

Growing Sustainably...



“ Even as GAB pursues its vision of becoming an icon in business, we are mindful that we must prove ourselves to be a responsible corporate citizen; one that is committed to creating value and ensuring sustainable growth for our businesses, employees, customers, shareholders, partners and the communities and environment that we operate in. ”

Charles Henry Ireland

Managing Director

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MESSAGE FROM THE MANAGING DIRECTOR

Recognising that every business decision we make also needs to be consistent with our social and environmental responsibility, GAB has fully embraced good corporate responsibility practices. Corporate responsibility has now been fully integrated into GAB's operations and we are committed to balancing our bottom-line performance with strong environmental and social performance.

I am delighted to introduce this year's new-format Corporate Responsibility Report which underscores how deeply our corporate responsibility policies and practices are entrenched within the Company. The detailed information in this report serves to complement the information in our Annual Report 2008 (available in print format and on GAB's website at www.gab.com.my). The content within both these documents come across best when read in conjunction with one another.

In financial year 2008 (FY08), we stepped up our efforts to create value and sustainable growth for our many stakeholders, including the communities and the environment we operate in. We did this by undertaking good corporate responsibility practices in the areas of the Community, Workplace, Marketplace, and Environment.

On the community-front, we increased efforts to enrich the communities we operate in. From our newly formed GAB Foundation, to the continuous educational initiatives for the Chinese and Indian communities, to innovative environmental conservation efforts, we made an impact on communities by raising standards of living and fulfilling dreams.

In the workplace, we increased our investments in training and development to ensure that our employees were given every opportunity to grow towards their full potential. We encouraged a spirit of excellence and openness in the workplace, as well as drove employee satisfaction to new heights with our strong productivity-enhancing programmes and innovative new flexi-time and open-plan environment initiatives.

In the marketplace and on the environmental front, we continued to roll out good business practices and implement sound occupational safety, health and environmental practices that are all helping us to reach our goal of becoming a world-class company.

Good corporate responsibility practices are truly part and parcel of GAB's business makeup and will continue to be an integral part of our investments going forward. On our part, we will do our utmost to improve on the practices already in place at the Company to ensure GAB fulfils its role as a model corporate citizen. I trust you will enjoy the 2008 edition of GAB's Corporate Responsibility Report.

Thank you.

Charles Henry Ireland
Managing Director



Who We Are

Guinness Anchor Berhad (GAB) was incorporated on 24 January 1964 under the name of “Guinness Malaysia Limited”. The Company changed its name to “Guinness Malaysia Berhad” on 15 April 1966 and assumed its present name on 15 November 1989. GAB has been listed on the Main Board of Bursa Malaysia since 1965.

GAB evolved from the merger of Guinness Malaysia Berhad and Malayan Breweries (Malaya) Sdn Bhd (MBM) in 1989, whose parent companies were Guinness Overseas Ltd (GOL) and Malayan Breweries Ltd (the present Asia Pacific Breweries Limited) respectively. The merger in 1989 saw a new joint venture company, GAPL Pte Ltd as the holding company of GAB whilst MBM has become a dormant wholly-owned subsidiary of GAB.

GAB operates the Sungei Way Brewery which started operations in 1965. Located in Selangor, the Brewery occupies a land area of 23.72 acres.

We are committed to being open and transparent, with strong emphasis on corporate governance and corporate responsibility.

At GAB, we are working to manage our business for growth, profitability, and equally importantly for sustainability, which is the basis of responsibility. We have progressively stepped up efforts in corporate responsibility in recent years to where we are today.

Our CR Vision

To be the icon in business in Malaysia in terms of Corporate Responsibility practices.

We are committed to achieving our vision through:

- open, honest and targeted dialogue with our diverse stakeholders through various platforms to ensure continuous alignment.
- enriching the communities in which we operate, focusing on three core areas – Environment, Education and Community.
- creating a sustainable working environment for our people in order for them to reach their full potential. We commit to improve, empower, motivate and reward our employees for great performance, regardless of race or gender.
- sustainable and responsible business practices in the marketplace that deliver positive outcomes to our customers, employees and the communities and environment that we operate in.
- minimising our impact on the environment through improving our environmental performance with the implementation of sound Safety, Health and Environmental (SHE) practices.

Our CR Taskforce

GAB's Corporate Responsibility (CR) initiatives are driven by the CR Taskforce, comprising Senior Managers from all departments within GAB. The CR taskforce is led by the Corporate Relations and Legal Director, who reports directly to the Managing Director.

Our Commitment to Stakeholder Engagement



PROACTIVELY ENGAGING AUDIENCES

GAB recognises that different groups of stakeholders are interested in different aspects of our business and that we need to listen, respond and engage with each of these groups. To ensure continuous alignment with our diverse stakeholders, we are committed to open, honest and targeted dialogue with them through various platforms. Below are some of the initiatives we have set in place to promote goodwill, build rapport and solicit constructive feedback from our stakeholders.

Shareholder, Analyst and Media Engagement

GAB maintains close contact with our shareholders, analysts and the media. We provide regular updates on the Company and our performance and gauge this group's feedback as to how we can be a better company. We publish financial and non-financial information relating to our operations in a timely and consistent manner through various mediums such as press releases, regular briefings and via our website at www.gab.com.my. The Investors section on our website offers interested parties a wealth of timely information including financial highlights, dividend payments history and almost real-time share prices, among other important details. Analyst and

media briefings are held shortly after the publication of our quarterly and full-year results, while one-on-one briefings are also held on an ad-hoc basis upon request.

At each Annual General Meeting (AGM), the Board presents a report on the performance of the Company and holds a question and answer session to give shareholders the opportunity to seek clarification and share their thoughts and opinions with the Board. A press conference hosted by the Chairman, Managing Director (MD) and Finance Director (FD) is also held immediately after each AGM to respond to media queries.

We are making good headway in efforts to keep shareholders abreast of company developments and performance. A recent survey conducted indicated that our shareholders do indeed see the Company as providing good returns on investment and as being socially responsible. The results of this survey are readily available on our corporate website. The results of this survey further showed that our shareholders are pleased with our Annual Report and our AGM and we will endeavour to further improve our communications as part of our efforts to deliver satisfaction to investors.

Our Commitment to Stakeholder Engagement

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Trade Partner Initiatives

To better understand the needs of our customers, we have developed an Annual Customer Satisfaction Survey for our trade partners. Implemented by GAB's Sales and Marketing teams, this survey seeks concrete customer feedback to help us design marketing and sales programmes that are relevant and complementary to our customers' businesses. This feedback is also helping make us a better business partner and extending our market reach. On top of this, GAB's MD and FD go on road shows to meet distributors on an annual basis.

The inaugural Dragon Mission education fund raising campaign in FY08 was a bold new initiative that delivered excellent results and helped cement our relationship with our business partners. Fund raising was initiated through two channels – refreshment outlets and supermarkets. Refreshment outlet owners were given the opportunity to select the Chinese vernacular schools they wanted to raise funds for and we provided the mechanism and channel for the contributions to flow to these schools. At supermarkets, consumers contributed through the purchase of our brands. Our initial ambition of raising RM1 million for Chinese education met with overwhelming response from both consumers and the trade and resulted in a staggering RM2 million in just a six-week period.



