



leading sustainably

Corporate Responsibility Report **2009**

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Message from the Managing Director

Corporate responsibility has become an integral component of GAB's operations and is a key focus area. Looking ahead, we will continue to implement responsible corporate practices that create sustainable value for our stakeholders.

Welcome to GAB's Corporate Responsibility Report 2009 which serves to articulate our corporate responsibility policies and practices and tries to show how deeply entrenched they are within our business operations. As you read this Report, we are confident you will gain some insights into how GAB is making good progress in balancing its strong bottom-line performance with strong environmental and social performance.

As we set our sights on realising our Vision of becoming an icon in business, we are committed to practising exemplary corporate conduct that creates sustainable value for our stakeholders and establishes enduring ties with them. I am pleased to report that as a result of our continuous efforts to create responsible and sustainable growth, GAB continued to make progress in the areas of Stakeholder Engagement, the Community, Workplace, Marketplace, and Environment in financial year 2009 (FY09).

Our various Stakeholder Engagement efforts saw us improve on trade partner engagement by initiating the inaugural GAB Distributor and Trade Engagement programmes and officially launching the GAB Academy, our dedicated trade partner engagement programme.



In the marketplace, we continued to implement sound and ethical business practices that are helping lay a strong foundation for us as we aspire to become a world class company. Through our latest Responsible Drinking initiative, GAB is taking the lead in advocating responsible drinking behaviour among our employees, trade partners, consumers and various other stakeholders.

On the community-front, we are making good headway in our efforts to enrich the communities we operate in. Our environmental, education and community initiatives under the umbrella of the GAB Foundation have gathered momentum and are making a positive difference to many.

Our workplace initiatives saw us substantially increase our investment in training and development activities as well as providing our employees nationwide with the opportunity to develop their full potential. Through measures like our Flexi-Time system as well as the sound occupational safety and health measures we have set in place, we are continuing to afford our people a better work-life balance while keeping them safe and healthy.

GAB is also continuing to make good progress in the way of environmental sustainability through undertaking environmental conservation initiatives and good recycling practices, all of which are delivering real cost savings and reducing the impact of our operations on the environment.

As a testament to our commitment to continuously improving every aspect of our business, including responsible and sustainable corporate responsibility activities, GAB was awarded Diageo's Asia Pacific Market of the Year Award. We were also a recipient of Asia Pacific's most prestigious awards for entrepreneurs – the Asia Responsible Entrepreneurship Awards (AREA) in the Community Engagement category. For our commitment to establishing workplace best practices, we received AREA's Investment in People Award. Moreover, in recognition of our commitment to corporate transparency, sustainability and responsible reporting, last year's Corporate Responsibility Report was shortlisted for the ACCA MaSRA Awards.

All these awards go to show that corporate responsibility has become an integral component of GAB's operations and is a key focus area. Looking ahead, we will continue to implement responsible corporate practices that create sustainable value for our stakeholders.

To enhance the credibility of our Corporate Responsibility Report, we engaged the services of a third-party to verify its contents. This is the first year we have done this and moving forward, we will be looking to further improve the quality of our Report and to have a more complete verification process in place.

I trust you will find the 2009 edition of GAB's Corporate Responsibility Report an enjoyable read.

Thank you.

A handwritten signature in black ink that reads "Cheryl".

Charles Henry Ireland
Managing Director

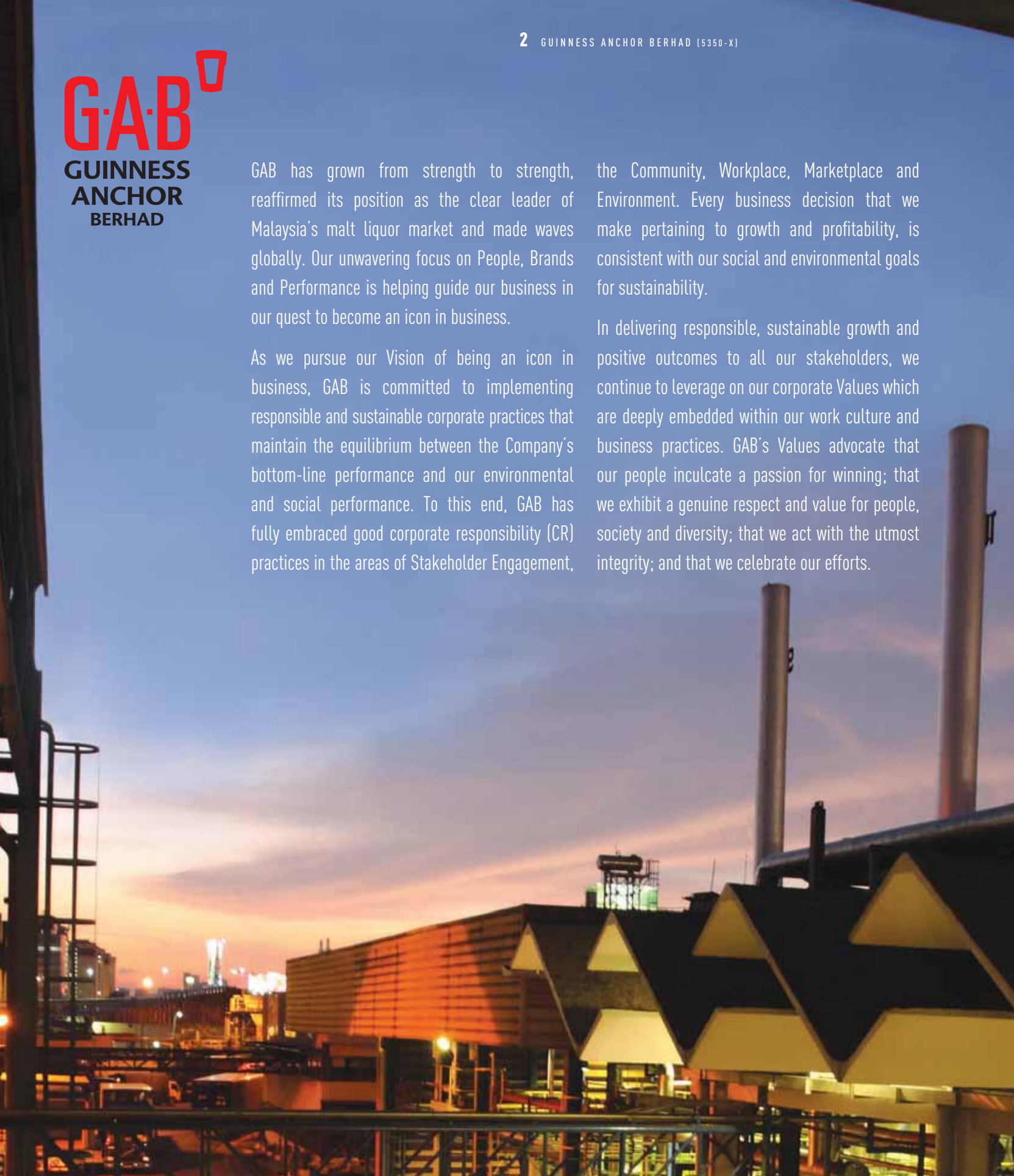


GAB has grown from strength to strength, reaffirmed its position as the clear leader of Malaysia's malt liquor market and made waves globally. Our unwavering focus on People, Brands and Performance is helping guide our business in our quest to become an icon in business.

As we pursue our Vision of being an icon in business, GAB is committed to implementing responsible and sustainable corporate practices that maintain the equilibrium between the Company's bottom-line performance and our environmental and social performance. To this end, GAB has fully embraced good corporate responsibility (CR) practices in the areas of Stakeholder Engagement,

the Community, Workplace, Marketplace and Environment. Every business decision that we make pertaining to growth and profitability, is consistent with our social and environmental goals for sustainability.

In delivering responsible, sustainable growth and positive outcomes to all our stakeholders, we continue to leverage on our corporate Values which are deeply embedded within our work culture and business practices. GAB's Values advocate that our people inculcate a passion for winning; that we exhibit a genuine respect and value for people, society and diversity; that we act with the utmost integrity; and that we celebrate our efforts.



Our CR programmes are providing us every opportunity to live out these Values. Through the GAB Foundation's focus on environmental conservation, educational support and community enrichment, we are exhibiting a passion for excellence and a healthy respect for people, society and diversity. Through our taking up an industry leadership role to promote responsible drinking and via our environmental conservation efforts, we are taking accountability for our actions and displaying integrity in our business practices.

About GAB

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 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 emerging as the holding company of GAB, whilst MBM became a dormant wholly-owned subsidiary of GAB.

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

A Responsible, Sustainable Business

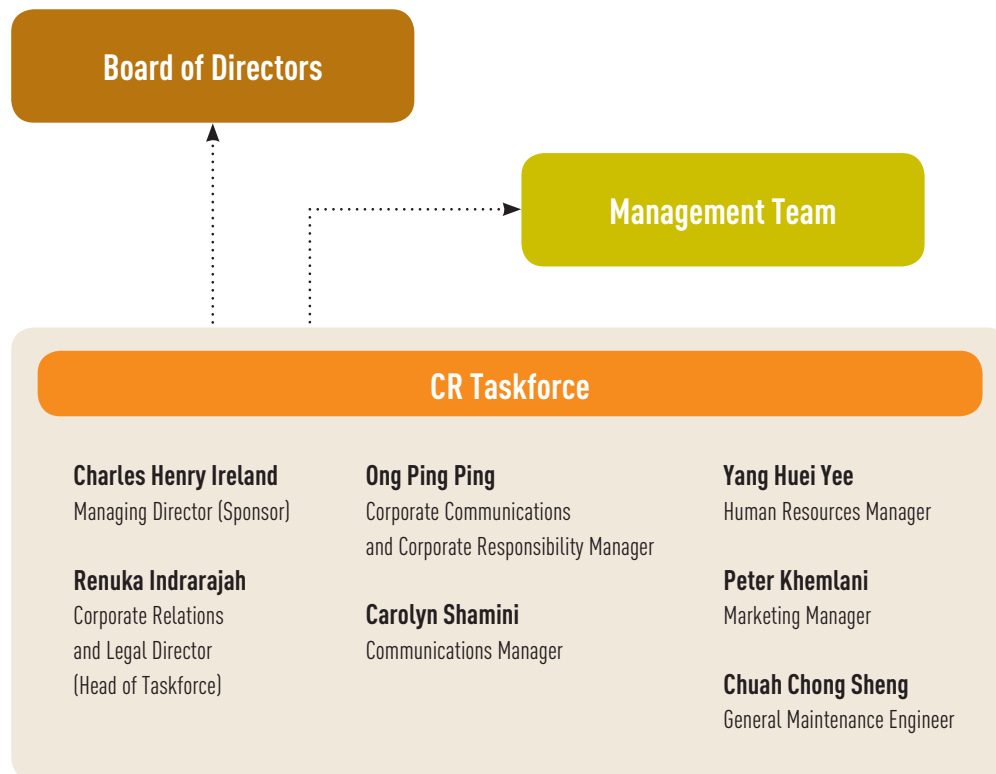
Our Corporate Responsibility Strategy

In alignment with our Vision, as well as our commitment to being open and transparent, we have formulated the following key CR strategies that are today driving GAB's overall CR programme:

- We will engage in open, honest and targeted dialogue with our diverse stakeholders through various platforms to ensure continuous alignment.
- We will enrich the communities in which we operate by focusing on three core areas – the Environment, Education and Community.
- We will create 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.
- We will undertake sustainable and responsible business practices in the marketplace that deliver positive outcomes to our customers, consumers, employees and the communities and environment that we operate in.
- We will minimise the impact of our operations on the environment by improving our environmental performance.

Our Corporate Responsibility Taskforce

GAB's 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. GAB's Management is updated on CR activities and plans every month while the Board is kept abreast of CR activities every quarter.



Our Commitment to Creating Economic Value

As we move towards being an icon in business, we are mindful that we have a responsibility not only for our own sustainable growth, but the overall malt liquor market (MLM) and the Malaysian economy. Year after year, we work hard to ensure our business activities impact positively upon a multitude of stakeholders that include the MLM, the tourism sector and the domestic economy. From the creation of job opportunities and revenue generation directly related to GAB, and indirectly connected to the MLM and related industries to the excise duty we pay to the Government, we are focused on generating positive economic growth all around.

