

# Progressing Sustainably

Corporate Responsibility Report **2010**

## Our Approach to CR Reporting

This is the third GAB stand-alone annual Corporate Responsibility (CR) Report. This is the first year we are using the GRI guidelines for indicators and reporting purposes. On top of GRI guidelines, this report also adheres to Bursa Malaysia Securities Berhad's CSR Framework which covers the four themes of Environment, Community, Marketplace and Workplace.

The information reported here is consistent with our Annual Report and with last year's CR Report and covers the whole of GAB and its subsidiaries unless otherwise stated. Our reporting is written in a way which details performance indicators on those areas of our business which we have material control and where the impact of our activities is considered significant. The areas of business operations which we do not have significant control in the day-to-day management however will be provided with a disclosure on management approach (DMA) or a description of the nature of our business involvement, where appropriate. Where group-wide information is not fully available, we have provided performance data and case studies to represent our general approach to that particular area of business.

Many issues of material importance, such as Corporate Governance and detailed data on our Operations and Business activities are reported in other publications, such as our Annual Report and so are not repeated here.

This report's content has been checked against the GRI-G3 reporting guidelines by a third party. This report, as of last year was also submitted to an independent non-financial auditing specialist, to provide a low level assurance on the entire report, covering text and the reported data. Their conclusions are presented in their independent assurance statement published at the end of this report.

The data presented in previous issues in our CR Reports covers the period from FY08 and FY09. We have updated this information to include data for FY10 (July 2009 – June 2010), as well as planned programmes for FY11.

In FY11, we intend to conduct more comprehensive monitoring and measurement for our CSR activities and indicators. This will allow us to evaluate the effectiveness of our CSR strategy and later custom make it to the needs and expectations of our stakeholders.



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Our Corporate Responsibility (CR) strategy emphasises responsible and sustainable corporate practices, helping us achieve and sustain our vision. It commits us to implement practices that maintain the balance between the Company's bottom-line performance and its environmental and social performance.

# Message from the Managing Director

## Message from the Managing Director

This CR Report details our commitment to what matters most to us, i.e. the well-being of our stakeholders be it our employees, shareholders, customers, business partners and the communities in which we operate. By reading this report, we hope you will gain better insights on our approach to improve ourselves, and the communities that we are part of.

Our unwavering focus on People, Brands and Performance is helping guide our business in our quest to become an Icon in Business. Our Corporate Responsibility (CR) strategy emphasises responsible and sustainable corporate practices, helping us achieve and sustain our vision. It commits us to implement practices that maintain the balance between the Company's bottom-line performance and its environmental and social performance.

To this end, the Company has fully embraced CR practices in the areas of Stakeholder Engagement, the Community, our Workplace, the Marketplace, and the Environment. Today, every business decision we make is consistent with our social and environmental goals for sustainability.

A key aspect of our CR strategy is the corporate social responsibility (CSR) component, in which the GAB Foundation plays an important role. By the time this report is published, the Foundation will already be in its fourth year, continuing on its journey to building a better tomorrow for the communities within and around us.

While CSR initiatives may not have an immediate direct impact on our business operations, we firmly believe that, in the long term, they will help sustain our business and also enrich our Stakeholders, improve the Workplace and enhance the Marketplace.

On the Environment front, we are addressing the issue of pollution in our rivers by supporting the Sungai Way Rehabilitation project as part of the Foundation's W.A.T.E.R. (Working Actively Through Education and Rehabilitation) project. The project, now in its third year, involves educating communities living along the riversides on the importance of water; and on how they can conserve and protect its source. Supporting this project is our Storytime with GABBY programme, which aims to inculcate good water usage habits in children.

To-date, the Foundation has contributed more than RM800,000 into the W.A.T.E.R project, conducting storytelling sessions for children, training for residents, business partners, and GAB employees, on recycling and composting waste, as well as water quality monitoring exercises.

Our work with Education and the Community continues through our efforts in improving education levels, especially in the areas of improving the standard of English among vernacular school children. SMILES (Supporting Malaysian Indian Learning, Education and Sports), continued its support for the Indian community with the funding of an English Enrichment Programme for Primary One students in selected Tamil schools throughout the country.

During the year, the GAB Foundation's Partial Scholarship Scheme saw 19 more scholarships awarded to deserving young adults pursuing tertiary education in recognised local and foreign institutions. The total amount disbursed in scholarships is now over RM300,000. The Foundation also embarked on its first project in East Malaysia, setting up reading corners, fully equipped with encyclopedias, dictionaries, references and story books in six schools and a community library in Sarawak.

A major initiative by the Foundation this year was "The Big Day Out" where more than 500 of our employees across the country, including East Malaysia, worked in teams to execute impactful activities of their choice to enrich respective communities.

Beyond the initiatives carried out by the Foundation, we have also worked on improving Stakeholder relations, the marketplace and the workplace.

On the Stakeholder Engagement front, we continue to progress in furthering our trade partner relations, the GAB Academy's HERO Programme for service staff facilitated service level improvements at outlets, while its VIP Trade Programme provided our partners with new channels to jointly develop innovative programmes with us.

In the marketplace, our emphasis is on initiatives to promote responsible drinking. Through the GAB Academy, we have introduced modules for service industry frontliners to enhance knowledge on responsible drinking, responsible bartending skills and methods on how to engage with difficult customers.

We also have a Code of Marketing Practice to ensure that we engage with our consumers and customers in a responsible and ethical manner. The Code provides strict guidelines by which employees and company representatives are to follow when marketing and promoting the Company's products.

To further improve the workplace environment we have substantially increased our investments in the areas of training and development. Our 7 HR Pillars continue to form the foundation of our relationship with employees with programmes to improve, empower, motivate and reward them for great performance.

I am pleased to report that our peers and the industry have recognised our efforts. During the period under review, GAB won several workplace related awards such as the StarBiz-ICR Malaysia Corporate Responsibility Award 2009; Silver in the Workplace Excellence category of the Global Corporate Social Responsibility Awards 2010; and the Silver Recognition

in the HR Excellence Category at the Malaysia HR Awards 2010; the Asia Responsible Entrepreneurship Award (AREA) 2009 in the 'Investment in People' and 'Community Engagement' categories; and the Diageo's Asia Pacific Market of the Year Award 2009, in recognition of the continuous improvement in every aspect of our business.

We were also recognised for our product quality in the marketplace, winning the Tiger Quality Award for the second year running, and the Guinness League of Excellence Award for the best quality Guinness brewed outside of Ireland for three consecutive years.

Awards notwithstanding, our priority is on how we evaluate ourselves internally. To reflect this we have once again included a table outlining our targets and achievements for the year. Each year we set higher goals to remind us that there is still a lot more that we can do as part of our CR efforts.

This CR Report details our commitment to what matters most to us, i.e. the well-being of our employees, shareholders, customers, business partners and the communities in which we operate.

By reading this report, we hope you will gain better insights on our approach to improve ourselves, and the communities that we are part of.



**Charles Henry Ireland**  
Managing Director

# Corporate Responsibility @ GAB

Over the years, GAB has continued its strong growth trend; reaffirming its position as the leader of Malaysia's malt liquor market, in addition to setting benchmarks globally for its performance. Our unwavering focus on People, Brands and Performance has set us on a firm foundation that guides our business as we pursue our Vision of becoming an Icon in Business.

In achieving our Vision, 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. We are pleased to report that 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 stakeholders, we continue to leverage on our corporate Values that 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 provide us the opportunity to live out these Values. Through the GAB Foundation's focus on environmental conservation, educational support and community enrichment we live the values we embody - a passion for excellence and a healthy respect for people, society and diversity.

Through our leadership role in promoting 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 GAB employee plays her part in community enrichment during "The Big Day Out".



# Our CR Strategy

GAB's CR strategy, which is aligned with our Vision and Values, drives our CR programmes.



# Our CR 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

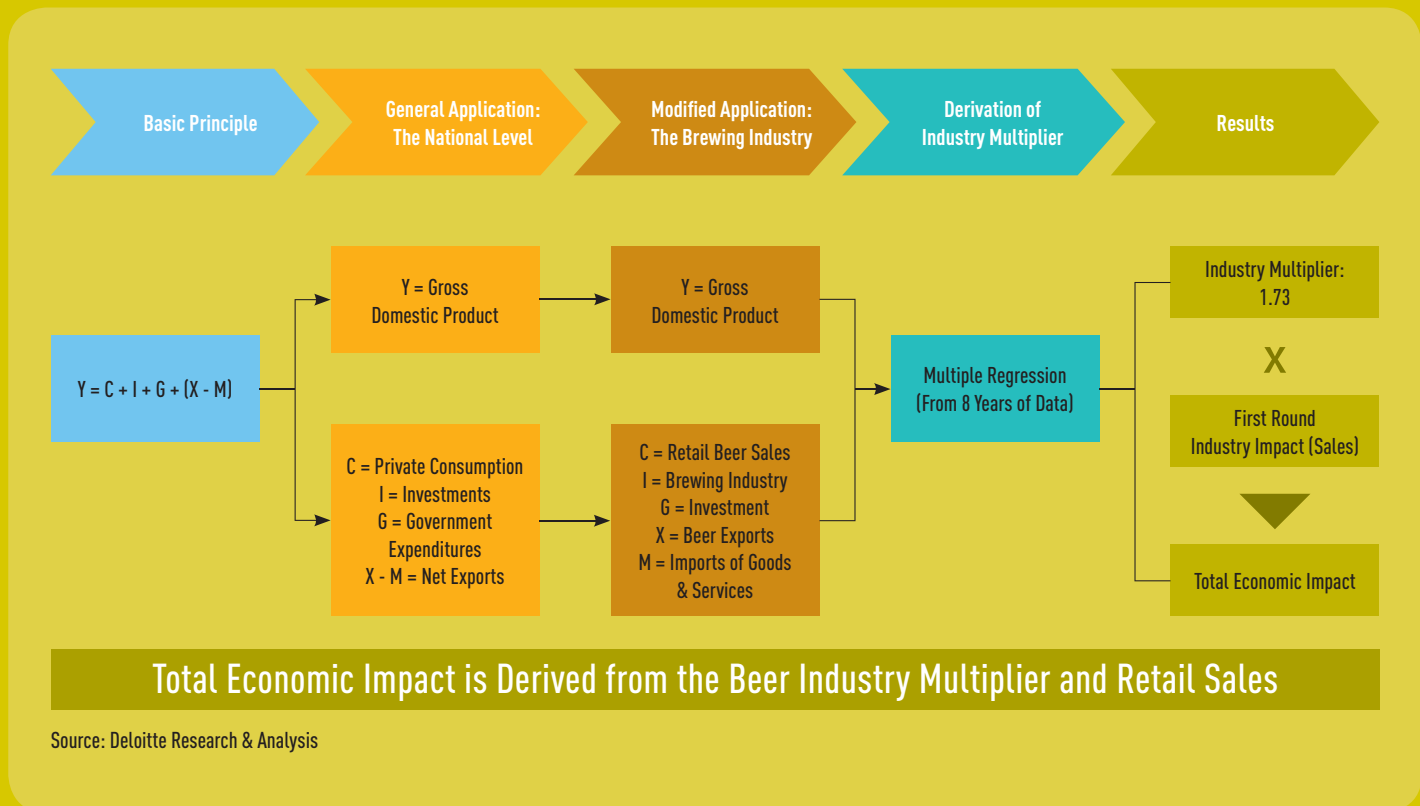
GAB has been contributing significantly and has played an important role to help grow and sustain supporting industries. We have been investing heavily to increase business sustainability. In 2009, GAB created an additional 6,830 jobs as compared to 2006.

Using the Keynesian Multiplier Model, we derived a Malt Liquor Industry Multiplier of 1.73. Using this Multiplier, we are able to derive the total economic contribution of GAB.

## Economic Contribution

Keynesian Multiplier Model: Industry Multiplier Effect Framework.

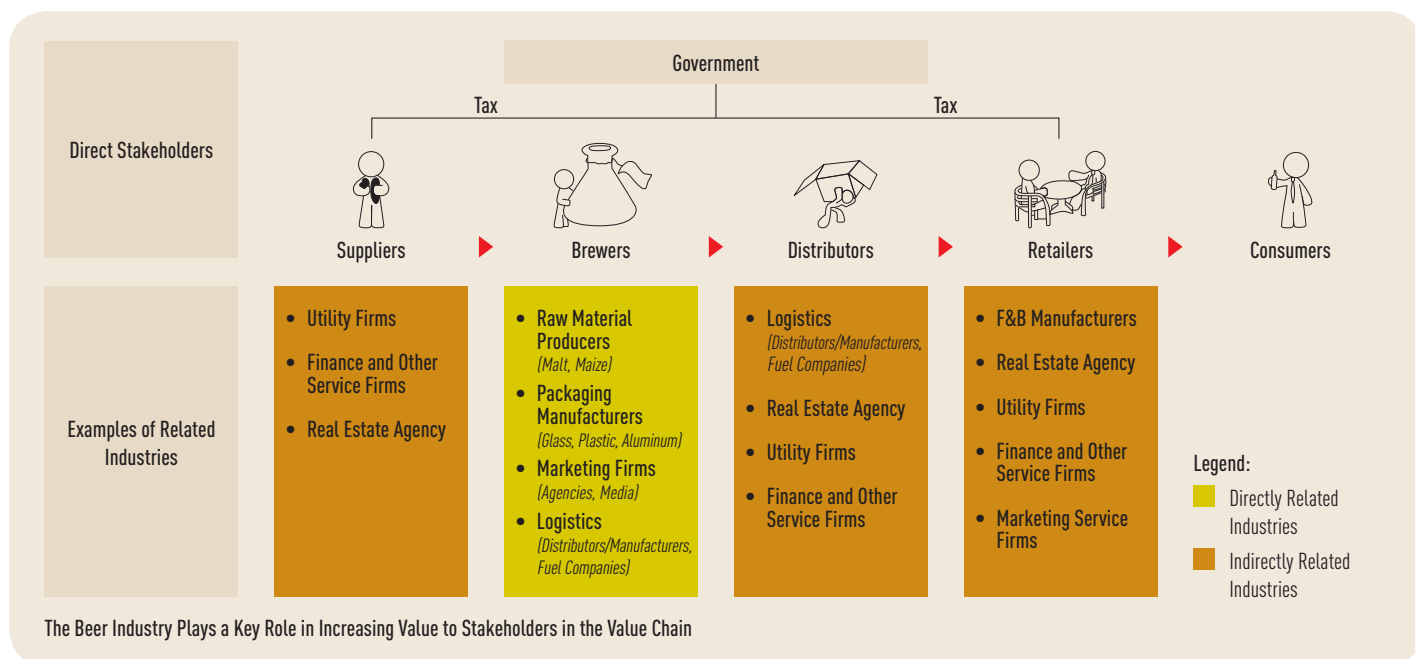
The multiplier is derived from applying the typical national level GDP-formula to the brewing sector using a modified application.



## Market Outlook: Beer & Stout Industry

### The Beer & Stout Industry Stakeholders

The beer & stout industry has been contributing significantly and playing an important role to help grow and sustain supporting industries.



## Economic Contribution

### Summary

GAB is contributing significantly to employment, government tax revenue and the national economy.

	2006*	2009*	Difference
<b>Employment</b> (Includes Supply & Manufacturing and Wholesale, Retail & Hospitality)	23,284 Jobs	30,114 Jobs	+ 6,830 Jobs
<b>Tax Revenue</b> (Includes Beer-related Tax, Personal Income Tax and Corporate Tax)	RM632 Million	RM830 Million	+ RM198 Million
<b>Economic Impact</b> (Includes Direct Sales Contribution and Multiplier Effect)	RM2,357 Million	RM3,177 Million	+ RM820 Million

\* Note: These figures are estimates based on GAB's market share of 50% in 2006, and 57% in 2009

Source: Deloitte Research & Analysis

## CASE STUDY

### The Economics of a Celebration

#### How Arthur's Day 2009 Created Wealth, Employment and Enjoyment

During the period under review, Malaysia had the honour of being one of the five official locations around the world to celebrate Arthur's Day, in conjunction with the 250th anniversary of Guinness.

Aside from the obvious benefit, which was a great party featuring the Black Eyed Peas attended by thousands of Malaysians and tourists; there was also a substantial multiplier effect as a result of the many economic activities related to the celebration.

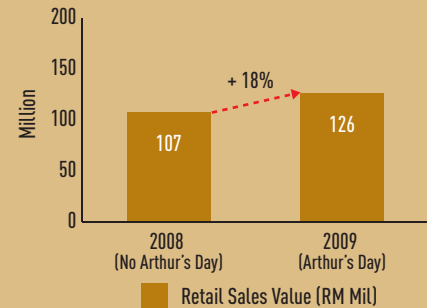
GAB's initial spending on Arthur's Day of RM14.3 million created a ripple effect that led to secondary spending and multiplier effects, which eventually contributed an estimated RM46.5 million to the economy. Economic impact from the initial spending by GAB on Arthur's Day can be derived from pre-concert and concert activities.

A total of 14,700 retailers benefited from increased business as a direct and indirect result of all advertisements and promotions conducted by GAB for Arthur's Day. Comparing retail sales of outlets selling Guinness between the months of July to October in 2008 and 2009, we saw that these retailers enjoyed additional sales of RM19 million as a result of Arthur's Day pre-concert activities.

The Arthur's Day concert in Malaysia attracted some 15,000 people, of whom 3,000 came from other parts of the region; all of whom collectively contributed to the economic impact of the event.

It is estimated that a local concert-goer spent an average of RM130.98 (on the ticket, food and beverage (F&B), merchandise and transportation), translating to an estimated total of RM1.6 million, which permeated all the way through the value chain, for economic activities such as ticket printing, paper manufacturing, transportation, fuel, services, food, manpower employment, utilities and manufacturing.