Industry Initiatives

The duty-paid malt liquor market (MLM) is subject to sales and excise duty taxes and Malaysia has the second highest taxes on beer in the world. This has resulted in high beer and stout prices that have adversely affected consumption levels and caused the market to decline in the past few years. GAB, through the Confederation of Malaysian Brewers Berhad (CMBB), holds regular dialogues with the relevant Government agencies to highlight the issues faced by the industry in this area. We also communicate with the relevant authorities through various trade organisations.

Our Commitment to Stakeholder Engagement

F&B Forum Organised by CMBB

Following the numerous woes faced by the food and beverage (F&B) industry, GAB together with the CMBB initiated and organised a business forum entitled "F&B Industry - Crisis Looming?" on 28 July 2008. Several trade groups from the F&B industry, including independent organisations, came together to discuss the impact of the high cost of raw materials and inflation as well as the cost of living on the F&B business. The groups also debated how this was affecting growth, livelihood, employment, tourism and the nation's economy. The effect of prevailing and deteriorating economic conditions on the F&B industry and on SMEs (such as distributors, coffee shops and materials suppliers which form the backbone of the F&B industry), was also discussed.

Balanced Representation

Officiated by YB Dato' Jacob Dungau Sagan, the Deputy Minister of International Trade and Industry and moderated by Stewart Forbes, Executive Director for the Malaysian International Chamber of Commerce and Industry (MICCI), the event was attended by a wide variety of representatives from the Government, various industries and organisations, as well the media. The panellists comprised various representatives from the industry groups who gave presentations on the state of their respective businesses before the forum was opened for discussion and questions from the floor. The panellists included representatives from CMBB, Aseambankers, Deloitte Consulting (SEA), Malaysian Budget Hotels Association, Sid's Pubs Sdn Bhd and the Selangor Restaurant Keepers' Association.

Issues and Recommendations

Several issues were raised by the F&B panellists and the following recommendations were made in the form of a CMBB memorandum to the Ministry of Finance:

RECOMMENDATION #1:

Freeze or lower excise duty on beer and stout

This was based on the belief that any increase in excise duty would adversely affect the brewery industry, tourism, employment and government revenue.

RECOMMENDATION #2:

Increase enforcement against the smuggling of beer and stout

This was supported by examples of enforcement practices in other nations and the potential impact of not curbing smuggling locally. The CMBB also reiterated its offer to help the Government curb such illegal activities.

Positive Outcome

In the Government's Budget 2009 announcement, the beer and stout industry was spared a further increase in excise duty for the coming year. The CMBB has welcomed this news as a positive move in the light of challenging times ahead for the industry. It sees the Government's act as a prudent one as another round of excise duty increase would have exerted tremendous pressure on the industry that is already operating in an extremely difficult and challenging environment. An increase would also have put further pressure on the F&B industry, which is already facing a serious downturn.

As a member of the CMBB, we hope that the Government will consider maintaining the current duty level for the next few years to allow the industry to remain competitive.

Our Commitment to Responsible Marketplace Practices

Through self-regulating our behaviour and accepting full accountability for the social and environmental impact of our marketplace practices and policies, we are helping to protect our reputation and enhancing GAB's long-term competitive and financial position.

GAB – WHERE GOOD BUSINESS PRACTICES PREVAIL

As a responsible corporate citizen, GAB is all for undertaking sustainable and responsible business practices that deliver positive outcomes to our customers, employees and the communities and environment that we operate in. Through self-regulating our behaviour and accepting full accountability for the social and environmental impact of our marketplace practices and policies, we are helping to protect our reputation and enhancing GAB's long-term competitive and financial position. It is also helping us mitigate potential risk on the financial, regulatory and consumer fronts.

Transparent Reporting

While we are committed to ensuring that transparent reporting to our stakeholders takes place, at the same time we are conscious of not divulging any confidential information that could benefit our competitors. Details of GAB's internal controls and corporate governance measures can be found in our Annual Report 2008 or on our website at www.gab.com.my



Our Commitment to Responsible Marketplace Practices



Responsible Marketing Practices

We have taken it upon ourselves to practice self regulation. GAB's Code of Marketing Practice outlines strict guidelines that we and our representatives are to follow when marketing and promoting our brands. This Code of Marketing Practice lists out the rules on how GAB is to communicate responsibly to consumers and ensures self-regulation of all GAB's communication to its various stakeholders.

Our marketing code dictates that we sell our products in a responsible manner only to consumers of legal drinking age. The marketing code also outlines that all promoters who sell beer should look at least over 26 years of age, that we never target minors with our promotional events, and that even our website highlights the fact that the content is suitable only for those over the legal drinking age. We also hold regular briefings with our agencies to ensure compliance with the Code of Marketing Practice and have in place strict approval processes. All in all, our marketing code ensures that responsible marketing practices are ingrained in the way all our people work.

Ethics Charter

GAB is one of seven pioneering companies to officially adopt the Ethics Charter launched by MICCI at its 33rd AGM in 2006. The Ethics Charter is a standard guide for MICCI member companies when conducting business and calls for MICCI members to pursue their corporate and business interests with VIGOUR, the acronym for the following business values: Value Creation, Integrity, Governance, Obligation, Understanding and Responsibility.

Strategic Planning and Tracking

Strategic planning and tracking are integral components of our business. GAB's Management reports to the Board of Directors, which currently has ten members, two of which are Executive Directors. Six out of the remaining eight Non-Executive Directors, including the Chairman, are independent. Regular meetings are held between Management and the Board during which operational performance and related matters are discussed.

Our Commitment to Responsible Marketplace Practices

All in all, our marketing code ensures that responsible marketing practices are ingrained in the way all our people work.

Each year, Management prepares a three-year strategic and operational plan, where targets are defined in terms of Key Performance Indicators (KPIs) such as Earnings before Interest and Tax (EBIT), market share and brand volume. These KPIs are then tracked closely throughout each financial year. We also closely monitor and track financial, economic and political indicators that may have an impact on our business.

Risk Management

GAB operates in a highly competitive and challenging environment. The Company has in place an on-going process in identifying, evaluating and managing the risks faced by the Company in pursuing its business objectives and strategies. These risks are reviewed and evaluated on a regular basis when formulating our strategic plans. Our risk management process is managed by a Risk and Control Workgroup (RCW) headed by the FD and made up of cross-functional Senior Managers. The RCW is tasked with identifying the key business risks the Group faces and with adopting a proactive approach to manage these risks. These risks come in several forms:

REPUTATIONAL RISK

The good reputation of our brands and products is crucial to GAB's success. Our production and logistics infrastructure is subject to rigorous quality standards and monitoring procedures to ensure that we constantly and consistently deliver products of the highest quality. GAB was the first brewery in Malaysia to receive ISO9001:2000 accreditation and the Ministry of Health's Hazard Analysis Critical Control Point (HACCP) certification, two internationally recognised standards. We continue to have our certifications successfully renewed year after year.