This is how we are creating economic value for our various stakeholders:

ECONOMIC VALUE CREATION ACTIVITIES

Government Duty and Taxes

We pay around *RM730 million in total taxes annually to the Government.

* This comprises excise duties, import duties, sales taxes and corporate taxes.

Employment Opportunities

GAB directly employs around #1,300 people. 60,000 to 70,000 jobs are created indirectly within the MLM by the industry as a whole.

This figure includes full-time and contract employees.

Tourism Revenue Generation

GAB's support of music tourism and sports tourism in Malaysia through its many activities and events. These GAB-led and sponsored activities also provide a revenue stream to the many ancillary services involved.

Music Tourism Activities organised or sponsored by GAB:

GAB-led/sponsored activity	Number of Attendees	Ancillary Services Involved								
		Communication & PR agencies	Event Organiser	Printers for below-the-line collateral	Stage & total event crew	Local musicians	F&B	Hotel Accommodation	Local media coverage	International media coverage
Rainforest World Music Festival 2008	> 15,000	•	•	•	•	•	•	•	•	•
Penang International Jazz Festival 2008	> 3,000	•	•	•	•	•	•	•	•	•
St. Patrick's Day Celebration 2009	> 7,000	•	•	•	•	•	•	•	•	
Heineken Green Room Sessions 2008	> 1,220	•	•	•	•	•	•		•	

Sports Tourism Activities organised or sponsored by GAB:

GAB-led/sponsored activity	Number of Attendees	Ancillary Services Involved								
		Communication & PR agencies	Event Organiser	Printers for below-the-line collateral	Stage & total event crew	Local musicians	F&B	Hotel Accommodation	Local media coverage	International media coverage
Tiger Beer broadcast sponsorship of the ESPN Star Sports Barclay's Premier League and Tiger FC parties	> 40,000	•	•	•	•	•	•		•	•
Guinness 9 Ball Tour 2008	> 1,500	•	•	•	•	•	•	•	•	•
Guinness Jonah Jones Rugby Sevens 2008	> 1,000	•	•	•	•	•	•	•		•

Estimated total spend on organising and sponsoring the above music and sports tourism activities in 2008/2009: RM21 million

Our Commitment to Stakeholder Engagement

PROACTIVE STAKEHOLDER ENGAGEMENT

Recognising that our diverse groups of stakeholders are interested in different aspects of our business, GAB remains committed to listening, responding and engaging with each of these groups. Through proactive and open, honest and targeted dialogue with our various stakeholders over different platforms, we are successfully building goodwill and rapport as well as receiving constructive feedback from them.

Shareholder, Analyst and Media Engagement

Our shareholder, analyst and media engagement efforts see us providing this group with regular updates on the Company and our performance, as well as gathering their feedback on how GAB can be a better company. We also disseminate 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 Centre section on our website offers interested parties a wealth of timely information pertaining to GAB's financial highlights, dividend payments history and almost real-time share prices, among other essential details. We hold analyst and media briefings every half-yearly, while one-on-one briefings are held on an ad-hoc basis upon request.

At every Annual General Meeting (AGM), the Board presents a report on the performance of the Company and holds a question and answer (Q&A) session that provides 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.

GAB continues to make headway in our efforts to keep shareholders abreast of company developments and performance. Shareholder feedback from a survey conducted at our 43rd AGM indicated that our shareholders see the Company as providing good returns on investment and as being socially responsible. The results of this survey (which are available on our corporate website), also showed that our shareholders are pleased with our Annual Report and our AGM. On our part, GAB will endeavour to further improve our communications as part of our efforts to deliver satisfaction to investors.

Trade Partner Initiatives

ANNUAL CUSTOMER SATISFACTION SURVEY

To better gauge the needs of our trade partners, GAB's Sales and Marketing teams have developed an Annual Customer Satisfaction Survey. 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 going a long way in helping make us a better business partner and extending our market reach.



Recognising that our diverse groups of stakeholders are interested in different aspects of our business, GAB remains committed to listening, responding and engaging with each of these groups.

OUR COMMITMENT TO STAKEHOLDER ENGAGEMENT



Feedback from the inaugural Distributor Engagement Programme:

“We would like to maintain open channels with our distributors and will organise regular workshops or roundtable discussions for this purpose”

Charles Ireland, Managing Director, GAB

“We face many issues in this business, so it is good to be able to discuss them with GAB. This is important for our mutual growth”

Datuk Tee Seng, Managing Director, Joo Seng Sein Kee Sdn Bhd – GAB distributor for over 25 years.

“We can see that GAB really wants to engage with us. We appreciate their effort to answer our questions. This increases our confidence in the company”

Loke See Kee, Managing Director, Kum Wah Sdn Bhd – GAB distributor for over 40 years.

DISTRIBUTOR ENGAGEMENT

Among the many trade partner engagement activities carried out in the year under review, GAB's Distributor Engagement Programme was one that certainly helped build goodwill and strengthen ties with our distributors. This inaugural programme involved three Distributor Engagement sessions in Penang, Kuala Lumpur and Johore Bahru with some 63 participants or close to 95% of GAB's distributors (including our East Malaysian distributors) in attendance.

At these sessions, we updated distributors on the Company's progress and distributor developments, presented the results of our Annual Customer Satisfaction Survey, shared details of the GAB Foundation and our CR initiatives, as well as held frank and enthusiastic discussions on how all parties could further improve our ways of working together. This opportunity to exchange views and better understand each other has greatly strengthened our mutual regard for one another and the sense of partnership between GAB and our distributors. Our distributors also provided feedback that they found the sessions well organised and indicated what elements they would like to see going forward.

GAB Distributor Engagement Exercise (DEE) held on 27 - 29 April 2009

RESULTS FROM FEEDBACK FORMS	EXCELLENT %	GOOD %	AVERAGE %	POOR %
1. How was the organisation of the DEE:-				
a) Traders Hotel, Penang	30	70	–	–
b) Registration	40	60	–	–
c) Audio-visual	50	50	–	–
a) Grand Paragon Hotel, JB	–	75	25	–
b) Registration	–	80	20	–
c) Audio-visual	10	90	–	–
a) Palace of the Golden Horses, KL	10	90	–	–
b) Registration	10	90	–	–
c) Audio-visual	20	80	–	–
2. What did you think of the presentations:				
a) GAB Business Review	10	90	–	–
b) Customer Satisfaction Survey Results	10	80	10	–
c) GAB Foundation & CR Update	15	75	10	–
d) Dealer Development Update	15	75	10	–

RETAIL TRADE ENGAGEMENT

To strengthen ties with our retail trade partners, GAB conducted three Retail Trade Engagement sessions over the month of September 2009 in the cities of Penang, Johore Bahru and Kuala Lumpur. A total of 165 participants representing 93 outlets from all over Malaysia attended these sessions. The programme saw GAB officially launch GAB Academy – a new dedicated trade engagement programme, as well as updating trade partners on our business progress. We also held interactive sessions to discuss emerging food and beverage (F&B) trends in Asia as well as developments pertaining to new media. All in all, the success of our engagement efforts translated into the retail trade’s clear preference for GAB in the market downturn which did much to drive our business growth.

THE GAB ACADEMY

September 2009 saw the official launch of the GAB Academy, an initiative that has taken our trade engagement efforts up several notches. Prior to the launch, we had run a series of pilot programmes, beginning October 2008, to gather feedback and ideas as well as fine tune our efforts. Over time, these programmes evolved and the end result is the GAB Academy. Today, the Academy serves as a dedicated trade engagement programme that is designed to provide our key F&B partners with creative business solutions as well as product and customer training.

One of the Academy’s initial efforts – the HERO (Hotel, Entertainment & Restaurant Operators) programme, involves a series of product knowledge and skill training workshops for frontline bar and restaurant staff. Run by Australia’s leading hospitality consultants, the HERO initiative has to-date trained a total of 864 participants across Malaysia.

Feedback from GAB’s Retail Trade Engagement Programme:

“The presenters are really knowledgeable, and the knowledge is really good for business owners like us. It provides new platforms and opens up new opportunities for our business to grow. They’re going back to the fundamentals, and I love that.”

Ng Khye Ping
Soi Eleven



Trade Engagement & GAB Academy Launch in Penang, JB & KL held on 10, 11, 15 September 2009

RESULTS FROM FEEDBACK FORMS		EXCELLENT	GOOD	AVERAGE	POOR
		%	%	%	%
1	How was the organisation of the event?				
	a) Venue	58	41	1	-
	b) Registration	37	50	5	-
	c) Audio-visual	48	37	6	-
2	What did you think of the presentations?				
	a) 1st Presentation	47	52	1	-
	b) 2nd Presentation	50	48	1	-
	c) 3rd Presentation	51	40	3	1
	d) 4th Presentation	57	31	2	-
	e) 5th Presentation (only in KL)	53	44	-	-
		YES	NO		
3	Did you find the presentations beneficial?	99	0		
4	Were there sufficient opportunities for you to participate in the discussion?	74	5		

OUR COMMITMENT TO STAKEHOLDER ENGAGEMENT

As part of GAB's plan to promote responsible drinking, we have incorporated a Responsible Drinking and Serving module in the HERO curriculum. This module equips bar staff with knowledge of the alcohol content of various drinks, inculcates responsible bartending skills and provides tips on how to deal with difficult customers.

The fundamental philosophy behind the Academy is aligned with GAB's business strategy and vision of investing in people, including our business partners. By offering our key trade partners hospitality training workshops that help their outlet staff deliver exceptional customer service experiences to their patrons, we are helping them develop and grow their businesses, and in turn our own.

Going forward, we are confident that continued investment in our trade partners through initiatives like the GAB Academy will pay long-term dividends and help us maintain our position as the market leader in the MLM. The GAB Academy's latest effort, the VIP (Very Important Partners) Trade Programme, has been developed exclusively for business partners with the main purpose of building and retaining a long term and sustainable relationship through value-added offerings such as the generation of actionable business ideas.

Engaging Regulatory Authorities

As the malt liquor market's (MLM) clear market leader, we take it upon ourselves to proactively engage with the Government and other stakeholders on a regular basis to present our views of the industry and forge

better working relationships with these groups. Through our close collaboration, we have been able to share our perspectives on the MLM and extend cooperation where needed.

The duty-paid MLM continues to be subject to sales and excise duty taxes with Malaysia having the second highest taxes on beer in the world. With high beer and stout prices adversely affecting consumption levels and stifling market growth, GAB is leading the way in engaging relevant government agencies to highlight the issues faced by the MLM.

Our efforts to-date include engaging and holding regular dialogues with the Ministry of Finance and the Customs Department on issues pertaining to excise duty and high levels of smuggling. We have also engaged the Ministry of Information and Culture on obtaining approvals for events and presented materials to the Ministry of Tourism showing how GAB supports music and sports tourism in Malaysia. We engaged a third party to undertake a survey on what tourists on holiday want and we shared these findings and our recommendations with the same Ministry.

GAB representatives also hold quarterly meetings with the Customs Department to share mutually beneficial information, and we are actively working with the Ministry of Domestic Trade, Cooperative and Consumerism as well as Customs to combat illicit activities. We have also initiated a meeting with the Road Safety Department and are continuing to engage with the Ministry of International Trade and Industry on issues affecting the industry.

According to feedback gathered from seven outlets, 100% believed the GAB HERO initiative benefited their outlets, while 71% saw an improvement in their staff as a result of the training.

Our Commitment to Responsible Marketplace Practices



We self-regulate our behaviour and take full responsibility for the social and environmental impact of our marketplace practices and policies.

GAB'S RESPONSIBLE DRINKING VISION

GAB wants to take the leadership in making a significant and sustainable impact on creating a more positive role for alcohol in society by encouraging responsible drinking. We believe that moderate drinking can be a part of a balanced, positive and healthy lifestyle and is a valued and enjoyable part of life.

In assuming a leadership role advocating responsible drinking, we have formulated this Statement of Intent:

OUR STATEMENT OF INTENT

- GAB is committed to ensuring its employees understand the nature and effects of alcohol and expects responsible drinking behaviour from all its employees at all times.
- GAB is committed to raising awareness regarding responsible drinking amongst its stakeholders.
- GAB ensures that all its activities and communications meet legal requirements and do not encourage irresponsible drinking.

