



together, we brew sustainability



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At GAB, we understand that corporate responsibility cannot be achieved in isolation, but must be incorporated in everything we do.

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Message from the Managing Director



This year is a special one for GAB, as we celebrate 10 consecutive years of growth in revenue, profit and market share. I am very proud of our financial performance, especially as they are accompanied by equally impressive achievements in our corporate responsibility performance.

This year, we made significant headway in our quest to encourage sensible drinking. We reached out to all of our employees and business partners to ensure that all of our activities support the Drink Sensibly message. We have also launched a Drink Sensibly website, and we have enhanced our internal marketing policies, as well as guidelines for alcohol consumption during working hours.

With regards to our environmental performance, we are seeing further improvements. In a world where resources are scarce and climate change looms as a major threat to our way of life, I am pleased that our continued innovation has resulted in a continued reduction in energy use, water and waste. Such reductions minimise our impact on the environment, and also provides efficiencies and cost savings – a win-win for all.

We continue to see high levels of staff engagement and low employee turnover rates, but we understand that there are still challenges ahead: We operate in a highly competitive labour market and it is a high

priority to continue to attract and retain the best and the brightest Malaysians. I take note of the suggestions from our employees that they want further engagement, and more opportunities to contribute their ideas. Our focus on a safe and healthy workplace also continues: We have introduced an employee wellness programme and strengthened no-smoking policies. Although we did not match last year's zero-accident record, we are pleased to see that our efforts to reduce severe accidents continue to pay off.

We have also seen progress in our community programmes. We engage with communities – through our volunteer activities and the Big Day Out, and through the GAB Foundation, which supports long-running activities such as the WATER Project and our English Programme. These activities create long-term and sustained impacts, and we make it a point of evaluating them to ensure they deliver maximum value to communities.

Our financial results and our corporate responsibility achievements were made possible through the hard work and support of our stakeholders. This year, we have therefore embarked on a structured stakeholder engagement exercise, to ensure that we understand the concerns and challenges of these important partners. This has been a great learning, as it helped us identify areas where we can improve, as well as areas where we need to enhance our communication to avoid misunderstandings.

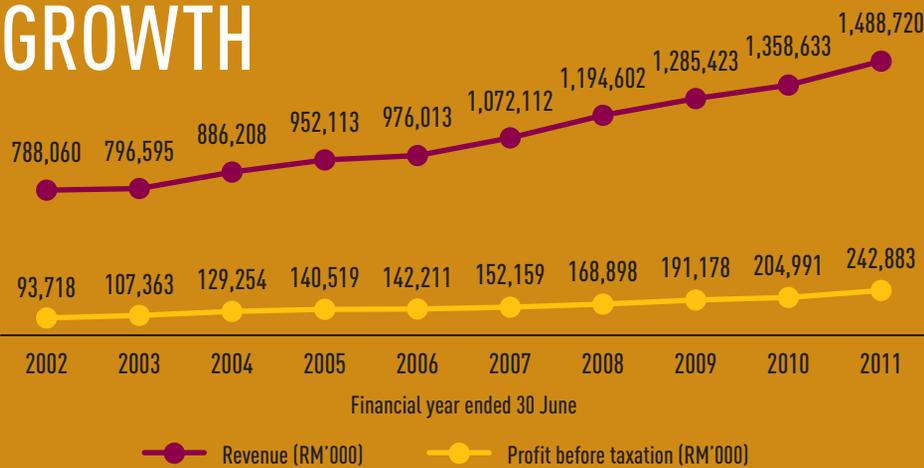
To continue our performance, we will aim for growth and continual improvement. This requires us to constantly examine our performance across all aspects of operations. Our 10 years of growth is no reason to be complacent. On the contrary, this obliges us to continue our quest to become an Icon in Business – in Malaysia and globally.

I would like to thank each and every one of our employees, suppliers, customers, distributors, and investors, as well as our local communities for their continued support in GAB's road towards excellence. I look forward to continuing the journey.



Charles Henry Ireland
Managing Director

10 consecutive years of
GROWTH



REDUCING ENVIRONMENTAL IMPACT
2008 – 2011*

8.4%
less electricity

14.2%
less waste

8.4%
less water

* Reporting period: 1 October – 30 September

Our Achievements at a Glance

DRINK SENSIBLY
FY2009 – FY2011

4,000
front-line staff of outlets
trained on sensible drinking
and sensible serving

All GAB employees
trained on sensible
drinking

IMPROVING HEALTH AND SAFETY
FY2006 – FY2011

73.3%
reduction in severity
of accidents

8.6%
fewer accidents

COMMUNITY
FY2008 – FY2011

5 communities and close to **7,000** people
educated and engaged through the WATER Project

about **1,000** students
from 25 schools have benefitted
from the English Programme

36 reading corners
set up in Peninsular and East Malaysia

38 scholarships
worth more than RM740,000 awarded

What We Still Want to Achieve

We have reviewed our approach to targets and commitments, to ensure they are measurable and focus on outputs and outcomes. Previous years' commitments, which focused more on inputs and process are addressed in the relevant sections of this report.

OUR CR TARGETS FOR FY2012

Our Commitment	We will improve by	Target date (Financial year ending 30 June)
Responsible Marketplace	Developing and delivering a training programme on our Code of Marketing Practice for our Commercial team and external marketing agencies	FY2012
	Developing and delivering Drink Sensibly training for our promoter girls, distributors and front-line staff of our major trade partners	FY2012
Best Practice in the Workplace	Increasing average training hours per employee by 5%	FY2012
Health & Safety	Maintaining accident levels below 1.8 Lost Time Accidents (LTA)	FY2012
	Maintaining the accident severity rate below 8	FY2012
Good Environmental Practices	Reducing water consumption to 4.57 hl/hl	FY2012
	Reducing electricity consumption to 10.51 kWh/hl	FY2012
	Reducing thermal energy to 78.19 MJ/hl	FY2012
Community Enrichment	Developing a community project measurement tool to quantify the impact on our community investments	FY2013
	Engaging our trade and business partners to increase their participation, either in the form of donations or physical participation, by 20% from previous year	FY2012
	Developing and implementing an employee engagement campaign to increase employee understanding of and participation in GAB Foundation activities	FY2012

LTA = accidents per 100 full-time employees

Severity rate = lost days per accident

Stakeholder Panel Opinion

We were invited to participate in GAB's stakeholder engagement programme, participating through interviews and focus groups in providing initial input for the identification of key issues around corporate responsibility. We were invited for a group discussion, and given an opportunity to comment on the near-final draft of the GAB Corporate Responsibility Report for 2011.

Each of us has read through the sections related to the stakeholder groups which we represent: Community, Employees and Investors. We find that the report gives a fair and balanced view, addressing the issues that are material to us. The summary of meetings provides a good overview of the topics raised through the stakeholder engagement process, and the additional narrative in the report largely addresses the points raised during the meetings.

For GAB to improve its disclosure and CR Strategy, we would recommend the following:

- More inclusion of trade partners and customer concerns. From a commercial and investor perspective, these are key stakeholder groups, and disclosure in this area would be of interest.
- It would be good to see a stronger link between the various parts of the CR Strategy. GAB could for example illustrate how employee retention or environmental resource savings are linked to profitability.
- We would like GAB to illustrate the value of community engagement to the Company. Efforts in Chinese education can create a strong bond with consumers and may have a real impact on consumer choices and loyalty. We would also like to see more involvement of GAB employees in our Foundation projects and more communications about the Foundation activities.

Although the stakeholders we represent may not always read sustainability reports, we think that this kind of disclosure can be important in the medium-to-long-term. In the near future, the Bursa Malaysia Environmental, Social, Governance (ESG) index may put more focus on sustainability disclosure and GAB will be well prepared. More importantly, the absence of such disclosure can cast doubts on the Company's commitment to CR and sustainability. It assures us that GAB is committed to sustainability, and is a testament to the Company's strong management across all issues.

For the community: Encik Azli Abu Bakar and Dr. K. Kalithasan, Global Environment Centre

For employees: Ms Ramjeet-Kaur Virik, GAB

For investors: Ms Moey Su En, UOB Kay Hian

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Who We Are

Our World and Our Vision

Guinness Anchor Bhd (GAB) is the market leader of the Malaysian beer and stout industry. We operate across Peninsular Malaysia, as well as Sabah and Sarawak, with a workforce of 561 employees. GAB produces, sells and markets leading brands: Tiger, Guinness, Heineken, Anchor Smooth, Anchor Strong, Kilkenny, Anglia Shandy and Malta. We also market imported brands Paulaner, Strongbow and Sol. The majority of our employees are based at our headquarters - the Sungei Way Brewery in Selangor, which started operations in 1965.

Our vision is **GAB is an Icon in Business. Respected the world over for delivering exceptional growth in People, Brands and Performance.** We want to be an example to others – in Malaysia and beyond – delivering continuous growth against a background of excellent people, iconic brands and stellar operational and financial performance.

We believe that we are on our way to achieving this: This year, we celebrate 10 consecutive years of growth. For the financial year ended 30 June 2011, we reported revenues of almost RM1.49 billion – an increase of 9.6% from 2010 (RM1.36 billion). Our pre-tax profits were also significantly higher at RM243 million (2010: RM205 million).

	Financial year ended 30 June									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,488,720	1,358,633	1,285,423	1,194,602	1,072,112	976,013	952,113	886,208	796,595	788,060
Profit before taxation	242,883	204,991	191,178	168,898	152,159	142,211	140,519	129,254	107,363	93,718
Taxation	61,505	52,300	49,190	43,041	39,598	14,014	32,551	30,835	29,357	21,317
Profit after taxation	181,378	152,691	141,988	125,857	112,561	128,197	107,968	98,419	78,006	72,401
Dividends	163,133	135,944	123,860	109,873	99,239	91,354	90,871	91,837*	84,831*	82,655*
Net Dividend per stock unit (sen)	54.0	45.0	41.0	36.4	32.8	30.2	30.1	30.4*	28.1*	27.4*
Earnings per stock unit (sen)	60.0	50.5	47.0	41.7	37.3	42.4	35.7	32.6	25.8	24.0
Reserves	365,567	319,879	291,252	260,285	234,060	213,246	176,403	159,064	146,200	124,748
Shareholders' funds	516,616	470,928	442,301	411,334	385,109	364,295	327,452	310,113	297,249	275,797
Net assets per stock unit (sen)	171.0	155.9	146.4	136.2	127.5	121.0	108.0	103.0	98.4	91.3

* Includes special dividends



OUR BRANDS

Our world-renowned portfolio of brands drives our market growth. Perfectly brewed to meet various consumer preferences, our diverse beer, stout, cider, shandy and non-alcoholic malt drink brands champion the traditions of quality, excellence and consistency that GAB is respected for.

OUR OPERATIONS

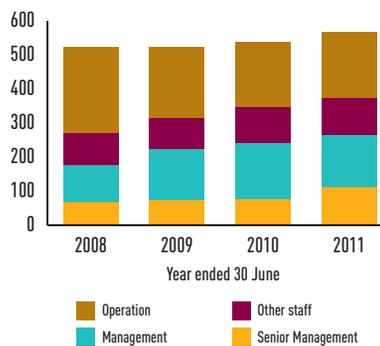
At our brewery in Selangor, close to Kuala Lumpur, we produce a range of well-known beer and stout brands, in bottles, cans and kegs. Through our 16 sales offices, we distribute our products through our network of distributors to bars, restaurants and the retail trade across Malaysia. Our relationship with the trade extends across a vast range of services – from promotions and marketing, to technical support of cooling systems and the collection and recycling of kegs and bottles.



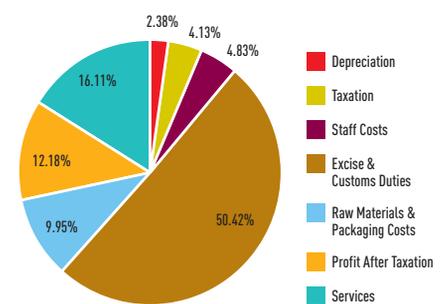
OUR PEOPLE

Our employees are at the centre of everything we do. We have 561 employees, 31 of whom are based in East Malaysia. 99% are Malaysians. 35% work in the brewery and logistics functions, and we also employ a significant number of highly skilled managers in sales, marketing, engineering, human resources and finance who help to develop, sell and market our brands.

Employees by type (2011: 561 employees)



Analysis of Group Revenue for financial year ended 30 June 2011



Economic distribution of income

By far our biggest expenditure cost is excise and customs duties, which account for more than 50% of our costs. In addition, we invest a significant proportion in services, such as advertising and promotion, marketing and communications, which support our brands.

Ownership

GAB is listed on the main market of Bursa Malaysia. The largest shareholder is GAPL Pte Ltd, a joint venture between two of the world’s leading alcoholic beverage brands Diageo Plc (Diageo), listed in the London Stock Exchange and Asia Pacific Breweries Limited, a company listed on the Singapore Stock Exchange.