Retail Sales of Outlets Selling Guinness July-October (2008 and 2009)



Additional Retail Sales Value (RM Million)		
July-Oct '08	July-Oct '09	Incremental Value
107.3	126.3	19.0

Based on estimates by Tourism Malaysia, an average tourist would spend RM2,261.34 on items such as accommodation, shopping, tours, food, beverages and local transport. Therefore, tourists at the Arthur's Day concert would each have spent an average of



RM2,745.58, which included spend related to the Arthur's Day event such as the concert ticket, F&B, accommodation and transport costs. The tourism multiplier for Malaysia is estimated at 1.42, which means that every RM1.00 spent by a tourist, would generate RM1.42. Therefore the collective economic impact of tourist spend for Arthur's Day 2009 is RM11.7 million.

The Government enjoyed increased revenue from beer related and corporate tax, increased business activities and a boost in tourism while GAB increased the value for its shareholders and increased its overall business sustainability.

Suppliers, distributors and related industries also enjoyed greater business sustainability which was a result of the increased sales volume, while retailers benefited from the expansion in retail sales, awareness of their outlets leading to potential repeat business and higher business sustainability.

### Arthur's Day 2009: Conclusion

#### Summary of Quantitative Economic Impacts

GAB's initial spending on Arthur's Day created a ripple effect, leading to secondary spending and multiplier effects which benefited the entire economy by a total of RM46.5 M.

Initial Spending	Secondary Spending	Multiplier Effect	Total Economic Impact	
Initial Spending by GAB: RM14.3 Million	 <b>Pre-Concert Activities</b> Additional Retail Sales	RM19.0 M	Multiplier <sup>1</sup> : 1.73	RM32.9 M
	 <b>Concert Activities</b> Domestic Spending	RM1.6 M	Multiplier <sup>2</sup> : 1.2	RM1.9 M
	 <b>Concert Activities</b> Tourist Spending	RM8.2 M	Multiplier: 1.42	RM11.7 M

Note: <sup>1</sup>Determined by Keynesian Multiplier Model. <sup>2</sup>Assuming domestic multiplier is more than 1 and less than tourist multiplier.  
 Source: GAB Data (2010), Deloitte Research & Analysis.

The economic impact assessment was done by Deloitte Research & Analysis.



# Our Commitment to Stakeholder Engagement

GAB places great emphasis on stakeholder engagement as we believe it is important that we listen and respond to the varied needs and concerns of our diverse groups of stakeholders.

By having regular dialogue and interaction with our stakeholders, we are able to align our thoughts better and build stronger and more meaningful ties with all the important touch points of our business.

### Engaging Shareholders, Analysts and Media

In our efforts to keep our stakeholders informed on company developments and our performance, we disseminate financial and non-financial information relating to our operations in a timely and consistent manner through press releases, regular briefings and via our website at [www.gab.com.my](http://www.gab.com.my).

Additionally, our shareholders are given the opportunity to seek clarification and share their thoughts at a Question & Answer session at our Annual General Meeting (AGM). A survey held at our AGM has shown that our shareholders are pleased with our Annual Report and we will strive to continue

improving our communications to ensure that we are able to report in a transparent and consistent manner and outperform the expectations of our investors. GAB also holds analyst and media briefings every half yearly.

Our engagement with the media is on an on-going basis. We have press conferences to announce our half-yearly and final financial results and we also invite them for all our major activities – be it on the Corporate, Brand and Foundation front. As a token of our appreciation to the media for their continued support, we also held a media appreciation evening in July.



## Our Commitment to Stakeholder Engagement

### Engaging Distributors

During the period under review, three distributor engagement sessions were held in Penang, Kuala Lumpur and Johor Bahru. This year, we decided to engage our top 30 distributors at each session to work with smaller groups to have better interaction and more focussed discussions.

During the sessions, we updated distributors on corporate developments and presented a proposal on a new distributor incentive scheme. We also had a Question & Answer session to give them the opportunity to give us feedback on how we can improve our partnerships.

“I think it (the Distributor Engagement Forum) is very beneficial to all the distributors as well as GAB because we are able to communicate more and we are able to understand each other’s problem.”

**Tricia Lim**, Management Executive  
and **Lim Pay Kaon**, Managing Director  
Thong Thye Siang Sdn Bhd (GAB distributor)

“It (the Distributor Engagement Forum) is very good because they make it a point to explain to us and make us understand the problems and issues.”

**Wong Chin Wui**, Business Management Executive  
Wong Long Cheong Sdn Bhd (GAB distributor)

### Engaging Trade Partners

To better understand the needs of our trade partners, we conduct a Customer Satisfaction Survey once in two years. This survey seeks concrete customer feedback to help us design programmes that are relevant and complementary to our customers’ business. The last survey was conducted in 2008 and the next one will be conducted in end-2010.

Taking trade engagement one step further, we initiated GAB Academy which has been active since October 2008, and officially launched in September 2009. Our objective is to engage trade partners while building and retaining long term and sustainable relationships through value-added offerings; to engage service staff of trade partners to improve their service levels and inculcate advocacy; and ensuring the best consumption experience of our brands for our consumers. Offering a total Trade Engagement programme, the Academy includes a VIP

Trade Programme for business owners and the HERO Academy for service staff.

For the period under review, three sessions were held in September 2009 in Penang, Johor and Kuala Lumpur. A total of 165 participants representing 93 outlets from all over Malaysia attended the sessions where we also launched GAB Academy officially and updated trade partners on our business progress. We also shared with our trade partners emerging trends in F&B culture in Asia along with new media trends. This was followed by a Question & Answer session.

- **VIP Trade Programme**

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 that includes the development of actionable business ideas.



- **HERO**

One of the initiatives under the GAB Academy is HERO (Hotel, Entertainment Outlets & Restaurant Operators), which is a series of skill training workshops. Training sessions were held across Malaysia with close to 1,000 participants to-date.

Overall, the participants found the product training very beneficial. In a post workshop survey, most modules received high scores from the participants. 80% of the participants rated the trainers to be very good and 100% were looking forward to the next training session.

To reward the top participants, GAB provided an all-expense paid internship to train at Melbourne, Australia for the top 4 HEROs.

As part of our plan to promote responsible drinking, GAB has also introduced a Responsible Drinking and Serving module into the GAB Academy. This provides bar staff with knowledge

of the alcohol content of various drinks, responsible bartending skills and tips on how to deal with difficult customers.

### **Engaging the Authorities**

As the clear market leader in the malt liquor market, we proactively engage with the government and other stakeholders on a regular basis to present our views of the industry and forge better working ties with these groups.

GAB representatives regularly engage with relevant government bodies on issues affecting the industry. We engage with the Ministry of Finance, the Customs Department, the Ministry of International Trade and Industry, and the Ministry of Domestic Trade, Co-operatives and Consumerism on various industry issues. On top of that we also engage with the Ministry of Information and Culture for our brand activation events and we present materials to the Ministry of Tourism on how our Industry supports music tourism and the economic impact of our activities, for example, Arthur's Day 2009.

We also engage with the different government agencies such as the Drainage and Irrigation Department, the Department of Environment, the Petaling Jaya City Council, the Selangor Water Management Board and the Fisheries Department on a regular basis on the GAB Foundation's River Rehabilitation Project.

Recently, we participated as a panellist in an International Indirect Tax Forum organised jointly by KPMG Malaysia and the International Tax and Investment Centre (ITIC) where we had the opportunity to present our views on the impending implementation of Goods and Services Tax (GST) in Malaysia and the impact it would have on our Industry.

**"For an establishment to maintain high service standards, staff members need to work together to ensure smooth daily operations. I am very pleased that GAB offers bar staff this opportunity to hone their skills and build team spirit."**

**Andrew Cheah Weng Hoe**, Bar Captain Bamboo9 (HERO participant)

**"It was very good; the trainer taught us information and knowledge that we never thought of, and now we can do better, especially on how to handle difficult guests and on drinking responsibly. I appreciate so much that they've given us this opportunity, and I hope this is an ongoing thing."**

**Nur Shahada Lim @ Bee Hwan**, Training Manager Chili's Empire Subang (HERO participant)



# Know your Standard Drink.



1 Standard Drink = 8g of pure alcohol.



On average, it takes an hour for your body to process one standard drink.

\*Based on UK standard measurement.



Drink Sensibly

“Drink Sensibly”, a GAB-led programme, helps us take the lead in encouraging responsible drinking.

# Our Commitment to Responsible Marketplace Practices

To reinforce GAB's intent to inculcate responsible drinking, a Responsible Drinking and Serving module is incorporated into the training given by GAB Academy – our flagship training programme for trade partners – providing service industry front liners with knowledge of the alcohol content of various drinks, responsible bartending skills and methods on how to engage with difficult customers.

## **GAB'S ADVOCACY OF RESPONSIBLE DRINKING**

As a market leader, GAB wants to take the lead in encouraging responsible drinking through significant strides and sustainable initiatives to create a more responsible place for alcohol in society.

In order to credibly take on the lead role of an advocate, we have anchored our actions around our 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 communication meet legal requirements and do not encourage irresponsible drinking.

## **ROLE OF THE GAB ACADEMY**

Our trade partners are at the forefront of consumers' contact with our brands. They are therefore in a position to influence attitudes towards responsible drinking.

To reinforce GAB's intent to inculcate responsible drinking, a Responsible Drinking and Serving module is incorporated into the training given by GAB Academy – our flagship training programme for trade partners – providing service industry front liners with knowledge of the alcohol content of various drinks, responsible bartending skills and methods on how to engage with difficult customers.

## **PRACTICING BUSINESS RESPONSIBLY**

GAB's presence as a responsible corporate citizen in the community that we operate in is expressed by the commitment to practice business in a responsible way, which also benefits our stakeholders and the environment.

Through stringent self-regulation, we are able to protect the integrity of GAB and the interest of our stakeholders, while enhancing our competitiveness and fiscal health. This then leads to complete accountability as to how we are able to make a difference to the community and environment as a result of our marketplace policies that we practice. This strategy to share the benefits which we generate from our operations is also used to mitigate potential risks when managing our finances and adjusting to the regulations under which we operate.

## **Responsible Reporting**

GAB's transparent approach to reporting allows us to responsibly share how we go about our business for the benefit of our stakeholders, but it is also done in a manner which does not expose any proprietary strategic information. Details of the Company's controls and corporate governance measures can be found in the Annual Report or at [www.gab.com.my](http://www.gab.com.my).

**Pre-implementation  
of the Code of  
Marketing Practice.**



**Post-implementation  
of the Code of  
Marketing Practice.**



**Responsible Marketing**

Self-regulation is present throughout GAB in order to ensure that the way we do business, engage the community and communicate with our customers is done in a responsible and ethical manner. In order to ensure this, a Code of Marketing Practice, which outlines strict guidelines by which employees and company representatives are to follow when marketing and promoting the Company's products is in place.

Together with our relevant business partners and vendors, each new employee is familiarised with the Code of Marketing Practice through refresher courses and annual briefings to remind all parties of how crucial it is to adhere by it.

It clearly 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.

Regular dialogues are held with our agencies to ensure compliance with the Code of Marketing Practice, with strict approval processes in place. Essentially, our marketing code aims to ensure that responsible marketing practices are ingrained in the way all our people work.

We are happy to update that in the year under review, there were no incidences of non-compliance with the Code.

We update our consumers and the public on new products in the market through print and electronic media channels. Our policy on responsible Marketing ensures the provision of transparent product information and labeling during the period under review. There also no incidences of non-compliance with regulations or our own voluntary code with regards to the health and safety impacts our products.

**Ethics Charter**

As a pioneer company officially adopting the Malaysian International Chamber of Commerce and Industry's Ethics Charter in 2006, GAB strives to abide by the guide for member companies when conducting business while pursuing their corporate and business interests with VIGOUR, which represents the business values of Value Creation, Integrity, Governance, Obligation, Understanding & Responsibility.

**Strategic Planning & Tracking**

In order for the sustainable growth of GAB's business as well as to protect the interest of our shareholders, strategic planning and tracking is an integral part of how we conduct our business. This is achieved by

holding regular meetings between the Management and the Board, during which operational performance and related matters are discussed.

A three-year strategic and operational plan is prepared annually by the Management, defining targets in terms of Key Performance Indicators (KPI), that are in turn tracked closely throughout the financial year.

**Risk Management**

The highly competitive and challenging environment under which GAB operates requires an ongoing process to identify, evaluate and manage risks, which are inherent in pursuing our business objectives and executing strategies.

These risks are reviewed and evaluated on a regular basis by a Risk Control Workgroup comprising of cross-functional Senior Managers and headed by the Finance Director which is responsible for identifying and managing key business risks faced by the Group which may come in the form of:

- **Reputational Risk**

The integrity of GAB's brands and products are pivotal to its success and this is secured by the rigorous quality standards and monitoring procedures imposed on the production and logistics infrastructure in order to ensure that products of impeccable quality are consistently

There has been a marked change in the focus and design of our product advertising since the implementation of GAB's Code of Marketing Practice.

and constantly delivered. A pioneer brewery in Malaysia to receive both the internationally recognised ISO9001:2000 accreditation and Ministry of Health's Hazard Analysis Critical Control Point (HACCP) certification, the Sungei Way brewery continues to have its certification successfully renewed annually.

- **Currency and Interest Risks**

Comprising representatives from the Finance, Supply Chain, Purchasing and Sales Departments, GAB's Treasury Risk Committee meets quarterly to review risks relating to cash flow, foreign currency exposure and interest rates. GAB also has in place an exchange rate hedging programme to contain exposure to fluctuations.

### **CONTROL ASSURANCE AND RISK MANAGEMENT**

Control Assurance and Risk Management (CARM), GAB's web-based self-assessment programme 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. Emphasis is placed on internal controls over financial reporting, focusing on transparency, accountability and safeguarding of assets for the purpose of compliance with the requirements of the US Sarbanes-Oxley Act.

### **SUPPLIER ENGAGEMENT AND AUDIT**

GAB is part of a global network of breweries and as a result, we are able to purchase our key raw and packaging materials as a group from international suppliers. Where possible, we engage local suppliers especially with regards to our commercial purchases of goods and services, in line with our commitment to creating economic value with our activities.

GAB conducts regular supplier audits to ensure that the key raw and packaging materials and processes that contribute to our final products fulfil the quality and standards that we have set to meet stakeholders' expectation. This is in line with the ISO 9001:2008 and the Hazard Analysis and Critical Control Point (HACCP) requirements, of which GAB has been certified. We are required to control and monitor our key vendors and outsourcing processes whereby the quality of products and services provided will conform to all customer, statutory and regulatory requirements.

Among the areas that are audited include storage methods, raw materials and packaging materials used for the production of finished goods; general factory conditions and safety standards; environmental related areas, for example, chemical storage,

contamination prevention, contamination by vicinity industries and their environmental policy; operational procedures; compliance with ISO requirements; delivery; that their operations are not in conflict with human rights as well as the communication processes between GAB and suppliers.

Where the quality and standards are not met, suppliers are required to rectify the situation accordingly within a stipulated time frame such that production timelines will not be adversely affected.

### **CRISIS MANAGEMENT**

GAB's Business Continuity Plan is an integral part of a comprehensive strategy to mitigate risks and manage the impact of crisis situations. Simulations are conducted periodically to enhance the Group's preparedness in crisis and emergency response to try and ensure minimum or no disruption to operations and business during a crisis or disaster.



The GAB Foundation visits the Gurburi Orphanage to donate a SMILES reading corner for its children.

**Smiles**  
VISIT TO THE  
GURPURI  
FOUNDATION  
30 September 2009

# Our Commitment to Enriching Communities

The GAB Foundation is committed to having a role in community development in the country. While we work with specific communities in each of our programmes, the ultimate aim is to make a difference to the Malaysian community as a whole.

## ENRICHING THE COMMUNITY

GAB's Corporate Social Responsibility (CSR) efforts focus on three core areas – Environmental Conservation, Investments in Education and Community Projects – to enrich the community, especially where we operate. Each area is monitored regularly, and we do so in a public and transparent manner so that all our stakeholders are kept informed about the work that we do.

## THE GAB FOUNDATION

Founded in 2007 with a clear vision to be recognised as a leading Malaysian Foundation in Enriching Communities, the GAB Foundation has been steadfastly enriching the lives of individuals and communities through its three pillars of Environmental Conservation, Education and Community, spearheading our CSR initiatives and

creating an impact on the lives of more people around us in reflection of our corporate values of striving for excellence, acting with integrity and having a genuine respect for people, society and its diversity.

The GAB Foundation is also fortunate to be working with great partners who share common goals and objectives which have made our projects a success. The Federal and State Governments and their various arms such as the Drainage and Irrigation Department (JPS), the Department of Environment (DOE), the Petaling Jaya City Council (MBPJ), the Selangor Water Management Board (LUAS) and the Fisheries Department have been stalwart supporters while the NGO project coordinator – Global Environment Centre (GEC) – has been instrumental in sharing their expertise in our River Rehabilitation Project by providing invaluable information and technical advice.

With the steady progress made by the Foundation on each project, more independent bodies, government agencies, NGOs, environmentalists and interested parties have begun to show interest and extend their support. The GAB Foundation is constantly looking into more avenues to make our projects a greater success, and our vision a reality.

The Foundation is committed to having a role in community development in the country as it delivers our targets and meets our goals through strong environmental and social performance, while functioning within the scope of all laws and regulations of Malaysia that govern us as a Foundation. While we work with specific communities in each of our programmes, the ultimate aim is to make a difference to the Malaysian community as a whole.

More details on the background of the GAB Foundation can be found at our website [www.gabfoundation.org](http://www.gabfoundation.org).

Environmental Conservation Pillar

**W.A.T.E.R. (Working Actively Through Education & Rehabilitation)**

A core activity in helping to conserve the environment, W.A.T.E.R. involves rehabilitating rivers and promoting good water usage habits among the community with the main aim of protecting our water resources, beginning in the very community in which we are operating within.