ROLE OF THE GAB ACADEMY

We recognise that our trade partners' outlet bar staff are ideally placed to influence the attitudes and behaviour of their customers and deal with situations of alcohol misuse. As part of GAB's intention to raise awareness regarding responsible drinking, GAB has introduced a Responsible Drinking and Responsible Serving module as part of the GAB Academy curriculum. This equips bar staff with knowledge of the alcohol content of various drinks, inculcates responsible bartending skills and provides tips on how to deal with difficult customers.

OUR COMMITMENT TO RESPONSIBLE MARKETPLACE PRACTICES

UPHOLDING RESPONSIBLE BUSINESS PRACTICES

As we endeavour to be a responsible corporate citizen, GAB is committed to undertaking sustainable and responsible business practices that deliver positive outcomes to our customers, employees and the communities and environment that we operate in. To protect GAB's reputation and our stakeholder's interests, as well as to enhance our long-term competitive and financial position, we self-regulate our behaviour and take full responsibility for the social and environmental impact of our marketplace practices and policies. This approach also helps us mitigate potential risk on the financial, regulatory and consumer fronts.

Responsible Reporting

GAB is committed to undertaking transparent reporting for the benefit of our stakeholders, while at the same time consciously preventing the disclosure of any confidential information that could benefit our competitors. Details of the Company's internal controls and corporate governance measures can be found in our Annual Report 2009 or on our website at www.gab.com.my

Responsible Marketing

In line with our practice of self regulation throughout our organisation, GAB's Code of Marketing Practice outlines strict guidelines that GAB's employees and representatives are to follow when marketing and promoting the Company's products.

The Code of Marketing Practice spells out that we are to sell our products in a responsible manner only to consumers of legal drinking age, that all promoters who sell beer should be over 18 years of age, that we never target minors with our promotional events, and that even our brands' websites highlight the fact that the content is suitable only for those over the legal drinking age. GAB also holds regular briefings with our agencies to ensure compliance with the Code of Marketing Practice and we have strict approval processes in place. All in all, our marketing code aims to ensure 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 the Malaysian International Chamber of Commerce and Industry (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

We undertake strategic planning and tracking which is integral to the sustainable growth of GAB's business. Our Management reports to the Board of Directors, which currently has nine members (including an Alternate Director), two of whom are Executive Directors. Four out of the remaining six Non-Executive Directors, including the Chairman, are independent. Regular meetings are held between GAB's Management and the Board during which strategic planning, operational performance and related matters are discussed.



Every year, Management prepares a three-year strategic and operational plan, in which 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

As GAB operates in a highly competitive and challenging environment, we have in place ongoing processes to identify, evaluate and manage the risks faced by the Company as it pursues 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 Finance Director 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 GAB's brands and products is crucial to our success. As such, 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 these certifications successfully renewed year after year.

- **Currency and Interest Risks**
GAB's Treasury Risk Committee (comprising representatives from the Finance, Supply Chain, Purchasing and Sales Departments) meets on a quarterly basis to review risks relating to cash flows, foreign currency exposure and interest rates. GAB also engages in an exchange rate hedging programme to minimise our exposure to exchange rate fluctuations.

CONTROL ASSURANCE AND RISK MANAGEMENT

GAB has also implemented Control Assurance and Risk Management (CARM), a web-based self-assessment programme. CARM requires each business unit to evaluate and ensure that it has appropriate controls in place to manage a broad range of risks arising from day-to-day business activities. CARM emphasises internal controls over financial reporting for the purpose of compliance with the requirements of the US Sarbanes-Oxley Act and focuses on transparency, accountability and safeguarding of assets.

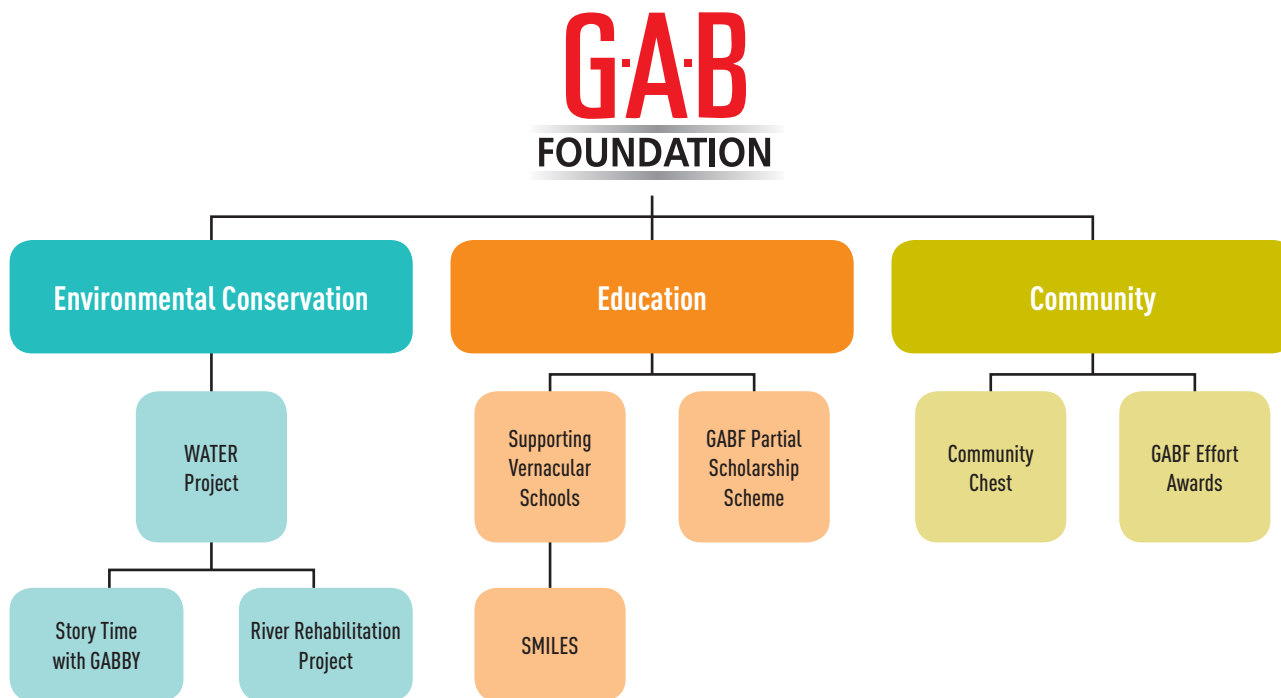
CRISIS MANAGEMENT

The Group has in place a comprehensive Business Continuity Plan as an integral part of the Group's strategy to mitigate risks and manage the impact of crisis events. Crisis simulations are conducted periodically to enhance the Group's preparedness in crisis and emergency response so as to ensure that there is no disruption to its operations and business during a crisis or disaster.

The recent H1N1 situation saw the implementation of preventative measures by the Business Continuity Committee as part of our crisis management process.

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.

Our Commitment to Enriching Communities



ENRICHING THE COMMUNITY

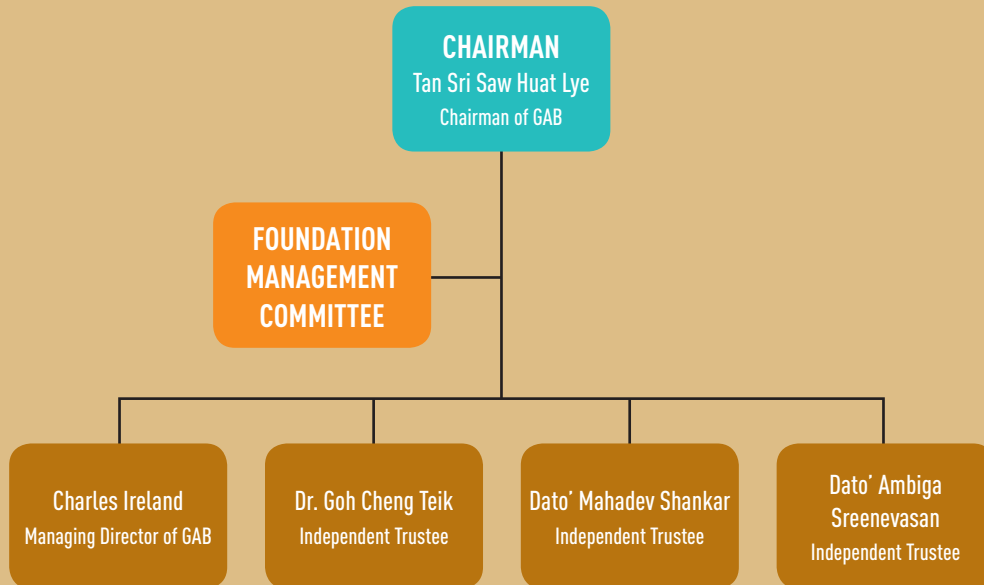
As we pursue our Vision of becoming an icon in business, GAB remains committed to enriching the communities where we operate and building enduring partnerships with them. To this end, we implement community programmes that encompass three main areas, environmental conservation, investments in education and community projects. We monitor our progress in these areas carefully and report this regularly, publicly and transparently to our stakeholders. Over FY09, we continued to roll out several community-enriching programmes.

The GAB Foundation

With its focus on environmental conservation, educational support and community enrichment, the GAB Foundation continues to make progress to enrich the lives of individuals and communities. Formed in July 2007 to spearhead GAB's CR activities, the GAB Foundation was officially launched on 17 March 2009 by YB Datuk Douglas Uggah Embas, the Minister of Natural Resources and Environment.

Within its three key pillars, 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 of striving for excellence, acting with integrity and having a genuine respect for people, society and diversity.

Structure of the Board of Trustees



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 and Dato' Ambiga Sreenevasan who was the former President of Malaysia Bar Council.

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.

With its focus on environmental conservation, educational support and community enrichment, the GAB Foundation continues to make progress to enrich the lives of individuals and communities.

OUR COMMITMENT TO ENRICHING COMMUNITIES

A Resident's Thoughts on the River Rehabilitation Project

"Before, we only knew how to dump rubbish into the river, we didn't think about what would happen afterwards. But now, we've learnt the importance of keeping the river clean. People are willing to go into the river and collect rubbish. This is something no one would have done before. The river used to be smelly and full of rubbish. Now, we are so proud of it. We can now look at it as a sungai (river) not a parit (drain).

The understanding of the residents on the importance of keeping the river clean has improved and this is reflected in the river's current condition. We have residents going into the river to clear the rubbish voluntarily and they even have a small area to turn the rubbish into compost. We are grateful to the GAB Foundation and GEC for helping us to improve our river as it will also improve the quality of life here."

R. Saravanan – President of Resident's Association

Environmental Conservation Pillar:

THE WATER PROJECT

Through the GAB Foundation, we are helping conserve the environment through our WATER (Working Actively Through Education and Rehabilitation) Project which involves rehabilitating rivers and promoting good water usage habits among children.

We chose water conservation as our main environmental focus because clean water is a vital ingredient of our products. Clean water is essential for sustaining life and therefore the main aim of our WATER Project is to protect our water source and supply, ie. our rivers. We decided to start in our own backyard.

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 engages 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.

This project is the first-of-its-kind in the country because it engages the community living along the river to help with the river's rehabilitation efforts. Working together with Global Environment Centre (GEC), a non-governmental organisation (NGO), we conducted education and training sessions for residents, business partners and GAB employees to educate them on recycling and composting.

The Foundation also successfully created excellent working partnerships with the Petaling Jaya City Council (MBPJ) and various Government departments such as the Department of Environment, Drainage and Irrigation, Department of National Unity and Integration and the Fisheries Department, all of whom pooled their resources for the betterment of the community. For instance, the Drainage and Irrigation Department installed rubbish and grease traps at various locations along Sungei Way, while we jointly organised a river carnival with the MBPJ. Residents too have shown tremendous commitment in that they are willing to physically wade into the river to remove trapped rubbish. The construction of a recycling and composting centre for the community is another tangible illustration of the project's success to-date.



Several other measurements are spelling out the project's success so far. Where initial biodiversity studies of the river had shown that no aquatic life was present, recent evidence indicates that certain fish species are being spotted more frequently than before such as snakes, catfish, eels and even tortoises. Birds, including herons, have also been sighted, indicating that the rehabilitated river has started to become a food source for these creatures.

Going forward, GAB will continue to create awareness about the project and get the upstream community in the SS3 and SS9A areas involved. We will also continue with our water quality, solid waste management and biodiversity studies to ensure the river is on the right track to being fully rehabilitated. We see habitat creation practices continuing and will soon make available a River Care Cabin for public use. The River Care Cabin will carry interactive exhibits, resources and equipment to deliver water and river education to communities and schools. Today, a dedicated website

(www.waterproject.net.my) provides background information on the river rehabilitation project as well as highlights the progress thus far.