GAB Ownership Structure



Who We Are

Corporate Governance

Our Board of Directors is the highest governing body at GAB and has the overall responsibility in leading and determining the Group's strategic direction. It provides effective oversight of the conduct of the Group's businesses, ensuring appropriate control systems are in place, as well as regularly reviewing such systems to ensure their adequacy and integrity.

BOARD DIVERSITY AND COMPOSITION

The Board is currently composed of nine members, with four committees – Audit, Executive, Remuneration and Nomination. There are eight non-Executive Directors, four of whom are independent. The Chairman, Tan Sri Saw Huat Lye, is independent, and the Managing Director, Charles Ireland, is the only Executive Board member. The Board comprises nationals from Malaysia, Singapore, the UK, New Zealand and Ireland. There is one woman on the Board. All Directors have extensive Board experience, combining an impressive array of commercial, legal, financial and public affairs skills.

BOARD TRAINING AND EFFECTIVENESS

The Nomination Committee is charged with overseeing the effectiveness of the Board and the Board Committees. This includes a review of the size, composition and skills required and contribution of individual Directors in relation to the effective

decision-making of the Board. It considers any potential existence of conflicts of interest of any present Directors or any new Directors who may be nominated, with the business of the Company. The Nomination Committee also ensures a continuous education programme for Directors. In 2011, the Board's annual training programme comprised Global Grocery Retail Trends and Implications for F&B Retail Account Management, Commodity Trends and Impact as well as Malaysia's New Economic Policy (Economic Transformation Programme/10th Malaysia Plan).

In addition, The Nomination Committee conducts an annual Board Effectiveness Evaluation via questionnaires, which assesses the effectiveness of the Board and Board Committees along with Directors' self and peer assessment.

MANAGEMENT STRUCTURE AND REMUNERATION

The Board is assisted in its duties by a strong Management Team, led by the Managing Director. The Executive Director has distinct responsibilities, both for commercial and company performance issues, as well as for relevant aspects of the Company's corporate responsibility strategy. Key developments on social and environmental issues are included in regular reports to the Board. Remuneration and business targets are linked to overall Company

performance, as well as individual performance and compliance with the Company's triple bottom line policies and strategies.

EMBEDDING COMPLIANCE

Our corporate governance structure is supported by a comprehensive risk management and compliance programme – internally known as CARM (Control Assurance & Risk Management), which we have adopted from Diageo. It is a web-based self-assessment programme that requires each business function to evaluate and ensure that it has appropriate controls in place to manage a broad range of risks arising from the day-to-day business activities within the Group. CARM is part of Diageo's compliance with the requirements of the US Sarbanes-Oxley Act. It is not mandatory for GAB to adopt it but we have chosen to do it as part of our control measures and to help improve our corporate governance.

The Head of functions and process owners are required to attend an annual training, conducted by the CARM team, and the programme is audited annually, both by internal and external auditors.

We believe that CARM helps us build a compliance culture, in which our policies and standards are embedded into all business activities. This includes everything from integrity of financial reporting, to health and safety guidelines and dealings with suppliers and sales promotions.

Governance and Management Structure



GAB Board of Directors



ABOVE, FROM LEFT: Tan Sri Saw Huat Lye • Charles Henry Ireland • Dr. Leslie Buckley • Sreesanthan Eliathamby

BELOW, FROM LEFT: Martin Giles Manen • Siobhan Mary Hamilton • Dato' Syed Salleh Bin Syed Othman • Edmond Neo Kim Soon • Edward Mcshane

Corporate Responsibility and Corporate Strategy Go Hand-in-Hand

We understand that corporate responsibility cannot be achieved in isolation, but must be incorporated in everything we do. For every activity and plan, the social, environmental and ethical implications must be identified and addressed. We are committed to addressing issues specifically relating to each step in our value chain, in addition to the aspects which cut across the whole of our value chain, such as employee development, community investment and governance.

We have organised our Corporate Responsibility (CR) activities in four CR pillars based around Bursa Malaysia's CSR Framework of Marketplace, Workplace, Environment and Community. As part of our corporate vision to be an Icon in Business, we believe that it is necessary to excel in each of these areas, achieved through structured frameworks to enable continuous improvement.

Who We Are



We are fortunate to be linked through our ownership structure to some of the leading global companies. This enables us to share good practice and framework for improvement. For example, our employee survey is based on the Values Survey from Diageo and our environmental management system is inspired by the Heineken Utilities Benchmark Model.

Renuka Indrarajah: GAB's Commitment to CR

"Leading companies don't just do CR but they shape the path for others to follow..."*

This is a philosophy that GAB and its Foundation have held steadfastly to in our ways of working. As the market leader of the Beer and Stout industry, we encourage our trade partners and suppliers to operate in a responsible and sustainable manner. We started the GAB Academy 3 years ago to help train the frontline staff of our trade partners on customer service, food-pairing and the sensible serving of alcohol, to help improve the country's food and beverage industry service level. In our Supplier Appreciation event held earlier this year, we included an award category for Corporate Responsibility, in line with our commitment to CR, to encourage our suppliers, the majority of whom are Small and Medium Enterprises (SMEs), to operate in a sustainable manner.

As for the GAB Foundation, when we first embarked on the 3-year journey to rehabilitate Sungai Way in December 2007 through the

WATER Project, we were doing something that had never been done before in this country. Three years have now passed and the WATER Project has successfully empowered the community through engagement and education, to play an active role in rehabilitating the river. In the end, the community has made the difference.

The WATER project has become a showcase for river rehabilitation in Malaysia. We have since published a handbook documenting the learnings and lessons, to share and encourage others to take the same path. We have shared this handbook with the Drainage and Irrigation Department (JPS) and jointly organised a training session for its officials so that they may apply the same model in rehabilitating the rivers across Malaysia. We have also presented the WATER project case study at the World Sustainable Cities Conference and recently, we talked about our CR strategy and CR activities, at the CSR Asia Summit 2011, so that others may learn from our experiences, and adapt and apply them.

Another project that the GAB Foundation has taken the lead in is the English Programme. While there are similar programmes by other corporations to improve English proficiency among school children, the Foundation extended the training to the teachers to equip them with the necessary teaching tools. This would, firstly, enable them to develop as teachers and secondly, result in the students benefiting through improved teaching methods. To-date, 29 teachers have completed the training, many of whom have lauded the programme, acknowledging that it has helped them in their teaching and in developing their confidence.

We are only at the beginning of our journey and there is a lot more to be done. We will continue to invest our time and our resources in CR as a business, and through the GAB Foundation, expanding and extending our successful initiatives. We strongly believe that in order to really make a difference, we have to lead by example, shaping the path for others to follow. As the great Mahatma Gandhi once said... "We must be the change we want to see in the World."



The WATER Project booth at the World Sustainable Cities Conference.

About Renuka Indrarajah

Renuka Indrarajah is the Corporate Relations and Legal Director of GAB. She also serves as Director of the GAB Foundation Management Committee. GAB's Corporate Responsibility strategy and the running of the GAB Foundation fall under her purview.

*Note: This was shared by Michael Hastings, Lord Hastings of Scarisbrick CBE – Global Head of Citizenship and Diversity, KPMG International at the ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2011 on 4 October 2011.

Who We Are

OUR IMPACT – RISKS AND OPPORTUNITIES

We can only achieve our vision by aiming for excellence across all of our activities. Within the four pillars of CR, we believe that each holds the key to mitigating risk and leveraging opportunities:

Workplace

- We need to attract and retain the best talent in Malaysia. This is achieved by offering competitive development opportunities and benefits in the market
- Promoting a healthy and safe workplace means that we achieve maximum productivity and avoid costly absences

Marketplace

- Our licence to operate depends on our efforts in marketing our brands responsibly and in driving sensible alcohol consumption
- Delivering transparent and sustained financial performance drives share prices higher and shareholder loyalty
- Product safety procedures are crucial in ensuring that our consumers consume products that are of high quality and safety standards

Environment

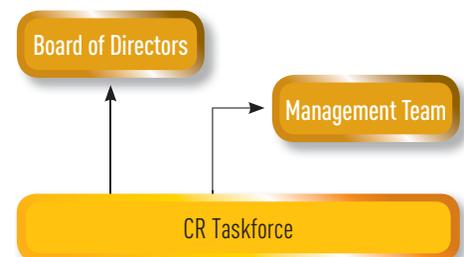
- Efficient use of inputs, such as energy and water, is a vast cost saver and it reduces dependency on fluctuating prices
- Protecting and preserving local waterways is crucial in maintaining access to water and in forging strong relations with communities

Community

The community is made up of our current and future employees, suppliers, shareholders, trade partners and consumers. Their trust and confidence in us are crucial for our continued performance and long-term success

RESPONSIBILITY AT THE SENIOR LEVEL

Every senior manager has distinct responsibilities for relevant aspects of our CR commitments. To ensure that the strategy is coherent, challenging and at the forefront, we have established a CR Taskforce, comprising senior managers from every department 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 at least once in every quarter.



- Charles Ireland – Managing Director
- Renuka Indrarajah – Corporate Relations and Legal Director (Head of Taskforce)
- Ong Ping Ping – Corporate Responsibility Manager
- Charles Chiou – Regional Sales Manager
- Chong Shun Chiun – Manager – Brewing Technical Support
- Justin Sim – Associate Manager
- Peter Khemlani – Marketing Manager
- Avinder Kaur – Manager, Human Resources
- Yong Tian Leon – Sales Finance Controller

PROGRESS AGAINST REPORTED TARGETS IN 2010 – STAKEHOLDER ENGAGEMENT

Targets set for FY2011	Status	Comments
We will continue with analyst and media briefings.	●	We held analyst and media briefings on our interim and final results.
Our corporate website will be further improved to enhance accessibility and content.	●	Our corporate website is updated regularly to ensure that content is up-to-date and relevant.
We will be carrying out a shareholder engagement exercise at the 2010 Annual General Meeting (AGM).	●	We decided to postpone this to FY2012, and a shareholder engagement exercise will be carried at our 2011 AGM.
We will be seeking more innovative ways to engage with our distributors and engaging with them on an annual basis.	●	We held our Distributor engagement in conjunction with GAB’s annual National Commercial Conference to update our Distributors on our FY2012 plans.
We will make the Trade Engagement event an annual one.	●	A Trade Engagement was held in October 2010.
We will enhance the GAB Academy modules, incorporating participants’ feedback. We will be rolling out to more outlets in FY2011.	●	In FY2011 we introduced additional modules, such as: <ul style="list-style-type: none"> • Making Cents, which equips participants with up-selling techniques and knowledge on beer and food pairing • Teamwork, which enhances their ability to follow orders, give orders and tasks delegation From FY2010 to FY2011, we increased the number of participating outlets by 92.7%

● Fully achieved ● Partially achieved ● Not achieved

STAKEHOLDER ENGAGEMENT

Our licence to operate is based on excellence throughout all our activities. This is achieved through strong and constructive relationships with all our stakeholders.

Over the past few years, our strategies across the business have been increasingly guided by our stakeholders. We use structured surveys, events and meetings, enabling two-way communication with suppliers, employees, customers, shareholders and regulators. We have also recognised that effective community investment is only possible through on-going dialogue with those affected, as well as with Non-Governmental Organisations (NGO) with core skills in the areas that we are trying to impact.

LEARNING FROM OTHERS

We know that we can also learn from other businesses. We are members of two leading business networks – the Business Council for Sustainable Development Malaysia and the CSR Asia Strategic Partner Programme. Through these, we are able to share good practice with other leading businesses and get inspiration for continuous improvement.



Who We Are

A Structured Approach to Stakeholder Engagement

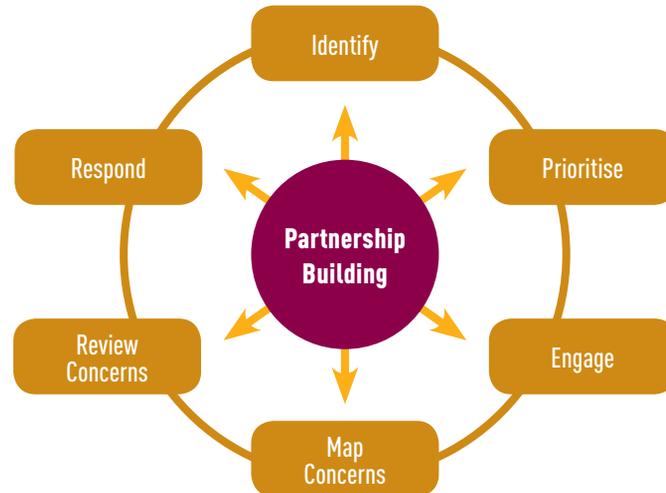
In April 2011, GAB engaged CSR Asia to assist in conducting a series of stakeholder consultations. The objective of the programme was two-fold:

1. To understand the concerns and expectations of GAB's stakeholders in order to address these in the CR strategy of the Company
2. To invite feedback on GAB's 2011 CR Report, to ensure it addressed stakeholders concerns and met their information and disclosure needs.