CURRENCY AND INTEREST RISKS

GAB's Treasury Risk Committee (comprising representatives from Finance, Technical, Purchasing and Sales Departments) meets once every quarter to review risks relating to cash flows, foreign currency exposure and interest rates. GAB engages in an exchange rate hedging programme to minimise our exposure to exchange rate fluctuations.

FISCAL POLICY RISK

GAB, through the CMBB, engages with the relevant Government agencies to highlight the issues faced by the industry in this area. We also communicate with the relevant authorities through various trade organisations.

Our Commitment to Enriching Communities

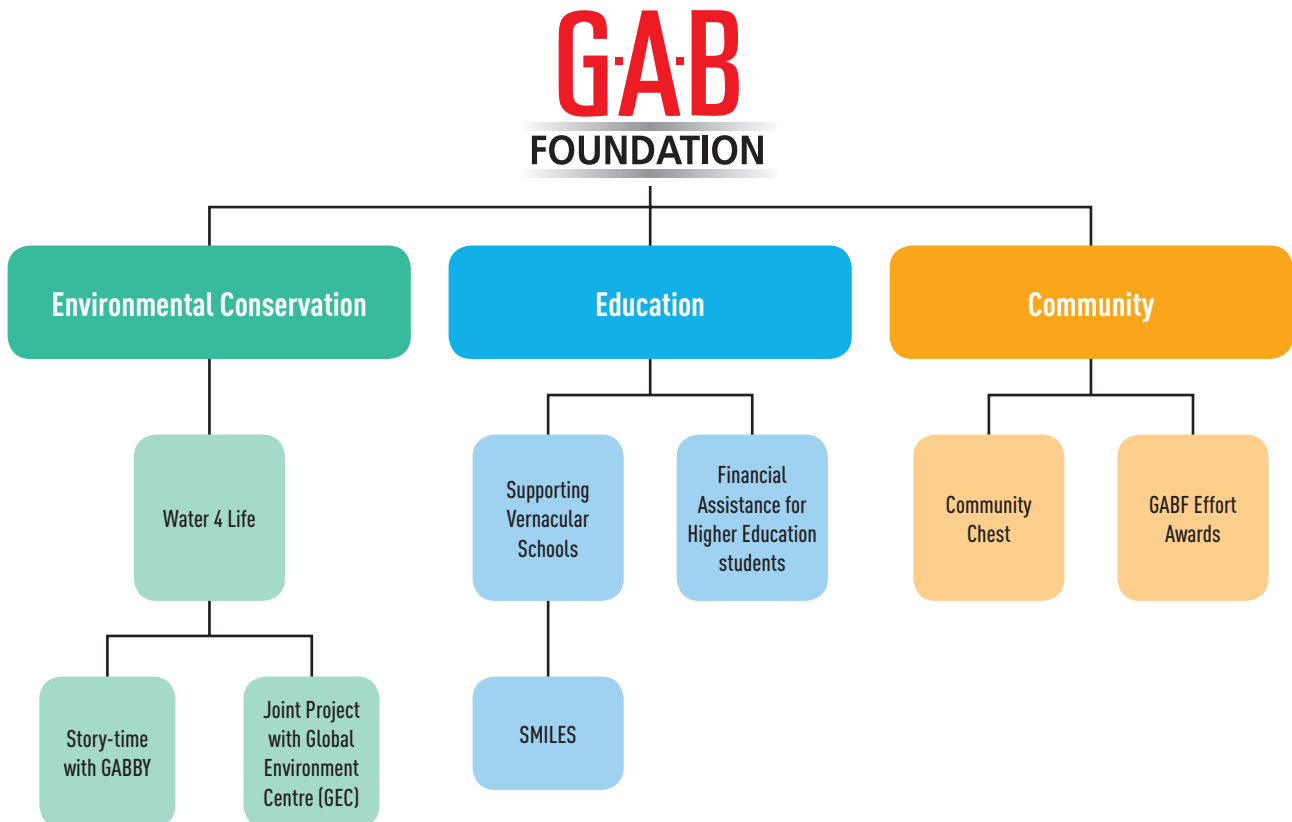
PARTNERING THE COMMUNITY

GAB is committed to enriching the communities we operate in and to building long-term partnerships with them. Our community programmes encompass three main areas namely charitable works, investments in education and environmental conservation. We monitor our progress in these areas carefully and report this regularly, publicly and transparently to our stakeholders. Over FY08, we continued to roll out several community-enriching programmes.

The GAB Foundation

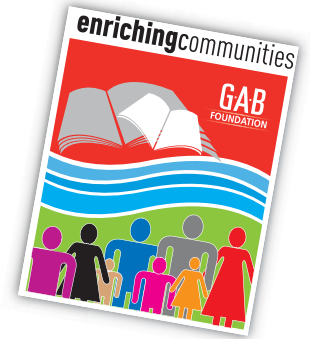
We took our corporate responsibility (CR) initiatives up several notches with the formation of the GAB Foundation. Formed on 5 July 2007, the GAB Foundation spearheads our CR activities and continues GAB's efforts to enrich communities in the areas of Environmental Conservation, Education and Community projects.

Within these three key areas, the Foundation strives to identify causes that not only contribute significantly to improving and enriching the lives of deserving Malaysian individuals and communities, but which also resonate with GAB's corporate values.



Our Commitment to Enriching Communities

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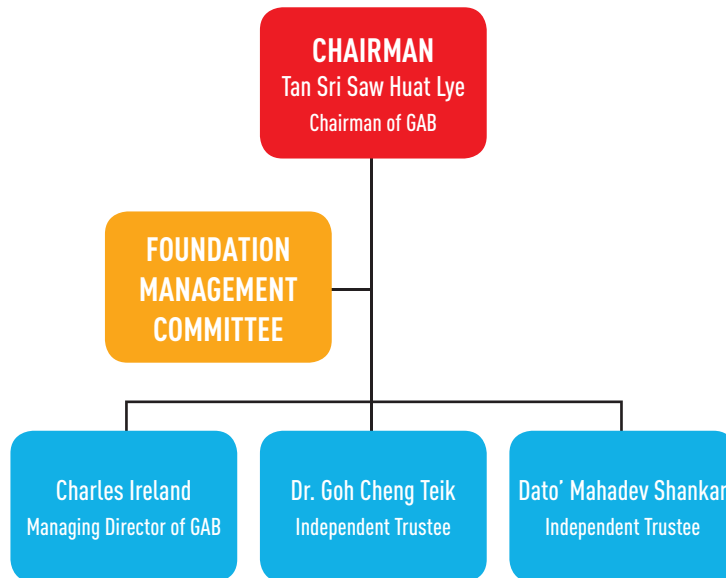


Board of Trustees

The management and administration of the Foundation is governed by a Board of Trustees comprising the Chairman of the Board of Directors, Tan Sri Saw Huat Lye, our MD, Charles Ireland and independent nominees including former Deputy Minister, Dr. Goh Cheng Teik and former Court of Appeal judge, Dato’ Mahadev Shankar.

The Board of Trustees has the task of overseeing that the GAB Foundation fulfils its charter as a charitable body and carries out the wishes of all donors. The Trustees are to ascertain good governance for the Foundation by ensuring that all funds received are spent in a responsible manner and in accordance with the specific purposes the money was donated for.