W.A.T.E.R. has seen our environmental initiative flow into the conservation of the Pencala River tributary, engaging local communities in the vicinity of the brewery, business entities, government sectors, service providers as well as local leaders.

Since its inception in 2007, W.A.T.E.R. has resulted in the local fauna returning to the area and a more vibrant eco-system with the evidence of certain fish species being spotted more frequently together with snakeheads (Haruan), catfish, eels and tortoise.

This project is one-of-its kind in Malaysia as it engages the communities living along the river, businesses and Government Agencies to be a part of the rehabilitation efforts. To-date, the GAB Foundation has actively worked toward increasing awareness of this by training and getting the downstream community in Desa Mentari, Kampung Lindungan and Desa Ria, and the upstream community in SS3 and SS9A on board.

This project has also received strong support from the various government departments. A Project Steering Committee has been formed comprising the GAB Foundation, GEC and the various government departments - JPS, MBPJ, DOE, LUAS, the Department of National Unity and Integration and the Selangor State Fisheries Department, as well as community leaders from the downstream and upstream communities. The Committee meets once in 2 months to discuss and track the progress of the project.

We encourage the community living along the Sungai Way River, which we have adopted, to be more civic conscious and to understand the importance of keeping our rivers clean. This is done through the distribution of brochures, leaflets, and various community programmes. In December 2009, GAB Foundation, in collaboration with GEC launched a dedicated River Care Education Centre in Desa Mentari for the Sungai Way Community. This centre houses a library of reference material on river rehabilitation and conservation, a laboratory equipped with test equipment to conduct water quality test and a discussion area. The centre is also open to students and members of the public who wish to utilise it as a resource centre for river rehabilitation research and education.

**Warga SK Sungei Way jayakan Karnival Sungai**

Pelbagai acara tingkar kesedaran jaga kebersihan alam sekitar

21st March 2010

**P**ETALING JAYA, Lebih 1,000 warga Sekolah Sungei Way dan penduduk sekitar menyertai pelbagai aktiviti yang dianjurkan semasa Karnival Sungai Sungei Way yang diadakan pada Sabtu, 20 Mac.

Karnival tersebut dianjurkan oleh Jabatan Pendidikan dan Latihan (JPD) dan Sekolah Sungei Way (SW) di Jalan Alam Sekitar (JAS).

Karnival Sungei Way Selangor (KSS) adalah Persekitaran Alam Sekitar (PAS) dan Program Kesedaran (PKS) yang dianjurkan oleh Jabatan Pendidikan dan Latihan (JPD) dan Sekolah Sungei Way (SW) di Jalan Alam Sekitar (JAS).

Persekitaran, Menteri Pendidikan, di bawah pengurusan karnival ini bertujuan untuk meningkatkan kesedaran masyarakat di kalangan guru-guru dan pelajar mengenai kebersihan alam sekitar dan pentingnya menjaga alam sekitar.

Manfaat di antaranya ialah Persekitaran Alam Sekitar (PAS) dan Program Kesedaran (PKS) yang dianjurkan oleh Jabatan Pendidikan dan Latihan (JPD) dan Sekolah Sungei Way (SW) di Jalan Alam Sekitar (JAS).

**Sungai Way moves up a class**

**S**UNGEI WAY, The GAB Foundation (GAB) has been instrumental in the development of the Sungai Way River. The project has been a success story for the community living along the river.

The project has also received strong support from the various government departments. A Project Steering Committee has been formed comprising the GAB Foundation, GEC and the various government departments - JPS, MBPJ, DOE, LUAS, the Department of National Unity and Integration and the Selangor State Fisheries Department, as well as community leaders from the downstream and upstream communities.

The Committee meets once in 2 months to discuss and track the progress of the project.

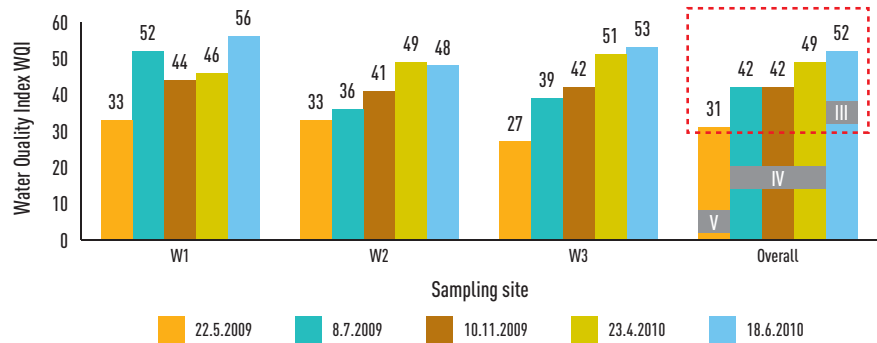


The Drainage and Irrigation Department who is one of our partners in this W.A.T.E.R project was equally interested in ensuring rivers are free from unwanted pollutants, by installing rubbish and grease traps.

The community was also given recycling ideas and taught how to do their own composting through the use of soil and other biodegradable waste from their homes. They also learnt how to produce their own antibacterial floor cleaners through clever home tips and ideas, and taught how to convert used cooking oil into soap. A community-run Recycling and Composting Centre has also been built in the vicinity for this purpose.

In determining the success of the project, we have put in place several measures. A biodiversity study is done bi-annually to see if plants and other living organisms are able to breed and multiply. The presence of herons indicate that the river is now a food source and this is a tremendous progress because initial studies of the river had shown that no aquatic life was present.

Water Quality Index of Sg. Way



An independent laboratory conducts a quarterly monitoring study on the quality of the river. Initially classified as Class IV – which is considered grossly polluted; the quality of the river system has now improved to a Class III.

GAB will also continue with water quality testing, solid waste management and biodiversity studies to ensure the river is on the right track to be rehabilitated. The habitat creation practice will continue and a Mobile River Care Unit will be set-up in the coming months to carry out interactive exhibitions as well as to provide resources and equipment to deliver water quality education to schools and communities nationwide.



## Our Commitment to Enriching Communities

### River Carnival

In July 2010, the GAB Foundation jointly organised the River Carnival with GEC, for the second consecutive year. The carnival was also supported by various government agencies which included the JPS, MBPJ, DOE, LUAS and the Department of National Unity and Integration.

Throughout the half-day event, which attracted 1,000 people, visitors, who comprised community members from the surrounding area were encouraged to participate in conserving the environment and rehabilitating Sungai Way. A plethora of environmental activities targeted at the public were carried out. Pre-school children were also introduced to the importance of water through water related stories told to them in an entertaining and interactive manner through the GAB Foundation's Storytime with GABBY.

"We are very thankful to have the GAB Foundation on board in promoting river rehabilitation and restoration, and showing the care that they have for our rivers. Towards 2015, we wish to achieve Class 2 quality at Sungai Pencala and Sungai Way, and we already have programmes in place to achieve this objective together with support of the GAB Foundation. The community is excited about this vision and we are receiving tremendous support from many parties who are coming on board, such as the SS19 and Mentari Court communities, and the National Service trainees as river rangers. The river is our baby. We hope that GAB Foundation will continue and have a non-stop campaign on the restoration and rehabilitation of our rivers"

**Encik Ahmad Azizi**, Engineer, JPS Petaling

"The response from the community is very good and they have been very supportive. The community has learnt to love the river, as we say, 'Cintai Sungai'. They know the kind of river that we need, and they take on the responsibility in preserving it. Even the school children are being taught how to check the water level and the quality of it. They understand very well, and this helps them in their exams too because they learn about the type of fishes that exist in this surroundings. Moving forward, we hope to get the support from GAB Foundation to set up a lab to have more practical sessions for the school children once they have learnt the theoretical part. Overall, we are very happy with the project"

**Encik Zaini**, Community Leader for Kampung Lindungan





### **Business Partner Training**

As part of its community engagement programme, GAB Foundation in collaboration with GEC organised a seminar for business owners and operators situated along the Sungai Way basin in March 2010. The seminar was attended and supported by senior officials from various government agencies. They include JPS, LUAS, DOE and MBPJ. This seminar was aimed at providing businesses operating along the Sungai Way river basin a better understanding of the Sungai Way River Rehabilitation Project efforts;

simultaneously engaging and cultivating support from businesses and commercial communities on the role they can assume in the initiative. A total of 25 businesses attended this seminar, 3 of which have asked us to conduct training for their staff on recycling and composting.

The seminar showcased how river rehabilitation efforts can increase the economic and aesthetic value of business properties as well as help ensure better sanitation practices that can improve living conditions and public health.



### CASE STUDY

#### Working Towards Cleaner Water on Bio-Diversity Day

In conjunction with Biodiversity Day in May 2010, 20 GAB employees, through the GAB Foundation, lent a hand to support the Sungai Pencala River Restoration project which was held at the source of the river in Bukit Kiara. The initiative led by GEC saw volunteers create habitats for the fish in the river, by making mini waterfalls to create ripples and pools and remove sediment that had filled up the river due to land slides, erosion and extensive excavation in the surrounding Bukit Kiara area.

Other activities such as tree planting, tree tagging and planting native herbs were also held to help increase the biodiversity in and along the river.

A unique feature of the project was the involvement of the Orang Asli at the first stage of the restoration activity on Sungai Pencala, where they worked with GEC to rid the river of rubbish and excess sediment along the 300 metre stretch of river from its source.

Sungai Pencala, which begins as a small trickle of water at the top of the Bukit Kiara Hill, is the only urban river in Malaysia where the water is pristine and potable. The water is drinkable and classified as Class I under the Department of Environment and is regarded as a perfect site for an "Open Classroom" to teach children and adults about natural rivers and their importance for biodiversity. However, less than one kilometre downstream, the water deteriorates to Class IV which is classified as heavily polluted based on the Water Quality Index (WQI).

The GAB Foundation's support in the Sungai Pencala River Restoration is part of its bigger commitment to river rehabilitation. Together with GEC, the Foundation members work to restore rivers under the W.A.T.E.R. (Working Actively Through Education and Rehabilitation) project.

GAB Foundation's River Rehabilitation Project is a 3-year project with the aim of improving the water quality of rivers, beginning with Sungai Way. Part of the project's activities comprises educating the communities living within the area about the importance of water, and why and how they can conserve and protect its source.

To-date, the GAB Foundation has channelled approximately RM550,000 into the river rehabilitation project. It conducts training sessions for residents, business partners and GAB employees, on recycling and composting waste, as well as water quality monitoring exercises.



### Storytime with GABBY

Complementing the W.A.T.E.R. river rehabilitation activities is an educational initiative that engages and educates children on 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 and the GAB Foundation to facilitate these storytelling sessions.

To-date, 18 storytellers, including childcare workers and kindergarten teachers, have been recruited and trained to facilitate the storytelling sessions in English, Malay, Tamil and Chinese. 90 sessions have been held at selected community centres, welfare homes, kindergartens and schools involving 750 children.

Parents, guardians, teachers and children are interviewed to gauge effectiveness and improvement areas for future sessions. It is heartening to note that 95% of the children engaged are able to recap and implement knowledge and content material from previous modules to the latest sessions.

In the year under review, we expanded this programme beyond the Klang Valley to remote areas in Selangor, Perak, Penang, Melaka and Negeri Sembilan. A GABBY Club has now been established to continuously engage the children who have undergone the sessions and we intend to reach out to more children in different centres and in different states. The 1st quarterly newsletter was published in July 2010 featuring stories on water conservation with the aim of continuously engaging the children on the issue.



## Our Commitment to Enriching Communities

### Education Pillar

#### Enabling Education

With Education being a pillar for the enrichment of any community, the GAB Foundation's efforts in this crucial area have seen progress in our SMILES, Dragon Mission, Bidayuh Community engagement and Partial Scholarship Scheme initiatives which assist children to reach their highest potential.

#### SMILES

SMILES (Supporting Malaysian Indian Learning, Education & Sports) represent the Foundation's, as well as GAB's, long-term commitment to contribute towards the betterment of the Malaysian Indian community.

#### English Enrichment Programme (EEP)

The GAB Foundation also lends support to the English Enrichment Programme (EEP), in which students are coached in Year One with the aim of providing them with additional lessons over and above their regular curriculum. To-date, over 1,000 students from the Klang Valley, Rawang, Malacca and Pahang have benefited from this sponsorship.

In 2009, a total of RM113,000 was donated to the Tamil Foundation in support of EEP for over 500 Tamil Primary One students in selected Tamil schools throughout the country.

In 2010, we have continued our commitment to improving English proficiency amongst Tamil school children. We have engaged a child development specialist and a lecturer in early childhood development to help develop our own English Enhancement Programme and we are currently training our pool of facilitators comprising volunteers who are professionals. We hope to roll this programme out to 200 students from five schools in the coming months, in collaboration with NGO, Educational, Welfare and Research Foundation Malaysia (EWRf).



### Reading Corner

Another component of SMILES which supplements the efforts to improve and expand the English language proficiency of students in vernacular Tamil schools are the reading corners which are equipped with storybooks, reference books, bookshelves and furniture.

The GAB Foundation equipped an additional 7 schools and 1 Sikh orphanage with reading corners in FY10, bringing this to a total of 12 reading corners donated to-date.

The GAB Foundation will continue its support of SMILES initiatives and increase the number of sponsored schools, reading corners and children participating in the programme while ensuring its sustainability.

### Reading Corners for the Bidayuh Community

In January 2010, the GAB Foundation embarked on a pilot project in East Malaysia, providing six schools and a community library in Sungai, Bau – Sekolah Kebangsaan Apar, Sekolah Kebangsaan Segong, Sekolah Kebangsaan Atas, Sekolah Kebangsaan Senibong, Sekolah Kebangsaan St. John, Sekolah Kebangsaan Bobak and the Baruk Community Library – with reading corners fully equipped with bookshelves, tables, chairs and a collection of English encyclopaedias, dictionaries, references and story books worth more than RM70,000.

Approximately 1,500 students from these schools now have access to relevant English reading materials that will help them build a firmer foundation to develop their command of the English language.

The project was done in collaboration with the Association of Research and Development Movement of Singai Sarawak (REDEEMS), a non-profit organisation that oversees the development affairs of the Bidayuh community.

**“Dari pihak sekolah, kami ingin merakamkan setinggi-tinggi penghargaan dan ucapan terima kasih kepada GAB Foundation di atas sumbangan ‘Reading Corner’. Ia memberi banyak manfaat khususnya kepada para pelajar, guru-guru serta kakitangan sekolah yang lain. Buku rujukan yang disumbangkan amat sesuai serta menepati sukatan pelajaran di sekolah. Buku-buku cerita juga amat sesuai untuk bahan bacaan tambahan murid-murid.”**

**Fatimah Binti Buang**, Guru Besar  
S.K. Bobak/Sejingang Bau



## Our Commitment to Enriching Communities

### Partial Scholarship Scheme

Under the Partial Scholarship Scheme, the GAB Foundation provides deserving Malaysian students pursuing higher studies at certificate, diploma or undergraduate levels with a chance to achieve their ambitions. In 2010, the Foundation awarded RM131,000 worth of partial scholarships to 19 undergraduate students who are pursuing their education in local and foreign institutions, bringing the financial assistance awarded to-date to 38 students with total scholarship worth more than RM300,000.

The GAB Foundation provides disbursements of RM10,000 for undergraduate studies in private and foreign universities and colleges, RM7,000 for undergraduate studies in local universities and colleges, RM 4,000 for diploma or advanced diploma courses and RM 2,000 for certificate courses.

As part of the scholarship scheme, the GAB Foundation also organises workshops for the recipients to equip them with the skills and etiquette they need to venture successfully into the work force. Recipients of the

Foundation's 2009 scholarship participated in an all expense paid two-day life skills workshop where they were taught communication skills, interview skills, personal grooming tips, how to manage their personal finances and how to write an effective resume.

### Dragon Mission

The Dragon Mission was initiated three years ago by GAB as a Chinese New Year fund-raising effort. It involved the participation of GAB trade outlets to collect funds to help Chinese Primary Schools, nominated by the participating outlets, and to award scholarships to students of Chinese Independent Secondary Schools to help them with their school fees.

In FY10, Dragon Mission evolved its fund-raising mechanics and saw all brands coming together for the "Dragon Mission Charity Concert" series, which successfully raised RM8.17 million for the development of 10 Chinese schools in Malaysia.

The Dragon Mission has now come under the purview of the GAB Foundation, under its education pillar and moving forward, we will be looking at further fund-raising opportunities for education.



### GAB Foundation's Partial Scholarship Scheme Recipient

I undertook a degree in food science and nutrition from Universiti Malaysia Sabah (UMS). It was a four-year programme filled with lots of knowledge, hard work and fun! I chose this degree in order to further my interest in something that many of us seemed to take for granted: food. Various aspects of food and nutrition were explored, from food properties to community nutrition. I also took several business courses as my minor, which helped to diversify my knowledge other than the science field. Oh yeah, and I took French for two years. Bonjour, je m'appelle Melissa, which means 'hello, my name is Melissa'.

After obtaining the scholarship from GAB Foundation, I was further motivated to perform better academically to prove that I was worthy of it. Financially, the scholarship helped me to cover my university fees and final year research expenses. With the assistance, I was able to complete my degree successfully. After graduating, I attended a workshop organised by GAB Foundation for all scholarship recipients which aimed to help us on job applications. The workshop was really beneficial and timely as I was looking for a job at that time. After several job interviews later, I was accepted into Asia Pacific Breweries' Executive Trainee Programme and I am currently based in Asia Pacific Breweries Singapore (APBS).

I would love to thank the GAB Foundation Scholarship for giving me this opportunity to be one of the 2009 scholarship recipients. It is an honour for me to be a part of the first batch of recipients. GAB Foundation Scholarship has been really concerned about my development, constantly following up on me. Meeting up with other fellow recipients had also created friendships. I hope that more students are aware of this scholarship opportunity and many more deserving students are able to benefit from it in the future. GAB Foundation, merci beaucoup.