The engagement was designed in accordance with CSR Asia's proprietary stakeholder engagement framework, which combines the principles set out in ISO26000 and the AA1000 Stakeholder Engagement standard. The framework is developed to include stakeholders and partners, rather than as passive recipients or by-standers to the company's operations. This enables constructive and strategic dialogue through the following engagement cycle.

IDENTIFICATION AND PRIORITISATION

GAB gave CSR Asia access to organisational charts and the results of surveys conducted with suppliers and employees. In collaboration, a map of relevant stakeholders was devised and these were prioritised in a matrix balancing the impact of GAB's activities on the stakeholders versus the strategic importance of stakeholders to the business of GAB. The composition of each stakeholder group can be found in the individual commentaries published throughout this report.



ENGAGEMENT

An engagement methodology for each stakeholder group was devised. In general, CSR Asia advises companies to step back from the engagement process, to ensure that stakeholders feel at liberty to express their opinions freely and to avoid the tendency to defensiveness which may occur when stakeholders misunderstand or misrepresent the Company's activities. Where practical, this principle

was applied. In addition, all group discussions were conducted under Chatham House Rules, where opinions cannot be attributed to individuals. The main outcomes of each engagement was summarised by CSR Asia and circulated to stakeholders for comments and approval, and shared with GAB. Summaries are included in the report, except where key outcomes were commercially sensitive, or highly situation-specific or where personal issues were raised.

Stakeholder	Method	Presence of GAB team	Outcome summarised in report
Senior Management	One-on-one interview	Yes	No
Employees – brewery	Focus group and survey	No	Yes
Employees – East Malaysia	Focus group and survey	No	No
Suppliers	Focus group and survey	No	Yes
Government agency	One-on-one interview	Yes	No
Steering committee – WATER project	Focus group	No	Yes
Child development expert	One-on-one interview	No	Yes
Parent representative	One-on-one interview	No	Yes
Investors/analysts	One-on-one interview	No	Yes
Distributors	Q&A session with MD	Yes	No

REVIEWING AND RESPONDING

GAB reviewed all stakeholder comments and concerns, and prepared the CR report based on this review. To ensure that stakeholders had a final opportunity for dialogue, the draft report was reviewed by selected representatives from the stakeholder groups. This gave GAB an opportunity to discuss concerns and decide whether to include reference to the issues raised. Final amendments to the report were made based on these discussions.

EVALUATION OF THE STAKEHOLDER CONSULTATION, LIMITATIONS AND RECOMMENDATIONS FOR FURTHER OUTREACH

The project includes a wide and diverse range of stakeholders representing both positive and critical voices. However, it was not possible to include all stakeholders. There is some level of self-selection, as stakeholders who are highly critical of the Company or its operations may choose not to participate. The timeline involved also created some limitations. For 2012, CSR Asia has made two recommendations for further engagement:

1. Work towards identifying stakeholders who are indirectly affected by the operations of GAB. This could include further community engagement, organisations and/or local businesses not selected as suppliers to GAB.
2. Invite all suppliers and all employees to volunteer for the focus groups. This would reduce the bias towards those stakeholders already engaged.

Although these recommendations may further evolve GAB's tremendous efforts in engaging stakeholders, we commend the responsiveness of the Company. Overall, we believe the stakeholder engagement has been conducted in a robust and credible manner, ensuring that a representative range of views have been heard – both positive and negative. We also believe that the stakeholder categories selected are the most immediately important stakeholders to ensure GAB's business success, licence to operate and positive contribution to society.

August 2011, Kuala Lumpur, Malaysia

Rikke Netterstrom

Executive Director, CSR Asia

About CSR Asia

CSR Asia is a leading provider of CSR advisory services, training and research in the Asia-Pacific region. We provide advisory on reporting to companies in Asia. We have also conducted research and ratings for organisations such as the ACCA MaSRA, ICRM-StarBiz Awards and Bursa Malaysia. We are the licenced provider of data for the Asian Sustainability Rating™, which rates the disclosure of the top 750 listed companies across the Asian stock exchanges.

The team involved in the engagement has previously conducted stakeholder engagement and developed stakeholder assurance for a diverse range of organisations, including The Body Shop International, Wilmar International, The European Red Cross and Talisman Ltd. The Project Director was also involved in the development of the leading AA1000 Stakeholder Engagement standard.

CSR Asia's involvement in this report does not constitute formal assurance. Our role is limited to providing expertise and guidance on the appropriate use of standards, verification bodies and stakeholder input. We do not undertake audit of data, nor guarantee the accuracy of report content.

Responsible Marketplace Practices



Consumers at the Drink Sensibly booth at Arthur's Day 2011.

Product Responsibility

DRINK SENSIBLY

In order to advocate sensible drinking, we have formulated our actions around our Statement of Intent:

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

We want to make our beer and stout a source of enjoyment for our consumers and wish to take the lead in preventing adverse effects of alcohol. We promote a sensible drinking culture to create a more responsible place for alcohol in society.

OUR CODE OF MARKETING PRACTICE

We encourage self-regulation by GAB’s employees, as well as by agencies, distributors and others who engage customers and develop communication messages on our behalf. Our guidance strictly adheres to the rules set out and monitored by the Malaysian Advertising Standards Authority and is embedded in the GAB Code of Marketing Practice, which among other things states that marketing and promotions should:

- Not encourage the excessive consumption of alcohol
- Not be directed at young people nor in any way encourage them to start drinking. Anyone shown drinking should be at least 25 years old
- Not adversely implicate those who do not accept the challenge of a particular drink
- Not emphasise the stimulant effects of any drink nor should they encourage over-indulgence
- Not imply that a drink is being recommended mainly for its intoxicating effect or that drinking is necessary for social success or acceptance
- Not use the alcoholic strength of a drink as the principal subject of an advertisement
- Not associate drinking with driving
- Not claim or suggest that drinking can contribute to better sexual performance

- Not target Muslims in advertising and promotion of our alcoholic products
- Greetings for cultural and religious festivals should not associate alcohol with the festivals

COMMUNICATING THE CODE TO EMPLOYEES AND PARTNERS

Each new employee is familiarised with the Code of Marketing Practice through our induction programme and existing employees have annual refresher courses and briefings to ensure the Code is fully understood. As part of our commitment to “walking the talk”, in FY2011 we implemented a policy of no drinking during working hours, including at customer meetings. Over the coming years, we intend to roll out an engaging and aggressive training programme to ensure that all staff is fully aware of our commitment to sensible drinking. We intend to introduce awards and rewards to those who are strong ambassadors for our Drink Sensibly initiative.

Regular dialogues are held with our marketing agencies to ensure compliance with the Code of Marketing Practice, and there are strict approval processes in place. From FY2012, it will be mandatory for all agencies to undergo detailed training.



Pre-implementation of the Code of Marketing Practice.

Post-implementation of the Code of Marketing Practice.

Responsible Marketplace Practices



We have rolled out Drink Sensibly to our consumers, employees, trade partners, distributors and suppliers.



We launched the Drink Sensibly website to promote sensible drinking, with interactive content to help consumers understand the impact of various levels of alcohol intake.

COMMUNICATING TO CONSUMERS

In FY2011, we launched the Drink Sensibly website to promote sensible drinking, with interactive content to help consumers understand the impact of various levels of alcohol intake. We also launched a series of radio advertisements during the year-end festive season to raise awareness of sensible drinking.

We engage extensively with our trade partners, such as bars and restaurants who are at the forefront of consumers' contact with our brands. They are in the best position to influence attitudes towards sensible drinking. A Sensible Drinking and Serving module is incorporated into the training given by the 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.

PROGRESS AGAINST REPORTED TARGETS IN 2010 – MARKETPLACE

Targets set for FY2011	Status	Comments
We will continue to ensure that the Code of Marketing Practice is strictly adhered to.	●	We have a strict internal approval process for all brands advertisements before they are published to check for compliance.
We will have annual refresher briefings for all staff and relevant agencies.	●	We held a briefing for the Marketing Department in FY2011. In FY2012, this briefing will be extended to the rest of the organisation and relevant agencies.
We will be rolling out a responsible drinking programme which will involve the participation of our trade partners.	●	Drink Sensibly, GAB's responsible drinking initiative, was launched to employees, trade partners, distributors, media and suppliers in June 2011.

● Fully achieved ● Partially achieved ● Not achieved

ENGAGING THE AUTHORITIES

We are in on-going dialogue with authorities on the role which we can play in promoting safe drinking practices to consumers and have updated them on the progress of our Drink Sensibly programme, and the implementation of our Code of Marketing Practice. We have highlighted to the authorities that the current alcohol taxation system lacks equity where lower alcohol content beverages, such as beer, are taxed 6.5 times higher on a per standard drink basis than compounded hard liquor, which has more than 8 times the alcohol content. We are particularly concerned as this has driven consumers to switch to cheaper and higher alcohol content beverages, which may lead to negative health and social problems.

PRODUCT SAFETY

We are committed to producing the highest quality of product, using pure and safe ingredients. We were the first brewer in Malaysia to be certified to the HACCP standard, ensuring that every step of our supply chain and our production processes meet the highest hygiene and safety standards.

Meeting expectations of socially responsible investors

We believe that investors will increasingly be concerned about our sustainability reporting. In Malaysia, we believe that the impending ESG Index to be launched by Bursa Malaysia will drive a growth in Socially Responsible Investments (SRI) over the coming years. At the same time, mainstream investors are starting to see the financial sense in preserving resources and reducing cost and building a strong license to operate.

We were pleased to be listed as the leading beer producer in Asia in a 2010 report by investment research house Responsible Research http://www.responsibleresearch.com/Beverages_in_Asia-Issues_for_Responsible_Investors.pdf. In the same report, we were listed as leaders for both energy and water, due to our pro-active approach.

Investor Interview: Consistent Messages and Very Accessible

I have covered GAB on and off for the past 15 years, and have a comfortable relationship with the management. Alignment of management and focus has improved and evolved in the last five years, and the Company's impressive financial results clearly show that management has successfully focused on improving operational processes, teamwork, marketing and financial controls.

GAB has changed their approach to investor relations. 10 years ago, GAB was behind the competition in this area, but is now a leader, giving consistent messages at their twice-a-year investor relations meetings. We find GAB more accessible and transparent than many of its peers in the fast moving consumer goods industry. Our local and foreign clients find management both approachable and insightful.

Overall, we don't have any real concerns about the Company, noting that GAB operates in a regulated and mature industry. But it is positive to see an energetic management which ensures continuous modest growth and gains in market share.

IS CORPORATE RESPONSIBILITY IMPORTANT TO INVESTORS?

The investment community generally does not focus on Corporate Social Responsibility (CSR)

- they focus more on financial performance. Nevertheless, we monitor CSR as the lack of CSR could potentially imply business risks. We know that a socially undesirable event could be detrimental to the perception of a company's products or to company's reputation, and can undo all the good things that a company has painstakingly built. The suicide cases at Foxconn's operations in China are a case in point (attributed to poor working conditions), which leads to a sharp rise in labour costs and eventually penalises the company's bottom line. We probably don't give enough credit for good behaviour. However, a company with bad behaviour will be penalised.

For GAB, we particularly value their environmental target (resource conservation) and community projects. For their customer base, Chinese education funding is a critical aspect. We are also happy with the Sensible Drinking programme.

It is important that initiatives are executed in a sustainable manner, and I'd like to see more youth programmes to instill values at school level (e.g. green schools, sports, charity and entrepreneurship).

Transparent reporting and constant communication is important. I find the GAB Foundation website very informative, but would like to see the latest status updates on all the projects or upcoming activities.

About Vincent Khoo

Vincent Khoo is the Head of Research for Malaysia at UOB Kay Hian. He covers Market Strategy, selected consumer stocks and oversees the production of a full suite of research products.

Vincent has around 20 years' experience in equity research, including a 4-year stint in the US. Prior to joining UOB Kay Hian, he headed the research teams at Hwang DBS Vickers Research, and more recently, Maybank Investment Bank, where he successfully led the team to prominence, topping The Edge Malaysia's Polls as the top-rated local research house in 2008. He was also rated as one of the top analysts in the Asiamoney Brokers Poll 2008, as well as best analyst and one of the top strategists, consumer and auto analysts in The Edge Malaysia Polls in 2007-08.

Vincent is a Certified Financial Analyst and holds a MBA in Finance from the University of Cincinnati.



An analyst briefing by GAB.