Story Time with GABBY

The Foundation's 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 incorporating three storytelling modules (i.e. water cycle, water pollution and water conservation) was specially developed by professionals in the field of child development to facilitate these storytelling sessions.

As at September 2009, 18 storytellers (including childcare workers and kindergarten teachers) have been recruited and trained to carry out storytelling sessions in English, Bahasa Malaysia, Tamil and Chinese. Public sessions have been held at selected community centres, welfare homes, kindergartens and schools at over 57 venues and for about 600 children.

Following each session, parents and children are 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, 80% welcomed the extensive use of art and craft, props, visualisation and good mix of interactive participation.

Going forward, the GAB Foundation will focus on reaching out to community centres and schools in different states. A GABBY Club is currently being set up to continuously engage the children who have undergone the storytelling sessions. The club will play its part in constantly reminding children about the importance of conserving water via a quarterly newsletter that will carry articles, quizzes, cartoons, short stories and puzzles.



As at September 2009, 18 storytellers have been recruited and trained to carry out storytelling sessions in English, Bahasa Malaysia, Tamil and Chinese.

OUR COMMITMENT TO ENRICHING COMMUNITIES

Education Pillar

We believe that education is the foundation of any community and therefore it is important that we assist children to reach their highest potential through our programmes. We created the SMILES programme for Tamil vernacular schools under the GAB Foundation, and the Dragon Mission initiative under GAB for Chinese education. The GAB Foundation's Partial Scholarship Scheme too is providing opportunities for those intending to pursue higher education.

SMILES

On 18 September 2008, the Foundation officially launched the SMILES (Supporting Malaysian Indian Learning, Education & Sports) programme aimed specifically at the Malaysian Indian community. The SMILES programme represents the Foundation's, as well as GAB's, long-term commitment to contributing towards the betterment of the Malaysian Indian community.

The first SMILES-supported initiative was the Total Immersion Camp (TIC). This intensive 21-day English proficiency programme, run by an NGO, the Tamil

Foundation, provides 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.

Through fund-raising initiatives, we successfully raised a total of RM230,000 for the SMILES programme, all of which was donated to the Tamil Foundation to fund projects specifically aimed at helping Tamil school children. Of the total amount collected, RM150,000 of these funds went towards sponsoring 280 Year Six Tamil school students enrolled in the TIC. Pre and post-evaluation tests conducted for these 280 students at the first TIC showed a marked improvement in their English proficiency.

The objectives of the TIC 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.

Reading Corners

The SMILES reading corners act as a supplementary factor in assisting students to further improve and expand their English language proficiency. The reading corners consist of storybooks, reference books, bookshelves and furniture. It is our hope that through the setting up of these reading corners, we are able to cultivate an interest in reading English among Tamil school children. Some RM80,000 of the initial RM230,000 raised for SMILES went towards setting up reading corners in six Tamil schools in Kuala Selangor and Mukim Ijok. The Foundation received thank you letters from the principals and teachers of these schools, while principals from other schools have approached us to consider setting up these reading corners at their schools.

"Saya selaku Guru Besar sekolah ini mengucapkan ribuan terima kasih di atas sumbangan GAB Foundation, di mana sumbangan anda memberi faedah yang amat berguna kepada murid-murid sekolah kami".

Madam Manimoli - Guru Besar,
SJK (T) Ladang Tuan Mee



“Since its inception in 2007, the GAB Foundation has raised and contributed RM600,000 to help Tamil school children”.

Renuka Indrarajah
 Director, GAB Foundation Management Committee

English Enrichment Programme (EEP)

In 2009, the Foundation lent support to the English Enrichment Programme (EEP), an extension of the TIC. As a programme, the EEP has the opportunity to have a greater impact because students are coached from Year One onwards. The EEP aims to provide students with additional lessons over and above their regular curriculum. Students participating in this programme will go through an additional three-hour English lesson each week for a period of 12 months. To-date, over 500 students in 15 schools in the Klang Valley, Rawang, Malacca and Pahang are benefiting from this sponsorship.

Moving forward, we will continue to support the EEP programme through follow-through efforts until the children have completed their Year Six studies. We also plan to increase the number of schools and children that we sponsor under the EEP.

GAB Foundation Partial Scholarship Scheme

Our Partial Scholarship Scheme aims to assist deserving Malaysian students who are embarking on or are already pursuing higher studies at the certificate, diploma or undergraduate study levels in recognised Institutions of Higher Learning. By playing a stronger role in encouraging children to excel in education, the GAB Foundation hopes to help these children realise their full potential.

First opened to the public in January 2009, the Scheme attracted tremendous response with hundreds of applications sent in. Candidates were shortlisted based on a set selection process. Under the scheme, the following amounts are disbursed to successful applicants at the beginning of each financial year, until the completion of their studies, or for a maximum of four years:

- RM10,000 per year per successful applicant for undergraduate studies;
- RM5,000 per year per successful applicant for diploma or advanced diploma courses;
- RM3,000 per year per successful applicant for certificate courses.

“I’m happy to be selected for the scholarship. It has always been my father’s dream to see me pursue my education in a local university”.

Tan Aik Keat, scholarship recipient pursuing a medical degree at Universiti Malaya



OUR COMMITMENT TO ENRICHING COMMUNITIES

Dragon Mission

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. The number of outlets participating in this year's Dragon Mission campaign increased from 3,302 refreshment outlets in FY08, to a total of 6,166 refreshment outlets, 1,539 pubs and bars and 247 superstores in FY09.

Following the success of the initial Dragon Mission campaign, Dragon Mission FY09 was kicked off on September 26, 2008 with a bigger target. The programme saw GAB raise more than RM2.8 million in support of Chinese education. Dragon Mission has today evolved into a fully fledged corporate responsibility programme which sees the campaign expanding its remit to include extra-curricular activities aimed at the development of well-rounded Malaysian Chinese youth. Our current brand initiatives, namely Tiger Sin Chew Chinese Education Charity Concert (CECC) and the Guinness Torch Fund (GTF), have now been aligned under the Dragon Mission umbrella.

Community Pillar

Currently, we engage the community through our GAB Foundation activities that include our River Rehabilitation Project, Story Time with GABBY, SMILES and Dragon Mission. Come the new financial year, we will step up our community activities and actively get our staff involved in independent community projects. Going forward, GAB pledges to work with the community through education and engagement activities for their betterment.



Our Commitment to Workplace Best Practices

We place much emphasis on continuous learning and growth so that our employees can make the most of their careers, plus we advocate and encourage a work-life balance.



CREATING AN INSPIRING WORKPLACE

GAB is dedicated to creating an inspiring workplace that attracts and retains highly skilled people. We place much emphasis on continuous learning and growth so that our employees can make the most of their careers, plus we advocate and encourage a work-life balance. On top of this, our succession and development planning process ensures a steady flow of leaders across the organisation to meet both the career aspirations of our people and the future business needs of GAB. As we pursue our aspiration of being an icon in business, we are beginning to see the fruit of our efforts in the harmonious, industrious and talented workforce that is driving GAB today.

To reflect GAB's ambition of being the Malaysian Employer of Choice, the following workplace best practices and policies are in place within the Company today:

Vision and Values

At GAB, we are passionate about living our corporate Vision and Values. These attributes are embedded deeply within our Company policies, procedures and work culture and they shape the way GAB is run on a day-to-day basis.

Our highly ambitious Vision calls for GAB to become "an icon in business, respected the world over for delivering exceptional growth in people, brands and performance." Set in place in FY07, our Vision continues to inspire our employees to move up to new heights of excellence and transform us into a world class company.

An integral part of our work style and culture, GAB's Values represent the shared beliefs upon which GAB and its employees act. Our Values guide us in how we are to behave as a business and as individuals as we pursue our quest to become an icon in business. Already strongly inculcated in our employees who are performing at a high level of consistency with them, our Values call for us to exhibit the following qualities:

WE HAVE A PASSION FOR WINNING

We are driven by a passion to be the best in everything we do.

WE VALUE AND RESPECT EACH OTHER

Our people and society are diverse and different, and we value and celebrate all our differences. We respect our environment and are committed to protect it. We value the community in which we operate and strive to enrich it. We aim for our people to have balance in their work and their personal lives.

WE SHOW INTEGRITY IN ALL THAT WE DO

We are responsible, trustworthy and honest in everything we say and do and in the way we manage our business.

WE PROVIDE ENJOYMENT

We create an environment where our people enjoy their work, our partners enjoy working with us and our consumers enjoy our products.

OUR COMMITMENT TO WORKPLACE BEST PRACTICES

HR Pillars - Staff feedback

How do you feel the 7 Pillars have improved, empowered and motivated you?

“I believe the strength of the organisation lies in its people. The Grows People Pillar is excellently implemented and GAB offers many training and development programmes and opportunities. The 7 Pillars have empowered me to make decisions, motivated me to excel and I am paid a competitive salary. Kudos to the 7 Pillars.”

Steven Sebastian, Inventory Executive, been with GAB for 29 years

“The 7 Pillars have created an improved working environment and led to improved performance by staff. GAB has a genuine passion for developing people, and I think this has a direct and positive impact on the company’s performance.”

Tham Kam-Chin (Jason), Sales Executive, been with GAB for 22 years

The 7 HR Pillars

GAB’s 7 HR Pillars were developed by our Managing Director and Human Resources Director in early 2007 to sustain the changing needs of the business. The main objective for developing the HR Pillars was to give weightage and focus to the areas that Management deemed important for developing, growing and caring for our people. We wanted our people to know that their interests were at the heart of the business and that GAB was focused on providing them careers and opportunities as opposed to just being a place to work at.

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.

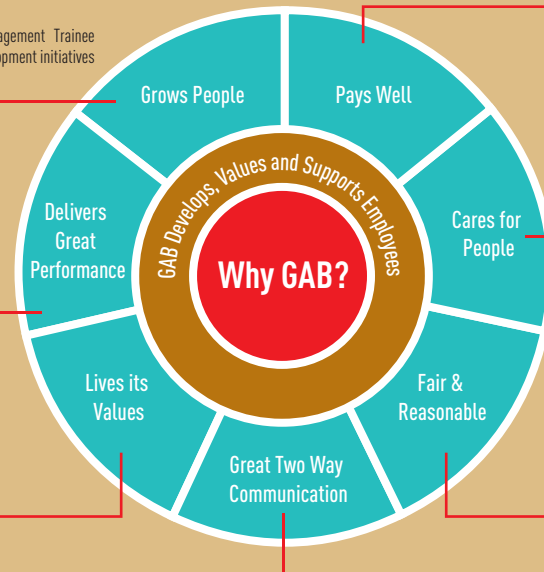
We believe that our values give us our identity and are the cornerstones upon which our relationships are built. We work tirelessly to ensure that our actions are always consistent with our values.

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.

The 7 HR Pillars were thus introduced to our employees to improve, empower, motivate and reward them for great performance, regardless of race and gender. As Management made a commitment to rolling the HR Pillars out over a three-year period, GAB's employees were immediately drawn to the initiatives.

Today, the 7 HR Pillars serve as the foundation of HR's services to GAB's people. They are helping us to truly focus on being the Employer of Choice by creating a conducive working environment that encourages high productivity and creativity; one which is providing our people a sense of work-life balance and fulfilment.

In line with each of our 7 HR Pillars, a variety of employee initiatives are planned and implemented each year. Once set targets are achieved, we evaluate, fine-tune and improve on our efforts and strategies. The following are some of the initiatives that are in place at GAB:

FLEXI-TIME

Recognising that employees who are happy in their personal lives, are more productive and efficient, GAB introduced the Flexi-Time system to help employees balance their work and personal lives. Launched on 31 March 2008, this system 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. To-date, Flexi-Time has proven to be a system that is helping produce happier, more satisfied and more efficient employees.

HEALTHY LIVING INITIATIVES

As healthy employees are happier and able to perform better, GAB makes every effort 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. 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. Health talks are also conducted to encourage employees to lead a healthy lifestyle while our Fruit of the Month initiative involves the provision of different types of fruit every month to encourage healthy eating.

Also available for employees is an in-house clinic within the premises of the brewery where a doctor is available for consultation every morning from Monday to Friday at 9 – 10am.