Structure of the Board of Trustees



Our Commitment to Enriching Communities



Case Study 1: Story Time with GABBY

Our Story Time with GABBY initiative aims to engage and educate children about the importance of responsible water conservation through storytelling sessions. A water toolkit for local communities was specially developed by professionals in the field of child development to facilitate these storytelling sessions. To date 18 storytellers (including childcare workers and kindergarten teachers) have been recruited and trained to carry out storytelling sessions in the Klang Valley. Public sessions have been held at selected community centres and welfare homes. The following organisations have participated in this programme so far, with around 30 children in attendance at each session:

- Pusat Komuniti Kanak-Kanak Taman Medan – Kampung Medan, Selangor
- Tadika Kapar - Klang, Selangor
- Rumah Charis - Taman Yarl, Kuala Lumpur
- Methodist Kindergarten Sungai Chua – Kajang, Selangor
- Kampung Bendahara Community Centre - Batu Caves, Kuala Lumpur

Following each session, parents and children were interviewed by a Measurement and Evaluation Consultant to gauge each session's effectiveness and to help storytellers improve future sessions. Approximately 90% of the parents interviewed responded that the water cycle and activities section generated the most interest, while 95% of the children were able to recap and implement knowledge and content material from previous modules.

Overall, many welcomed the extensive use of art and craft, props, visualisation and good mix of interactive participation. For the rest of 2008, GAB Foundation will focus on reaching out to community centres and schools within the Klang Valley. In 2009, we hope to roll-out these storytelling sessions outside Klang Valley.

Our Commitment to Enriching Communities



Case Study 2: River Rehabilitation Project

In December 2007, we initiated a project to conserve the tributary of the Penchala River which runs behind the Sungei Way Brewery. This project will engage local communities near the Foundation centre, business entities, Government sectors, service providers as well as local leaders and politicians. Its objectives are to improve the water quality of the river, to increase awareness and to develop a community participation model for larger scale roll-out.

A biodiversity study has been conducted and initial studies have shown that there is indeed life in the river. Our team has found limited species like snails, worms and guppy fish in the river, while in the surrounding environment, birds, butterflies and monitor lizards have been observed in abundance, proving that the vegetation along the Penchala River plays an important role in supporting biodiversity.

The GAB Foundation has met with Residents Associations (RAs) along the river to get their buy-in and support on the project. In August 2008, a community training session with the various RAs was initiated by Datuk

Suboh Mohd Yassin, the Secretary General of the Ministry of Natural Resources and Environment. Residents took part in half-day theoretical training on water conservation as well as had the opportunity to participate in hands-on training to monitor water quality in the river.

Case Study 3: Aid for Tamil Students

Following the inception of the GAB Foundation last year, several projects are underway to provide aid to vernacular schools. Over the course of the year, the Foundation provided much needed assistance to the Malaysian Indian community by donating uniforms, school bags, stationery and other basic necessities to more than 1,000 needy students. The recipients included 600 needy students from five Tamil schools in Batang Berjuntai, Kuala Selangor, 494 needy students from five Tamil schools in Tapah, Perak and 51 Tamil students from Petaling Jaya.

On 18 September 2008, the Foundation officially launched the Supporting Malaysian Indian Learning, Education & Sports (SMILES) programme aimed specifically at the Malaysian Indian community. The first SMILES-

Our Commitment to Enriching Communities



supported initiative will be the Total Immersion Camp. This intensive 21-day English proficiency programme will provide students who are transiting from vernacular Tamil schools to mainstream secondary schools, with the essential language skills they need to assimilate in their new environment.

The objectives of the Total Immersion Camp programme draw strong parallels with GAB's own corporate philosophy; a philosophy that revolves around the passion and desire to give one's best and a belief in providing people with the opportunity, tools and resources they require to make that ambition a reality. It is our hope that this programme will equip Tamil school students with the necessary English language skills to help them adjust to the new medium of instruction. We also hope it will instil in them the confidence and desire to complete their secondary education.

As part of its contribution to the pilot Total Immersion Camp programme under the SMILES banner, the Foundation will fund the cost of participation of over 200 Tamil school students from disadvantaged backgrounds. The SMILES initiative is being implemented in partnership with the Tamil Foundation who developed the Total Immersion Camp programme as part of its education drive to help the disadvantaged in the Indian community. Two of GAB's key brands, Tiger and Guinness will spearhead this fund raising initiative through special fund raising nights throughout Malaysia.



SMILES Charity dinner was held at the Bangunan Peladang in Selangor on 15 October 2008. The funds raised during the night went towards helping Tamil school students.

DRAGON MISSION

The Dragon Mission is a noble fund-raising initiative championing Chinese education and is led by our four pillar brands, namely Tiger, Guinness, Heineken, and Anchor. There are more than 1,291 Chinese primary schools and 60 independent Chinese secondary schools which depend on support and donations from the Chinese community, and it is through the unity of the community that Chinese education has grown. Sharing the passion of the Chinese community, GAB introduced the Dragon Mission initiative on 11 January 2008 in conjunction with the Chinese New Year celebrations. We went down to the ground to work closely with coffee shops and supermarkets nationwide and received tremendous support from these two channels. The response to GAB's Dragon Mission was simply overwhelming. By the end of this six-week campaign on 23 February 2008, Dragon Mission had raised funds amounting to RM2,029,100 – double the initial targeted sum of RM1 million!



Our Commitment to Enriching Communities



Tiger Sin Chew CECC and Guinness Torch Fund

Over the years, GAB has also actively supported Chinese education in Malaysia through the Tiger Sin Chew Chinese Education Charity Concert (CECC) and Guinness Torch Fund (GTF). Since 1994, these two programmes have collectively raised hundreds of millions of Ringgit for Chinese education. The Tiger CECC has benefited 367 schools, while the GTF has helped more than 1,300 students.

The year saw the Tiger Sin Chew CECC organising another round of concerts to raise funds for Chinese schools throughout the country. The Tiger Sin Chew CECC now has a strong and dedicated following among the community who have come to realise the financial benefits this initiative brings to Chinese education in the country. Since its inception, the programme has successfully raised over RM170 million for the benefit of more than 360 schools. The funds raised from these concerts were invested in educational facilities and used to improve infrastructure, build multi-purpose assembly halls and help needy students.

The annual GTF programme began in 1996 with the aim of providing underprivileged but academically proficient individuals with the opportunity to accomplish their dreams by means of an interest-free loan. The GTF

raised RM180,000 last year and to date has raised over RM6 million to help more than 1,300 students. Funds for the GTF are channelled through a trust fund, managed by the Dong Jiao Zong.

Dragon Mission 2008 Roars into its Second Year

Following the success of the Dragon Mission campaign that raised RM2 million for the advancement of Chinese education, we kicked off Dragon Mission 2008 on September 26, 2008 with a bigger mission for the coming year. Dragon Mission has today evolved into a full-fledged corporate responsibility programme which sees the campaign expanding its remit to include extra-curricular activities aimed at the development of all-rounded Malaysian Chinese youth. All our current brand initiatives, namely Tiger Sin Chew CECC and the GTF, have now been aligned under the Dragon Mission umbrella.