Responsible Marketplace Practices

Engaging the Government

INDUSTRY INSIGHTS

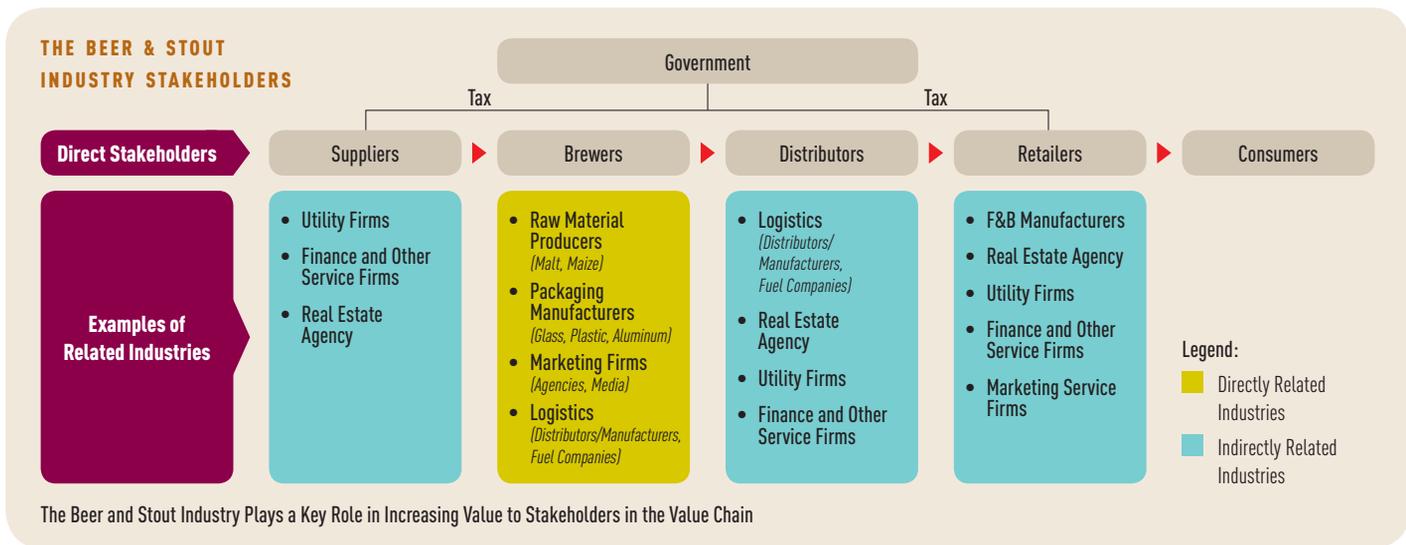
We engage with the Government on issues that are pertinent to our business and that include discussions on the impact of high excise duty on industry and the Malaysian economy. Malaysia has the highest excise duty on Beer and Stout in Asia Pacific and the second highest in the world. High excise duty has driven the price of Beer and Stout to be one of the most

expensive in the region. The high price differential between duty-paid and duty-not paid products has also created incentives for illicit activities, resulting in loss of revenue for the Government.

ECONOMIC CONTRIBUTION

In our engagement with the Government, we also showcase how we contribute to Government revenue in the form of excise duty and sales tax. Our excise

duty and sales tax contribution has gone up year-on-year. Over the past 10 years, it has increased by around 150%. GAB also plays an important role in helping to grow and sustain supporting industries. It was reported in our 2010 CR Report that GAB contributed towards sustaining 30,000 jobs in 2009. We have not assessed the number of jobs indirectly sustained by GAB since 2009, but in terms of direct employment, GAB has created over 330* additional jobs since then.



MALAYSIA'S ECONOMIC TRANSFORMATION PROGRAMME (ETP)

GAB contributes to the ETP through activities, investments and on-going initiatives. Our contribution supports three Tourism** Entry Point Projects (EPP) as illustrated below:

EPP



	Targeting more international events	Investment in outlets (Contributing towards establishing dedicated entertainment zone)	Investment in human capital development to support the tourism sector
Investment	RM20.6 million per annum	RM20.6 million per annum	RM2.4 million
Impact to the Economy	Additional RM29.2 million ¹	approx. 7,000 outlets	>4,000 service staff

¹ Based on tourism multiplier of 1.42, measuring all direct, indirect and induced effects of each tourist Ringgit spent estimated by research paper "Does Tourism contribute significantly to the Malaysian economy?" from the International Journal of Business and Management.

Source: GAB

* Includes full-time and part-time employees

** Tourism has been identified as one of the National Key Economic Activities of the ETP.

Engaging Suppliers

Maintaining good relationships with suppliers is key to our success. From high-quality raw materials, to operations maintenance, logistics and marketing, we rely on our partners to achieve excellence.

Being a supplier to GAB requires excellence and integrity. Our Codes of Conduct for vendors and suppliers outline our expectations. In addition to commercial requirements such as price and quality, our expectations are laid out below:

Labour Standard and Practices	Environmental Policy	Health and Safety	Competition Law
They do not employ child labour, exploit children, or adopt any form of abusive labour practices.	Usage and disposal of materials and products in a safe and legal manner.	Factories comply with laws with regards to working conditions: <ul style="list-style-type: none"> • Health and safety of workers • Sanitation • Fire safety • Risk Protection • Work surface lighting • Personal Protective Equipment • Ventilation and structural safety 	All suppliers are to compete in business through offering innovation and competitive prices, without interfering with the market forces of supply and demand.

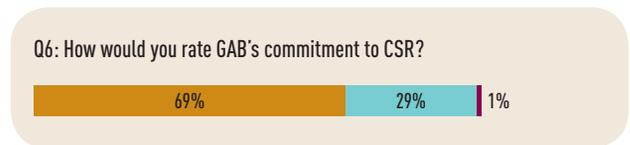
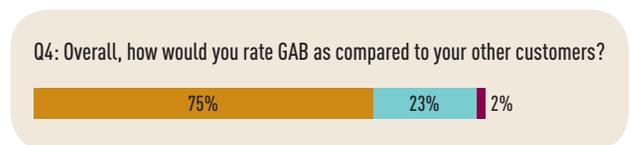
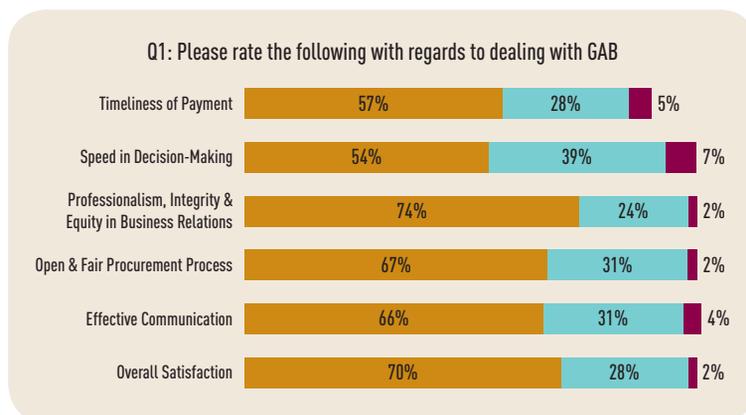
These aspects are incorporated into our supplier audits. GAB is also a member of SEDEX (Supplier Ethical Data Exchange) – an online tool for suppliers to report against our Code of Conduct requirements.

We recognise that audits are not the most effective way of encouraging good practice. We believe that two-way dialogue is needed to ensure compliance and improvement.

We are in on-going dialogue with our suppliers, and ask all suppliers to respond to a survey, once every two years, to help us improve as business partners. In March 2011, we asked all of our 770 suppliers to give us their anonymous view on our relationship and 409 responded. Generally, the feedback was positive, but some highlighted timeliness of payment and decision-making as issues of concern.

Overall, the conclusions we drew from the feedback was that we have valuable relationships with our suppliers, but that we can be even more proactive in creating partnerships. As a follow-up to the survey, we organised a supplier appreciation event in April 2011. At this event, we also issued awards to suppliers, based on their products, service levels and willingness to engage.

Extract from GAB's Supplier Satisfaction Survey 2011



■ Excellent
 ■ Neutral
 ■ Poor

Responsible Marketplace Practices

Supplier focus Group: GAB is a Good Customer – But Listen More to Our Ideas

Working with GAB is a positive experience. The people we deal with are professional, open and ambitious, and do not act selfishly in the exchange of information. We seldom experience unreasonable demands, and there are clear KPIs and fair assessments. We do not have any issues with payments, but late purchase orders can be a problem.

GAB places a lot of emphasis on their Sensible Drinking campaign and GAB's Code of Marketing is very strict, banning any sexual content and inclusion of young people. This has made it more challenging to develop campaigns, but has also forced more creativity, so this is not a problem but a positive challenge. Links to the international brands can be more of a challenge. Because campaigns must be aligned to international standards, it sometimes clashes with the local

context and requirements, and we have to spend a lot of time on agreeing on a solution.

We are pleased to be working with GAB – they are one of our best customers. However, we feel that we could contribute more if we were included earlier in the decision-making process, enabling better planning. Communications can be an issue and it would be good to have more avenues for feedback and ideas for product development. Although there are a lot of good initiatives, such as the national sales conference and supplier forum, more recognition of good performance and social events, e.g. karaoke nights, could forge a closer relationship.

From our perspective, it is certainly important that GAB acts as a responsible company. It seems that the area that should be focused on most is environmental protection, particularly on packaging and recycling. It is also important that there is continuity. Once you start an initiative, for example the Chinese Charity Concert, there is an expectation that

it is followed up with – otherwise you create resentment. It also seems that GAB has a lot of good initiatives but don't really talk about them – it would be valuable to make some of these initiatives more visible in the marketplace.

GAB should be proud of the brand they have built. The Company and its products have a strong presence across the industry. People are proud to be associated with GAB and there are many loyal brand followers.

About the Supplier Group

Suppliers were invited to participate in the focus group, selected and prioritised based on turnover. Three participated, representing packaging, media and advertising. The suppliers had been with working with GAB an average of 12 years. No GAB representatives were present in the focus group, and the meeting was held under Chatham House rules (no attribution of comments to individuals).



We asked all our suppliers to respond to a survey and presented the results to them at a Supplier Appreciation event.

No to Bribery and Corruption

We are committed to transparent and fair business practices and have a zero-tolerance policy on bribery and corruption. We believe that this is the best way of earning respect and being listened to, both in the marketplace and by regulators who we have to engage with on a regular basis.

Corporate values which emphasise ethical behaviour are set out in the Management Handbook and our Code of Conduct. All employees are made aware of our Code of Conduct on a regular basis. Those who face external stakeholders, such as regulators, suppliers or customers are expected to comply with our strict policy on gifts and entertainment. GAB employees are not allowed to receive or offer gifts of cash or cash equivalents. GAB discourages the acceptance of gifts by employees, except where it is clearly related to a business purpose. Employees who receive gifts worth more than RM500 must report it to their line manager and all gifts to or from Government must be registered in a central gift register. Our Vendor Code of Conduct requires all our suppliers to disclose any gifts or favours requested, or other questionable behaviour exhibited by employees of GAB. Such disclosure should be made in writing to the Human Resources Director.

Although we have not identified bribery and corruption as a major risk and have not had any reported cases in recent years, we understand that it is every company's obligation to combat corruption in all forms. To ensure compliance, we have therefore developed a whistle-blowing procedure, to provide an avenue for employees to report any breach, or suspected breach, of any law or standards in the Code of Conduct or any of our policies and procedures, in a safe and confidential manner. All complaints are investigated and breaches can lead to disciplinary measures, including dismissal. In FY2011, we did not have any reported breaches related to bribery, but one employee was dismissed as a result of embezzlement.

To ensure we are free of conflicts of interest, we do not make financial contributions to political parties or political causes, neither directly nor indirectly through our Foundation.

We are committed to transparent and fair business practices and have a zero-tolerance policy on bribery and corruption. We believe that this is the best way of earning respect and being listened to, both in the marketplace and by regulators who we have to engage with on a regular basis.

Best Practice in the Workplace



GAB Employees with the workplace related awards won by the Company in the last 2 years.

Our dedicated workforce is the major building block of our success. We are able to sustain our market success and continued growth path because of our committed and highly skilled staff. We have therefore set ourselves the ambition to be the leading Malaysian employer of choice. We want to attract the best and the brightest, and offer them a good and challenging working environment, which gives them the freedom to develop and fulfil their potential.

Our Human Resources Director is a member of the Management Team, and we have introduced a "7 HR Pillars" framework, on which all of our policies and programmes are based.

We have set ourselves the ambition to be the leading Malaysian Employer of Choice. We want to attract the best and the brightest, and offer them a good and challenging working environment, which gives them the freedom to develop and fulfil their potential.

Our HR Pillars

HR PILLARS

GAB DEVELOPS, VALUES AND SUPPORTS EMPLOYEES

KEY INITIATIVES IMPLEMENTED

Grows People

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.

- Career advancement internally and regionally
- Personal and development plan for staff
- GAB Academy has trained our people and frontline staff of our outlets

Pays Well

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.

- Salary benchmarking with industry peers
- Reward good performance through healthy bonus payouts and promotions

Cares for People

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.

- Diversity and flexi-hours
- Nursing rooms for working mothers
- Making health and safety a priority
- HR Wellness programme
- Drink Sensibly programme for employees

Fair & Reasonable

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.

- Trained all employees on Code of Conduct
- Reviewed appraisal ratings
- Hiring talent from within first

Great Two Way Communication

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.

- Regular breakfast meetings
- Townhall meetings and regular management briefings
- Employee newsletters
- Annual Employee values survey

Delivers Great Performance

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.