“Through helping us better balance our time between our work and families, Flexi-Time is truly helping develop more efficient employees.”

Michelle Yong

“It has enabled me to spend more time with my family especially my children.”

Joy Lim

EMPLOYEE ENGAGEMENT ACTIVITIES

As part of our efforts to foster stronger bonds with our employees and their families, we continue to undertake employee engagement activities at both departmental and Company-wide level. In the past we have provided the opportunity for families of our employees to visit and tour the workplace so they can better understand the nature of their loved ones' work. We also organised a futsal competition among the different departments to foster positive employee sentiments and held festive celebrations to celebrate Deepa-Raya and Chinese New Year with employees.

For Christmas, Heineken erected its special Christmas Tree, made entirely out of Heineken bottles, at the Brewery and hung special stars on the tree. Each star carried the Christmas wish of a child. Employees could then pick a star and buy the Christmas gift for that child. They later had the opportunity to visit the homes to personally present the children with the gifts.

Going forward, we plan to implement an Annual Employee Services Day whereby a one-stop services centre offering employees health and medical check-ups, as well as financial planning and taxation services, among others, would be set up for a day.



OUR COMMITMENT TO WORKPLACE BEST PRACTICES

DEVELOPING A WORLD CLASS CULTURE

As we accelerate closer towards our Vision of becoming an icon in business, we continue to bring world class processes, technologies and a strong culture of excellence into play. GAB's Total Productive Management (TPM) programme, now into its fifth year of implementation, continues to play an integral role in helping elevate GAB's performance to greater levels of success.

GAB's TPM programme is centred on the global Heineken TPM programme and guided by Heineken TPM consultants. It has gone a long way in helping inculcate a zero loss mindset among our people. To ensure the TPM mindset is continually applied to all aspects of our operations, we implement structured TPM training modules for our people. Our employees also participate in educational trips to other breweries and manufacturing facilities to assimilate their TPM and integration activities. The many effective TPM initiatives have gone a long way in helping GAB enhance workplace efficiency and eliminate wastage thereby lowering our 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.

For the third year running, GAB has won the coveted Guinness League of Excellence Award for the best quality Guinness brewed outside of Ireland.

We were also named winner of the Tiger Quality Award and the Tiger In-market Quality Award in 2008 for consistently delivering on the Tiger brand promise to consumers.

GAB was the winner of Diageo's Asia Pacific Market of the Year Award, which recognises a business that has displayed continuous improvement in every aspect of the business.

All these accolades underscore the fact that GAB's culture of excellence and TPM initiatives are taking us much closer towards achieving our vision of being an icon in business. Going forward, HR will continue to play the role of the champion of the TPM Training and Development Pillar, supporting GAB's evolution into a Learning Organisation.

FOSTERING OPENNESS

To ensure better communication, enable faster decision making and nurture the GAB team spirit, we continue to implement several initiatives to foster openness throughout our organisation:

Open Plan Environment

All GAB's 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 which does away with personal office space was initiated in 2007 and continues to be rolled out across our regional offices.

Internal Communications

Focus group meetings were held between April and June 2009 across all departments to gather feedback and ideas on ways to enhance our internal newsletter, Tavern Talk, as an effective internal communication tool. The result of this exercise is the launch of The ICON, a publication in a more magazine-like format to replace Tavern Talk. The ICON magazine joins us in documenting and celebrating our people and our activities as GAB journeys to becoming an icon in business. It will continue to be the voice of employees where they are actively involved and engaged in its publication.



Monthly Updates

GAB's MD continues to share his thoughts and perspectives on GAB as well update us on business developments via his monthly updates. 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 will have had the a chance to sit in on these breakfast meetings.

National Commercial Conference

At our annual national conference for the Sales and Marketing teams, all heads of departments are provided a platform to share their plans for the coming financial year. The Sales Director and MD share the 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.

Supply Chain Conference

Our Annual Supply Chain Conference gives the opportunity to division heads within the Supply Chain Department to share with their team the plans for the coming financial year. Similar to the National Commercial Conference, an open dialogue session is organised for participants to ask any questions they wished. However, due to time constraints at the conference, not all questions were answered. The Supply Chain Director and MD held several special sessions at the brewery after the conference to personally answer the remaining questions.

Supply Chain Sectional Briefings

Each section within the Supply Chain Department meet once every quarter for a briefing by their section heads. These briefings are aimed at updating employees on the progress of their sections and to present new developments. Every session, also attended by the Supply Chain Director and HR Manager, ends with a question and answer session.

13th Collective Agreement

We continue to receive good support from the Union of Beverage Industry Workers (the Union) with whom we enjoy an excellent relationship. The year under review saw GAB signing the 13th Collective Agreement (CA) with the Union after only three sittings. Amidst the current economic slowdown, the CA spells out very attractive benefits for the Union and was commended by the Minister of Human Resources who was present at the signing ceremony for the CA.

GAB is one of the first companies in the beverage industry to include corporate Key Performance Indicators (KPIs) into the remuneration system. The margin of increment for the 13th CA is 9%, compared to the market average of 6%. This is in line with GAB's commitment to reward and recognise its employees for excellent performance. The CA also incorporated a marginal increase in insurance coverage and other benefits that will impact positively on staff morale in these trying times. Going forward, GAB will continue to engage with the Union and share our development plans while maintaining a harmonious relationship with them.



OUR COMMITMENT TO WORKPLACE BEST PRACTICES

EMPLOYEE TRAINING AND DEVELOPMENT INITIATIVES

GAB's people 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 our people 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.

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 and secondment opportunities.

Skills and Competency Development

Our training programmes are competency-based to grow people; meaning that our programmes do not merely focus on meeting GAB's needs, but also each individual's developmental needs. GAB's commitment to employees is that they will have a lifelong career development plan which will incorporate their career direction, a training path and perhaps even the opportunity to take on international assignments.

In FY08, we increased our training and development budget by 25% as part of our commitment to skills and competency development and employee empowerment. That training budget paved the way for employees to have specific job-related training and also general management competency training. In FY09, our training budget was increased by a further

50% and we were able to plan a 12-month schedule based on specific training needs. GAB's commitment is to ensure that everyone within the Company attends at least one training session each year.

The year under review also saw us taking training and development activities to the regions for the first time to minimise travelling disruptions. Our increased budget is going a long way in ensuring everyone within GAB is able to benefit from training and development initiatives.

International Assignments

GAB continues to get the cooperation and commitment of our shareholders to open up overseas opportunities to our employees. In FY08 our former Marketing Manager for Tiger Beer, Charles Wong, successfully secured a role as a Marketing Manager for Diageo in Ireland. Following in Charles' footsteps, our Regional Sales Manager, Alex Wong was seconded to Jakarta, Indonesia for a three year stint at Diageo. Alex joined GAB in September 2001 as our Sales Operations Executive. He was then promoted to Sales Promotions & Merchandising Manager for the Petaling Jaya (PJ) Region before moving on to become the Regional Sales Manager for PJ and then for Central S&R.

In his new role, Alex will assume among other responsibilities, the responsibility for the commercial development of Diageo's beer and spirit interests in Indonesia and the professional development of his sales team. He is also tasked with looking after the trade and channel strategy and international spirits portfolio while taking the commercial lead on key innovation projects in the beer, spirit and RTD categories.

Both Charles and Alex's assignments attest to the confidence that our brand owners have in GAB-trained people. We wish both these gentlemen every success in their endeavours. As we move forward to becoming a world class company, we will continue to engage our shareholders for similar overseas assignments that involve secondment opportunities for our senior managers as well as management trainees.

Leadership and Management Training

Training plans and career development plans are in place for all GAB's Leadership Team (who are direct reports of the Management Team) as well as the entire Management Team. Our Leadership Team is privy to leading training opportunities as they are being groomed and moulded to become future leaders of the Company.

In FY07, our batch of six management trainees began the Management Trainee Programme involving 18 months of cross functional training within GAB. They have since successfully graduated from the programme and a new batch of trainees has been recruited. Today, a newly improved and more robust Management Trainee Programme is in place which incorporates regular assessment and feedback sessions with trainees. Under the new programme, management trainees will be given extensive exposure and training and will be required to undertake important company-wide high-impact projects.

Come FY10, a Young Managers Programme will be implemented to attract mid-level talent. HR is also looking to implement a targeted training and development plan for the Leadership Team over the next one to two years.

Internal Promotions

GAB's Hiring Policy encourages hiring 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 encouraged to apply for international secondment. These initiatives all serve to provide us with a highly capable and diversified talent pool, all the better if they have cross functional exposure. Last year, GAB promoted or moved for development 83 of its employees from within the organisation.

Ms. Yap Swee Leng made a lateral move from Senior Marketing Manager to Regional Sales Manager (RSM), becoming the first female employee to assume this role. As RSM, Swee Leng is responsible for leading the Central EDP sales team and for developing the national EDP channel strategy. Her move to a senior sales role is a key component of her broader development plan.

CODE OF CONDUCT

A clear and comprehensive Code of Business Conduct is in place which dictates 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.

Employee Alcohol Policy

Our Employee Alcohol Policy sets down guidelines for responsible drinking and deems what is acceptable behaviour among GAB employees. We are in the process of benchmarking this policy against that of our brand owners.

Responsible Drinking Initiative

Our new Responsible Drinking initiative reflects GAB's commitment to ensuring our employees understand the nature and effects of alcohol and highlights our expectation of responsible drinking behaviour from all our employees at all times.

One of the components of the initiative is the DrinkiQ programme, a responsible drinking educational programme initiated by Diageo. Our Leadership Team has undergone DrinkiQ training and we have trained facilitators to roll this out to the rest of GAB. This interactive session on responsible drinking helps our people reflect on the factors that help them make decisions pertaining to drinking. Moving forward, we will roll DrinkiQ out to all GAB employees and continue to reinforce the awareness of responsible drinking within GAB.



OUR COMMITMENT TO WORKPLACE BEST PRACTICES

OCCUPATIONAL SAFETY & HEALTH MEASURES

Sound OSH Practices

In line with GAB's strong commitment to good occupational safety and health (OSH) practices, we are undertaking proactive OSH measures throughout our operations to ensure a smooth, undisrupted work flow. We place the highest priority on raising awareness, providing training and changing behaviour in the workplace to reduce work-related accidents and incidents. On top of this, we also have in place proactive monitoring activities to enhance safety performance.

Our implementation of good OSH practices is guided by GAB's Safety, Health and Environment (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.

Our 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.

Accident Reduction Initiatives

GAB has in place proactive monitoring activities to enhance safety performance and reduce the number of work related accidents. While the SHE Committee reviews each accident that occurs, we have also established a Safety Pillar via the TPM route to reduce the frequency of accidents. The TPM Safety Pillar involves undertaking an in-depth evaluation of risk areas or items and launching Safety Improvement Teams to implement corrective actions to reduce the frequency of accidents. Safety Improvement Teams have been launched to improve conditions in such areas such as the loading bay, ammonia plant and pedestrian walk-way at the entrance. These teams will continue to be launched as and when high risk areas are identified.

We also embarked on Near Misses & Incident Reporting last year which entails soliciting feedback from the shop floor staff and identifying unsafe working conditions or unsafe acts so that we can address and rectify these situations. We are looking to further educate our staff about the value of providing feedback on working conditions so that safety issues can be better addressed. A highly visible safety information board at the canteen area is helping promote awareness about OSH issues.

On top of these safety efforts, GAB also has the following initiatives in place to reduce work-related accidents:

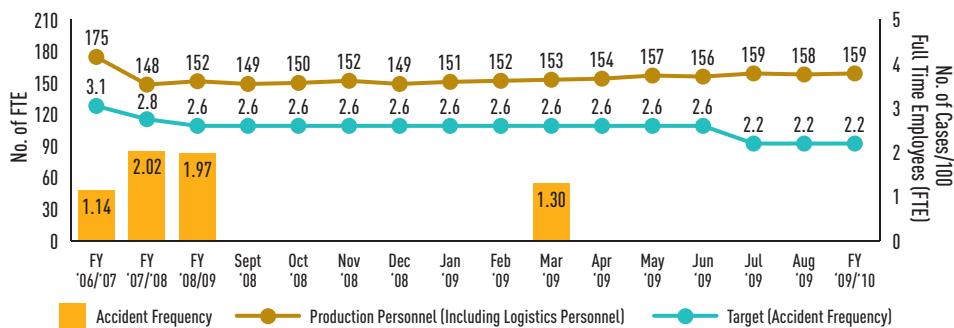
- First aid training and fire drill training are conducted on a bi-annual basis;
- An emergency number that links directly to our security personnel is made available to all employees and they can call this immediately in the event of a general or personal emergency;
- Protective equipment is provided where necessary to all employees;
- 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 2008.