The Dragon Mission 2008 campaign is motivated by the belief that an all-rounded development allows our youth to achieve their ambitions and maximise their potential. Dragon Mission is being run in collaboration with GAB's trade partners and associations such as the Dong Jiao Zong as well as Sin Chew Daily.

Our Commitment to Workplace Best Practices



GAB - A GREAT PLACE TO WORK

At GAB, we are working hard to ensure that our people have a conducive working environment plus all the tools and support they need to enable their success. We kicked off our “Malaysian Employer of Choice” initiatives in the year under review and today we are beginning to see the fruit of our efforts in the harmonious, industrious and cohesive workforce that is driving GAB today.

As part of our commitment to employing workplace best practices, the following practices and policies are in place at GAB today:

Vision and Values

Last year, we set ourselves a highly ambitious Vision, updated our Company Values and outlined deliverable missions for each department within GAB.

Our Vision of becoming “an icon in business. Respected the world over for delivering exceptional growth in people, brands and performance,” is already doing much to inspire our employees to move up to the next level of delivery and transform us into a truly great company.

Our Values too have been updated to more closely reflect the GAB style of working. These shared beliefs upon which GAB and its employees act upon are as follows:

- We have a passion for winning
- We value and respect each other
- We show integrity in all that we do
- We provide enjoyment

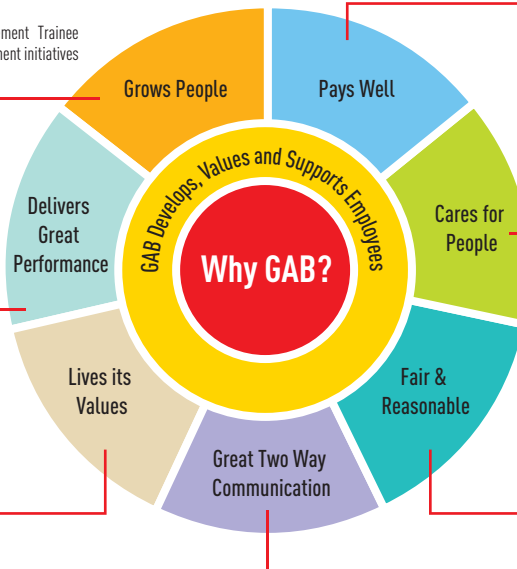
Our Commitment to Workplace Best Practices

We are passionate about our employees being given every opportunity to reach their full potential. We want our people to have careers with us. In their career journey, each employee has a career development plan encompassing training and development, to encourage and enable their growth. We believe that our passion for developing people will enable us to attract and retain top Malaysian talent and that this will have a direct and very positive benefit on our company's performance.

We are building a pipeline of new talent through a Management Trainee programme. This programme complements existing talent development initiatives already in the organisation.

We continue to improve the way we work by increasing efficiencies within business units through fostering more teamwork, enhancing focus on our core competencies, aligning manpower requirements and streamlining our policies to the ever-changing needs of the organisation.

We believe that our values give us our identity and are the cornerstones upon which our relationships are built. We work tirelessly to ensure that our actions are always consistent with our values.



We believe that a fair day's work deserves a fair day's pay. We benchmark ourselves against a peer group of international and local Malaysia based FMCG businesses and aim to always remunerate at or above the median range of this group. Furthermore we encourage and reward over-delivery through formal and informal incentive programmes. We strive towards being one of the top paymasters.

We believe that people produce their best results when provided a great environment in which to work.

We provide a great working environment in GAB, ensuring our work spaces are ones that we are proud of. We ensure we have competitive employee benefits and we actively encourage a healthy work life balance for all staff.

We believe in treating others as we ourselves would like to be treated. As such we ensure that all GAB employees are treated fairly and reasonably. We appraise performance objectively and everyone knows how they are rated. Our employment policies, terms and conditions and grievance and disciplinary procedures are fair, clear and balanced. Furthermore we ensure that opportunities to progress in the organisation are given to employees, independent of race or gender.

We believe that great communication is vital to both great team work and great performance. We encourage open, honest and direct two way communication at all times. Our senior managers are role models for this and we work hard to create connections for everyone in the business and opportunities for all to have their say.

Creating a sustainable environment for winners to work simply makes great business sense; after all, when our people win, we win.

These Values guide us in how we should behave as a business and as individuals as we pursue our quest to become an icon in business. They have been well received by our employees who are already operating at a high level of consistency with them.

The Seven HR Pillars

We understand that creating a conducive work environment where everyone feels valued and respected, is good for morale and for business. As such, GAB's Seven HR Pillars were developed to guide our ongoing

efforts to improve, empower, motivate and reward our employees for great performance, regardless of race or gender.

GAB's Seven HR Pillars are reflected in the diagram above.

Based on each of these pillars, a variety of initiatives are planned and implemented each year. Once set targets are achieved, we evaluate, fine-tune and improve on our efforts and strategies.

Our Commitment to Workplace Best Practices



TPM PROGRAMME

At GAB, we are bringing world-class processes and technologies as well as a strong culture of excellence into play to ensure that we accelerate closer towards our Vision of becoming an icon in business. Our Total Productive Management (TPM) programme, now into its fourth year of implementation, best represents our efforts to elevate our performance.

GAB's TPM Programme is based on the global Heineken TPM programme and guided by regional Heineken TPM consultants. It has done much to inculcate a zero loss culture among our people as they grasp the importance of improving their KPIs and reducing overtime and other costs, while increasing production and volume. Carefully structured TPM training ensures that the TPM mindset is continually cultivated throughout all areas of the work process. Under the TPM programme, several effective initiatives have been implemented to enhance workplace efficiency and eliminate wastage thereby lowering GAB's overall costs.

As a result of our continuous efforts to inculcate this culture of excellence throughout GAB, we continue to be ranked among the best breweries within our brand owners' global network and receive international recognition on several fronts:

- For the second consecutive year, GAB won the coveted Guinness League of Excellence Award for the best quality Guinness brewed outside of Ireland. Judging in this highly competitive annual competition among the Guinness breweries involves an elaborate and meticulous process all year round. Judged by an independent panel at the Guinness Brand Technical Centre in Dublin, Ireland, the competition spans 47 breweries around the world. For 2007, GAB was also awarded the highest scores in the Asia Pacific Region and the Rest of World categories.
- GAB became a first-time winner of the International Tiger Quality Award as well as the Tiger In-market Quality Award for 2008. The latter evaluated us on our product's freshness, packaging quality and serving standard.
- Following a Heineken Group corporate audit on 23 May 2008, GAB did very well (achieving 79% of the set KPIs against 66% in the previous year). With this result, we are now ranked 19th among other Heineken breweries worldwide, and 7th in the Asia Pacific region.

All these awards serve to show that GAB's culture of excellence and our TPM initiatives are taking us much closer towards achieving our vision of being an icon in business. More details of our TPM initiatives can be found in this year's Annual Report under the "Supply Chain" section.