Melissa Tan

## Community Pillar

GAB employees were given the opportunity to contribute to the charities of their choice on one working day during "The Big Day Out", enabling them to become role models in the communities in which we are present.

### The Big Day Out

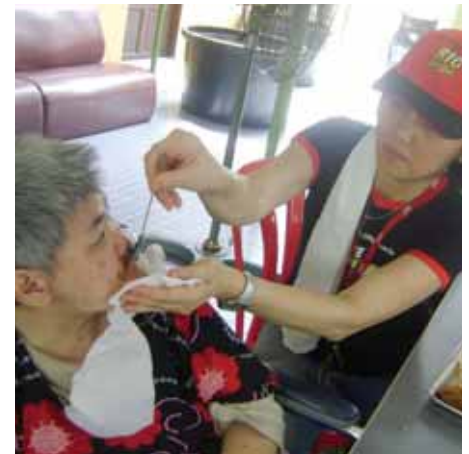
For "The Big Day Out", GAB employees across the country were challenged to come up with impactful activities or work with a non-profit organisation or a charity of their choice focussing on one of the Foundation's three key pillars - Environmental Conservation, Education and Community. Employees worked in teams and each team was allocated seed money to utilise for their activity.

"The Big Day Out" programme is a way for the Company to involve all employees in its CR initiatives, regardless of where they live in Malaysia.

In the year under review, more than 500 employees across the country participated in 31 different community projects that included beach cleaning; repair and maintenance works in nursing homes and child welfare centres; helping the less fortunate; organising a charity car wash and cup cakes sale to raise additional funds and more.

**"The Big Day Out concept is great and a very down to earth approach for a big company. It made us more aware of what's happening in our community. I was given a chance to do my part for the community and it has made me a better person."**

**Arumugam Alagan, Packaging Supervisor**



### CASE STUDY

#### The Big Day Out – Charlie’s Angels

A small team of 10 employees started out on a project to improve living conditions and elevate quality of life for a low-income single-mother family of 6, with an 8-year old disabled son, living below the poverty line. They were in dire need for material and financial aid.

Letchumy is a simple and pleasant lady, very humble, unassuming, non-demanding and sincerely appreciative. Her main request was for a wheelchair for her handicap son because whenever they go out he has to be carried piggy-back to and fro, which was very difficult.

At Letchumy’s rented house, it was noted that there was only the very bare make-shift essentials. There was a glaring absence of some badly needed basic household necessities, eg. table, chairs, cupboards, mattresses. Although the (low-cost) house is double-storey, the landlord has not maintained it and the family basically occupies and lives only on the ground floor because the roof is leaking in several places upstairs. As the house is rented she declined the offer to fix the roof or do any structural repairs.

For this project, the team focussed on providing the following for Letchumy:

1. furnishing and equipping the home with basic household items;
2. providing a wheelchair for the handicap son;
3. providing some food and provisions to help ease their lives and see them through for a period of time;
4. encouraging the only school-going son to study by providing basic educational support;
5. highlighting the plight of this family to the relevant social bodies to try solicit further assistance for Letchumy and her children.

In addition to the above, and on a personal basis, individual members of the team contributed a variety of other items to bring more cheer to the family. With the balance of funds, the team intends to do a follow-up visit to the family during Deepavali and before school reopens, to see how the family is faring and if more can be done to help ease their plight.



**“The ultimate goal here is not to make them dependant on us but to give hope and encouragement for them to continue with pride to be self reliant, whilst knowing there will always be people who care.”**

**Audrey Kwong**, Charlie’s Angels  
Assistant Team Leader  
(Personal Assistant to the Managing Director)

**“We started this project to reach out and touch the lives of those less fortunate than us, but in reality we are the true beneficiaries of this project because it is our hearts that have been touched and our lives that have been enriched in more ways than words could ever hope to express or money can ever measure or match.”**

**Tan Yew Luen**, Charlie’s Angels  
Team Leader  
(Head of Internal Audit)

“This was the first time that GAB has visited our home and it was indeed meaningful. They brought paint to paint the house, and had some ‘gotong-royong’ around the compound. The children were happy and excited to receive their visit. I thought it was tremendous teamwork as the team members were not only from Kuantan but as far as Terengganu and Kemaman. It’s something different that a big company like GAB has their staff out to do social work for the community. It’s a good initiative, as compared to just monetary donations and this should definitely continue in the future.”

**Alex Chow**, Chairman of Rapha Children’s Home, Kuantan



## CASE STUDY

### The Big Day Out – Timur Angels

For the Big Day Out, our colleagues from Timur spent a whole day at a private orphanage, Rapha Children’s Home, which needed public support for the maintenance of their premise. Rapha Children’s Home was founded on August 27, 1998 by the Kuantan Pastors and Leaders Fellowship and is now home to 31 children aged from two to 19-years old. Its objective is to provide care for underprivileged and abused children as well as orphans and the home is manned by five full time staff - a supervisor, a chef, a driver and two general staff.

Among the activities carried out by the GAB team from Timur were painting, cleaning of the compound, cutting down old tree branches, and the fixing of mosquito nettings. At the same time, the team collected donation in the form of various dry food, beverages and stationary for the children.

On top of that, the level of support for this project in Timur was prominent as they got extra support from people out of the team. Our draft beer contractor and members from Kuantan City Hash were present to help out voluntarily, showing the level of impact the project had on the GAB team in Kuantan and their fellow supporters.



GAB employees, the key driver of our success, celebrates 9 years of consecutive growth. We continuously invest in our people and in further improving the workplace environment.



celebrating 9 years

# Our Commitment to Workplace Best Practices

GAB continuously strives to be an employer of choice; with the aim of being the best in Malaysia. Towards this aim, we have invested heavily into our employee welfare, training and development, as ultimately, our people form the foundation and future of our Company.

An important challenge in ensuring success is to respect other cultures and workforce environments while forming greater social consciousness. Employees are increasingly looking at working with companies that contribute meaningfully and dynamically to society.

We at GAB view this very seriously and continuously strive to be the employer of choice; with the aim of being the best in Malaysia. Towards this aim, we have invested heavily into our employee welfare, training and development, as ultimately, our people form the foundation and future of our company. We also advocate and encourage a work-life balance as the well-being of our employees across all levels is of primary importance to us.

We aspire to become the Malaysian Employer of Choice and we have in place the following best practices and policies that will help us achieve our goal of being an Icon in Business.

## **Vision and Values**

Our Vision and Values are embedded deeply within GAB's policies, procedures and work culture and this is reflected clearly in our daily operations. Our emphasis on People, Brands and Performance is the driving force of our business. Having a passion for Winning; Valuing and Respecting each other; Showing Integrity in all that we do; and Providing Enjoyment are the qualities of our Values that help steer us towards our goal of becoming an Icon in Business.

## **Our 7 HR Pillars**

GAB's 7 HR Pillars was developed in 2007 to enhance our efforts to improve, empower, motivate and reward our employees for great performance, regardless of race and gender. The primary objective of the 7 HR Pillars is to give priority and prominence to key areas that the Company has identified for the development and nurturing of its employees.

These pillars are:

- Grows People
- Pays Well
- Cares for People
- Fair & Reasonable
- Great Two Way Communication
- Lives its Values
- Delivers Great Performance

Today, these Pillars serve as the foundation of GAB's relationship with its employees. In line with each of the 7 HR Pillars, various employee initiatives are planned and implemented to encourage productivity and creativity and ensure a work-life balance. These are periodically reviewed and enhanced.

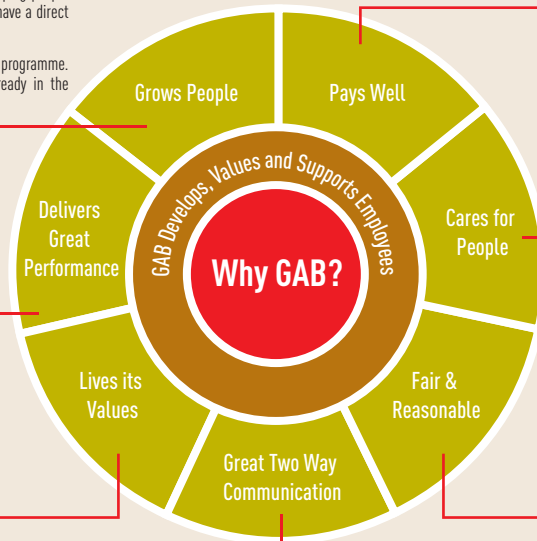
## Our Commitment to Workplace Best Practices

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

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

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

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



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

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

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

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

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

### Flexi-Time

Flexi-time was introduced to help employees balance their work and personal lives as the Company recognises that happy employees are more productive and efficient. The system allows employees flexible working hours as long as they fulfil the requisite eight hours with the core hours between 9.30 a.m. to 4.30 p.m. Flexi-time has benefited many of our employees in terms of managing their time at work and their personal lives and will be continued.

### Healthy Living and Employee Engagement

The well-being and wellness of our people is important to us and we take conscious steps to encourage healthy living and exercise regularly. Health talks are regularly 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 all our employees across the country to encourage healthy eating. The Sports Club is one such platform, which is also good for social interaction and recreational activities.

In June 2010, we held the nature-themed 'Young Seedlings Day' for our employees' children to coincide with the school holidays. Many activities were lined up for the children throughout the day, which included a tree-planting exercise and teaching the kids to appreciate nature.

Festive celebrations to celebrate Deepavali, Hari Raya and Chinese New Year, along with the Annual Dinner meanwhile, help foster stronger ties with our employees and their families.

In 2010, we organised for the first time, HR Services Day where we had a one-stop service centre for employees, offering health and medical check ups, financial planning services and, income tax advice and services.

### Total Productive Management

Our Total Productive Management (TPM) programme - now in its fifth year - continues its instrumental role to boost and enhance the Company's overall performance. To ensure there is buy-in across the board, structured TPM training modules have been rolled out for all employees in Supply Chain. Familiarisation and educational trips to other breweries and manufacturing facilities have also been carried out.



GAB's TPM programme is based on the global Heineken TPM programme and guided by their consultants, and we are proud that GAB continues to be ranked among the best breweries within its brand owners' global network.

Going forward, HR will continue to assume an integral role to champion the TPM Training and Development Pillar, supporting GAB's evolution into a Learning Organisation.

**Promoting Openness**

We believe it is important to have continuous dialogue and engagement with our employees, and among the many initiatives in place include internal publications such as The ICON, and a bi-monthly internal newsletter

called HR4U. HR4U was introduced in February 2010 to keep staff abreast of past and future HR activities and services, as well as policies and procedures. We have also recently started publishing a monthly update from the Supply Chain Director to provide a medium for the Director to update his department on latest developments and, a monthly Sales Bulletin to help the Sales Director stay in touch with his team, especially with employees based in the regions.

In addition to the internal publications, our Managing Director continues to share his thoughts and perspectives on GAB via his monthly updates and monthly breakfast meetings. At these breakfast meetings, the MD meets with a cross-section of employees from different departments in a no-holds-

barred breakfast meeting every month. Parties get to know each other and questions are raised personally with the MD. We will continue these monthly meetings and over time, every GAB employee will have an opportunity to sit in on these breakfast meetings.

Open dialogue sessions are also conducted with the Management Team, whereby as many questions are fielded on the spot at our quarterly Townhall meetings as well as at our annual National Commercial Conference and Supply Chain Conference. These dialogue sessions and conferences provide a platform for the heads of department to share their plans for the coming months. This is in line with the GAB's commitment to transparency and open two-way communication.

## Our Commitment to Workplace Best Practices

Additionally, each section within the Supply Chain Department meets quarterly for a briefing by their section heads. These briefings are aimed at updating employees on the progress of their division and to present new developments. Every session, also attended by the Supply Chain Director and HR Manager, ends with a Question and Answer session. Any unanswered questions during the sessions are responded to via an official memo to all employees.

All the initiatives aimed at fostering closer ties between the Company and its employees have helped GAB continue receiving good support from the Union of Beverage Industry Workers (the Union). FY09 saw GAB signing the 13th Collective Agreement (CA) which covers FY09 and FY10 with the Union after only three sittings.

In spite of the lacklustre economic climate, the CA spells out very attractive benefits for the Union, and GAB is recognised as the first company in the beverage industry and one of the few employers in the country to implement a wage system that incorporates elements of productivity and fixed increments. 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 have a positive impact on staff morale. GAB will continue to engage with the Union and share our development plans as we progress.

### Continuous Learning for Employees

GAB has in place a performance appraisal system where all employees (100%) undergo a review at least once a year to measure their performance against agreed key performance indicators. It is through these reviews that we are able to identify areas for further development and other training needs.

GAB's employee training programmes are competency-based to grow people; meaning that our programmes do not merely focus on meeting the Company's needs, but also each individual's developmental needs. Our workforce is our most valuable asset and we are committed to ensuring that they have access to ongoing training, learning and development opportunities.

Training and development will continue to be a priority for HR. We intend to continue to attract talent at entry level through our robust Management Trainee

programme in FY11. Our commitment is to ensure that everyone within the Company attends at least one training session annually. In FY10, the average hours of training per employee was 47.5 hours.

Numerous training programmes are organised specifically for the Leadership Team as well. The Leadership Team consists of 42 people made up of the Management Team and their direct reports. The objective of this team is to build each and every one of them with skills and knowledge of becoming big leaders, and to build a talent pipeline for future leaders.

Some of the training programmes which were organised in FY10 for the Leadership Team include Stephen Covey's 7 habits training, Stephen R Covey's 8th habit, and a Leadership Programme titled 'Great Leaders, Great Teams, Great Results'. They also held a teambuilding at Batu Gajah to get to know each other and to strengthen the teamwork amongst all 42 of GAB's leaders.

On top of trainings, GAB also helps its staff with getting their certification. We provide a provision for employees to work towards and obtain certification



in their respective fields through study loans and study subsidies. In certain cases, the company fully sponsors the certification of specific programmes. Last year, 7 staff obtained their certification from the Institute of Brewing and Distilling via this initiative. The certifications obtained were 1 General Certificate of Brewing, 2 Diplomas in Beverage Packaging, 3 Diplomas in Brewing and 1 Master Brewer. These are internationally recognised qualification which will benefit our employees both in their roles at GAB and in their future career paths.

GAB aims to ensure that everyone is equipped with the correct set of competencies to carry out their jobs and will pay particular attention to functional skills, with future and potential leaders sent for leadership training.

In FY09, we organised for the first time, a Sales Career Day with the objective of identifying high potential employees and competency gaps within the Sales Department to enable us to chart out career development plans more effectively for all employees. In FY10, we held a Supply Chain Career Day with similar objectives for the Supply Chain Department.

Next year, we hope to see our people equipped with individual development plans not just through training, but also recommendation in self-learning, job rotation and increased exposure.

#### **Promotions from Within**

GAB will continue engaging its brand owners for overseas assignments to ensure more structured international programmes are in place.

In FY08 our former Marketing Manager for Tiger Beer, Charles Wong successfully secured a role in Diageo, Ireland and in FY09, our former Regional Sales Manager, Alex Wong was seconded to Jakarta, Indonesia for a three year stint at Diageo. FY10 saw our first talent exchange with Asia Pacific Breweries Singapore with the secondment of our Sales Director, Michael Chin as General Manager to oversee its business and operations. These talent exchanges in recent years attest to the confidence that our international brand owners have in GAB-trained people.

The Company's Hiring Policy encourages hiring from within before considering external candidates as this ensures that all employees are given a fair

opportunity for career advancement. Our personnel are also encouraged to apply for positions available within our brand owners' international network.

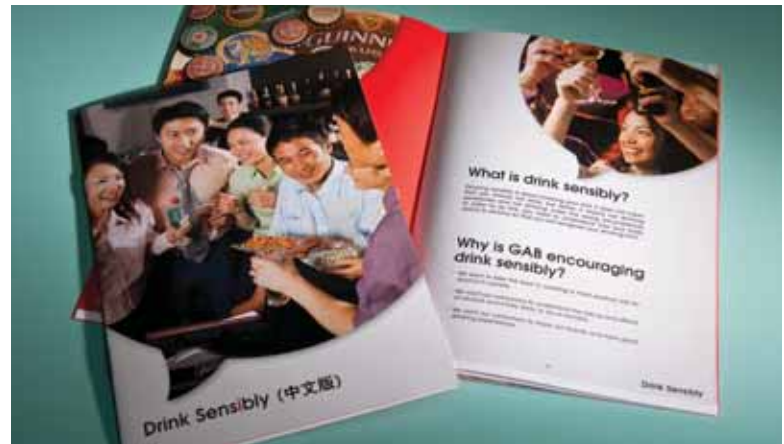
All the initiatives in place are aimed at creating a pool of highly talented and capable employees with cross-functional exposure. Last year, we promoted or moved for development 52 of our employees.

#### **Code of Conduct**

We have a clear and comprehensive Code of Business Conduct, which dictates the way in which our employees and businesses are to go about their day-to-day business affairs. Shared with all employees annually, 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. The Code has recently been updated to include a Gift and Entertainment Policy that helps the Company clarify and define parameters with regards to this issue, to safeguard the Company and its employees against the risk of corruption. Non-compliance of the Code of Business Conduct may result in disciplinary action being taken against the employee concerned.



## Our Commitment to Workplace Best Practices



### Safeguarding our Employees

To safeguard our employees and to promote responsible behaviour, GAB has in place various policies and procedures.

We have a Sexual Harassment Policy in place that is supported by specific procedures, to ensure that any complaint of this nature is dealt with promptly and in a transparent manner. Our Executive Director serves as the Sexual Harassment Officer, in charge of looking into any complaints received. We are currently in the process of benchmarking the policy against leading international companies.