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.

To further manage the flow of traffic around our facility and to reduce the accident rate, we are currently reconstructing the main entrance to GAB. Approval has been obtained from the relevant authorities and these works should be completed in the coming year.

Several other initiatives to monitor working conditions and enhance the safety of our work areas are underway or in the pipeline. These include the roll out of a safety behaviour audit, the introduction of a safety tag and de-tagging system, plus the roll out of a risk assessment system throughout the whole brewery.

GAB Accident Frequency



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. Examples of these audits include supplier audits based on Heineken tools. In addition, we have various procedures for the qualification, assessment and disqualification of suppliers. Where a supplier does not meet standards, parties agree on an "Improvement Programme" which includes a strict timeline for the supplier to conform to the expected standards.

GAB is the first brewery in Malaysia to receive the ISO 9001:2000 Quality Certification and Hazard Analysis Critical Control Point (HACCP) certification from Malaysia's Ministry of Health. These attest to the stringent procedures we have in place to ensure the safety of our products at all stages of the production and preparation processes including packaging and distribution.



H1N1 Preventative Measures

In view of the risk of H1N1 infection, GAB is carrying out stringent preventative measures to safeguard our employees and our business. We have set up a Business Continuity Committee (BCC) to monitor the H1N1 situation and implement preventative measures. BCC members comprise our Management Team and relevant Heads of Sections.

We also implemented travel approval and tracking forms to monitor staff travel to and from affected countries and have suspended brewery tours and Tavern visits. On top of this, we are undertaking health checks for all staff and visitors. Staff that are unwell are referred to the Company doctor and can only report to work upon obtaining medical clearance. Visitors found unwell are refused entry.

EMPLOYEE SATISFACTION

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

We also participated in Diageo's Annual Values Survey in FY08. The results indicated that a majority of our employees had strong belief in GAB and in its goals and objectives and would recommend GAB as a good place to work. The Survey also revealed areas for improvement. Among the areas identified for consideration were life outside work and involvement of number of people in decision making. The results of the survey were presented to the individual departments and following that, each department came up with a plan to address the issues identified. One of the initiatives that was implemented as a result of this survey was Flexi-Time.

We also participated in Diageo's Values Survey in FY09. The results are still being compiled and will be shared with employees in due course. As we value what employees have to say and because we need to understand how we can best help them, we view the follow-through actions or improvement plans component of the survey as key to our findings. These results will also go a long way in helping us nurture a workforce that is in sync with the aspirations of the Company.



OUR COMMITMENT TO WORKPLACE BEST PRACTICES

GAB'S WORKFORCE

It is our people that make GAB a great company. 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 524 employees (as at June 2009) of which more than 52% are based at our Sungei Way headquarters in Petaling Jaya where our brewery operations are located. 97% of our headcount comprise full-time permanent employees while the remaining 3% are employed on a contractual basis. As part of our commitment to ensuring workplace diversity, 21% of our workforce comprise female employees, who hold 19% of management positions. Approximately 41% of our employees are unionised.

Breakdown of GAB and Guinness Anchor Marketing Sdn Bhd (GAMSB) Workforce

Company / Headcount	FY08/09			% based on locations	
	As at June '09	Management	Non-Management	Sungei Way Brewery	Regions
GAB (Permanent)	212	127	85	212	–
GAB (Contract/Temp)	9	–	–	9	–
GAMSB (Permanent)	297	174	123	47	250
GAMSB (Contract/Temp)	6	–	–	4	2
Total Permanent Headcount (GAB & GAMSB)	509	301	208	259	250
Total Headcount (Contract/Temp)	15	–	–	13	2
Total Headcount (Permanent + Contract/Temp)	524	–	–	272	252
	–	–	–	52%	48%

Percentage of unionised employees	41%
Percentage of female employees	21%
Percentage of male employees	79%
Percentage of management positions held by female employees	19%

Our Commitment to Good Environmental Performance

At GAB, we believe in minimising the impact of our operations on the environment by setting challenging improvement targets to progressively reduce emissions and discharges.

WE CARE ABOUT OUR ENVIRONMENT

GAB is committed to improving our environmental performance through the implementation of sound environmental practices. Our aim is to achieve environmental sustainability, where our business upholds the sustainable growth of natural resources, species, habitats, biodiversity and climate that we operate in. The Company adopts a systematic approach to environmental management which is designed to ensure compliance with government legislation, international protocols and global best practices.



OUR COMMITMENT TO GOOD ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL CONSERVATION INITIATIVES

At GAB, 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 initiatives continued to be undertaken over the course of FY09:

Thermal Energy Conservation

GAB uses 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 began tapping into in 2007. Fuel oil was used prior to this. 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. This biogas is obtained from the anaerobic treatment of wastewater at the wastewater treatment plant.

In FY09, our specific thermal consumption was reduced by about 5.6% in comparison to the previous year. In terms of energy conservation, GAB managed to reduce the evaporation rate at the brew house by 6 MJ/hl. Moreover, a TPM team launched to increase the Chemical Oxygen Demand (COD) loading at the waste water treatment plant contributed towards increased biogas generation. This in turn helped reduce the amount of natural gas that needed to be purchased. We continue to explore other avenues to obtain further savings in waste heat recovery.

Emissions Reduction

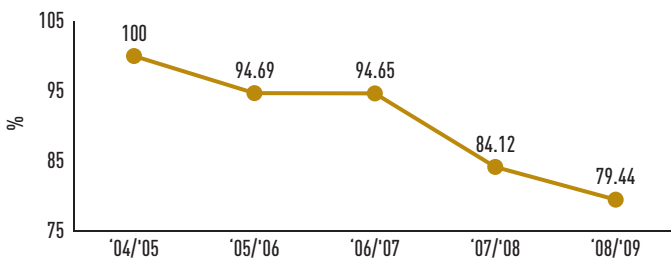
The use of non-renewable fuel generates bi-products such as carbon dioxide (CO₂), nitrous oxide (NO_x) and sulphur oxide (SO_x) which can all cause climate change. Due to the proactive steps we took to switch to natural gas, our fossil CO₂, NO_x and SO_x emissions fell by 3%, 3% and 6% respectively in FY09 in comparison to the previous year.

Lower Electricity Consumption

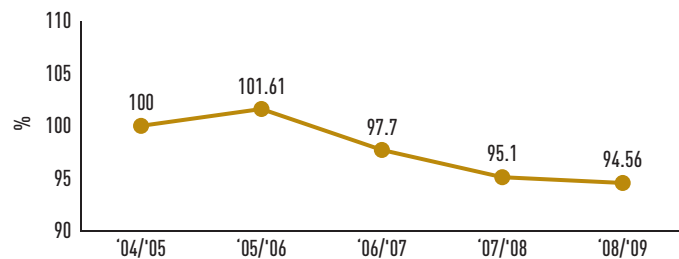
At GAB, we use electricity mainly for purposes of refrigeration and water treatment as well as to drive compressors and other machinery. On top of this, electricity is used for liquefying CO₂ as well as for office equipment and lighting purposes. In the year under review, specific electricity consumption at the brewery decreased slightly by 0.6%.

This reduction came from electricity reduction activities carried out by our TPM teams. Activities based on the de-aerated water plant, plus the efforts of the Kaizen teams in tackling compressed air leakages and restoring the cooling plant plate heat exchanger evaporators, also helped lower our electricity consumption.

Performance Index for Thermal Consumption (%)
2004/05 - 2008/09



Performance Index for Electricity Consumption (%)
2004/05 - 2008/09



Lower Water Consumption

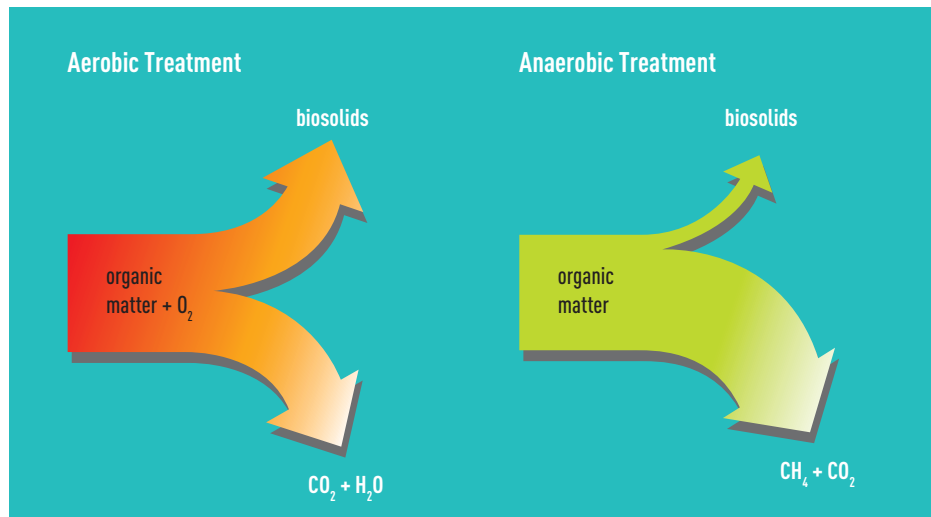
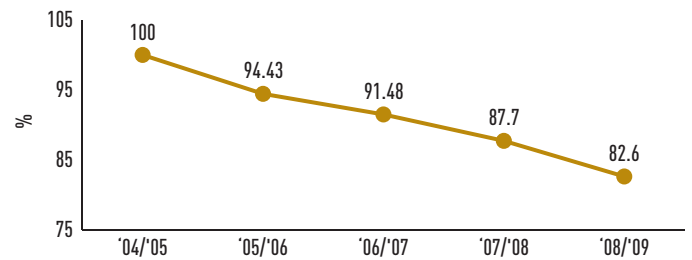
A significant portion of the raw materials in our products consists of water. Water is also used for cleaning process tanks, packaging, production equipment and utility installation. In FY09, we undertook various initiatives to reduce water consumption which resulted in a 5.8% reduction in water consumption against the preceding year. This result is directly attributable to TPM activities that focused on optimising water consumption and reducing wastage in the production process.

RECYCLING PRACTICES

The Company’s wastewater is treated at our wastewater treatment plant to ensure no harmful substances are discharged from the brewery. We utilise two methods of biological treatment 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, 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.

Performance Index for Water Consumption (%)
2004/05 - 2008/09



OUR COMMITMENT TO GOOD ENVIRONMENTAL PERFORMANCE

The graph below demonstrates that the Chemical Oxygen Demand (COD) and Suspended Solids (SS) levels of our final effluent discharge are below the permissible limit of 100 mg/l.



Packaging Standards

Our 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.

GAB strictly prohibits 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. GAB does not use any form of PVC in our crown corks liners.





All returnable kegs and glass bottles are sent back to our 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

GAB's 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.

Future Plans

To ensure the environmental sustainability of our operations, GAB will continue to look at implementing continual improvement initiatives and environmental conservation initiatives.