- TPM Programmes to improve work processes, quality and performance
- Sales Reorganisation for greater efficiency
- Implementation of projects to reduce paper-work and improve efficiency
- Sharing of best practices within our global network of breweries

Lives its Values

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 work to ensure that all our actions are consistent with our values
- We work to ensure that all our business partners are aware of and aligned with our Vision and Values

Best Practice in the Workplace

Average training hours per employee



Encouraging Personal Development

Our employee turnover rates are low by industry standards – approximately 8% a year and evenly spread by gender and region. The under-30s tend to have a slightly higher turnover rate, but we believe this is to be expected. At the other end of the spectrum, we have a high retention for more senior staff, with some working for GAB for up to 30 years. We also ensure that all employees, regardless of age and position, have a personal and career plan development, with ongoing skill-upgrading, ranging from English language and computer training to study loans for those who wish to pursue higher education goals.

CAREER ADVANCEMENT INTERNALLY AND INTERNATIONALLY

Our hiring policy is designed to ensure that talented and loyal staff has the opportunities to progress internally. We encourage internal promotions before considering external candidates as this ensures that all employees are given a fair opportunity for career advancement. Our network within the Diageo Group and Asia Pacific Breweries Limited also gives employees a unique opportunity for international postings.

DIVERSITY AND WORK-LIFE BALANCE

We wish to attract a workforce which reflects the diverse country in which we operate. We understand that the most effective way to attract and retain the best employees is to create a culture where everyone can succeed, regardless of age, gender, race or religion. Remuneration and promotion is based on ability and performance. We operate a relatively flat organisation, which tries to offer each employee development opportunities adjusted to the unique needs and aspirations of the individual.

Our team is highly diverse, with a high proportion of females in management roles. In certain areas, such as sales, it is challenging to attract women, as they are often wary of the travel and hours involved. Likewise we recognise that there are those who prefer not to work for a company producing alcoholic beverages for religious reasons.

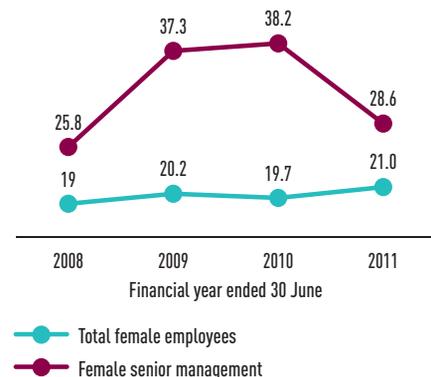
Because of these limitations, our labour pool is smaller than that of other consumer goods manufacturers and we have to offer outstanding opportunities to those that choose to work for us. We work hard to meet the needs and expectations of

“Gen Y” – the under-30-year-olds who value personal development, flexibility and a strong sense of values. Likewise, we want to create an environment which accommodates employees’ desires for a good family life and a healthy work-life-balance.

As a result we have established Wednesday as a “leave work early day” across the organisation. In all roles where feasible – including outstation staff, we encourage employees to leave work by 6pm.

All our female employees on maternity leave have returned to work as planned and we believe that our work-life-balance commitments make this possible. However, we have gone further to accommodate the immediate needs of new mothers, by offering nursing rooms at our headquarters where most of our female staff is based.

Percentage of female employees (Total and senior management)



Note: The decrease in the female proportion of Senior Management is due to a Sales Department reorganisation in 2011 which led to promotions in the sales force, which are predominantly male.

GREAT TWO-WAY COMMUNICATION

On-going dialogue between employees is instrumental to creating the culture of pride and personal ownership which we wish to foster at GAB. Our Managing Director, Charles Ireland, takes an active role through the "Breakfast Meetings", designed to enable employees across the Company to ask questions on all types of topics. There are also townhall meetings and regular management briefings, to ensure that all staff is fully aware of direction and plans. We produce a periodic employee newsletter and a range of other publications designed to enable information-sharing across the Company and regions.

LISTENING TO FEEDBACK

Since 2007, we have conducted an annual employee survey and from 2008, we have used a Values survey from Diageo, which provides our employees with the opportunity to provide anonymous feedback to Management. This helps us to benchmark ourselves against our peers internationally, understanding where we are doing relatively well and where we can improve.

We received a 94% response rate in FY2011 as compared to the previous year's 89%, and recorded a 10% increase in the number of comments received.

In general, the findings were similar to the previous year's with an overall slight decline in scores. In response, seven focus group meetings were held with the three departments with the lowest scores to gain a better understanding on the issues. Action plans have been formulated to address the issues highlighted.

AN AWARD-WINNING WORKPLACE

Our unique and structured approach to human resources has earned us numerous accolades over the years. This year, we won the Asia Responsible Entrepreneurship (AREA) Awards for "Investment in People". This is the second year that GAB has received the award, the last one was won in 2009. The 2011 AREA awards include nominations from around South-East Asia.

List of Workplace Awards that we have won recently

- Area Responsible Entrepreneurship Awards 2009 & 2011 for the category of Investment in People Award.
- StarBiz-ICR Malaysia CR Award 2009 for Workplace Best Practices
- Global CSR Silver Award 2010 for Workplace Best Practices
- Malaysia HR Awards 2010 - Silver Recognition for HR Excellence



Best Practice in the Workplace

PROGRESS AGAINST REPORTED TARGETS IN 2010 – WORKPLACE

Targets set for FY2011	Status	Comments
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.	●	
Flexi Time has benefited many of our employees in terms of managing their time at work and their personal lives. This initiative will continue.	●	This initiative continues. In FY2011, we introduced "Go home early Wednesdays" to further encourage work-life balance.
To continue with Health Talks, sports / recreational activities, and 'Fruit of the Month Programme' to reinforce our commitment to ensuring healthier lifestyles and well-being for all our employees. We will continue to introduce employee engagement activities at department level / organisation wide level.	●	We held six lunch and learn sessions in FY2011.
The ICON magazine will be published once in two months and it will continue to be the "voice of employees". HR4U will be published every quarter, staggered with the ICON.	●	The ICON magazine is now a quarterly publication, incorporating HR communications. We have also introduced the quarterly townhalls to encourage more robust and open communication.
We will continue the regular breakfast meetings with the MD. Over time, all GAB staff will have the chance to sit in on these breakfast meetings.	●	We held six breakfast meetings in FY2011, attended by 55 employees.
The 13th Collective Agreement (CA) covers FY2009 and FY2010. <ul style="list-style-type: none"> HR will continue to uphold the Fair and Reasonable Pillar in the next CA negotiation, scheduled in FY2011. HR will also engage the Executive Union in negotiating their first CA in FY2011. 	●	CA negotiations are on-going.
We intend to attract talent at entry and mid level through a revised Management Trainee Programme in FY2011. Training and Development will continue to be a main focus of HR.	●	We had a Management Trainee intake in Q1 of FY2012.
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.	●	Training and development is on-going.
We will be conducting another Values Survey in FY2011. The results will be shared with all employees.	●	The Values survey was conducted in May 2011.

● Fully achieved ● Partially achieved ● Not achieved

Securing Human Rights in the Workplace

We recognise that employee development and empowerment is only possible if we also adhere to the basic principles enshrined in international labour and human rights law, such as the ILO Core Conventions and the Universal Declaration of Human Rights and its covenants

AWARENESS OF RIGHTS AND NON-DISCRIMINATION

All employees go through a training programme, which covers our Code of Conduct, our Sexual Harassment policy.

We have a zero-tolerance approach to discrimination of any form. In FY2011, we did not receive any complaints of this nature.

TRADE UNIONS AND COLLECTIVE BARGAINING

We respect employees' right to form and join unions of their choice. 27% of our employees are covered by collective bargaining agreements with the Union of Beverage Industry Workers with which we have a good, long-term relationship. We have not had strikes or other labour-related operational disruptions over the past three years.

In FY2011, some staff based in East Malaysia stated that they wished to join a union. However, in some areas, local legal frameworks prevent certain types of employees from forming or joining trade unions.

DECENT PAY AND CONDITIONS

One of our 7 HR pillars is Pays Well. Malaysia does not have a minimum wage. However, the Malaysian Government estimates that the poverty level is approximately RM750-RM900 depending on region.

Our standard entry level wages are well above this, ranging from RM1,000-RM2,500 for manual workers. In addition, GAB contributes 16% to the Employee Provident Scheme, a public pension fund. This is above the mandatory level of 12%.

The vast majority of our employees are on a permanent contract, with only 4.3%, less than 30, employed on a temporary contract.

CHILD LABOUR AND FORCED LABOUR

We operate in a country and an industry with a low risk of child labour. Jobs at GAB generally require a high level of skill throughout our operations. We do not and will not employ anyone below the age of 18, nor will we allow any contractors to employ underage employees whilst on assignment for GAB.

We have not identified any risk of forced or bonded labour. Such practices are virtually unknown for companies who employ local labour in Malaysia.



Best Practice in the Workplace

Employee Focus Groups: More Consultation Needed, but Fun Place to Work

WHAT IS IT LIKE WORKING FOR GAB?

GAB provides a fun working environment - it is very challenging, but we also celebrate successes. There is a good sense of teamwork. The benefits are good, and the emphasis on work-life balance, flexi-hours, training programmes and good prospects for internal promotions are important. It is nice to be able to engage with the MD through his talks, breakfast meetings and townhall meetings. The Company has a good reputation, so friends and family are often impressed.

The culture has changed over the past years. Before, it would sometimes seem that it was more important "who you knew" rather than what ability you had. Now it is very transparent and based on merit. It is really positive that there is transparency around promotions.

Generally speaking, we feel valued and important. The service award is a great way of recognising loyalty. GAB is a challenging workplace, and it encourages people to develop and deliver to the best of their ability, and rewards are good. There is a good feeling of being part of a good company selling good brands. Compared to other companies, GAB offers a cohesive working culture, and the internal politics are less than other places.

WHAT WOULD MAKE GAB A BETTER PLACE TO WORK?

The biggest issue is that some decisions are made without consultation or feedback. It would work better

if there was some pilot testing, so kinks could be worked out. It would also help to identify how it would apply in a particular business unit and adjust it. For example, the work-life balance policy is great for some parts of the business, but for operations on shift-work, it can't be easily implemented. Recently, there have been some decisions made around marketing activity, which have caused problems between sales team and customers. Better consultation on these decisions with the field staff could have prevented a lot of problems and unhappy customers.

The leadership could put more trust in the staff, and allow them more freedom to do their jobs, but there is a tendency for micro-management. Senior management often gets involved in smaller decisions, which shouldn't have to involve them. This can feel a bit disempowering and it might be better if management allowed staff to lead and develop in some areas.

Not all employees are unionised, but it would be good if the Company offered the same benefits for union and non-union employees. For example, some units gets a replacement holiday if public holidays fall on a weekend, whereas others do not. We also think that the retirement benefits could be improved.

WHERE CAN GAB DO BETTER IN BEING A RESPONSIBLE COMPANY?

One area for improvement is to have a policy on the use of taxis. When we attend company or client events and this is after working hours, we are allowed to drink. There should be a guideline on drinking and driving in these cases. This is not only for sales team but across the Company.

Projects like "The Big Day Out" and the W.A.T.E.R project are really important. One person can only do so much but a whole company can do so much more. However, the "so what" part of these projects is missing. It is not explained to staff how it relates back to our Company and our products.

Last year, we were not involved much in community projects. Some of us mainly contributed to the community through associations and causes which customers are involved in. Community investment is really important in building relationships with the government and the community.

Response from GAB Management

Most feedback received is valid and useful. In some cases though, the information from employees is inaccurate. For instance, all employees do get a replacement holiday for a public holiday which falls on a weekend. This replacement holiday is either the next working day or one additional leave day, depending on the department they are from.

In other cases, policies and provisions requested are already in existence, for example, the use of taxi or the guidelines on drinking and driving.

The underlying issue appears to be some lack of communication. This will be an area for improvement, moving forward.

Making Health and Safety a Priority

We believe that it is our duty to ensure that our people get home safely in the evening. Our responsibility does not end at the brewery fence, and extends to sales people on the road as well as general promotion of healthy living. This year, sensible drinking and accident prevention have been our strategic priorities.

After a thorough review in FY2011, we realised that there were many areas where we could improve health and safety at GAB. This year, health and safety is a major performance indicator for our Supply Chain and Operations Department. Most accidents happen in this area and involve cuts from bottles, accidents with pallets and transport on site.

SAFETY

We now have a zero accident target, which we have adopted from Heineken. This is a challenging target, but we need to be ambitious. We are applying Heineken's Total Productive Management (TPM) safety pillar. When we were audited against this system in 2010, we only got a score 41%, and in April 2011, we were re-audited and we hit 64%, so we are making progress.

Our first priority has been clear communication, explaining to all employees how to stay safe. There is now a safety board at the entry point of the brewery and boards that report on how many days were accident free. We have invested almost RM2 million in the amenity block, enabling workers to change into uniforms and personal protective equipment on site.