FOSTERING OPENNESS

To ensure better communication, enable faster decision making and nurture the GAB team spirit, we have implemented several initiatives to foster openness at all levels:

Open-plan Environment

Following renovations to our headquarters and the Supply Chain department, all personal offices within GAB have been dismantled. Today, all employees, regardless of seniority, work in an open-plan environment which encourages more face-to-face communication and faster decision-making. The open-plan approach will be rolled out across our regional offices over the next two years.

Internal Communications

Tavern Talk, GAB's internal newsletter is published once in two months. It aims to be the "Voice of Employees" where they are actively involved and engaged in its publication. This newsletter also contains management, corporate and brand updates to keep employees abreast on latest developments.

On top of that, the MD publishes a monthly update on his thoughts and business developments. This is part of his personal commitment to promote open and better communications within GAB.

MD's Breakfast Meeting

Every month, the MD meets with a cross-section of employees from different departments in a no-holds barred breakfast meeting. Here, the parties get to know each other and questions are raised personally with the MD who answers them there and then. Over time, all GAB's staff would have had a chance to sit in on these breakfast meetings.

National Commercial Conference

At this annual conference for the Sales and Marketing teams, all heads of departments are given a platform to share their plans for the coming

Our Commitment to Workplace Best Practices

financial year. The Sales Director and MD share the set targets and KPIs for the Sales team and motivate them to achieve those targets, while the Marketing team highlights the activities and strategies planned for each brand and trade partners. In line with GAB's commitment to full transparency, an open dialogue session is conducted with the Management Team, whereby as many questions are fielded on the spot. Any unanswered questions are then addressed by way of a published memo to all employees.

CODE OF CONDUCT

GAB has a clear and comprehensive Code of Business Conduct which outlines the way in which our employees and businesses are to go about their day-to-day business affairs. Shared with all employees, this Code is an extension of GAB's Code of Corporate Governance which outlines the best practices that guide GAB and its subsidiaries. Its main aim is to ensure that all decisions and judgements made by employees comply with the highest ethical standards. It also serves to reassure our stakeholders that GAB is duty-bound to behave as a responsible corporate citizen and conduct business in an ethical manner.

EMPLOYEE PROTECTION

At GAB, we have set in place specific policies and procedures to provide protection for all employees:

Sexual Harassment Policy

GAB's Sexual Harassment Policy is designed specifically for complaints related to sexual harassment. Supported by specific procedures, it ensures that complaints of this nature are dealt with promptly and in a transparent manner.

Employees Alcohol Policy

Our Employees Alcohol Policy sets down guidelines for responsible drinking and deems what is acceptable behaviour among GAB employees. It outlines areas such as the responsible serving of alcohol and the prevention of inappropriate levels of alcohol consumption. It provides advice on drinking and driving alcohol dependency and rehabilitation, and discrimination and harassment regarding alcohol abuse.

Our Commitment to Workplace Best Practices



EMPLOYEE TRAINING AND DEVELOPMENT

GAB's employees are the heart and soul of our business, and we are committed to ensuring they have access to ongoing training, learning and development opportunities. Whether they are handling customers or distributors, sales and marketing, the technical aspects of the business or even our safety, health and environmental elements, we are committed to continually developing and harnessing each individual's potential and empowering them to do their jobs effectively.

In FY08, we increased our training and development budget by 20% as part of our commitment to skills and competency development and employee empowerment. The training budget was fully utilised and paved the way for employees to have specific job-related training and also general management competency training.

Currently, these following initiatives are also in place at GAB to help our people grow personally and professionally:

- We continuously invest in comprehensive career development plans to attract and retain top Malaysian talent. Upon joining GAB, individuals are given the opportunity to reach their full potential through training, promotion, lateral exposure, job rotation or secondment opportunities.
- Training plans and career development plans are in place for all GAB's Leadership Team (who are direct reports) as well as the entire Management Team. While being groomed and moulded to become future leaders of the Company, GAB's Leadership Team is privy to leading-edge training opportunities which have included the "Greatness Challenge Workshop" and a three-day "Seven Habits of Highly Effective People Workshop" by Dr Stephen Covey.

In FY08 our former Marketing Manager for Tiger, Charles Wong, successfully secured a role as a Marketing Manager for Diageo in Ireland. Charles joined GAB at the end of 2001 as the Brand Manager for Tiger and was subsequently promoted to Marketing Manager for Tiger. Under Charles' leadership, his superb brand marketing skills and his comprehensive commercial experience, the Tiger brand in Malaysia achieved double digit volume growth. Charles' secondment to a very significant marketing role in Ireland reflects the confidence that our brand owners have in GAB-trained people. Charles will look after all aspects of his brand group's development – from creating strategy to implementing activity programmes, to managing the relationship with the brand owner. Charles and his family are based in Dublin where he began his tenure on 1 June 2008. He will have the option of returning to work in Malaysia after his three-year stint in Ireland and we wish him every success in his endeavours.

Our Commitment to Workplace Best Practices

- GAB's Hiring Policy dictates that we are to hire from within before considering external candidates. This ensures that all employees are given a fair opportunity to pursue career advancement. Where there are vacancies within our brand owner's international network, existing staff are afforded the opportunity to apply for international secondment.

WORK-LIFE BALANCE

At GAB, as part of our commitment to "providing enjoyment", we are creating a workplace that encourages high productivity and creativity; one which will provide our people a sense of work-life balance and fulfilment. To this end, several initiatives are in place:

Flexi-hours

We recognise that employees who are happy in their personal lives, are more productive and efficient, and as such GAB has introduced the flexi-hours system to help employees balance their work and personal lives. This system was launched on 31 March 2008 following requests made in the Employee Satisfaction Survey conducted in November 2007. It allows employees the flexibility of either starting work earlier or later while still fulfilling the requisite eight work hours a day within the core working hours of 9.30 am to 4.30 pm.

Employee Health Initiatives

We take great efforts to ensure that our employees' well-being and health is well cared for by encouraging them to eat healthily and to exercise on a regular basis. Healthy employees are happier and able to perform better. Our Fruit of the Month initiative involves the provision of different types of fruit every month to encourage healthy eating. GAB's Sports Club provides a platform where employees are encouraged to take up sports interest such as bowling, tennis and badminton at facilities which we rent for their benefit.

Our Commitment to Workplace Best Practices



Family Open Day

In FY08, we provided the opportunity for families of our employees to visit and tour the workplace so they could better understand the nature of their loved ones' work.

OCCUPATIONAL SAFETY & HEALTH MEASURES

In line with our strong commitment to good occupational safety and health practices, we place the highest priority on raising awareness, providing training and changing behaviour in the workplace to reduce work-related accidents and incidents. The following initiatives, among others, are in place:

- First aid training and fire drill training are conducted on a scheduled basis;
- An emergency number that links directly to our security personnel is made available to all employees and they can call this immediately in the event of a general or personal emergency;
- Protective equipment is provided where necessary to all employees and contractors;

- Frequent safety briefings are held for contract workers whereby GAB's safety procedures are highlighted;
- Annual inspections of our brewery are conducted by the local fire department to gauge our state of readiness in the event of a fire. We once again successfully obtained our certification from the local fire department for the year 2007.