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

Our CR Goals and Achievements

Our Commitment to Stakeholder Engagement		
OUR GOALS	PROGRESS MADE	MOVING FORWARD
We are committed to having open, honest and targeted dialogue with stakeholders through various platforms to ensure continuous alignment.	Shareholder, Analyst & Media Engagement <ul style="list-style-type: none"> We disseminate 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. We hold analyst and media briefings every half yearly. Shareholders are given the opportunity to seek clarification and share their thoughts at a question and answer session at our Annual General Meeting. 	<p>We will continue with the media and analyst briefings.</p> <p>Our Corporate Website will be further enhanced to improve accessibility and content.</p>
	Distributor Engagement <ul style="list-style-type: none"> Three sessions held – one in Penang, one in Kuala Lumpur and one in Johore Bahru All distributors were invited, including East Malaysia distributors. In total, 63 distributors attended, making up close to 95% of our distributors. We updated distributors on business progress and presented the results of our Trade Satisfaction Survey. We also had a question and answer session to give them the opportunity to give us feedback on how we can improve our partnerships. 	<p>We will be engaging our distributors on a regular basis.</p>
	Trade Engagement <ul style="list-style-type: none"> Three sessions held in September 2009 in Penang, Johore, and Kuala Lumpur. Total of 165 participants representing 93 outlets from all over Malaysia. We officially launched GAB Academy and updated trade partners on GAB's business progress. There were also a presentation on emerging trends in F&B culture in Asia and a presentation on new media trends, followed by a question and answer session. 	<p>We will be undertaking this exercise once every two years. The next exercise is scheduled for 2011.</p>

OUR GOALS	PROGRESS MADE	MOVING FORWARD
	<p>GAB Academy</p> <ul style="list-style-type: none"> • Taking trade engagement one step further, GAB initiated GAB Academy which has been active since October 2008 and officially launched in September 2009. GAB Academy's aim is to offer hospitality training workshops to trade outlet staff, helping them deliver an exceptional customer experience to their patrons. • One of GAB Academy's efforts, HERO (Hotel, Entertainment & Restaurant Operators) is a series of skill training workshops. Training sessions have been held across Malaysia with a total of 864 participants trained. • As part of GAB's plan to promote responsible drinking, GAB has introduced a Responsible Drinking and Serving module into GAB Academy that provides bar staff with knowledge of the alcohol content of various drinks, responsible bartending skills and tips on how to deal with difficult customers. • GAB Academy's latest effort, the VIP (Very Important Partners) Trade Programme, has been developed exclusively for business partners with the main purpose of building and retaining long term and sustainable relationships through value-added offerings. 	<p>We will be looking at further enhancing the modules by incorporating participant feedback to better meet the needs of our trade partners. We will also be rolling out GAB Academy to more outlets.</p>
Our Commitment to Responsible Marketplace Practices		
OUR GOALS	PROGRESS MADE	MOVING FORWARD
<p>We aim to have 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.</p>	<p>Responsible Marketing</p> <ul style="list-style-type: none"> • GAB has a Code of Marketing Practice which outlines strict guidelines that employees and representatives are to follow when marketing and promoting the Company's brands and products. 	<p>We will continue to ensure that the code is strictly adhered to.</p>
	<p>Responsible Drinking</p> <ul style="list-style-type: none"> • GAB has introduced a Responsible Drinking and Serving module into GAB Academy that provides bar staff with knowledge of the alcohol content of various drinks, responsible bartending skills and tips on how to deal with difficult customers. 	<p>We will be rolling out a Responsible Drinking programme which will involve the participation of our trade partners.</p>

OUR CR GOALS AND ACHIEVEMENTS

OUR GOALS	PROGRESS MADE	MOVING FORWARD
	<p>Strategic Planning and Tracking</p> <ul style="list-style-type: none"> GAB undertakes strategic planning and tracking which are integral to the sustainable growth of GAB's business. Regular meetings are held between Management and the Board during which operational performance and related matters are discussed. Annually, Management prepares a three-year strategic and operational plan where targets are defined in terms of Key Performance Indicators (KPI) and these KPIs are tracked closely throughout the financial year. 	We will continue with this practice.
	<p>Risk Management</p> <ul style="list-style-type: none"> Risks are reviewed and evaluated on a regular basis by a Risk and Control Workgroup (RCW) headed by the Finance Director and made up of cross-functional Senior Managers. GAB has also implemented Control Assurance and Risk Management (CARM), a web-based self-assessment programme. CARM requires each business unit to evaluate and ensure that it has appropriate controls in place to manage a broad range of risks arising from day-to-day business activities. CARM emphasises internal controls over financial reporting for the purpose of compliance with the requirements of the US Sarbanes-Oxley Act and focuses on transparency, accountability and safeguarding of assets. GAB has in place a comprehensive Business Continuity Plan as an integral part of the Group's strategy to mitigate risks and manage the impact of crisis events. Crisis simulations are conducted periodically to enhance the Group's preparedness in crisis and emergency response so as to ensure that there is no disruption to its operations and business during a crisis or disaster. 	We will continue with this practice.

Our Commitment to Enriching Communities

OUR GOALS	PROGRESS MADE	MOVING FORWARD
<p>We aim to protect our water source, ie our rivers.</p> <ul style="list-style-type: none"> To engage the communities to be actively involved in the project and to change present behaviour To engage the many stakeholders to work together towards a common goal <p>We aim to educate children on the importance of clean water and water conservation by building a strong foundation.</p>	<p>River Rehabilitation Project</p> <ul style="list-style-type: none"> In December 2007, we initiated a project to conserve the tributary of Penchala River. This project engages local communities near the GAB Foundation centre, business entities, Government sectors, service providers as well as local leaders and politicians. The Foundation has successfully created excellent working partnerships with the Petaling Jaya City Council (MBPJ), Department of Environment, Drainage and Irrigation, Department of National Unity and Integration and the Fisheries Department. Recent evidence indicates that certain fish species are being spotted more frequently than before as are snakes, catfish, eels and tortoise. 	<p>We aim to increase awareness on this issue by training and getting the upstream community in SS3 and SS9A on board.</p> <p>We will continue with the water quality testing, solid waste management and biodiversity study to ensure the river is on the right track to be rehabilitated.</p> <p>We will continue with the habitat creation practice.</p> <p>A River Care Cabin will be set-up for public usage. We will also invest in a mobile unit for greater reach.</p>

OUR GOALS	PROGRESS MADE	MOVING FORWARD
	<p>Story Time with GABBY</p> <ul style="list-style-type: none"> • The Foundation’s Story Time with GABBY initiative aims to engage and educate children on water conservation through storytelling sessions. A water toolkit for local communities incorporating three storytelling modules (i.e. water cycle, water pollution and water conservation) was specially developed by professionals in the field of child development to facilitate these storytelling sessions. • 18 storytellers (including childcare workers and kindergarten teachers) have been recruited and trained to carry out storytelling sessions in English, Bahasa Malaysia, Tamil and Chinese. Public sessions have been held at selected community centres, welfare homes, kindergartens and schools at over 57 venues and for about 600 children. 	<p>We intend to reach out to more children in different centres and in different states.</p> <p>There are plans to set up a GABBY Club to continuously engage the children who have undergone the sessions.</p>
<p><u>EDUCATION</u> We want to assist vernacular schools and their students:</p> <p>SMILES: To improve the English proficiency of Tamil School Children to better prepare them for the future transition to national secondary schools.</p> <p>We aim to assist deserving Malaysian students who are embarking on or already pursuing their higher studies.</p>	<p>SMILES</p> <ul style="list-style-type: none"> • On 18 September 2008, the Foundation officially launched the SMILES (Supporting Malaysian Indian Learning, Education and Sports) programme. The SMILES programme represents the Foundation’s, as well as GAB’s, long-term commitment to contributing towards the betterment of the Malaysian Indian community. In FY09, we raised a total of RM230,000 for the SMILES programme, all of which was donated to a non-governmental organisation, the Tamil Foundation, to fund projects specifically aimed at helping Tamil school children. • The first SMILES-supported initiative was the Total Immersion Camp (TIC). This intensive 21-day English proficiency programme run by the Tamil Foundation, provides 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. • We also launched the SMILES reading corners to act as a supplementary factor in assisting students to further improve and expand their English language proficiency. These reading corners consist of storybooks, reference books, bookshelves and furniture. • The Foundation lends support to the English Enrichment Programme (EEP), an extension of the TIC. As a programme, the EEP has the opportunity have a greater impact because students are coached from Year One onwards. The EEP aims to provide students with additional lessons over and above their regular curriculum. Over 500 students in 15 schools in the Klang Valley, Rawang, Malacca and Pahang are benefiting from this sponsorship. 	<p>Continue to support the EEP programme.</p> <p>Increase the number of sponsored schools and children to participate in the EEP.</p> <p>Continue with the sponsorship of the reading corners and increase the number of sponsored schools.</p>

OUR CR GOALS AND ACHIEVEMENTS

OUR GOALS	PROGRESS MADE	MOVING FORWARD
<p>DRAGON MISSION: We aim to raise funds for Chinese Schools and their students.</p>	<p>Dragon Mission</p> <ul style="list-style-type: none"> • Our FY09 Dragon Mission campaign saw the number of participating outlets more than double to raise RM2.8 million. • These funds were donated to help Chinese Primary Schools, nominated by the outlets, and to award scholarships to students of Chinese Independent Secondary Schools to help them with their school fees. 	<p>Dragon Mission FY10 will evolve to move beyond Chinese New Year with activation from September 2009 onwards.</p>
<p>COMMUNITY To enrich communities through active engagement:</p> <p>We pledge to work with the community through education and engagement for their betterment.</p>	<p>Currently, we engage the community through our GAB Foundation activities that include our River Rehabilitation project, Story Time with GABBY, SMILES and Dragon Mission, among others.</p>	<p>We will step up our community activities and actively get our staff involved in independent community projects.</p>

Our Commitment to Workplace Best Practices

OUR GOALS	PROGRESS MADE	MOVING FORWARD
<p>Our goal is to be the Employer of Choice by creating an environment where people can have opportunities to have a fulfilling career.</p>	<p>The 7 HR Pillars This was developed in 2007 to guide our ongoing efforts to improve, empower, motivate and reward our employees for great performance, regardless of race and gender.</p> <p>Flexi-time We introduced flexi-time to help employees balance their work and personal lives.</p> <p>Healthy Living Initiatives We make 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. GAB's Sports Club provides a platform where employees are encouraged to take up sports interest. Health talks are also conducted to encourage employees to lead a healthy lifestyle while our Fruit of the Month initiative involves the provision of different types of fruit every month to encourage healthy eating.</p>	<p>The 7 HR Pillars will continue as the foundation of HR's services to the people. The programmes will be reviewed and improved on a regular basis.</p> <p>Flexi Time will continue.</p> <p>To continue with health talks, sports/recreational activities, and Fruit of the Month programme to reinforce our commitment to encourage employees to lead a healthy lifestyle.</p>

OUR GOALS	PROGRESS MADE	MOVING FORWARD
<p>We aim to ensure better communication, enable faster decision making and nurture the GAB team spirit.</p>	<p>Employee Engagement</p> <ul style="list-style-type: none"> In the past, we have 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. We also organised a futsal competition among the different departments to foster positive employee sentiments and held festive celebrations to celebrate Deepa-Raya and Chinese New Year with employees. For Christmas, Heineken erected its special Christmas Tree at the Brewery and hung special stars on the tree. Each star carried the Christmas wish of a child. Employees could then pick a star and buy the Christmas gift for that child. They later had the opportunity to visit the homes to personally present the children with the gifts. <p>TPM</p> <ul style="list-style-type: none"> GAB's Total Productive Management (TPM) programme, now into its fifth year of implementation, continues to play an integral role in helping elevate GAB's performance to greater levels of success. To ensure the TPM mindset is continually applied to all aspects of our operations, we implement structured TPM training modules for our people. Our employees also participate in educational trips to other breweries and manufacturing facilities to assimilate their TPM and integration activities. GAB continues to be ranked among the best breweries within our brand owners' global network and receive international recognition. <p>Awards and Accolades</p> <ul style="list-style-type: none"> For the third year running, GAB has won the Guinness League of Excellence Award for the best quality Guinness brewed outside of Ireland. We were also named winner of the Tiger Quality Award and the Tiger In-market Quality Award in 2008 for consistently delivering on the Tiger brand promise to consumers. GAB was also the winner of Diageo's Asia Pacific Market of the Year Award, which recognises a business that has displayed continuous improvement in every aspect of the business. This award encapsulates the efforts and contribution of the people at GAB and shows that together, we are truly brewing success. All these accolades underscore the fact that GAB's culture of excellence and TPM initiatives are taking us much closer towards achieving our vision of being an icon in business. 	<p>Introduce employee engagement activities at department level / organisation wide level.</p> <p>To implement Annual Employee Services Day. As a service to employees, health and medical check-ups, financial planning services, income tax queries / services, etc would be set up as a one stop services centre for employees on that day.</p> <p>Going forward, HR will continue to play the role of the champion of the TPM Training and Development Pillar, supporting GAB's evolution into a Learning Organisation.</p>

