissions (kg/hl)

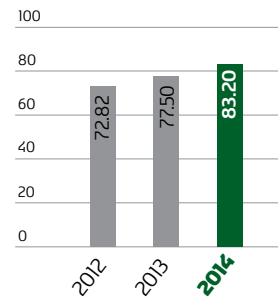


Managing Waste

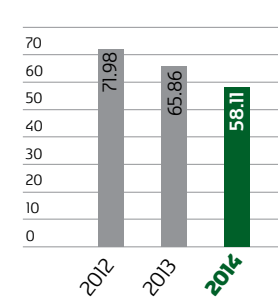
As part of our efforts to manage waste, we leverage on the Reduce, Re-Use, Recycle and Rethink principles. These principles are helping us to reduce the environmental impact of packaging, enhancing the reuse of existing returnable items, encouraging consumers to recycle and increasing the amount of recyclable content in new packaging. In 2014, our packaging lines saw an improvement in overall equipment effectiveness of between 3% and 13%.

Our efforts also yielded higher bottle recovery rate as more recycleable bottles were re-used, which in turn reduced the amount of waste generated in the process.

% of Bottle Recovery



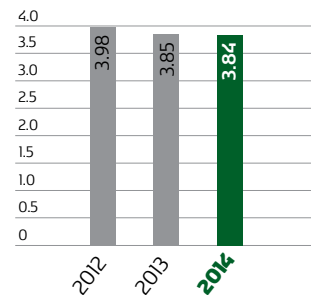
% Packaging Materials Recycled



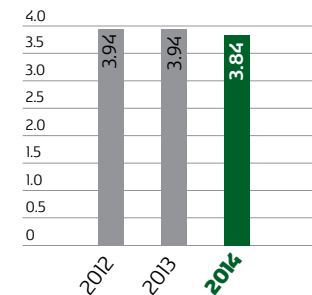
Managing Water

In 2014, we successfully achieved our target in terms of water consumption. We also put in place contingency plans in case of a water supply shortage.

Water Consumed (hl/hl)



Target (hl/hl)



EXPANDING OUR ENVIRONMENTAL OUTLOOK

In 2014, the Environment Policy was updated to include a new requirement for packaging-related initiatives to further mitigate the environmental impact of our operations.



Carlsberg Brewery Malaysia Berhad
(9210-K)

No. 55, Persiaran Selangor, Section 15
40200 Shah Alam, Selangor Darul Ehsan
Malaysia.

Tel : +603 5522 6688

Fax : +603 5519 1931

www.carlsbergmalaysia.com.my