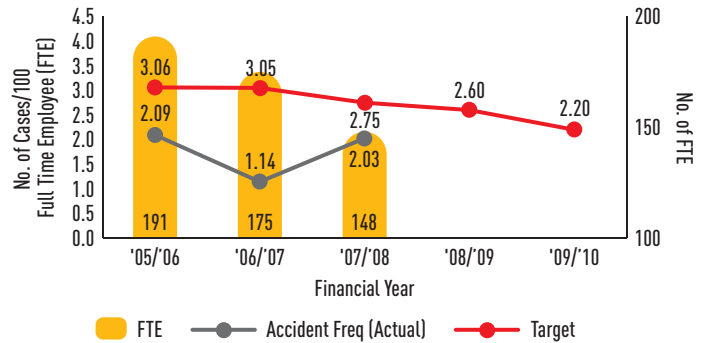
To improve safety and security measures at the brewery, we have built a separate car park for visitors and operations personnel. This has segregated traffic from our main corporate and technical buildings and improved traffic flow. It has also enhanced our logistics movements, whereby there is now a single route for all incoming and outgoing trucks.

GAB also has in place proactive monitoring activities to enhance safety performance and reduce the number of work-related accidents. The Safety, Health and Environment (SHE) Committee, comprising representatives from every department, reviews each accident that occurs. Corrective and preventive measures are then drawn up and implemented immediately to ensure these types of occurrences are not repeated. However, in FY08, there was a slight increase in accident frequency with 3 occurrences of accidents as compared to 2 in the previous year. In response, there are plans to step up awareness training in FY09.

Our Commitment to Workplace Best Practices

We place the highest priority on raising awareness, providing training and changing behaviour in the workplace to reduce work-related accidents and incidents.

Accident Frequency



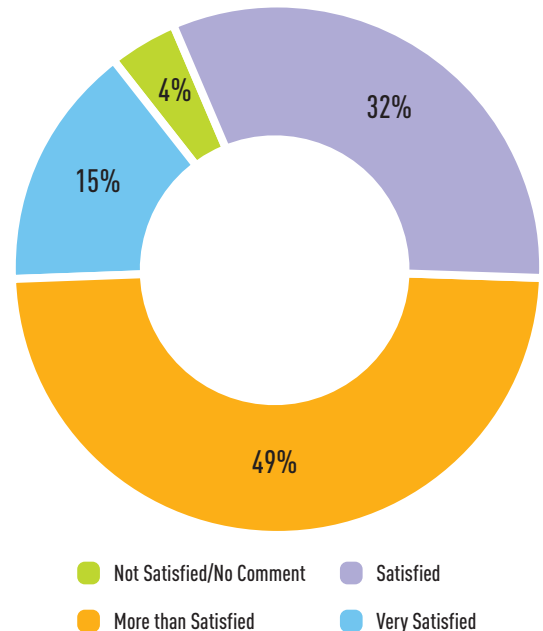
EMPLOYEE SATISFACTION

In November 2007, our HR Department conducted our first ever GAB Employee Satisfaction Survey. The findings and follow-through actions were shared with employees through our internal newsletter. The survey's top line results revealed that most employees are satisfied working at GAB (15% of employees are very satisfied working at GAB and 49% are more than satisfied).

GAB'S WORKFORCE

Our people make GAB a great company. We recognise that their individual talents, cultural background, education, and experiences provide a unique and important foundation for the diverse workforce that makes up GAB. We have a total workforce of 515 employees, out of which more than 51% is based at our Sungei Way headquarters in Petaling Jaya, where our brewery operations are located. 99% of our workforce is in full-time permanent employment while the remaining 1% is employed on a contractual basis. 42% of our employees are unionised. As part of our commitment to ensuring workplace diversity, 20% of our workforce comprises female employees with about 93% of these employees in management-level positions.

**GAB, In Pursuit of Satisfaction...
As a Great Employer**



Our Commitment to Good Environmental Performance



WE CARE FOR OUR ENVIRONMENT

We are committed to improving our environmental performance through the implementation of sound Safety, Health and Environmental (SHE) practices. Our systematic approach to SHE management is designed to ensure compliance with government legislation, international protocols and global best practices.

Sound SHE Practices

Our implementation of good SHE practices is guided by GAB's SHE Policy Statement. The SHE Policy Statement dictates that our people adopt the safest and healthiest conditions, that are reasonably practicable, in compliance with relevant statutory and Company requirements. The Policy applies to all production and non-production activities including the maintenance of plant equipment, the provision of training, the provision of adequate facilities and welfare arrangements, as well as the development of safety awareness programmes.

These procedures and processes are monitored, reviewed and audited regularly for continuous improvement by the SHE Committee which meets on a regular basis. The SHE Committee comprises representatives from GAB's Production, Engineering and Site Services departments and is chaired by our Supply Chain Director.

Internal Controls

Our time-tested TPM programme helps us identify and prevent losses through wastage in order to reduce production costs. Under the TPM programme, working groups are formed to address specific problem areas. Targets are then set and incorporated into a plan which outlines the actions needed to resolve problem areas. Once a problem area is resolved, the related group will be closed and the results documented for future use.

We conduct internal audits on our TPM groups regularly throughout the year to monitor their progress. In addition, safety and hygiene audits are also carried regularly to ensure that the safest and healthiest work conditions are maintained.

Our Commitment to Good Environmental Performance

We are committed to improving our environmental performance through the implementation of sound Safety, Health and Environmental practices.

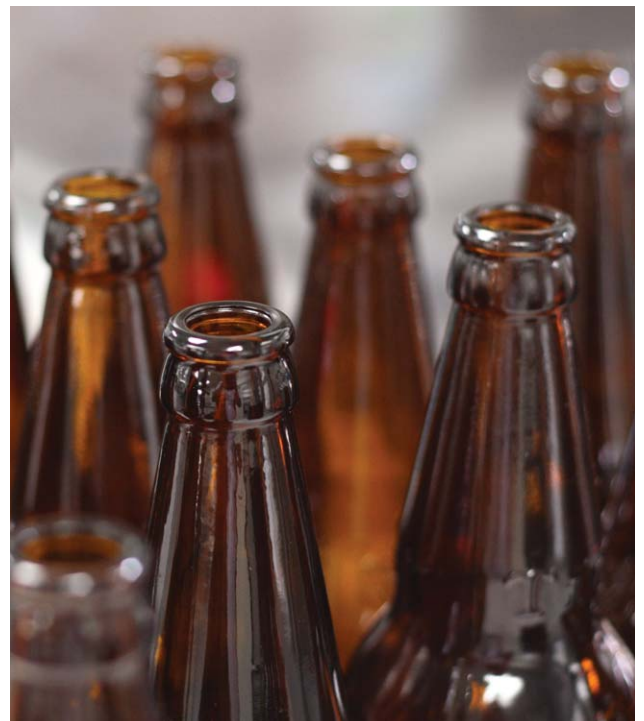
ENVIRONMENTAL CONSERVATION INITIATIVES

We believe in minimising the impact of our operations on the environment by setting challenging improvement targets to progressively reduce emissions and discharges. The following environmental conservation practices are in place at GAB:

Thermal Energy Conservation

We use heat mainly for brewing, cleaning bottles and the pasteurisation process. This heat is mostly generated from natural gas sourced from the national natural gas pipeline which we started tapping into in 2007. Prior to this, we were using fuel oil. The switch to this more environmentally-friendly energy source has greatly reduced our dependence on fuel oil while reducing our emission of carbon dioxide into the atmosphere.