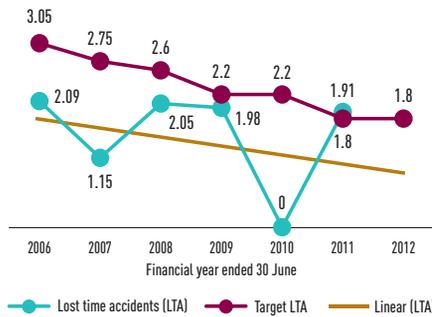
We are also closing our reporting gap. We found that previous data on accidents was often imprecise and not all accidents were reported. We have now introduced better tracking, and require all accidents to be reported monthly.

HEALTH

In addition to reducing accidents, we also believe that we can contribute to the general health of our staff. One of our biggest initiatives in the past year has been the introduction and promotion of drinking sensibly among our staff. This includes the introduction of the “no drinking during working hours” policy. This has required some adjustment by our sales teams, as there has been a culture around having a drink with customers to socialise. We have had to communicate with both staff and customers, to ensure they are on board. Ultimately, we believe this policy is the right thing to do, as it protects employees’ long-term health and we want our sales people to act as ambassadors of “Drink Sensibly”. It is also a question of efficiency. Our sales people often visit numerous outlets in a shift, and having a drink in each place affects judgement and productivity.

Our health drive goes beyond alcohol education. Our on-site canteen at the brewery ensures that employees have access to good, affordable food, and we have stringent anti-smoking policies, protecting employees from second-hand smoke. Our HR Wellness Programme was introduced in January to raise awareness on general health topics, such as prevention of communicable diseases and nutrition. We now produce a bi-monthly newsletter on Wellness, have monthly “Lunch ‘n Learns” and give away health and wellness related information.

Number of accidents per 100 full-time employees



Tackling severe accidents (average lost days per accident)



PROGRESS AGAINST REPORTED TARGETS IN 2010 – HEALTH AND SAFETY

Targets set for FY2011	Status	Comments
More safety teams will be launched to reduce risk levels on respective areas when required.	●	11 safety teams were launched in FY2011: <ul style="list-style-type: none"> • 7 safety kaizen teams • 4 safety improvement teams
To organise training for all members of Safety & Health committee in order to equip them with appropriate knowledge.	●	This training was held from 18 – 19 October 2010.
To finalise safety work procedures in the pilot areas – link to team launch. Then, horizontal expansion to all related areas covering all activities.	●	Done
To carry out HIRAC (Hazard Identification, Risk Assessment and Control) on pilot areas. There will then be horizontal expansion to related areas in the departments.	●	Done
Monthly safety audits to be conducted by individuals	●	Done
Create awareness on the location of the fire extinguishers, hydrant plan, first aid box location and near-misses location.	●	Done

● Fully achieved ● Partially achieved ● Not achieved

Good Environmental Performance



Our environmental management is supported by Heineken - one of our brand owners.

With assistance from their team of environmental and utility specialists, we set challenging improvement targets to progressively reduce resource consumption, emissions and discharges.

We are strongly committed to reducing our environmental impact and helping to preserve the natural environment. We are guided by the precautionary principle and attempt to apply the zero-loss mindset of our TPM system to produce a closed loop approach. Our environmental management is supported by Heineken - one of our brand owners. With assistance from their team of environmental and utility specialists, we set challenging improvement targets to progressively reduce resource consumption, emissions and discharges. We follow the Heineken Utilities Benchmark Model, which is used by Heineken Breweries around the world to identify the optimal level of energy and water for breweries to operate. Heineken also sends auditors annually to assess progress.

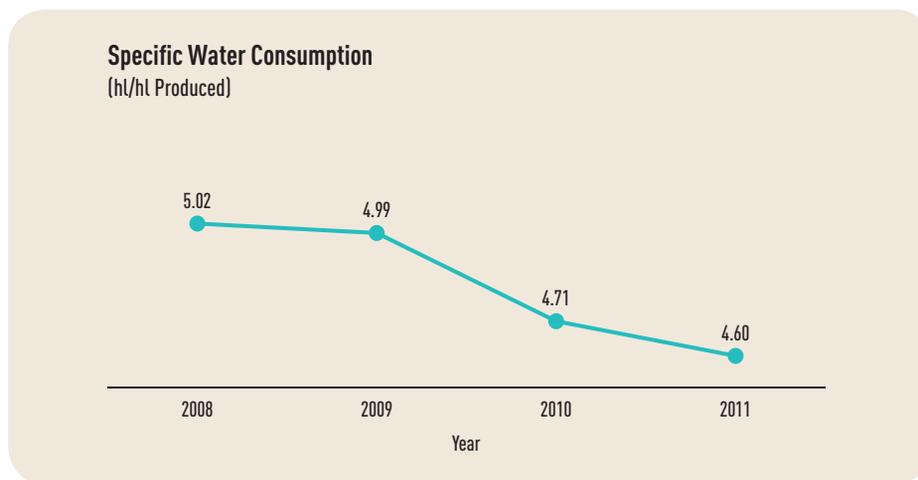
Over the past year, we have engaged each operational team to find solutions to meet our targets and develop more efficient production methods. This has resulted in a number of significant projects, including an upgraded Economiser which increases energy efficiency, a new Freon-free air-conditioning system with no ozone-depletion and no global-warming potential and a carbon dioxide plant which recovers CO₂ from fermentation for use in bottling.

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 installations. We have embarked on several water saving initiatives and optimisation efforts to reduce dependence on this valuable commodity. We reduced

our water consumption by 7.8% from 2009 to 2011. This large saving from 2009 to 2010 came from the reduction of cleaning required by better planning of brewhouse operations. In 2011, our bottle return rate increased by 7.7% from the previous year. This has had a significant impact on our water consumption as water is used in the cleaning process. This is one of the main reasons why our water consumption did not reduce by much in 2011.

All of our water is drawn from the municipal water supply. Our wastewater is treated to ensure that no harmful substance is released from the brewery. We use two methods of biological treatment to treat wastewater before it is released into the river. The first method is an anaerobic treatment where a biochemical reaction takes place in the absence of oxygen resulting in organic carbon being converted into carbon dioxide, methane and biomass. The second method utilises an anaerobic treatment where oxygen is associated in biological reactions and results in organic carbon being converted to carbon dioxide and biomass. This process ensures that our COD (Chemical Oxygen Demand) levels stay well below the 400ppm prescribed by the Department of Environment. In 2010, our average COD level was approximately 100ppm.



Reporting period: 1 October – 30 September
Source: Heineken Environmental Report

PROGRESS AGAINST REPORTED TARGETS IN 2010 – ENVIRONMENT

Targets set for FY2011	Status	Comments
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.	●	In 2011, our bottle return rate increased by 7.7% from the previous year. This has had significant impact on thermal energy and water consumption.
We will be extending the Freon-free air-conditioning system to the Technical offices in FY2011.	●	This was not done in FY2011. This project will commence in 1st half of FY2012.

● Fully achieved ● Partially achieved ● Not achieved

Good Environmental Performance

River Rehabilitation

Our brewery is located next to the Sungai Way river, a tributary of Sungai Penchala, one of the main rivers running through the Klang Valley. We believe that conserving water in as pristine a state as we inherited it, is the best gift for our children and the world they will live in. In December 2007, the GAB Foundation began the River Rehabilitation Project by adopting the entire 2.5km stretch of the Sungai Way, which flows behind our operations.

ENGAGEMENT AND CAPACITY BUILDING IS NECESSARY

The project is unique in its approach, as it focuses on involving the community as part of the clean-up process. We believe that engagement, education and day-to-day behavioural change is the only way to produce a long-term, sustainable impact.

We therefore embarked on this project in 2007 together with an NGO, Global Environmental Centre (GEC), to engage with the communities living along the river on the need to preserve the river's natural flora and fauna and to discourage indiscriminate dumping. The communities currently involved are the upstream communities in the SS3 and SS9A areas and the downstream communities from Desa Mentari, Desa Ria and Kampung Lindungan.

The project includes several outreach activities, such as the River Care Education Centre and a Mobile River Care Unit. The latter is an interactive, mobile education centre designed to reach out to different communities and to drive home the importance of urban river conservation. It contains a microscope to view specimens from the river, a water testing kit to learn how to measure the water quality, tools for recycling and garbage enzyme demonstrations.

REAL BENEFITS TO THE ENVIRONMENT AND RECOGNITION FOR THE COMMUNITY

The project has seen real improvements in water quality, from Class IV-V (extremely polluted) to Class III (suitable for living organisms), as well as improvements in biodiversity in and around the river.

In addition to these tangible benefits, we also believe that the project has forged a stronger community, transcending racial differences, as a result of people working together to clean up the river. The project is also assisting communities in coming up with their own initiatives to help reduce waste, recycling, composting, and turning used cooking oil into soap and candles. We were delighted when the Desa Mentari community won the "Best National RIVER Ranger Community" for their initiatives.



Sungai Way – Before the WATER Project (2007).



Sungai Way – After the WATER Project was implemented (2011).

BRINGING OTHERS ALONG

Business entities, government sectors, service providers as well as local leaders and politicians have also taken a keen interest in the project and came forward to play their part in supporting this project.

- Department of Irrigation and Drainage (JPS) Selangor and Petaling
- Department of Environment (DOE)
- Petaling Jaya City Council (MBPJ) through LA21
- Selangor Water Management Authority (LUAS)
- Department of Fisheries Selangor (DOF)
- National Integration & Unity Department of Selangor (JPN)
- Local community groups from Desa Ria, Desa Mentari, Kg Lindungan, SS3 and SS9A

2010 marked the end of our 3 year Sungai Way rehabilitation project, and we wanted to ensure that the lessons from the project were shared with others. One of the objectives of the project was to develop a Handbook to be used by relevant government officials, to rehabilitate rivers in other states. The "Handbook on Urban River Management Through Local Community Participation" is already published and was launched on 7 April 2011, by the Deputy Minister of Natural Resources and Environment Malaysia, YB Tan Sri Datuk Seri Panglima Joseph Kurup.



Major Milestones

December 2007

WATER Project Launched

In progress

"Buy – in" from Community & relevant government agencies

March 2008

Introduction of rubbish traps

December 2008

Community involvement (1 year after start)

May 2009

Improvement in water quality & biodiversity

August 2009

Habitat creation

March 2011

Launch of the Mobile River Care Unit

April 2011

Launch of the Handbook on River Management

July 2011

Training of JPS Officials

Good Environmental Performance

PROGRESS AGAINST REPORTED TARGETS IN 2010 – ENVIRONMENT

Targets set for FY2011	Status	Comments
A Mobile River 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.	●	The Mobile River Care Unit (MRCU) was launched in March 2011.
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.	●	We continue to monitor the water quality of Sungai Way and conduct biodiversity study on a monthly basis.
The Foundation will continue to educate and train the surrounding communities – both businesses and residential – to further change mindsets.	●	We are currently conducting educational and training sessions for 10 communities and 6 schools within the Sungai Way basin.
We will continue with the habitat creation practice.	●	We completed the implementation of the “River within River” concept which helped enhance the biodiversity of Sungai Way, thus transforming the river from a “dead” river into a “living” river with aquatic flora and fauna.
We will hold a River Carnival in FY2011	●	We decided not to hold a River Carnival in FY2011. We held the JPS training seminar to train JPS officials on how to use the handbook instead.
<u>Sungai Pinang Project</u> 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.	●	The Foundation engaged and educated 8 schools and 13 communities within the Sungai Pinang basin under the ‘One State One River Programme’ of JPS Penang in FY2011. The training sessions, consisting of theory and practical lessons on river rehabilitation and management, were conducted in July and October 2010.
<u>Storytime with GABBY</u> The Foundation has set up a GABBY club to continuously engage the children who have undergone the session.	●	We decided not to proceed with this project as it was not sustainable. The funds allocated were channelled to other projects.

● Fully achieved ● Partially achieved ● Not achieved

Interview with Stakeholders of the WATER Project: Communities See Impact of River Rehabilitation

Our role was to assist in engaging the community living along the river to become involved in the project. When the GAB Foundation first proposed this to us, we thought it would be impossible. It is not easy. We had to work hard to convince the community that it is possible to achieve improvements.

In the first year, we did a lot of consultation with the community. We had to identify the right person to work with – the rukun tetangga. We wanted to work with everybody and all the races. From the feedback we received in the first year, not many communities were convinced about our plans.

HOW DID YOU PROCEED?

After we had engaged the community to get their consent, we needed to ensure that they had the right skills. We started with training and education. They built on that to develop their skills in order to take localised action. They then drew up a concept paper on what they wanted to do for the area and the support needed.

WHAT WERE SOME OF THE MAIN CHALLENGES?

Many in the community were sceptical of GAB, because it produces alcohol. We had to overcome this and show them that GAB was serious about the project. It has helped that this is a community-based project and the direct contact is the GAB Foundation, rather than the Company.

WHAT ARE THE IMPACTS OF THE PROJECT?