At GAB, we view responsible drinking very seriously and expect that all our employees practise responsible drinking at all times. Our Employee Alcohol Policy, benchmarked against leading companies, sets guidelines for responsible drinking and what is deemed as acceptable behaviour among GAB employees. It outlines areas such as the responsible serving of alcohol and the prevention of excessive alcohol consumption. The Policy provides advice on drinking and driving, alcohol dependency and rehabilitation, and discrimination and harassment regarding alcohol abuse.

In FY10 we launched Drink Sensibly, a GAB-led responsible drinking programme. To-date, all GAB employees have undergone a responsible drinking educational programme. This programme includes information on alcohol and its effect on the body, what standard drinks are and tips on responsible drinking for employees who choose to drink. Each employee was given a Drink Sensibly booklet to supplement and support the programme. This booklet is available in three languages: Bahasa Malaysia, English and Mandarin.

### Commitment to good Occupational Safety & Health (OSH) Practices

Guided by GAB's Safety, Health and Environment (SHE) Policy, every employee has to comply with the relevant statutory and internal 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. This ensures that we have a smooth and uninterrupted workplace.

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

One of the latest initiatives was the review of our Smoking Policy, which resulted in restricting the existing smoking area to 4 areas throughout the whole brewery. This will also help to reduce fire hazards to the brewery.

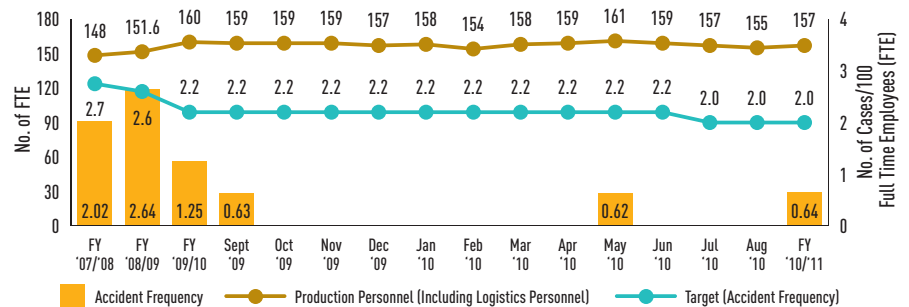
Monthly safety audits have been conducted since July 2010, covering all areas within the Supply Chain Department. The purpose of these audits is to identify unsafe conditions and unsafe acts and to record all non-conformances. This information is shared with the heads of department during TPM Steering committee meeting.

### Accident Reduction

At GAB, we have in place mechanism to enhance safety performance and reduce the number of work related accidents. We have established a Safety Pillar via the TPM route to reduce the frequency of accidents and to-date Safety Improvement Teams



GAB Accident Frequency



have been launched to improve conditions in areas such as the loading bay, ammonia plant and the pedestrian walk-way at the entrance. More such teams will be launched as and when high risk areas are identified.

A highly visible safety information board in the canteen helps further reinforce and drive home OSH messages to our employees.

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 on a bi-annual basis. A Fire Fighting Refresher training and fire evacuation drill were conducted in April 2010.
- An emergency number linked directly to our security personnel is made available to all employees.
- Enforcement of Personnel Protective Equipment (PPE) for all employees including contractors, suppliers and visitors took effect in June 2010. This includes compulsory use of safety shoes, safety goggles and ear-plugs. The use of safety helmets is compulsory in the warehouse and storage areas.
- Safety awareness briefings for all contractors in March 2010. This briefing was a refresher to all in-house contractors regarding safety rules and regulation while working within the brewery.
- We also reviewed and tightened the work process for contractors carrying out hot work where they have to acquire authorisation and a permit-to-work by engineers. Enforcement was initiated in January 2010 after the Dublin Brewery fire in December 2009.
- A safety briefing to all employee of Supply Chain during the Supply Chain Conference was conducted. The Company shares its achievements and best practices with other operating companies worldwide.
- A TPM Safety Improvement Team on pallets toppling was initiated, aimed at understanding the cause of pallets toppling, and prevent this occurrence.
- Safety Awareness Training is also carried out for all Supply Chain employees.
- Annual inspections of our brewery were also conducted by the local fire department to gauge our state of readiness in the event of a fire, and we once again obtained our certification.
- The main entrance to Sungei Way Brewery has been expanded to further manage the flow of traffic around the facility and to reduce the accident rate. New traffic lights have been installed at the main entrance to facilitate in-coming and out-going traffic. It has greatly improved public road safety for all.

Moving forward, we will launch more safety teams to reduce risk levels on respective areas when required.

We plan to organise training for all members of the Safety and Health committee in order to equip them with appropriate knowledge and to finalise safety work procedures in the pilot areas, followed by a horizontal expansion to all related areas covering all activities. This is expected to be completed within one year.

There are plans to undertake HIRAC (Hazard Identification, Risk Assessment and Control) training on pilot areas as well as create awareness on the location of the fire extinguishers, hydrant plan, first aid box location and near-misses location.

## Our Commitment to Workplace Best Practices

### Employee Satisfaction

GAB's first ever Employee Satisfaction Survey was conducted in November 2007 by our HR Department, and the results and proposed actions were communicated via the internal newsletter. The survey's top line results indicated that most employees were satisfied working at GAB (15% of employees were very satisfied working at GAB and 49% were more than satisfied).

In FY08 and FY09, GAB participated in the Diageo Values Survey, which replaced its Employee Satisfaction Survey. Over the years, we have shown steady improvements. The FY08 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 while the FY09 results registered score improvements in all areas especially in the demand-side of the business. We have just completed the Diageo Values Survey for FY10 and the results will be shared with all employees in due course.

### Award Winning Employer

For the year under review, GAB won the StarBiz-ICR Malaysia Corporate Responsibility (CR) Awards in the 'Workplace' Category and Silver for the Global CSR Awards, in the Workplace Excellence category, recognising our efforts to create a winning workplace through initiatives such as 7 HR Pillars and TPM. These awards are testament to GAB's comprehensive Corporate Responsibility programme, which is fully integrated into the business as the winning companies needed to demonstrate strong performance in Environmental, Community Programme and Workplace Excellence before being shortlisted. Under the Asia Responsible Entrepreneurship Award (AREA) 2009, GAB won the 'Investment in People' category for its policies and programmes that demonstrates our commitment to providing opportunities for people to grow and reach their potential.

On top of that, GAB also received the Silver Recognition in the HR Excellence Category of the Malaysia HR Award, which recognises sustained and continuous commitment to develop human talent, in tandem with the nation's needs. The event, which is organised by the Malaysian Institute of Human Resources, acknowledges GAB as one of the best amongst the most outstanding companies in the country.

GAB was also the winner of Diageo Asia Pacific Market of the Year Award 2009, which recognises a business that has displayed continuous improvement in every aspect of the business. This award acknowledges the efforts and contribution of the people at GAB and demonstrates that together, we are truly ewing success.

For three consecutive years (2006-2008), GAB won the Guinness League of Excellence Award for the best quality Guinness brewed outside of Ireland and for the second consecutive year, we won the Tiger Quality Award in recognition of our top-quality brew.



The Company also won the AREA 2009 Award in the 'Community Engagement' category where GAB was acknowledged for its programmes that demonstrate leadership, sincerity, and on-going commitment to incorporating responsible and ethical values, legal compliance, respect for people and individuals, involvement in communities and protection of the environment in the way we run our business.

GAB was shortlisted in the ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2009 for our 2008 Corporate Responsibility Report. The ACCA Awards acknowledges companies for excellence in environmental, social and sustainability reporting and rewards innovative attempts to communicate corporate social responsibility performance and indicators.

### 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. There is no discrimination against race or gender within the organisation, where the ratio of basic salary for men versus women is 1:1. We have a total workforce of 535 employees (as at June 2010) of which 51% are based at our Sungei Way headquarters in PJ where our brewery operations are located and 49% are based in the regions. 96% of our headcount comprises full-time permanent employees while the remaining 4% is employed on a contractual basis, all of whom are above 21 years old. As part of our commitment to ensuring workplace diversity, 21% of our workforce comprises female employees, who hold 19% of management positions. 25% of our Management Team are made up of female employees. Approximately 41% of our employees are unionised.

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

Company / Headcount	FY09/10			Sungei Way Brewery	Regions
	As at June '10	Management	Non-Management		
<b>GAB (Permanent)</b>	214	137	77	214	–
GAB (Contract/Temp)	12	–	–	12	–
<b>GAMSB (Permanent)</b>	300	189	111	38	262
GAMSB (Contract/Temp)	9	–	–	8	1
<b>Total Permanent Headcount (GAB &amp; GAMSB)</b>	514	326	188	252	262
Total Headcount (Contract/Temp)	21	–	–	20	1
<b>Total Headcount (Permanent + Contract/Temp)</b>	535	–	–	272	263
Percentage	–	–	–	51%	49%

Percentage of unionised employees	41%
Percentage of female employees	21%
Percentage of male employees	79%
Percentage of management positions held by female employees	19%
Percentage of Management Team who are male	75%
Percentage of Management Team who are female	25%
Percentage of BOD who are male	88%
Percentage of BOD who are female	12%



GAB's Sungei Way Brewery is the first brewery in Malaysia to receive the ISO 9001:2008 and HACCP certifications. We are committed to improving our environmental performance through the implementation of sustainable environmental practice.

# Our Commitment to Good Environmental Performance

We are committed to improving our environmental performance through the implementation of sound and sustainable environmental practices that are entrenched within our business model and ethos.

At GAB, we believe in minimising the impact of our operations on the environment by setting challenging improvement targets and implementing various energy saving initiatives to progressively reduce our carbon footprint.

We are conscious that a sustainable enterprise is one that contributes to sustainable development by simultaneously delivering economic, social, and environmental benefits; also referred to as the triple bottom line.

We are committed to improving our environmental performance through the implementation of sound and sustainable environmental practices that are entrenched within our business model and ethos. Great emphasis is placed on sustainable competencies,

which stems from the search for clean technologies. We also believe that it is critical that we uphold the sustainable growth of natural resources and habitats, local flora and fauna, biodiversity and climate within the surroundings that we operate in. To achieve this, we have adopted a systematic approach to environmental management which is designed to ensure compliance with government legislation, international protocols and global best practices.

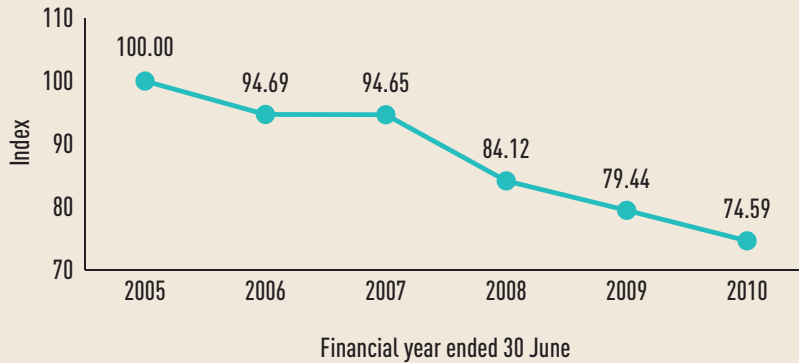
For the year under review, we are proud to report that our new and upgraded Economisers, Air-Conditioning system and carbon dioxide (CO<sub>2</sub>) plant have been successfully commissioned. We have also invested substantially on new initiatives aimed at improving efficiency while reducing the impact on the environment. These initiatives include our Bottling

Line (EBI), Racking Plant (Filling Head Valve), Racking Plant (for euro kegs), New Transformer (11KV) and Automated Brewhouse controls. We are also happy to report that there were no incidences of environment non-compliance.

Combining the expertise of local, regional and utility specialists from the Heineken Group, we will continuously seek to set challenging improvement targets to progressively reduce emissions and discharges. We will set out targets following the Heineken Utilities Benchmark Model. This is a model used by Heineken Breweries around the world to identify the optimal level of energy and water for a breweries to operate. The following environmental conservation initiatives were undertaken during the Financial Year under review.

## Our Commitment to Good Environmental Performance

Performance Index for Thermal Consumption  
FY2005 - 2010



### Thermal Energy Conservation

Heat is extensively used in the production process as it is required for brewing, cleaning bottles and also pasteurisation. Currently, most of our heat requirement is generated from natural gas sourced from the national natural gas pipeline which we have been tapping since 2007. We switched from fuel oil to natural gas to reduce our dependence on the former, and simultaneously cut down our carbon dioxide emission levels. In addition to natural gas, we also use renewable gas, mainly biogas obtained from the anaerobic treatment of wastewater at our water treatment plant, to generate some of the heat that we require.

During the period under review, our specific thermal consumption was reduced by about 6.1% compared to the previous year. We will be focusing on further reducing thermal consumption by 10% of the gap between actual consumption and its best practice requirement, following the Heineken Utilities Benchmark Model.

A TPM team launched to increase the Chemical Oxygen Demand (COD) loading at the waste water treatment plant contributed towards increasing the biogas generated which in turn helped reduce the amount of natural gas that was required by the brewery.



### CASE STUDY

#### New Economiser for Boiler-9 and Boiler-10

The production process at GAB uses heat generated by the combustion of natural gas in the furnace. The combustion process causes a substantial amount of heat, known as flue gas, to be released into the environment as 'waste heat'.

Using the zero-loss TPM mindset, we installed an Economiser to reduce the fuel consumption required by the boiler. The Economiser also further improves the overall efficiency of the boiler and reduces the temperature of the flue gas emitted into the environment.

The reduced environmental impact of the economiser is substantial as this area contributed the biggest chunk of the reduction of our consumption of thermal energy.



### Upgrading of CO<sub>2</sub> Plants

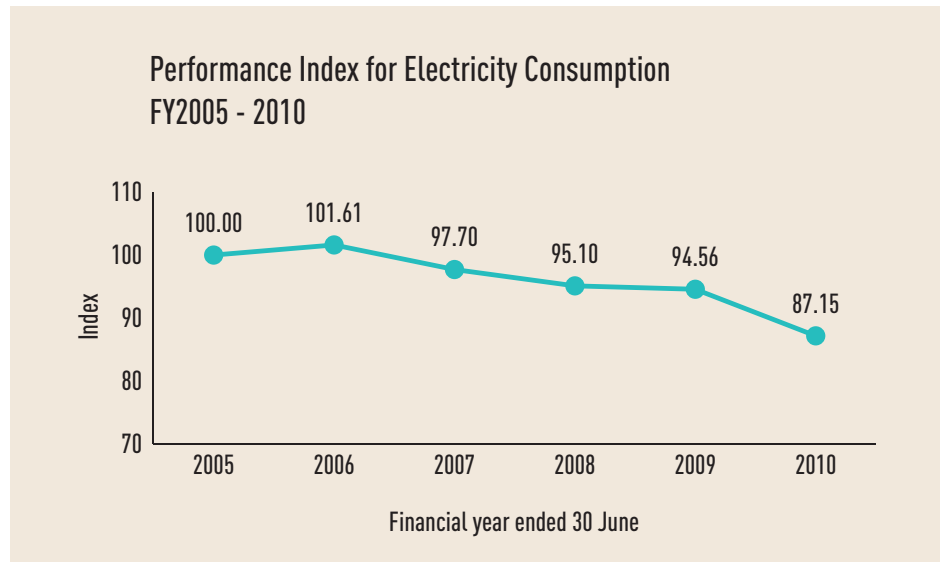
CO<sub>2</sub> is a natural product of the fermentation process in the manufacturing of our products. We recuperate the CO<sub>2</sub> from this process to use in the bottling of our products.

Prior to the upgrade of the CO<sub>2</sub> plants, we had to supplement our CO<sub>2</sub> requirements through purchases from third parties. This, however, presented us with supply issues where we faced shortage one year. We managed to turn the challenge into an opportunity by investing in the upgrade of the CO<sub>2</sub> plants.

Upgrading our CO<sub>2</sub> collection process has minimised the emission of CO<sub>2</sub> and reduced electricity consumption associated with the collection process. We are now self-sufficient for CO<sub>2</sub> supply.

### Reducing Emissions

Non-renewable fuel generates bi-products such as CO<sub>2</sub>, nitrous oxide (NO<sub>x</sub>) and sulphur oxide (SO<sub>x</sub>) which contributes to climate change. Our initiative to switch to natural gas has resulted in a reduction of CO<sub>2</sub> by 3%. NO<sub>x</sub> and SO<sub>x</sub> each remained unchanged compared to the previous year.



### Reducing Our Electricity Consumption

At GAB, electricity is used for refrigeration, water treatment and also to operate our compressors and other machinery. It is also used to liquefy CO<sub>2</sub>, power our office equipment and light up our workplaces. During the period under review, we reduced our electricity consumption at the brewery by 7.9%. Our goal is to reduce our consumption by 10% of the gap between actual consumption and its best practice requirement, following the Heineken Utilities Benchmark Model.

Our TPM teams have been responsible for the reduction in our electricity consumption. Other initiatives include the de-aerated water plant process to reduce electricity in the cooling plant; and proactive measures taken by our Kaizen teams in tackling compressed air leakages and restoring the cooling plant plate exchanger evaporators.

## CASE STUDY

### Freon Air-conditioning System

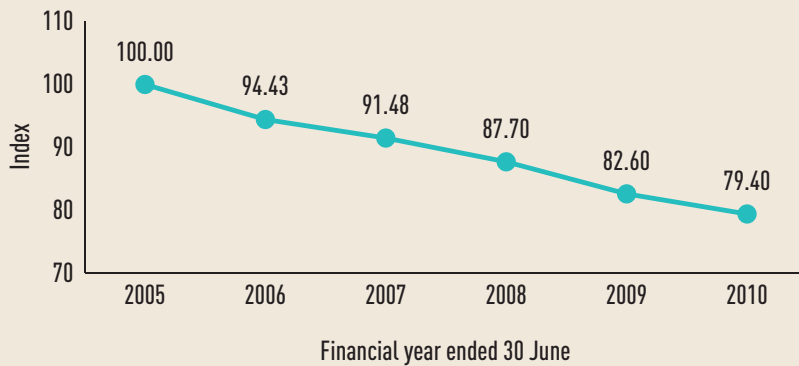
GAB has introduced a new air conditioning system that uses alcohol water. The medium is chilled with liquefied ammonia via a heat exchange from the cooling plant process, against the conventional process which used Freon (R-22, ozone-depletion refrigerant) for air-conditioning. The new system has no ozone-depletion and no global-warming potential.