Besides natural gas, renewable gas, mainly biogas, is used to generate some of the heat we require. Biogas is obtained from the anaerobic treatment of wastewater at the wastewater treatment plant. In FY08, our thermal energy consumption was reduced by about 11% in comparison to the previous year. We are currently exploring other avenues to obtain further savings in waste heat recovery.



Our Commitment to Good Environmental Performance

Emissions Reduction

The use of non-renewable fuel generates bi-products such as carbon dioxide (CO₂), nitrous oxide (NOx) and sulphur oxide (SOx), can cause climate change. Due to the proactive steps we took to switch to natural gas, we reduced our fossil CO₂, NOx and SOx emissions by 24%, 11% and 97% respectively over the previous year.

Emissions to air	Unit	2005	2006	2007	% Change
Fossil CO ₂ emission	kg/hl	7.3	6.8	5.2	-24
NOx emission	kg/hl	0.008	0.012	0.011	-11
SOx emission	kg/hl	0.071	0.061	0.002	-97
Halon content	kg	0	0	0	0
Halogen containing refrigerants; losses (% of content)	%	28	74	22	-71
Halogen containing refrigerants lost (ODP)	kg R11 eq.	8	29	8	-71
Halogen containing refrigerants lost (GWP)	kg CO ₂ eq/hl	0.43	0.84	0.22	-73
NH ₃ present in installations	kg	2,500	2,500	2,600	4
NH ₃ losses from installations	%	0	22	37	68

Lower Electricity Consumption

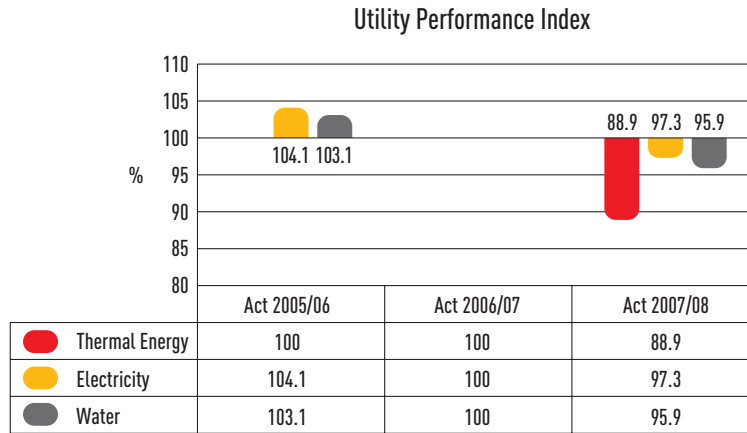
Electricity at GAB is mainly used for purposes of refrigeration and water treatment as well as to drive compressors and other machinery. Other than this, we use electricity for liquefying CO₂ and for office equipment and lighting purposes. In the year under review, electricity consumption at the brewery decreased by 2.7%. This reduction was attributable to our successfully capitalising on economies of scale derived from our increase in production volume. On top of this, electricity reduction activities carried out by TPM teams also helped lower our consumption.

Lower Water Consumption

Water is the main raw material in our products. It is also used for cleaning process tanks, packaging, production equipment and utility installation. In FY08, we undertook various initiatives to reduce water consumption which resulted in a 4.1% reduction in water consumption. This result is directly attributable to TPM activities that focused on optimising water consumption and reducing wastage in the production process.

Our Commitment to Good Environmental Performance

Our Utilities Performance Index below reflects the progressive and positive impact of our thermal energy, electricity and wastewater initiatives these past few years:

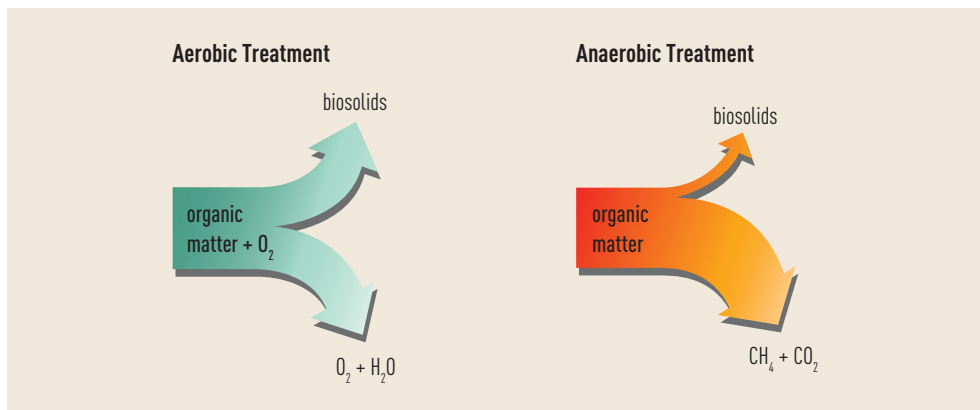


RECYCLING PRACTICES

Wastewater Initiatives

GAB's wastewater is treated at our wastewater treatment plant to ensure no harmful substances are discharged from the brewery. Two methods of biological treatment are used to treat this wastewater. The first method involves anaerobic treatment where biochemical reactions take place in the absence of oxygen. The organic carbon is then converted to CO₂ and CH₄ and biomass.

The second method utilises aerobic treatment where oxygen is associated in biological reactions. The organic carbon is converted to CO₂ and biomass. GAB's treatment of wastewater is fully compliant with local legislation.



Our Commitment to Good Environmental Performance



Packaging Standards

GAB's brews come packaged in glass bottles, kegs and cans. The primary packaging for our glass bottles includes crown corks and labels, while the secondary packaging includes cardboard and plastic film for transportation. All our packaging is governed by the highest quality standards such as ISO 9001:2000 and HACCP and we faithfully comply with statutory guidelines.

We strictly prohibit the use of known or expected carcinogenic or other harmful substances such as solvents and pigments. The coatings and inks we use for packaging materials such as labels and cans are free of heavy metals. The printing inks for labels intended for use on returnable bottles is free of copper to prevent wastewater treatment problems. We do not use any form of PVC in our crown corks liners.

All returnable kegs and glass bottles are sent back to the brewery where they are cleaned and reused. All cans, bottles, crown corks and labels that are rejected during the production process are separated and sold to assigned contractors for recycling. Broken kegs are sold as scrap metal.

Bi-products and waste

Our brewing process creates a number of bi-products, namely spent grain and yeast. We sell this spent grain as animal feed while the majority of the spent yeast is partially treated in the wastewater treatment plant.

GAB is committed to improving our processes, conserving resources and undertaking good recycling practices to minimise any business impact on the environment. As we pursue our vision of becoming an icon in business, we will work relentlessly to ensure GAB remains committed to environmental sustainability in a way that truly befits our role as a responsible corporate citizen.

Contact Us

We value your feedback. For any comments or enquiries, please contact :

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