The project is now run 100% by the communities and benefits almost 15,000 people. Previously, the area was in a very bad condition. People didn't even know that it was a river, rather than a drain. Other projects had tried to do something about the problem without much success, but after the GAB Foundation project, the improvements were obvious. Before, there were complaints about the GAB brewery polluting the river but we no longer hear this. The community now seems to think twice about throwing rubbish into the river, since they know the work involved in cleaning it up.

WHAT MORE CAN THE GAB FOUNDATION DO?

We would like to see more participation from the employees of GAB. Of course, more funding would also help to increase activities. At the moment we

are finding alternative uses for waste collected along the river, such as selling newspaper waste, and the collection of used cooking oil, which is turned into soaps and candles. It would be good if GAB could assist in selling these. At the moment, GAB is the only company along the river involved in the project, and it would be good if they could help to get other companies to participate.

About the stakeholders

Encik Azli Abu Bakar has led the WATER project since April 2008. He has extensive experience in a range of river restoration programmes involving local communities since 2003. His main role in the project is to engage and facilitate local community participation in tasks and activities in line with the goals of the WATER Project.

Encik Mohd Zaini is a local resident of Desa Mentari and has actively participated in the project since 2008. He has led the group to develop other local initiatives such as composting and candle-soap making from the collection of used cooking oil. Under his leadership, the Sungai Way community won the nation's Best Community Award by the Department of Irrigation and Drainage at the River Ranger Jamboree 2010.

Good Environmental Performance



Recycling Waste

PRODUCT PACKAGING

GAB's brews are 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 is 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.

Our kegs and bottles are returnable and 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.

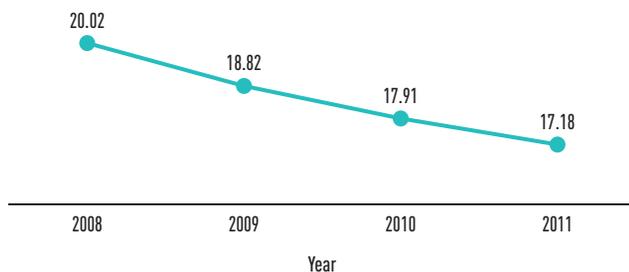
We are reducing our use of aluminium by reducing the wall thickness of our cans. In 2009 we used 141.5 million pieces of reduced-wall aluminium cans, saving 28.3mt of aluminium, and in 2010 we used 159.9 million of even further reduced-wall cans (0.280mm), resulting in savings of 31.98mt of aluminium. This translates into a significantly reduced impact from both the production of the raw material, and subsequent transport emissions.

WASTE FROM PRODUCTION

The vast majority of our industrial waste – over 22,000 tonnes – consists of used grains and yeast. These products are used for animal feed. An additional 1,400 tonnes annually consists of packaging waste, which is sent to be recycled locally. This year, we achieved a major milestone, when we achieved a 100% recycling rate for industrial waste.

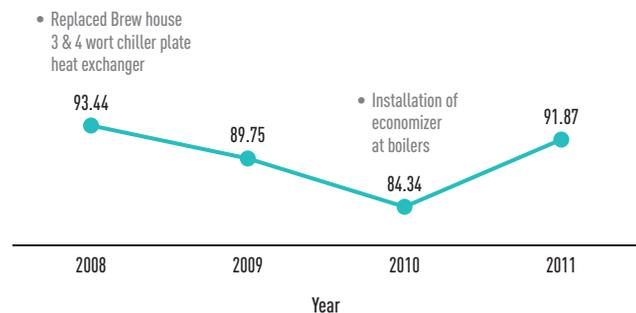
We generate 0.6 tonnes of hazardous waste, primarily from cleaning operations. This is sent to a licensed contractor.

Total co-products, packaging & industrial waste kg/ht



Reporting period: 1 October – 30 September
Source: Heineken Environmental Report

Thermal MJ/ht Produced



Reporting period: 1 October – 30 September
Source: Heineken Environmental Report

Addressing Climate Change

The impact of climate change is one of the biggest challenges facing every community on the planet. We also recognise that it may have very direct impacts on our business, as access to water and agricultural crops become volatile or scarce. In Malaysia, we have experienced the disruptive effect of floodings, which has caused havoc to transport across to several parts of the country. Although it is difficult to put a financial value on such potential effects, we know that have to do our best to reduce our carbon emissions.

Our greatest direct impact stems from our use of thermal energy, used in the brewery. We estimate these account for 6,400 tonnes of CO₂. Most of this comes from natural gas, and 8.7% is renewable energy, mainly biogas obtained from the anaerobic treatment of wastewater at our water treatment plant.

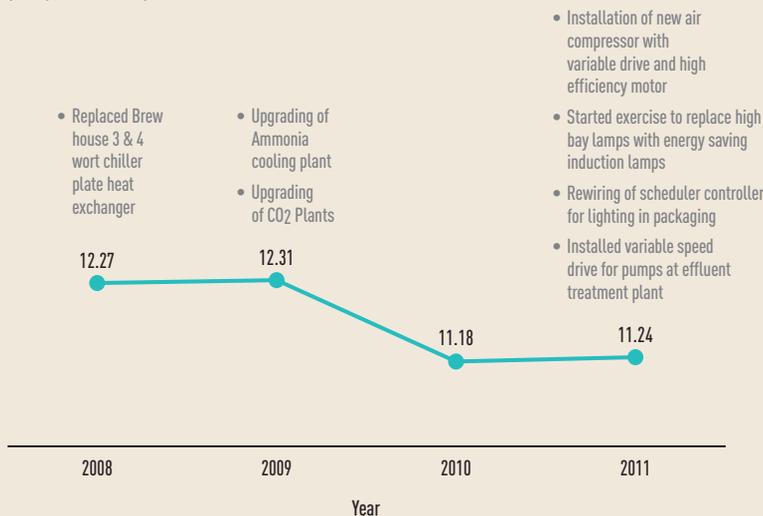
Thermal Energy consumption increased by 8.9% in 2011, compared to the previous year, mainly due to the 7.7% increase in our bottle return rate as steam is used in the cleaning process. Although the increase in bottle return rate has resulted in the consumption of more water and thermal energy, it has reduced our carbon footprint.

In 2011, we put in place a number of initiatives to reduce electricity consumption. We installed a new and more efficient air compressor and a new fuel pump. We also focused on lighting - replacing 29 units of mercury lamps with induction lamp in the packaging and brewing operations. The mercury lamp requires 400W of power, the induction lamp power replacing the mercury lamp will only use 200W, resulting in a 50% reduction in electricity consumption

from lighting. We are also focusing on eliminating unnecessary energy use. For example, timers were installed at isolated areas and only will turn on for 10 minutes when required, and rewiring of lighting has enabled lights to be turned on in smaller groups. These initiatives helped us to maintain overall electricity consumption for 2011 at around the same level of 2010 despite the lack of economies of scale caused by a different packaging mix.

Our data include all activities at our brewery site in Sungei Way, including on-site transport. We do not currently monitor the impact of road transport of products or the travel of staff, but we intend to collate this data to achieve a more detailed overview of our carbon footprint.

Specific Electricity Consumption (kWh/hl Produced)



Enriching Communities



GAB employees at "The Big Day Out".

We foster positive relationships with the communities in which we operate. Although our biggest immediate impact is in the Sungei Way area, where our brewery has been part of the community for 55 years, we know that we are part of the everyday lives of millions of people across Malaysia, who are our consumers, employees or suppliers. We see all of these people as our community and we are committed to enriching the lives of those we touch. However, we wish to go beyond these commercial relationships and establish ongoing relations and engagement, contributing in a meaningful way to these communities, including those that are not immediate stakeholders.

We know that we are part of the everyday lives of millions of people across Malaysia, who are our consumers, employees or suppliers. We see all of these people as our community and we are committed to enriching the lives of those we touch.

The GAB Foundation

To ensure that our investment in communities could be structured and sustained for long-term impact, we established the GAB Foundation in 2007. The Foundation functions as a spearhead for our community initiatives and aims to create an impact on the lives of people around us, reflecting our corporate values of striving for excellence, acting with integrity and having a genuine respect for people, society and its diversity.

The Trustees of the Foundation are the GAB Chairman, Managing Director and three independent Trustees. The GAB Foundation emphasises engagement with partners who share common goals and who can contribute skills and expertise. Federal and State Government departments have been stalwart supporters, while civil society partners from the local communities and NGOs have been instrumental in sharing their providing invaluable information and technical advice.

GAB Foundation Board of Trustees are:

Tan Sri Saw Huat Lye – Chairman

Charles Henry Ireland – Trustee

Dato' Mahadev Shankar – Independent Trustee

Dato' Dr. Goh Cheng Teik – Independent Trustee

Dato' Ghazali bin Dato' Mohd Yusoff
– Independent Trustee



Our efforts this year was awarded with the prestigious StarBiz-ICRM Award in the Community Category.

The GAB Foundation is constantly looking at more avenues to increase the positive impacts of our projects. 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, by setting an example and inspiring others to make a difference. Our focus over the coming years will be to encourage participation from employees, distributors, trade outlets and other stakeholders.

The Foundation's focus is structured around three pillars: Environmental Conservation, Education and Community. Our main activity under the environment pillar has been the river rehabilitation programme (see pages 36-39).

Enriching Communities

Education

READING CORNERS

There are children in Malaysia who face difficulties in accessing all the tools necessary to learn and develop academically, often caused by geographical distance and poverty. GAB Foundation has long focused on Reading Corners as a means to give children access to books and learning. Starting with the Tamil school children, we found that this was an effective means of supporting children in disadvantaged communities.

In FY2010, the GAB Foundation expanded the project to East Malaysia 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 Bidayah community and Borneo Child Aid Society, a Sabah-based NGO. The reading corners provide English reading materials include textbooks, encyclopaedias, dictionaries, storybooks and general knowledge books to facilitate sharing of knowledge among the children. In FY2010, six Reading Corners were set up

in Sarawak and in FY2011, another 12 were added in three locations in Sabah. In Sabah, the Reading Corners are all located within the Learning Centres run by Borneo Child Aid Society.

GAB Foundation has invested approximately RM490,000 to date in setting up Reading Corners in Malaysia, and will continue to explore opportunities to widen the reach.

PARTIAL SCHOLARSHIP SCHEME

The GAB Foundation Partial Scholarship Scheme provides deserving Malaysian students pursuing higher studies at certificate, diploma or undergraduate levels with a chance to achieve their ambitions. In FY2011, the Foundation did not open its partial scholarship scheme to new applications. However, the Foundation continues to support 31 undergraduate students who are pursuing their education in local and foreign institutions under its current scheme. To-date, the GAB Foundation has awarded scholarships to 38 students with a total value of more than RM740,000.

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 workforce. 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.

ENGLISH PROGRAMME

In our immediate community, our most well-established initiative is our English Programme, which assists Tamil school children improve their English skills. This year, we strengthened the programme by offering school children extra English classes outside of their school hours to help them improve their English language proficiency. We are supporting 200 school children from 5 primary schools.

More details on the background of the GAB Foundation and its activities can be found at our website www.gabfoundation.org



Amy Bala – Child Development Specialist: Plant the Seed, then Nurture it

I first began to work with GAB four years ago, when I was asked to help deliver a storytelling project for the GAB Foundation. The project was aimed at teaching children in disadvantaged communities about water conservation. I identified child care trainers who were trained in storytelling, and a partner to write and develop appropriate stories for this project. The stories were translated into the other three local languages. Through my connections in the Department of Social Welfare and NGOs, we were able to reach out to activity centres, care centres and kindergartens. We visited each community three times with one module leading to the other. The project ran for about two years.

The story telling project was a great way to teach children and had great spill-over effects. Parents told us that the children were convincing them to conserve water and wanted them to come to the storytelling.

Later on, I became involved with the GAB Foundation English Programme. Tamil school children have poor command of English as the curriculum is taught mainly in their mother tongue. My partner - who teaches early childhood - and I redeveloped the curriculum, because it was very academic in nature and examples were not locally appropriate. We developed child friendly, activity based lesson plans that linked to and reinforced their school curriculum.

Trained facilitators now teach Standard 3 pupils in five schools reaching out to 196 children.

Three schools are facilitated by teachers from the school and two by college students. The facilitators have great community spirit and some of the sessions are carried out at weekends. Most come from financially challenged families, but have moved ahead and got their degrees, and now they want to give back. The main challenge in this project is to find facilitators who use grammatically correct English because they also come from the same education system. We train the facilitators not only about their academic approach to learning but also how to use more visual and child friendly techniques.

In terms of impact, the Foundation wanted to see academic results, but the results did not drastically improve in the 6 months the project was implemented. However, we found intangible results such as increased confidence, improved communication skills and enhanced motivation, achieved through improved attendance at classes and a better use of the English language.

The GAB Foundation is planting seeds and it needs time to be nurtured. It is important to strategise and plan a long-term commitment - for example for five years. There is no immediate need to expand the programme to more classes but we need to think long-term and consider the next stage. What will happen when these children become teenagers and go to Form 1? They will really need someone to help them in adjusting to a mainstream school where they often have a culture shock.