The creative system uses our existing resources more efficiently, reduces our environmental impact, and also drastically reduces air-conditioning maintenance costs. With this initiative, GAB has taken a significant step in a positive direction towards environmental conservation and we are proud to be able to play our part as a responsible brewer.

We have successfully implemented the new system at our newly-renovated Engineering and Packaging offices and will be extending it to the rest of the Technical offices in the near future.

## Our Commitment to Good Environmental Performance

Performance Index for Water Consumption  
FY2005 - 2010

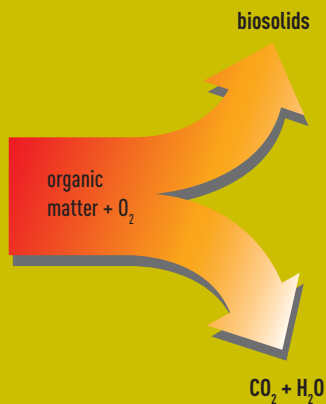


### Lowering Our Water Consumption

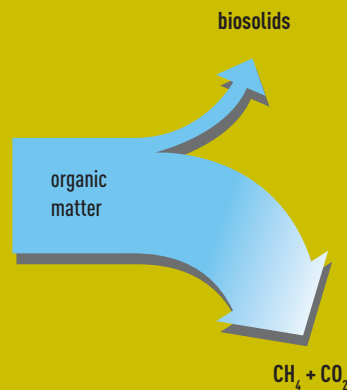
Water is fundamental to our business. Our consumption is in the form of the raw materials used to produce our products, and extends to the cleaning process, packaging, production equipment and utility installation. We have embarked on several water saving initiatives and optimisation efforts to reduce our dependence on this valuable commodity and we are pleased to report that during the year under review we reduced our water consumption by an additional 3.9% compared to the previous year.

Led by our TPM teams, we target to reduce water consumption by 10% of the gap between actual consumption and its best practice requirement, following the Heineken Utilities Benchmark Model.

### Aerobic Treatment



### Anaerobic Treatment



### Recycling

Our wastewater is treated at our treatment plant to ensure that no harmful substance is released from the brewery. The Company currently utilises two methods of biological treatment to treat its wastewater. This first method is an anaerobic treatment where a biochemical reaction takes place in the absence of oxygen resulting in organic carbon being converted into CO<sub>2</sub>, CH<sub>4</sub> and biomass. The second method utilises an anaerobic treatment where oxygen is associated in biological reactions and results in organic carbon being converted to CO<sub>2</sub> and biomass. These processes are fully compliant with local legislation.

Our returnable kegs and bottles are sent back to our brewery where they are cleaned and reused. Broken kegs are sold as scrap metal and our cans, bottles, crown corks and labels rejected during production are sold to contractors for recycling.

### **Packaging**

GAB's brews are proudly packed in glass bottles, kegs and cans. This includes the use of crown corks and labels as primary packaging for our glass bottles as well as cardboard and plastic film for transportation.

The use of known or expected carcinogenic or other harmful substances such as solvents and pigments are strictly prohibited. The coatings and inks used on labels, returnable bottles and cans are free of heavy metals and copper. We also avoid the usage of PVC in our crown cork liners.

At GAB, our packaging is governed by the highest quality standards which include ISO 9001:2008 and HACCP and the Company also complies with the statutory guidelines.

### **Bi-products and Waste**

Our brewing process creates a number of by-products, namely spent grain and yeast. The spent grains are sold as animal feed while most of the spent yeast is partially treated in the wastewater treatment plant.

### **Our Plans for the Future**

To ensure the environmental sustainability of our operations, we will continue to set new benchmarks, targets as well as environmental conservation initiatives.

We are committed to improving our processes, conservation resources and undertaking good recycling practices to minimise the impact of our business on the environment. As we pursue our Vision of becoming an Icon in Business, we will work towards ensuring that the Company remains steadfast to its environmental sustainability in a way that truly befits our role as a responsible corporate citizen.



# Our CR Targets and Achievements

OUR COMMITMENT TO STAKEHOLDER ENGAGEMENT		
What we set out to achieve	What we have achieved to-date	Going Forward
<p>We are committed to having open, honest and targeted dialogue with our stakeholders through various platforms to ensure continuous alignment.</p>	<p><b>Shareholder, Analyst &amp; Media Engagement</b></p> <ul style="list-style-type: none"> <li>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 <a href="http://www.gab.com.my">www.gab.com.my</a>.</li> <li>We hold analyst and media briefings twice a year.</li> <li>Shareholders are given the opportunity to seek clarification and give suggestions at a Question &amp; Answer session at our Annual General Meeting.</li> </ul>	<p>We will continue with analyst and media briefings.</p> <p>Our Corporate Website will be further improved to enhance accessibility and content.</p> <p>We will be carrying out a Shareholder engagement exercise at the 2010 AGM.</p>
	<p><b>Distributor Engagement</b></p> <ul style="list-style-type: none"> <li>First session held in 2009. Three sessions held in total – Penang, Kuala Lumpur and Johor Bahru.</li> <li>In 2010 we held another Distributor Engagement. Three sessions were held – Penang, Kuala Lumpur and Melaka.</li> <li>Our top 30 distributors were invited, including those from East Malaysia. We focussed on engaging with a smaller group of distributors this time to facilitate more open and personalised discussions with each distributor.</li> <li>We updated our distributors on corporate developments and presented our new distributor incentive scheme. We also had a Question &amp; Answer session to provide them an opportunity to give us feedback on how we can improve our partnerships.</li> </ul>	<p>We will continue to seek more innovative ways to engage with our distributors.</p> <p>We will be engaging with our distributors on an annual basis.</p>
	<p><b>Trade Engagement</b></p> <ul style="list-style-type: none"> <li>Three sessions were held in September 2009 in Penang, Johor, and Kuala Lumpur.</li> <li>A total of 165 participants from 93 outlets across Malaysia attended.</li> <li>We officially launched GAB Academy and updated our trade partners on GAB's business progress. There was also a presentation on emerging trends in F&amp;B culture in Asia and a presentation on new media trends, followed by a Question &amp; Answer session.</li> </ul>	<p>We have decided to make this an annual event.</p> <p>The next one is scheduled for FY11.</p>

What we set out to achieve	What we have achieved to-date	Going Forward
	<p><b>GAB Academy</b></p> <ul style="list-style-type: none"> <li>• Taking trade engagement one step further, GAB initiated GAB Academy which has been active since October 2008, and was officially launched in September 2009. GAB Academy's aim is to offer hospitality training workshops to trade outlet staff, helping them deliver a superior customer experience to their patrons.</li> <li>• One of GAB Academy's efforts, HERO (Hotel, Entertainment Outlets &amp; Restaurant Operators), is a series of skill training workshops. Training sessions have been held across Malaysia with a total of close to 1,000 participants trained to-date. The top four participants were awarded with an all-expense paid internship to Australia for additional training.</li> <li>• As part of GAB's continuous efforts to promote responsible drinking, GAB has incorporated 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.</li> <li>• GAB Academy VIP (Very Important Partners) Trade Programme, we has been developed exclusively for business partners with the main purpose of building and retaining sustainable relationships through value-added offerings.</li> </ul>	<p>We will enhance the modules further 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

What we set out to achieve	What we have achieved to-date	Going Forward
<p>We aim to have sustainable and responsible business practices in the marketplace that deliver positive outcomes to our customers, employees as well as the communities and environment that we operate within.</p>	<p><b>Responsible Marketing</b></p> <ul style="list-style-type: none"> <li>• GAB has a Code of Marketing Practice that has strict guidelines for employees and company representatives to adhere to when marketing and promoting the Company's products.</li> </ul>	<p>We will continue to ensure that the code is strictly adhered to.</p> <p>We will have annual refresher briefings for all staff and relevant agencies.</p>

## Our CR Targets and Achievements

What we set out to achieve	What we have achieved to-date	Going Forward
	<p><b>Responsible Drinking</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>GAB has rolled out a Drink Sensibly educational campaign to all GAB staff. They have been trained on what alcohol is and its effect on the body.</li> </ul>	<p>We will have regular training for all staff.</p>
	<p><b>Ethics Charter</b></p> <ul style="list-style-type: none"> <li>As a pioneer company officially adopting the Malaysian International Chamber of Commerce and Industry's Ethics Charter in 2006, GAB abides by the guide for member companies when conducting business while pursuing their corporate and business interests with VIGOUR (Value Creation, Integrity, Governance, Obligation, Understanding &amp; Responsibility).</li> </ul>	
	<p><b>Strategic Planning and Tracking</b></p> <ul style="list-style-type: none"> <li>GAB undertakes strategic planning and tracking which is integral towards ensuring the business' sustainable growth. Regular meetings are held between Management and the Board during which operational performance and related matters are reviewed and discussed.</li> <li>Annually, the Management prepares a three-year strategic and operational plan where targets are defined in terms of Key Performance Indicators (KPIs), which are then tracked closely throughout the financial year.</li> </ul>	<p>We will continue with this practice.</p>
	<p><b>Risk Management</b></p> <ul style="list-style-type: none"> <li>Risks are reviewed and evaluated on a regular basis by a Risk Control Workgroup (RCW) chaired by the Finance Director and made up of cross-functional Senior Managers.</li> </ul>	<p>We will continue with this practice.</p>

What we set out to achieve	What we have achieved to-date	Going Forward
	<ul style="list-style-type: none"> <li>GAB has also implemented Control Assurance and Risk Management (CARM), a web-based self-assessment programme. CARM requires each process owner 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 SOX controls and focuses on transparency, accountability and safeguarding of assets.</li> <li>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 any crisis. Crisis simulations are conducted periodically to enhance the Group's preparedness in crisis and emergency situations to ensure that there is minimal or no disruption to its operations and business during a crisis or disaster.</li> </ul>	

## OUR COMMITMENT TO ENRICHING COMMUNITIES

What we set out to achieve	What we have achieved to-date	Going Forward
<p>To protect our water source, i.e. our rivers.</p> <p>To engage the communities to be actively involved in the project and to change present behaviour</p> <p>To engage the various stakeholders to work together towards a common goal</p>	<p><b>River Rehabilitation Project</b></p> <ul style="list-style-type: none"> <li>In December 2007, GAB Foundation initiated a project to conserve the tributary of the Pencala River. This project engages local communities near the GAB Foundation centre, business entities, Government sectors, service providers as well as local leaders and politicians.</li> <li>The Foundation has successfully created excellent working partnerships with the Petaling Jaya City Council (MBPJ), Department of Environment (DOE), Drainage and Irrigation Department (JPS), Department of National Unity and Integration, the Selangor Water Management Board (LUAS) and the Fisheries Department.</li> <li>Recent evidence indicates that certain fish species are being spotted more frequently than before as are snakeheads, catfish, eels and tortoise.</li> </ul>	<p><b><u>Sungai Way Rehabilitation Project</u></b></p> <p>The Foundation 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>A Mobile River Education Care Unit will be set-up to carry out interactive exhibitions as well as to provide resources and equipment to deliver water quality education to schools and communities.</p> <p>The Foundation will continue to educate and train the surrounding communities – both businesses and residential – to further change mindsets.</p> <p>We will continue with the habitat creation practice.</p>

## Our CR Targets and Achievements

What we set out to achieve	What we have achieved to-date	Going Forward
	<ul style="list-style-type: none"> <li>The Foundation has successfully gotten the downstream and upstream community on board and has organised training for the residents.</li> <li>An independent laboratory conducts a quarterly monitoring study on the quality of the river. Initially classified as Class IV – which is considered grossly polluted; the quality of the river system has now improved to a Class III.</li> <li>We encourage the community living along the Sungai Way River, which we have adopted, to be more civic conscious and to understand the importance of keeping our rivers clean. This is done through the distribution of brochures, leaflets, and various community programmes. In December 2009, GAB Foundation, in collaboration with the Global Environment Centre (GEC) launched a dedicated River Care Education Centre in Desa Mentari for the Sungei Way Community. This centre houses a library of reference material on river rehabilitation and conservation, a laboratory equipped with test equipment to conduct water quality test and a discussion area. The centre is also open to students and members of the public who wish to utilise it as a resource centre for river rehabilitation research and education.</li> </ul> <p><b>River Carnival</b></p> <ul style="list-style-type: none"> <li>In July 2010, GAB jointly organised the River Carnival 2010 with GEC. The carnival was supported by various government agencies. Throughout the half-day event, visitors, which comprised of community members from the surrounding area were encouraged to participate in activities aimed at conserving the environment and rehabilitating Sungai Way.</li> </ul> <p><b>Business Partner Training</b></p> <ul style="list-style-type: none"> <li>GAB Foundation in collaboration with GEC organised a seminar for business owners and operators situated along the Sungai Way basin in March 2010. The seminar was aimed at providing businesses operating along the Sungai Way river basin a better understanding of the Sungai Way River Rehabilitation Project efforts; simultaneously engaging and cultivating support from businesses and commercial communities on the role they can play in the initiative.</li> </ul>	<p><b>Sungai Pinang Project</b></p> <p>GAB Foundation is working with Jabatan Pengairan dan Saliran (JPS) Penang to educate the surrounding community, including schools and residents, on conserving the environment and our rivers.</p> <p>We will hold a River Carnival in FY11.</p>

What we set out to achieve	What we have achieved to-date	Going Forward
<p>To educate children on the importance of clean water and water conservation by building a strong foundation.</p>	<p><b>Story Time with GABBY</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>To-date, 18 storytellers (including childcare workers and kindergarten teachers) have been recruited and trained to carry out storytelling sessions in English, Malay, Tamil and Chinese. 90 sessions have been held at selected community centres, welfare homes, kindergartens and schools involving 750 children.</li> </ul>	<p>The Foundation intends to reach out to more children in different centres and in different states.</p> <p>The Foundation has set up a GABBY Club to continuously engage the children who have undergone the sessions.</p>
<p><u>Education</u></p> <p>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><b>SMILES</b></p> <ul style="list-style-type: none"> <li>In 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 help develop 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.</li> <li>We also launched the SMILES reading corners to further assist students to further improve and expand their English language proficiency. These reading corners consist of storybooks, reference books, bookshelves and furniture.</li> <li>The Foundation lends support to the English Enrichment Programme (EEP). The EEP aims to provide students with additional lessons over and above their regular curriculum. To-date, over 1000 students in the Klang Valley, Rawang, Malacca and Pahang have benefitted from this sponsorship.</li> </ul>	<p>The Foundation intends to continue with the SMILES programme and ensure its sustainability.</p> <p>The Foundation will continue to sponsor the reading corners and increase the number of schools we sponsor</p> <p>The Foundation will continue its cause to improve the English Language proficiency amongst Tamil School children. In FY11, the Foundation will work with child specialists to develop an English Enhancement Programme for primary school children, to train trainers to run this programme and to measure its effectiveness.</p>

## Our CR Targets and Achievements

What we set out to achieve	What we have achieved to-date	Going Forward
<p><b>DRAGON MISSION:</b> To raise funds for Chinese Education.</p> <p><b>GAB FOUNDATION PARTIAL SCHOLARSHIP SCHEME:</b> To provide financial assistance to students, who are enrolled, or have yet to enrol for their tertiary education.</p>	<p><b>Dragon Mission</b></p> <ul style="list-style-type: none"> <li>• Our FY10 Dragon Mission campaign saw all the brands coming together for the “Dragon Mission Charity Concerts” .</li> <li>• The FY10 “Dragon Mission Charity Concerts” brought the total amount raised to RM8.17 million.</li> </ul> <p><b>GAB Foundation Partial Scholarship Scheme</b></p> <ul style="list-style-type: none"> <li>• Deserving Malaysian students looking to pursue higher studies at certificate, diploma or undergraduate levels can benefit from the GAB Foundation’s Partial Scholarship Scheme.</li> <li>• The Foundation disburses RM10,000 for undergraduate studies at private and foreign universities and colleges, RM7,000 for undergraduate studies at local universities and colleges, RM4,000 for diploma or advanced diploma courses and RM2,000 for certificate courses.</li> <li>• Since its introduction in January 2009, the GAB Foundation has awarded financial assistance to 38 students with total scholarship worth more than RM300,000.</li> <li>• GAB Foundation recently awarded RM131,000 worth of partial scholarships to 19 undergraduate students who are pursuing education in local and foreign institutions.</li> <li>• As part of the scholarship, the GAB Foundation also provides workshops for the recipients to equip them with the skills and etiquette they need to venture successfully into the work force. Recipients of the Foundation’s 2009 scholarship participated in a two-day life skills workshop where they were taught communication skills, interview skills, personal grooming tips, how to manage their personal finances and how to write an impressive resume.</li> </ul>	<p>The Foundation will be looking at raising more funds for education in FY11.</p> <p>We will continue to award the scholarships to deserving students.</p>

What we set out to achieve	What we have achieved to-date	Going Forward
<p><u>Community</u> To enrich communities through active engagement.</p>	<p>Currently, we engage the community through our GAB Foundation activities that include our River Rehabilitation project, Storytime with GABBY, SMILES and Dragon Mission, among others.</p> <p>For “The Big Day Out”, GAB Employees across the country were challenged to come up with impactful activities or work with a non-profit organisation or a charity of their choice focussing on one of the Foundation’s three key pillars – Environmental Conservation, Education and Community. Employees worked in teams and each team were allocated seed money to utilise for their respective activity.</p>	<p>GAB Employees are encouraged and invited to participate in GAB Foundation activities.</p> <p>We are looking at making “The Big Day Out” an annual event.</p>