OUR CR GOALS AND ACHIEVEMENTS

OUR GOALS	PROGRESS MADE	MOVING FORWARD
	<p>Internal Communications</p> <ul style="list-style-type: none"> • Focus group meetings were held between April and June 2009 across all departments to gather feedback and ideas on ways to enhance our internal newsletter, Tavern Talk, as an effective internal communication tool. The result of this exercise is the launch of The ICON, a publication in a more magazine-like format to replace Tavern Talk. • GAB's MD continues to share his thoughts and perspectives on GAB via his monthly updates. • 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. • Open dialogue sessions are conducted with the Management Team, whereby as many questions are fielded on the spot at our Annual National Commercial Conference and Supply Chain Conference. • Each section within the Supply Chain Department meet once every quarter for a briefing by their section heads. These briefings are aimed at updating employees on the progress of their sections and to present new developments. Every session, also attended by the Supply Chain Director and HR Manager, ends with a question and answer session. 	<p>The ICON will be published once in two months and it will continue to be the "voice of employees" where they are actively involved and engaged in its publication.</p> <p>We will continue with this practice.</p> <p>We will continue these monthly meetings. Over time, all GAB's staff will have a chance to sit in on these breakfast meetings.</p> <p>We will continue with this practice.</p> <p>We will continue with this practice.</p>
<p>GAB aims to continuously engage with the Union to cultivate a harmonious relationship.</p>	<p>13th Collective Agreement</p> <ul style="list-style-type: none"> • We continue to receive good support from the Union of Beverage Industry Workers (the Union) with whom we enjoy an excellent relationship. The year under review saw GAB signing the 13th Collective Agreement (CA) with the Union after only three sittings. Amidst the current economic slowdown, the CA spells out very attractive benefits for the Union. • GAB is one of the first companies in the beverage industry to include corporate Key Performance Indicators (KPIs) into the remuneration system. The margin of increment for the 13th CA is 9%, compared to the market average of 6%. The CA also incorporated a marginal increase in insurance coverage and other benefits that will impact positively on staff morale in these trying times. 	<p>GAB will continue to engage with the Union and share our development plans.</p> <p>The 13th CA covers FY09 and FY10.</p>

OUR GOALS	PROGRESS MADE	MOVING FORWARD
<p>GAB's commitment to employees is that they will have a lifelong career development plan which will incorporate their career direction, a training path and perhaps even the opportunity to take on international assignments.</p>	<p>Employee Training and Development</p> <ul style="list-style-type: none"> • Our training programmes are competency-based to grow people; meaning that our programmes do not merely focus on meeting GAB's needs, but also each individual's developmental needs. • In FY09, our training budget was increased by 50% and we were able to plan a 12-month schedule based on specific training needs. GAB's commitment is to ensure that everyone within the Company attends at least one training session each year. • The year under review also saw us taking training and development activities to the regions for the first time ever to minimise travelling disruptions. <p>International Assignments</p> <ul style="list-style-type: none"> • Our Regional Sales Manager, Alex Wong was seconded to Jakarta, Indonesia for a three year stint at Diageo. Alex joined GAB in September 2001 as our Sales Operations Executive. He was then promoted to Sales Promotions & Merchandising Manager for the Petaling Jaya (PJ) Region before moving on to become the Regional Sales Manager for PJ and then for Central S&R. <p>Internal Promotions</p> <ul style="list-style-type: none"> • GAB's Hiring Policy encourages hiring 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 encouraged to apply for international secondment. These initiatives all serve to provide us with a highly capable and diversified talent pool, all the better if they have cross functional exposure. Last year, GAB promoted or moved for development 83 of its employees from within the organisation. 	<p>We intend to attract talent at mid level and will implement a Young Managers Programme in FY10.</p> <p>Training and Development will continue to be the main focus of HR.</p> <p>We will continue engaging our shareholders for overseas assignments.</p>
<p>We have Policies and Procedures to safeguard our employees and to promote responsible behaviour.</p>	<p>Sexual Harassment Policy</p> <p>We have in place a Sexual Harassment Policy, 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.</p>	<p>We are in the process of benchmarking the policy against that of our brand owners.</p>

OUR CR GOALS AND ACHIEVEMENTS

OUR GOALS	PROGRESS MADE	MOVING FORWARD
	<p>Employee Alcohol Policy Our Employee 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.</p>	<p>We are in the process of benchmarking the policy against that of our brand owners.</p>
<p>GAB is committed to raising awareness regarding responsible drinking and responsible serving amongst its stakeholders. GAB ensures that all its activities and communications meet legal requirements and do not encourage irresponsible drinking.</p>	<p>Responsible Drinking One of the components of the initiative is the DrinkiQ programme, a responsible drinking educational programme initiated by Diageo. Our Leadership Team has undergone DrinkiQ training and we have trained facilitators to roll this out to the rest of GAB.</p>	<p>We will be rolling out DrinkiQ to all GAB employees.</p>
<p>We are committed to good Occupational Safety & Health (OSH) practices.</p>	<p>We are guided by GAB's Safety, Health and Environment (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.</p> <p>Our 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.</p>	<p>Our plan for safety behavior audit will be rolled out in October 2009.</p> <p>We are planning the introduction of Safety Tag & De-tagging system: Pilot area in October 2009, complete roll out in November 2009.</p> <p>Roll out plan for risk assessment throughout the whole brewery will happen in November 2009.</p>

OUR GOALS	PROGRESS MADE	MOVING FORWARD
	<p>Accident Reduction</p> <p>We have proactive monitoring activities to enhance safety performance and reduce the number of work related accidents. We established a Safety Pillar via the TPM route to reduce the frequency of accidents. Safety Improvement Teams have been launched to improve conditions in such areas such as the loading bay, ammonia plant and pedestrian walk-way at the entrance.</p> <p>We also embarked on Near Misses & Incident Reporting last year which entails soliciting feedback from the shop floor staff and identifying unsafe working conditions or unsafe acts so that we can address and rectify these situations.</p> <p>A highly visible safety information board at the canteen area is helping promote awareness about OSH issues.</p> <p>On top of these safety efforts, GAB also has the following initiatives in place to reduce work-related accidents:</p> <ul style="list-style-type: none"> • First aid training and fire drill training are conducted on a bi-annual 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; • 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 2008. • Separate car park for visitors and operations personnel have been built to segregate traffic from our main corporate and technical buildings and improved traffic flow. • To further manage the flow of traffic around our facility and to reduce the accident rate, we are currently reconstructing the main entrance to GAB. 	<p>These teams will continue to be launched as and when high risk areas are identified.</p> <p>We are looking to further educate our staff about the value of providing feedback on working conditions so that safety issues can be better addressed.</p> <p>Several other initiatives to monitor working conditions and enhance the safety of our work areas are underway or in the pipeline. These include the roll out of a safety behaviour audit, the introduction of a safety tag and de-tagging system, plus the roll out of a risk assessment system throughout the whole brewery.</p>

OUR CR GOALS AND ACHIEVEMENTS

OUR GOALS	PROGRESS MADE	MOVING FORWARD
<p>We aim to enhance employee satisfaction.</p>	<ul style="list-style-type: none"> GAB's first ever Employee Satisfaction Survey was conducted in November 2007 by our HR Department with the findings and follow-through actions highlighted through our internal newsletter. The survey's top line results revealed that most employees were satisfied working at GAB (15% of employees were very satisfied working at GAB and 49% were more than satisfied). We also participated in Diageo's Annual Values Survey in FY08. The results indicated that a majority of our employees had strong belief in GAB and in its goals and objectives and would recommend GAB as a good place to work. 	<p>We conducted a Diageo Values Survey in FY09 and the results are still being compiled. It will be shared with employees in due course.</p>

Our Commitment to Good Environmental Performance

OUR GOALS	PROGRESS MADE	MOVING FORWARD
<p>GAB is committed to improving our environmental performance through the implementation of sound environmental practices.</p>	<p>Thermal Energy Conservation In FY09, our specific thermal consumption was reduced by about 5.6% in comparison to the previous year. In terms of energy conservation, GAB managed to reduce the evaporation rate at the brew house by some 6 MJ/hl. Moreover, a TPM team launched to increase the Chemical Oxygen Demand (COD) loading at the waste water treatment plant contributed towards increased biogas generation.</p> <p>Emissions Reduction Due to the proactive steps we took to switch to natural gas, our fossil CO₂, NO_x and SO_x emissions fell by 3%, 3% and 6% respectively in FY09 in comparison to the previous year.</p> <p>Lower Electricity Consumption In the year under review, specific electricity consumption at the brewery decreased slightly by 0.6%.</p> <p>Lower Water Consumption In FY09, we undertook various initiatives to reduce water consumption which resulted in a 5.8% reduction in water consumption against the preceding year.</p>	<p>Our targets for FY10:</p> <ul style="list-style-type: none"> Thermal Energy: To reduce by a further 4.2% Electricity Consumption: To reduce by 3.5% Water Consumption: To reduce by 2.8%

We asked OWW Consulting to provide an assessment on our Corporate Responsibility Report 2009. They were commissioned to provide a low level of assurance on the entire report, covering both text and the reported data. The objective of this is to provide external stakeholders with independent assurance regarding the information presented in our published report.

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Third Party Assessment Statement

**GUINNESS ANCHOR BERHAD
(5350-X)**

Introduction

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI). We were commissioned by Guinness Anchor Berhad ("GAB") to provide assessment services for their Corporate Responsibility Report 2009 (the "Report").

The Report and its content is the responsibility of GAB. Our responsibility is to provide an assessment of the Report and underlying processes through low-level assurance over each of the areas within the scope set out below:

- **Stakeholder Engagement**
- **Social Performance: Workplace Best Practices**
- **Social Performance: Responsible Marketplace Practices**
- **Social Performance: Community**
- **Environmental Performance**

Exclusions from the scope of our work

Excluded from the scope of our work is information relating to:

- Statements of commitment or intention to undertake action in the future.
- Statements of opinion, belief or aspiration.
- Information contained in internal or external documents prepared by anyone other than GAB, unless we have viewed the documents as part of our assurance process.

Basis of our opinion

In conducting this engagement we have considered the principles of balance, comparability, accuracy, timeliness, clarity, relevance and reliability as per global sustainability reporting best practices.

We aim to provide a reasonable rather than an absolute level of assurance and to provide GAB and its stakeholders with an independent assessment of its CSR performance as contained in the Report. We believe that the work conducted and described herein provides a reasonable basis for our conclusions.

Our review included the following activities:

- Interviews and face-to-face meetings with relevant personnel at corporate and operational level responsible for the information in the Report.

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EXTERNAL ASSURANCE

- Documentary evidence was reviewed from communications meant for both internal and external circulation but emanating from within GAB. This comprised of manually generated internal reports, reports generated from internal specialist management information systems, established codes of conduct including those embedded within the Management Handbook and Conditions of Employment Agreement manuals, internal newsletters and internal staff memos. Externally generated documentary evidence including media articles, third-party evaluation reports and feedback forms were also reviewed.
- Observed related facilities and areas including notice boards, site facilities and management offices.
- Observed the processes and calculations of the system for energy and water consumption and emissions monitoring and reduction.
- Challenging and verifying the CSR related statements and claims made in the Report.

We relied on representations made to us during the course of our assurance work by GAB personnel. Information in the Report that is directly sourced from GAB Annual Reports is considered to be reliable based on the audit statement of the Independent Chartered Accountant and Registered Auditor to these statements.

Where we have provided assurance over numeric information, this has been achieved through review of consolidation processes and information held at GAB. This work is not considered sufficient for us to identify any misstatements.

Conclusions


- In our opinion, the Report provides a fair representation of GAB's social accounting and reporting activity for the period covered by the Report;
- The information in the Report is reliable and free from significant bias;
- GAB has processes in place for identifying, understanding and managing its environmental and social issues and for capturing, understanding and responding to the views of its main stakeholders; and
- The report provides relevant information in each domain that we believe is a fair and balanced reflection of the efforts of GAB to develop and improve their approach to CSR management and disclosure.

Considerations and limitations

In relation to our assurance work and conclusions, the following considerations and limitations should be noted:

- Certain information is excluded from the scope of our assurance work, as stated above and in the Report itself.
- Due to its nature and the methods used for determining, calculating or estimating such data, environmental and social data are subject to inherent limitations. Therefore this assurance statement should not be relied upon to detect any error, omission or misstatement in the Report.
- The assurance statement cannot guarantee the quality of social accounting and reporting processes used by GAB. Nonetheless we have provided reasonable assurance as to the quality and accuracy of the report within the scope of our investigations.

14 October 2009
OWW Consulting Sdn Bhd



Dr Geoffrey Williams
Chief Executive Officer



Contact Us

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

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