## OUR COMMITMENT TO WORKPLACE BEST PRACTICES

What we set out to achieve	What we have achieved to-date	Going Forward
<p>To be the Employer of Choice by creating an environment where people have the opportunity to have a fulfilling and rewarding career.</p>	<p><b>The 7 HR Pillars</b> This was developed in 2007 as part of our ongoing efforts to improve, empower, motivate and reward our employees for great performance, regardless of race and gender.</p> <p><b>Flexi-time</b> We introduced flexi-time to help employees balance their work and personal lives.</p> <p><b>Healthy Living Initiatives</b> We make efforts to ensure that our employees’ well-being and health is well cared for by encouraging them to adopt healthier lifestyles and have balanced diets. GAB’s Sports Club provides a platform for employees to participate in sports events. 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>This initiative will continue.</p> <p>To continue with Heath Talks, sports / recreational activities, and ‘Fruit of the Month Programme’ to reinforce our commitment to ensuring healthier lifestyles and wellbeing for all our employees.</p>

## Our CR Targets and Achievements

What we set out to achieve	What we have achieved to-date	Going Forward
	<p><b>Employee Engagement</b></p> <ul style="list-style-type: none"> <li>• In the past we have provided the opportunity for families of our employees to visit and tour the workplace to help them better understand the nature of their loved ones' work.</li> <li>• We held a Young Seedlings Day in June 2010 for employees' children during the School Holidays. The theme was "Nature". Many activities were lined up for the children throughout the day, among them was planting a tree and teaching the young to appreciate nature better.</li> <li>• We also organised a futsal competition amongst the various departments to foster positive employee sentiments and held festive celebrations to celebrate Deepa-Raya and Chinese New Year with employees.</li> <li>• An Annual Dinner and Dance is organised annually, which enables employees across Malaysia and their spouses to interact and let their hair down.</li> <li>• We held a HR Services Day where health and medical check ups, financial planning services, income tax queries/services were set up to provide a one stop services centre for employees on that day.</li> </ul> <p><b>TPM</b></p> <ul style="list-style-type: none"> <li>• 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 ensure that the TPM mindset is continuously applied across our operations, we implemented structured TPM training modules for our people. Our employees also participated 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 receives international recognition.</li> </ul>	<p>We will continue to introduce employee engagement activities at department level / organisation wide level.</p> <p>Going forward, HR will continue to play the role of championing the Training and Development Pillar, supporting GAB's evolution into a Learning Organisation.</p>

What we set out to achieve	What we have achieved to-date	Going Forward
<p>All these accolades underscore the fact that GAB's culture of excellence and TPM initiatives are taking us closer towards achieving our vision of being an Icon in Business.</p>	<p><b>Awards and Accolades</b></p> <ul style="list-style-type: none"> <li>• GAB was the winner of Diageo Asia Pacific Market of the Year Award 2009, which recognises a business that has displayed continuous improvement in every aspect of the business. This award acknowledges the efforts and contribution of the people at GAB and demonstrates that together, we are truly brewing success.</li> <li>• For three consecutive years (2006-2008), GAB won the Guinness League of Excellence Award for the best quality Guinness brewed outside of Ireland. Reiterating the excellent quality of Tiger Beer was the double victory of GAB in winning both the 2009 Tiger Quality Award as well as the Tiger In-Market Quality Award for the second consecutive year.</li> <li>• GAB won the Asia Responsible Entrepreneurship Award (AREA) 2009 in the 'Investment in People' category for its policies and programmes that demonstrates our commitment to providing opportunities for people to grow and reach their potential.</li> <li>• GAB won the AREA 2009 Award in the 'Community Engagement' category. GAB was acknowledged for its programmes that demonstrates leadership, sincerity, and on-going commitment to incorporating responsible and ethical values, legal compliance, respect for people and individuals, involvement in communities and protection of the environment in the way we run our business.</li> <li>• GAB was shortlisted in the ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2009 for our 2008 Corporate Responsibility report. The ACCA Awards acknowledges companies for excellence in environmental, social and sustainability reporting and rewards innovative attempts to communicate corporate social responsibility performance and indicators.</li> <li>• GAB won the StarBiz-ICR Corporate Responsibility (CR) Awards in the 'Workplace' Category, recognising our efforts to create a winning workplace through initiatives such as 7 HR Pillars and TPM.</li> <li>• For the Global CSR Awards, GAB won in the Workplace Excellence category. The award required winning companies to demonstrate strong performance in Environmental, Community Programme and Workplace Excellence before being shortlisted. The Award was testament to GAB's comprehensive Corporate Responsibility programme, which is fully integrated into the business.</li> </ul>	<p>We will continue to strive for excellence in the way we do our business.</p>

## Our CR Targets and Achievements

What we set out to achieve	What we have achieved to-date	Going Forward
	<ul style="list-style-type: none"> <li>GAB won the Silver Recognition in the HR Excellence Category of the Malaysia HR Awards which recognises sustained and continuous commitment to develop human talent, in tandem with the nation's needs. The event, which is organised by the Malaysian Institute of Human Resources acknowledges GAB as one of the best amongst the most outstanding companies in the country.</li> </ul> <p><b>Internal Communications</b></p> <ul style="list-style-type: none"> <li>In August 2009, our internal newsletter Tavern Talk was replaced with a more magazine-like format in the shape of The ICON. Feedback has been very positive.</li> <li>In February 2010 we introduced a bi-monthly internal newsletter called HR4U which keeps staff informed about past and future HR activities and services, as well as policies and procedures.</li> <li>We recently started publishing a monthly update from the Supply Chain Director and a monthly Sales Bulletin from the Sales Director.</li> <li>GAB's MD continues to share his thoughts and perspectives on GAB via his monthly updates.</li> <li>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 the questions on the spot.</li> <li>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.</li> <li>Each section within the Supply Chain department meets quarterly 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 and findings. Every session, which is attended by the Supply Chain Director and HR Manager, ends with a Question &amp; Answer session.</li> <li>Quarterly HR Roadshows were held at the Regions to facilitate open communication and feedback where the time is dedicated to addressing any HR issues or questions from the regions.</li> </ul>	<p>The ICON will be published once in two months and it will continue to be the "voice of employees".</p> <p>HR4U will be published every quarter, staggered with The ICON.</p> <p>We will continue with this practice.</p> <p>We will continue these monthly meetings. Over time, all GAB's staff would 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>We will continue with this practice.</p>

What we set out to achieve	What we have achieved to-date	Going Forward
	<p><b>13th Collective Agreement</b></p> <ul style="list-style-type: none"> <li>We continue to receive good support from the Union of Beverage Industry Workers (the Union) which we have a good relationship with. FY09 saw GAB signing the 13th Collective Agreement (CA) with the Union after three sittings. Despite the economic landscape, the CA spells out very attractive benefits for Union members. The margin of increment for the 13th CA is 9%, compared to the market average of 6%. The CA also incorporates a marginal increase in insurance coverage and other benefits that will have a positive impact on staff morale in these trying times.</li> </ul>	<p>GAB will continue to engage with the Union and share our development plans while maintaining a good relationship with them.</p> <p>The 13th CA covers FY09 and FY10.</p> <ul style="list-style-type: none"> <li>HR will continue to uphold the Fair and Reasonable Pillar in the next CA negotiation, scheduled in FY11.</li> <li>HR will also engage the Executive Union in negotiating their first CA in FY11.</li> </ul>
<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 possibly even the opportunity to take on international assignments.</p>	<p><b>Employee Training and Development</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>In FY10, 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 annually. FY10 continues to focus on upgrading the skills of our people especially in the area of leadership, and particular functional skills like negotiation skills, on-the-job training, etc.</li> <li>We held a Supply Chain Career Day in 2010. Various assessments were held and we were able to identify the gaps to be filled for employees to be effective in current roles. Expectations were also set for requirements of a bigger role at the next level. Employees were also given development action plans to undertake in order for them to grow with GAB.</li> <li>We provide a provision for employees to work towards and obtain certification in their respective fields through study loans and study subsidies. In certain cases, the Company fully sponsors the certification of specific programmes. Last year, 7 staff obtained their certification from the Institute of Brewing and Distilling via this initiative. The certifications obtained were 1 General Certificate of Brewing, 2 Diplomas in Beverage Packaging, 3 Diplomas in Brewing and 1 Master Brewer. These are internationally recognised qualification which will benefit our employees both in their roles at GAB and in their future career paths.</li> </ul>	<p>We intend to attract talent at entry and mid level through a revised Management Trainee Programme in FY11. Training and Development will continue to be main focus of HR.</p> <p>We aim to ensure that everyone is equipped with the correct set of competencies to carry out their jobs. We will pay particular attention to functional skills. Our future leaders will be sent to leadership training</p> <p>FY11 will see our people equipped with individual development plans with not just training, but also recommendation in self learning, job rotation and exposure.</p>

## Our CR Targets and Achievements

What we set out to achieve	What we have achieved to-date	Going Forward
	<ul style="list-style-type: none"> <li>Some of the training programmes which were organised in FY10 for the Leadership Team include Stephen Covey's 7 habits training, Stephen R Covey's 8th habit, and a Leadership Programme titled 'Great Leaders, Great Teams, Great Results'. They also held a teambuilding at Batu Gajah to get to know each other and to strengthen the teamwork amongst all 42 of GAB's leaders.</li> </ul> <p><b>International Assignments</b></p> <ul style="list-style-type: none"> <li>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 &amp; Merchandising Manager for the Petaling Jaya (PJ) Region before moving on to become the Regional Sales Manager for PJ and then for Central S&amp;R.</li> <li>Our Sales Director, Michael Chin was seconded to Singapore for a three-year stint as General Manager with Asia Pacific Breweries in Singapore.</li> </ul> <p><b>Internal Promotions</b></p> <ul style="list-style-type: none"> <li>GAB's Hiring Policy encourages hiring from within before considering external candidates. This ensures that all employees are given a fair chance for 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, with cross functional exposure. Last year, 52 GAB employees were promoted or seconded within the organisation.</li> </ul>	<p>We will continue engaging our brand owners for overseas assignments.</p> <p>We hope to have a structured programme with our stakeholders where international assignments can be more robust.</p> <p>Internal promotions will continue. We believe in giving opportunities to our people first.</p>
<p>Policies and Procedures to safeguard our employees and to promote responsible behaviour</p>	<p><b>Sexual Harassment Policy</b></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>	

What we set out to achieve	What we have achieved to-date	Going Forward
	<p><b>Employee Alcohol Policy</b></p> <p>Our Employee Alcohol Policy sets down guidelines for responsible drinking and deems what is acceptable behaviour among GAB employees. This encompasses the serving of alcohol and 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>GAB is committed to raising awareness regarding responsible drinking and responsible serving amongst its stakeholders.</p> <p>GAB ensures that all its activities and communications meet legal requirements and do not encourage irresponsible drinking.</p>	<p><b>Responsible Drinking</b></p> <p>In FY10 we launched Drink Sensibly, a GAB-led responsible drinking programme. To-date, all GAB employees have undergone a responsible drinking educational programme. This programme includes information on alcohol and its effect on the body, what standard drinks are and tips on responsible drinking for employees who choose to drink. Each employee was given a Drink Sensibly booklet to supplement and support the programme. This booklet is available in three languages: Bahasa Malaysia, English and Mandarin.</p>	<p>We are initiating plans to roll-out the Drink Sensibly campaign to our trade partners.</p>
<p>We are committed to good Occupational Safety &amp; Health (OSH) practices</p>	<p><b>Safety, Health and the Environment</b></p> <p>We are guided by GAB's Safety, Health and Environment (SHE) Policy. The SHE Policy dictates that our people adopt safe and healthy environments that are compliant 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 various departments in the brewery and is chaired by our Supply Chain Director.</p> <p>We have reviewed our Smoking Policy and restricted the existing smoking area to 4 areas throughout the brewery. This will also reduce fire hazards significantly.</p>	

## Our CR Targets and Achievements

What we set out to achieve	What we have achieved to-date	Going Forward
	<p><b>Accident Reduction</b></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. To-date, Safety Improvement Teams have been launched to improve conditions in such areas such as the loading bay, ammonia plant and pedestrian walkway at the entrance.</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"> <li>• First aid training and fire drill training are conducted on a bi-annual basis. A Fire Fighting Refresher training and fire evacuation drill conducted in April 2010 to promote fire safety for all employees in SWB.</li> <li>• An emergency number linked directly to our security personnel is made available to all employees and they can call this in the event of a general or personal emergency.</li> <li>• Enforcement of Personnel Protective Equipment (PPE) for all people including employee, contractors, suppliers and visitors effective from June 2010. Compulsory PPE entails safety shoes, safety goggles &amp; ear-plugs. The use of safety helmets is compulsory when entering the warehouse and crates storage area.</li> <li>• Safety awareness briefing for all Contractors was conducted in March 2010. This briefing is a refresher for all in-house contractors regarding safety rules and regulations while carrying out work within the brewery.</li> <li>• We also reviewed and tightened the work process for contractors carrying out hot work where by authorisation and a permit-to-work by engineers. Enforcement began from January 2010.</li> <li>• Safety Briefing for all employees of Supply Chain during SCC. Sharing achievements compared with other OpCos world-wide.</li> </ul>	<p>More safety teams will be launched to reduce risk levels on respective areas when required.</p> <p>To organise training for all members of the Safety &amp; Health Committee to equip them with appropriate knowledge.</p> <p>To finalise safety work procedures in the pilot areas. There will then be horizontal expansion to all related areas covering all activities.</p> <p>To carry out HIRAC (Hazard Identification, Risk Assessment and Control) on pilot areas. There will then be horizontal expansion of HIRAC to related areas in the departments.</p> <p>Monthly safety audits to be conducted by individual departments.</p> <p>Create awareness on the locations of the fire extinguishers, hydrant plan, first aid box and near-misses forms.</p>

What we set out to achieve	What we have achieved to-date	Going Forward
	<ul style="list-style-type: none"> <li>• TPM activities: Safety improvement team on pallets toppling launched to find out the root cause of pallets toppling and to execute preventive measures. As a result, the following measures were implemented:               <ol style="list-style-type: none"> <li>1. 100% sorting was carried out in March 2010 to segregate broken pallets from the inventory</li> <li>2. An inspection point of pallet condition was introduced during off-loading market-return in EBS.</li> <li>3. Daily walk-through survey conducted by Inventory Executive to identify and sort out the remaining rotten or broken pallets in the warehouse</li> <li>4. The quantity of broken pallets is monitored daily</li> <li>5. Safety Awareness Training is also carried out for all Supply Chain employees</li> </ol> </li> <li>• Annual inspections of our brewery were also conducted by the local fire department to gauge our state of readiness in the event of a fire, and we once again obtained our certification</li> <li>• The main entrance to Sungei Way Brewery has been expanded to further manage the flow of traffic around the facility and to reduce the accident rate. New traffic lights have been installed at the main entrance to facilitate in-coming and out-going traffic. It has greatly improved public road safety for all.</li> </ul> <p><b>Safety Audits</b></p> <ul style="list-style-type: none"> <li>• Monthly safety audits have been conducted since July 2010, covering all areas within the Supply Chain Department. The purpose of these audits is to identify unsafe conditions and unsafe acts and to record all non-conformances. This information is shared with the heads of department during TPM Steering Committee meetings.</li> </ul>	<p>We plan to continue with the monthly safety audit.</p>
Employee Satisfaction	<p>GAB's first ever Employee Satisfaction Survey was conducted in November 2007 by our HR Department with the findings and follow-through actions shared via 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). GAB participated in Diageo's Values Survey in FY08, FY09 and FY10. The FY10 results have yet to be released. For FY09, we showed an overall improvement, especially in the demand side.</p>	<p>We will be conducting another Diageo Values Survey in FY11. The results will be shared with all employees.</p>

## Our CR Targets and Achievements

OUR COMMITMENT TO GOOD ENVIRONMENTAL PERFORMANCE		
What we set out to achieve	What we have achieved to-date	Going Forward
<p>GAB is committed to improving our environmental performance through the implementation of sound environmental practices.</p>	<p><b>Thermal Energy Conservation</b> In FY10, our specific thermal consumption was reduced by 6.1% in comparison to the previous year. In terms of energy conservation, GAB managed to reduce the evaporation rate at the brew house. Additionally, a TPM team launched to increase the Chemical Oxygen Demand (COD) loading at the wastewater treatment plant contributed towards increased biogas generation.</p> <p><b>Emissions Reduction</b> Due to the proactive steps we took to switch to natural gas, our fossil CO<sub>2</sub> emission fell by 3% in FY10 in comparison to the previous year. NOx and SOx emissions remain unchanged, compared to the previous year.</p> <p><b>Lower Electricity Consumption</b> During the period under review, specific electricity consumption at the brewery decreased by 7.9%.</p> <p><b>Lower Water Consumption</b> In FY10, we undertook various initiatives to reduce water consumption which resulted in a 3.9% reduction in water consumption against the preceding year.</p> <p><b>New Economiser for Boiler-9 and Boiler-10</b> GAB uses heat energy for brewing, cleaning bottles, and the pasteurisation process, and this heat is generated by the combustion of natural gas in the furnace. The combustion process causes a substantial amount of heat, known as flue gas, to be released into the environment as 'waste heat'.</p> <p>Using the zero-loss TPM mindset, we installed an Economiser to reduce the fuel consumption required by the boiler. The Economiser also further improves the overall efficiency of the boiler and reduces the temperature of the flue gas emitted into the environment.</p>	<p>GAB will be focusing on the reduction of electricity, thermal energy and water consumption by 10% of the gap between actual consumption and its best practice requirement, following the Heineken Utilities Benchmark Model. This is a model used by Heineken Breweries around the world to identify the optimal level of consumption of energy and water for a brewery to operate.</p>

What we set out to achieve	What we have achieved to-date	Going Forward
	<p>The reduced environmental impact of the economiser is substantial as this area contributed the biggest chunk of the reduction of our consumption of thermal energy.</p> <p><b>Upgrading of CO<sub>2</sub> Plants</b> CO<sub>2</sub> is a natural product of the fermentation process during the manufacturing of our products. We recuperate the CO<sub>2</sub> from this process to use in the bottling of our products.</p> <p>Upgrading our CO<sub>2</sub> collection process has minimised the emission of CO<sub>2</sub> and reduced electricity consumption associated with the collection process. We are now self-sufficient for CO<sub>2</sub> supply.</p> <p><b>Freon Air-conditioning System</b> GAB has introduced a new air conditioning system that uses alcohol water. The medium is chilled with liquefied ammonia via a heat exchange from the cooling plant process, against the conventional process which used Freon (R-22, ozone-depletion refrigerant) for air-conditioning. The new system has no ozone-depletion and no global-warming potential.</p> <p>The creative system uses our existing resources more efficiently, reduces our environmental impact, and also drastically reduces air-conditioning maintenance costs with this initiative, GAB has taken a significant step in a positive direction towards environmental conservation and we are proud to be able to play our part as a responsible brewer.</p> <p>We have successfully implemented the new system at our newly-renovated Engineering and Packaging offices and will be extending it to the rest of the Technical offices in the near future.</p>	<p>We will be extending it to the remainder of the Technical offices in FY11.</p>

# GRI Table

## GRI CONTEXT INDEX

GRI Reporting Area	Core	Additional	Status
<b>Profile Disclosures</b>			
Strategy and Analysis	2	–	All Reported
Organisational Profile	10	–	All Reported
Report Profile	4	–	All Reported
Report Scope and Boundary	7	–	All Reported
GRI Context Index	1	–	All Reported
Assurance Statement		–	All Reported
Governance	10	–	All Reported
Commitments to External Initiatives	3	–	All Reported
Stakeholder Engagement	4	–	All Reported
<b>DMA and Performance Indicators</b>			
Economic	5/7	2/2	Reported
Social Performance : Labour Practices & Decent Work	6/9	3/5	Reported
Social Performance : Human Rights	3/6	0/3	Reported
Social Performance : Society	5/6	0/2	Reported
Social Performance : Product Safety	3/4	3/5	Reported
Environmental	10/17	7/13	Reported
<b>TOTAL</b>	<b>74</b>	<b>15</b>	

## PROFILE DISCLOSURES

Section : AR- Annual Report 2010 ; FC – Front Cover ; FC(i) – Inside Cover; BC – Back Cover  
CW – Corporate Website

Application : C – Core; A – Additional

Status : • Fully Reported; □ Partially Reported; x Not Reported; ∅ Not Material

Profile Disclosures	Page	Status
<b>Strategy and Analysis</b>		
1.1 Company GMD's Statement	P2-3	•
1.2 Description of key impacts, risks and opportunities	P2-3	•
<b>Organisational Profile</b>		
2.1 Name of the organisation	FC	•
2.2 Primary brands, products and services	CW	•
2.3 Operational structure of the organisation	AR(66)	•
2.4 Location of organisation's headquarters	BC	•
2.5 Number of countries where the organisation operates	CW	•
2.6 Nature of ownership and legal form	P4	•
2.7 Markets served	CW	•
2.8 Scale of the reporting organisation	CW	•
2.9 Significant changes during the reporting period	P50	•
2.10 Awards received in the reporting period	CW	•
<b>Report Profile</b>		
3.1 Reporting period for information provided	FC(i)	•
3.2 Date of most recent previous report	FC(i)	•
3.3 Reporting cycle	FC(i)	•
3.4 Contact point for questions regarding the report or its contents	BC	•
<b>Report Scope and Boundary</b>		
3.5 Process for defining report content	FC(i)	•
3.6 Boundary of the report	FC(i)	•
3.7 Specific limitations on the scope or boundary of the report	FC(i)	•
3.8 Basis for reporting on joint ventures, subsidiaries etc	FC(i)	•
3.9 Data measurement techniques and the basis of calculations	P9, P43, P47	•
3.10 Explanation of the effect of any re-statement of information	P68	•
3.11 Significant changes from previous reporting periods	FC(i), P50	•

## GRI Table

Profile Disclosures		Page	Status
<b>GRI Content Index</b>			
3.12	Table identifying the location of the Standard Disclosures	P68	•
<b>Assurance</b>			
	Policy and current practice on external assurance		•
<b>Governance</b>			
4.1	Governance structure of the organisation	AR(59)	•
4.2	Status of the Chair of the Board	AR(62-65)	•
4.3	Independent and non-executive Board members	AR(62-65)	•
4.4	Mechanisms to provide advice to the Board	AR(71, 79)	•
4.5	Link between compensation and performance of the Board	AR(75-77)	•
4.6	Avoiding conflicts of interest	AR(70-71)	•
4.7	Qualifications and expertise of the Board	AR(62-65)	•
4.8	Mission or values, codes of conduct and principles	AR(70); P39	•
4.9	Management of CR performance	P6-7	•
4.10	Evaluating the performance of the Board	AR(72-75)	•
<b>Commitments to External Initiatives</b>			
4.11	Addressing the precautionary approach or principle	P6, P8-9	•
4.12	External CR principles	P19	•
4.13	Memberships of associations	P38, CW	•
<b>Stakeholder Engagement</b>			
4.14	List of stakeholder groups engaged by the organisation	P13-15	•
4.15	Basis for identification and selection of stakeholders	P13-15	•
4.16	Approaches to stakeholder engagement	P13-15	•
4.17	Key topics and concerns by raised by stakeholders	P6, P18, P37	•

## DMA AND PERFORMANCE DATA

Application : C – Core; A – Additional

Status : • Fully Reported; □ Partially Reported; x Not Reported; Ø Not Material

			Page	Status	Reason for Omission
<b>ECONOMIC</b>					
<b>Disclosure on Management Approach</b>					
<b>Economic Performance</b>					
EC1	Economic value generated and distributed	C	P9	•	
EC2	Risks and opportunities due to climate change	C	P45, P47	•	
EC3	Coverage of the defined benefit plan obligations	C	P35-36	•	

			Page	Status	Reason for Omission
EC4	Significant financial assistance from government	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Market Presence</b>					
EC5	Standard entry level wage vs. local minimum wage	A	P36	•	
EC6	Spending on locally-based suppliers	C	P19	•	
EC7	Local hiring policies	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Indirect Economic Impacts</b>					
EC8	Investments and services primarily for public benefit	C	P21, P27, P28	•	
EC9	Indirect economic impacts	A	P9, P21, P25	•	
<b>SOCIAL PERFORMANCE: LABOUR PRACTICES AND DECENT WORK</b>					
<b>Disclosure on Management Approach</b>					
<b>Employment</b>					
LA1	Employment type, employment contract, and region	C	P43	•	
LA2	Employee turnover by age group, gender, and region	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
LA3	Benefits provided to full-time employees	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Labour/Management Relations</b>					
LA4	Collective bargaining agreements	C	P38	•	
LA5	Notice period for operational change	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.

## GRI Table

			Page	Status	Reason for Omission
<b>Occupational Safety and Health</b>					
LA6	% workforce represented in OSH committees	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
LA7	OSH injury and accident statistics	C	P40	•	
LA8	Awareness training for serious diseases	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
LA9	OSH topics covered in collective agreements	A	P38	•	
<b>Training and Education</b>					
LA10	Average hours of training per year per employee	C	P38	•	
LA11	Skills management and lifelong learning	A	P38-39	•	
LA12	% of employees with regular reviews	A	P38	•	
<b>Diversity and Equal Opportunity</b>					
LA13	Indicators of employee and Board diversity	C	P43	•	
LA14	Ratio on basic salary men vs. women	C	P43	•	
<b>SOCIAL PERFORMANCE: HUMAN RIGHTS</b>					
<b>Disclosure on Management Approach</b>					
<b>Investment and Procurement Practices</b>					
HR1	Agreements with human rights clauses or screening	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
HR2	Human rights screening of suppliers and contractors	C	P19	•	
HR3	Human rights training	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.

			Page	Status	Reason for Omission
<b>Non-Discrimination</b>					
HR4	Incidents of discrimination and actions taken	C	P40, P43	•	
<b>Freedom of Association and Collective Bargaining</b>					
HR5	Risks to freedom of association and collective bargaining	C	P37-38	•	
<b>Child Labour</b>					
HR6	Risk of incidents of child labour	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Forced and Compulsory Labour</b>					
HR7	Risk of incidents of forced or compulsory labour	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Security Practices</b>					
HR8	Security personnel trained human rights issues	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Indigenous Rights</b>					
HR9	Violations involving rights of indigenous people	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>SOCIAL PERFORMANCE: SOCIETY</b>					
<b>Disclosure on Management Approach</b>					
<b>Community</b>					
S01	Impacts of operations on communities	C	P21, P28	•	
<b>Corruption</b>					
S02	Risks related to corruption	C	P39	•	

## GRI Table

			Page	Status	Reason for Omission
S03	Training in anti-corruption policies and procedures	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
S04	Actions taken in response to incidents of corruption	C	P39	•	
<b>Public Policy</b>					
S05	Public policy development and lobbying	C	P15	•	
S06	Contributions to political organisations	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Anti-competitive Behaviour</b>					
S07	Anti-competitive, anti-trust, and monopoly penalties	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Compliance</b>					
S08	Penalties for non-compliance with laws and regulations	C	P17, P21	•	
<b>SOCIAL PERFORMANCE: PRODUCT SAFETY</b>					
<b>Disclosure on Management Approach</b>					
<b>Customer Health and Safety</b>					
PR1	Health and safety impacts of operations	C	P17	•	
PR2	Incidents of non-compliance	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Product and Services Labelling</b>					
PR3	Type of product and service information	C	P18	•	
PR4	Incidents of non-compliance	A	P18	•	
PR5	Customer satisfaction systems	A	P14	•	

			Page	Status	Reason for Omission
<b>Marketing Communications</b>					
PR6	Compliance in marketing, communications etc.	C	P18	•	
PR7	Incidents of non-compliance	A	P18	•	
<b>Customer Privacy</b>					
PR8	Substantiated complaints breaches of customer privacy	A	–	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Compliance</b>					
PR9	Penalties for non-compliance of products and services	C	–	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>ENVIRONMENTAL</b>					
<b>Disclosure on Management Approach</b>					
<b>Materials</b>					
EN1	Materials used by weight or volume	C	–	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
EN2	% of input materials that are recycled	C	–	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Energy</b>					
EN3	Direct energy consumption by primary source	C	P46-47	•	
EN4	Indirect energy consumption by primary source	C	P46-47	•	
EN5	Energy conservation and efficiency improvements	A	P46-47	•	
EN6	Energy-efficient or renewable energy	A	P46-47	•	
EN7	Reducing indirect energy consumption	A	P46-47	•	


## GRI Table

			Page	Status	Reason for Omission
<b>Water</b>					
EN8	Total water withdrawal by source	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
EN9	Significant impact of withdrawal of water	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
EN10	% and total volume of water recycled and reused	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Biodiversity</b>					
EN11	Protected areas and areas of high biodiversity value	C	P22-23	•	
EN12	Impact on biodiversity	C	P22-23	•	
EN13	Habitats protected or restored	A	P22-23	•	
EN14	Managing impacts on biodiversity	A	P22-23	•	
EN15	Protected species with habitats in areas of operations	A	P22-23	•	
<b>Emissions, Effluents and Waste</b>					
EN16	Direct and indirect greenhouse gas emissions	C	P45-47	•	
EN17	Other relevant indirect greenhouse gas emissions	C	P45-47	•	
EN18	Greenhouse gas emissions and reductions achieved	A	P47	•	
EN19	Emissions of ozone-depleting substances	C	P47	•	
EN20	NOx, SOx, and other significant air emissions	C	P47	•	
EN21	Total water discharge by quality and destination	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.

			Page	Status	Reason for Omission
EN22	Total weight of waste by type and disposal method	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
EN23	Total number and volume of significant spills	C	-	Ø	This indicator is not reported since it is not considered material to our nature of business which operates in a malt liquor market
EN24	Transported hazardous waste	A	-	Ø	This indicator is not reported since it is not considered material to our nature of business which operates in a malt liquor market.
EN25	Water bodies affected discharge and runoff	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Products and Services</b>					
EN26	Environmental impacts of products and services	C	P45, P47, P49	•	
EN27	% of products and packaging reclaimed	C	P49	•	
<b>Compliance</b>					
EN28	Penalties for environmental non-compliance	C	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted this issue to the management, we aim to make them available in our next Report where appropriate and visible.
<b>Transport</b>					
EN29	Environmental impacts of transporting products	A	-	Ø	This indicator is not reported since it is not considered material to our nature of business which operates in a malt liquor market.
<b>Overall</b>					
EN30	Total environmental expenditures by type	A	-	X	We have not been able to gather the information yet for this stage as we do not have sufficient materials to support this indicator. We have submitted these issues to the management, we aim to make them available in our next Report where appropriate and visible.

# External Assurance

We asked OWW Consulting to provide an assessment on our Corporate Responsibility Report 2010. 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.



**Assurance Statement  
GUINNESS ANCHOR BERHAD  
(Company No: 5350-X)**

**Introduction**

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI). We were engaged by Guinness Anchor Berhad ("GAB") to provide assurance services for their Corporate Responsibility Report 2010 (the "Report").

The Report and its contents are the exclusive responsibility of GAB. Our responsibility is to perform limited assurance procedures over the Report and underlying processes within the scope set out below:

- Economic
- Social Performance: Labour Practices & Decent Work
- Social Performance: Human Rights
- Social Performance: Society
- Social Performance: Product Responsibility
- Environmental

In each case verification was conducted through low-level assurance via information provided by GAB.

It is agreed that GAB expects to be able to provide a response to each of the GRI-G3 Guideline Protocols and an A+ or Advanced Application Level which requires reporting on each of the GRI-G3 indicators, even if the report is an omission statement.

**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 in internal or external documents prepared by any party other than GAB, unless we have viewed the document 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 in the Global Reporting Initiative (GRI) G3 Guidelines.

We have also taken into account the principles of independence of assurance in the GRI-G3 Guidelines and have been mindful of the AA1000AS and the International Standard on Assurance Engagements (ISAE 3000) although we have not been asked to apply these standards directly.

We have conducted this engagement to provide a reasonable rather than an absolute level of assurance and we believe that the work conducted and described herein provides a reasonable basis for our conclusions.

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**Our review included the following activities:**

- Interviews and one-to-one meetings with relevant personnel at corporate level responsible for the information in the Report;
- Interviews and one-to-one meetings with relevant internal stakeholders related to GAB activities, including employees and Head of Departments;
- 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, performance data, internal policies, established codes of conduct, corporate presentation, interactive video clippings, photographs, internal newsletters, newspaper clippings, reports on events and safety procedures of GAB;
- Observed related facilities and areas including notice boards, scaled models and management office;
- A review of figures for all direct and indirect greenhouse gas (CO2) emissions and reductions (EN16 and EN17) to ascertain the accuracy of the calculation of the figures reported;
- Challenging and verifying the CSR related statements and claims made in the Report.

During our investigation we discussed the necessary changes in the Report with GAB personnel and determined that these changes have been adequately incorporated into the final version. 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.

We provided advice on which data is necessary and how it should be compiled to comply with the GRI-G3 Guidelines. All data and corrections were provided directly by GAB staff. In the same reporting period we have not provided any other advisory or other work for GAB which may have been used in this report.

**Conclusions**

1. In our opinion, the Report meets the content and quality requirements of the Global Reporting Initiative Sustainability Reporting Guidelines (Version G-3);
2. The Report provides a fair representation of GAB's social accounting and reporting activity for the period covered by the Report;
3. The information in the Report is reliable and free from significant bias;
4. GAB has processes in place for identifying, understanding and managing its environmental and social responsibilities and for capturing, understanding and responding to the views of its main stakeholders;
5. In our opinion the report contains new information in each domain which we believe is a fair and balanced reflection of the efforts of GAB to develop and improve their approach to sustainability and reporting. It has also reflects the Company's efforts to achieving better transparency, covering wider stakeholder groups.



**Recommendations:**

In the context of future CSR Reporting at GAB, we recommend that the Company:

- Continues to develop the use of performance indicators across all areas of Sustainability and to improve the quality of measurement especially in environmental and workplace data trends;
- Continues to reduce the reporting gaps according to the GRI-G3 Guidelines;
- Introduces clearer links between Corporate Responsibility issues and financial performance;
- Introduces the use of impact measures such as Social Return on Investment (SROI) and Environmental Return on Investment (EROI);
- Implements alternative energy programmes and GHG reduction programmes to reduce overall GHG equivalent emissions and to calculate the Company's footprint level;
- Enhances processes for the ongoing monitoring, measurement and reporting of GAB against material indicators and targets, aligning with stakeholders' issues of concern.

**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 all errors, omissions or misstatements in the Report.
- The assurance statement cannot guarantee the quality of social accounting and reporting processes used by GAB.

30<sup>th</sup> September 2010  
OWW Consulting Sdn Bhd

Dr Geoffrey Williams  
Chief Executive Officer

**Statement by OWW Consulting Sdn Bhd on Independence, Objectivity and Capability**

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI) with established experience in providing independent CSR advisory, reporting and assurance services.

OWW Consulting has implemented a Code of Conduct in Assurance and Assessment and a Code of Ethics across our Company. Our Code requires that all of our employees maintain high ethical standards and makes explicit reference to the independence and objectivity of our assurance and assessment engagements which we believe conform to emerging international best practice.

Our assurance team conducting the work for this report have experience in conducting engagements of this type for sustainability reports, systems and processes. They are familiar with current guidelines and best practice and update their experience on a regular basis.



## Contact Us

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

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