I also think that the Foundation could develop a more holistic understanding of its impacts. The children come from families where parental involvement and academic support is weak.

Some are single parents, others work two jobs. Changes and impact from our involvement need to be seen more holistically rather than just oriented around improving English. Changes take time and impacts may come in different forms. It will be good if GAB staff were trained and involved so they see the investment GAB Foundation is putting into the community and understand the changes taking place.

Overall, I commend GAB for their sustained commitment to give back to the communities. Many other companies prefer one-off activities, often in the form of donations. Although there are always improvements to be made, it is great that they have pledged to work with grassroots communities.

About Amy Bala

Amy Bala is a Child Development Specialist, and a social worker by training. She retired from the civil service after working with the Department of Social Welfare for 32 years, and has extensive experience working with children in difficult circumstances. However, her focus has been and is still in the area of early childhood, especially in alternate Child Care. Amy is involved in research, curriculum design and training of child care providers and educators as well as social workers. She constantly advocates quality child care and child rights through training and consultation with government and non-governmental organisations. Amy is also a court advisor in Children's Court Petaling Jaya.

Enriching Communities

A View from the Parent Teachers Association

HOW DID GAB GET INVOLVED WITH YOUR SCHOOL?

The English Programme by the GAB Foundation is in its second year. Amy Bala is one of the facilitators for training the teachers. We are very happy with the support that we are receiving. Not many schools have this opportunity.

HOW MANY STUDENTS ARE BEING HELPED?

Our school has a population of just over 200 students in six grades. The project funded by GAB Foundation is for Standard 3 and 4 and supports about 40 students.

DESCRIBE THE STUDENTS WHO ATTEND THE PROGRAMME?

Students are selected based on income needs, so they come from poor families. Parents are usually former estate workers, or currently working in a factory. After school, the children go home and don't receive much support for studying. We keep the children back after school to give them more support and extra help.

WHAT HAS CHANGED?

We feel and we see a lot of changes in the school. Proficiency in English is much improved and you can see students getting better. The teachers notice improvements in their grades.

Our school has a long history of not performing well in the UPSR (Primary School Assessment Test). Our average rate is 20%. With help that we have been receiving, we expect that the results of this batch could go up to 80%–90% when they take the exam in a few years.

The additional help provided in this programme is not only in English and is not conducted like the usual classroom in schools. It is more like a private school, where there is more interaction and students are asked to make presentations. Students are learning rather than just being taught.

Attendance for these additional classes is almost 100%. The budget from GAB Foundation also provides for a nutritious meal when they attend. Parents are also happy and keep sending children to school.

WHAT CAN GAB DO MORE OF?

English is a global language and we think it is important for our students. At this age, mastering three languages is not easy. The environment our students come from also does not provide much support and motivation.

GAB Foundation funds a two-day motivational camp once a year and we would like to ask if they could do more of these, either half yearly or quarterly. We feel that they students enjoy it and grow as a result of it.

I think it is also important to implement a more structured evaluation process to document improvements. The evaluation should not just be on English but more holistic such as confidence and self esteem.

About Mr. Gunasegeran Seerangan

Gunasegeran Seerangan is the Chairman of Parents and Teachers' Association (PTA) since May 2008. He is a qualified electrical engineer and currently works as an auditor specialising in Quality and Environmental Management Systems. He has two children studying in SJKT Taman Permata. His son Gopinath is in Standard 5 and daughter Abirami is in Standard 2. He is married to Ms. Kalyani who teaches Bahasa Malaysia in SMK Dengkil. Together with the PTA team, he has worked on identifying needs of the school, and engaging partners to develop programmes and initiatives to improve the standard of the school.

Community

Our community pillar is focused on promoting volunteering and engagement between GAB staff and the communities in which we operate. The focal point is "The Big Day Out", an annual event in which GAB employees across the country are challenged to come up with impactful activities with a non-profit organisation or a charity of their choice. Employees work in teams and are allocated seed money to use for their activity. "The Big Day Out" programme is a way to involve all employees, regardless of where they live in Malaysia.

In FY2011, we decided to invite our business partners to be part of this project. As a result, more than 550 employees and 100 of our business partners across the country participated in 33 different community projects that included: planting of mangrove seedlings, conducting basic health screening for village folks, building a physical therapy area for a school in Petaling Jaya and running a blood donation drive.

THE BIG DAY OUT - THE ENGINEERING TEAM

The Engineering Team broke up into two teams in a bid to conserve the environment and improve community relations. This gotong-royong effort to beautify and maintain the Sungei Way town was a mode of getting to know the neighbours and fostering community rapport with them.

The first team's task was to clean GAB's exit which connects the Seri Setia plaza with the Company. The team faced the challenging task of chopping the branches of a nearby tree and trimming wild bushes around the area. "It wasn't an easy task, chopping the tree branches with minimal equipment and on top of that there was bad weather. However, determination and courage goes a long way," noted one of the team leaders, Tan Seng Kiat.

The team then made their way to clean the pedestrian bridge connecting the Seri Setia Plaza and the Company by sweeping the rubbish on the bridge and cleaning the clogged drains and the exit areas of the overhead bridge. With the help of the village chief, the team also identified three main groups living in the town in need of assistance: a single mother with three children, one of them being disabled; a 75 year old single man who depended on public donations; and an old folks' home. These three groups were given a month's worth of groceries each.

The second team was tasked with the clearing of overgrown bushes and plants of the Sungei Way Old Folks' home. Due to the seniors' old age, they were unable to throw away their rubbish properly. This resulted to the accumulation of waste around the area, creating environmental and safety hazards.

"We practically filled two lorries with rubbish, and I feel that we did a very good job in painting the gate and the home's letterbox. We were even afraid that the owners may not recognise their own house!" said team leader Ng Joo Chan.



Enriching Communities

THE BIG DAY OUT – EQUIPS

For the Big Day Out, our colleagues from the Key Accounts On-trade and Central Sales took part in a fund raising activity to help upgrade a school for special needs children, as well as organising a birthday party for them. Consisting of 353 students and 39 teachers, the Sekolah Kebangsaan Satu Sultan Alam Shah had approached the Central Sales team in the hopes that they would help them install an awning at the school corridor. A short visit to the school however, revealed that the school was in need of more than just an awning. The school's roof was in terrible shape, causing leaks when it rained, and there was an abandoned physical therapy area due to the school's insufficient budget. The budget needed to complete all the works was RM 19,550.

"The school's original request was only to have us rebuild the school's awning but they never imagined that we would actually do something about the abandoned project due to the high costs. Therefore

we took it upon ourselves to share what we have seen with our trade partners and distributors, and tried to raise some money to cover the outstanding expenses," said team leader Ong Kee Kong.

At the end of the day, the team had successfully achieved their objectives by:

- Completing the sand pool by cementing, painting and filling the pool up with sand
- Cleaning and painting the fountain at the Physical Therapy area
- Cementing the cracked floors and clearing rubbish around the Physical Therapy Area
- Installing the Therapy tiles around the sand pool
- Convincing the contractor to complete the abandoned project by sponsoring RM4,612

The level of support received from the teams' business partners was so overwhelming, that the team managed to raise RM14,938 for the school – a feat that is rarely achieved by many in just one day.



THE BIG DAY OUT – MALACCA

A team from the Commercial Department of the Malacca office carried out a blood donation campaign for this year's Big Day Out project. The project, under the collaboration of the Malaccan General Hospital and Mahkota Parade, a local shopping mall, was an effort to create public awareness on the importance of donating blood, as well as to replenish the Malaccan blood bank.

The 7-hour long event, which was officiated by YB Gan Tian Loo – Member of Parliament for Duyung, was attended by various Chinese Associations and business partners. Also participating in the project was the Director of Joy Advertising, Joy Chan and his employees.

"Naturally, I felt a little nervous, but knowing that I was helping with a good cause helped me get through it easily" said GAB veteran Mr. Ee Teck Joo. We had a total of 58 blood donors.

PROGRESS AGAINST REPORTED TARGETS IN 2010 – COMMUNITY

Targets set for FY2011	Status	Comments
The Foundation will continue to sponsor the reading corners and increase the number of schools we sponsor.	●	In FY2011, the Foundation set up a total of 17 reading corners – 5 in Klang Valley and 12 in Sabah.
The Foundation will continue its cause to improve the English Language proficiency amongst Tamil school children. In FY2011, 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.	●	The modules for Standard 2 and 3 students were developed in FY2011. A total of 200 students from 5 schools were enrolled in this programme.
The Foundation will be looking at raising more funds for education in FY2011.	●	No fund-raising activities were held by the Foundation in FY2011 to specifically raise funds for this purpose. However, some of the donations from the public were channelled towards the setting up of reading corners.
The Foundation will continue to award the scholarships to deserving students.	●	The Foundation is currently supporting 31 scholars. No new scholarships were awarded in FY2011 as we are in the midst of reviewing the scholarship scheme to ensure that it meets its objectives.
GAB employees are encouraged and invited to participate in GAB Foundation activities. We are looking at making “The Big Day Out” an annual event.	●	Close to 600 staff and 100 business partners participated in the Big Day Out 2011.

● Fully achieved ● Partially achieved ● Not achieved

About this Year's Report

This is our fourth annual stand-alone Corporate Responsibility (CR) Report, covering activities for the financial year ended 30 June 2011 (FY2011), unless stated otherwise.

SCOPE

The report boundary is in line with our last report, published in 2010. It covers all activities of Guinness Anchor Berhad (GAB) and its subsidiaries, unless stated otherwise. It does not cover outsourced operations, such as transport and logistics. Data collection methods have not been altered and there are no restatements from previous reports. Data is provided on a best-effort basis and any limitation to the reported figures is noted throughout the report.

A STRATEGIC APPROACH TO ASSURANCE AND MATERIALITY

This report marks a departure from GAB's previous CR Reports. Previous reports were developed in-house, with assistance of only an external copywriter and report content was assured by a professional assurance provider. This year, we have worked with an external consultant, CSR Asia, to develop the report. The report also takes a different approach to assurance. Rather than relying on the expertise of a single assurance provider, we have drawn on the expertise of a variety of experts and stakeholders to produce a report which is robust, balanced, responsive and credible. We believe that this assists us in truly making CR reporting strategic in terms of creating synergies between our business objectives and meeting the needs of our stakeholders.

ENSURING RESPONSIVENESS AND MATERIALITY THROUGH THE EYES OF STAKEHOLDERS

We believe that reporting has value only if it meets the expectations and information needs of our stakeholders. We have therefore opted to include our stakeholders in the reporting process. CSR Asia has assisted us in undertaking stakeholder engagement, which consisted of focus groups and interviews to provide input from stakeholders on their expectations of GAB. These inputs are reported throughout the report. We also invited the groups to appoint a representative to review and comment on the final report content, and to which extent it addressed the concerns raised and the disclosure and communications needs of the stakeholders.

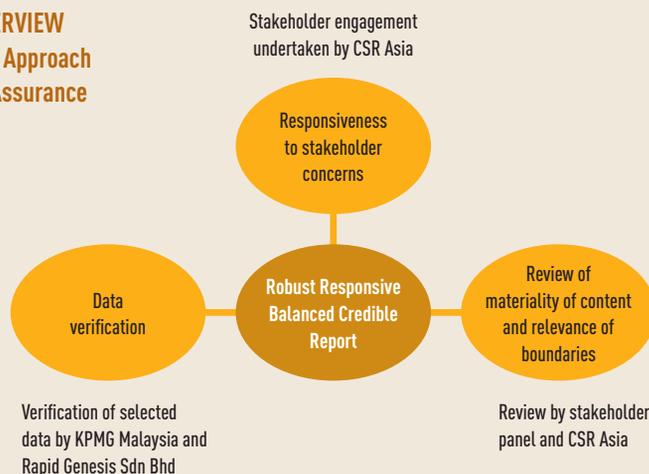
ASSESSING MATERIALITY

We have used the stakeholder engagement to provide a basis for a materiality assessment, which has guided the content and balance of the report. This helps us prioritise issues which are key to both our stakeholders and crucial to our business success.

DATA VERIFICATION

We understand that credible and robust data forms the building blocks of any report. To address the gap left by a formal assurance process in terms of data verification, we have engaged the services of two independent organisations to check our report data. Sample environmental data was verified by Rapid Genesis Sdn Bhd, and selected personnel data and other corporate data were verified by KPMG Malaysia.

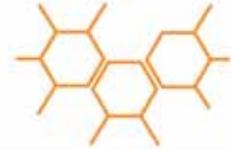
OVERVIEW Our Approach to Assurance



CHANGES TO TRACKING AGAINST THE GLOBAL REPORTING INITIATIVE (GRI)

GAB's 2010 CR report was awarded an A+ application level. This year's report is self-declared as a B report against the GRI G3.1. This is partly due to the fact that we have amended the way in which we report against indicators for which we are currently unable to produce data. This year, we have placed more emphasis on the reporting principles of the GRI of materiality, completeness, stakeholder responsiveness and sustainability context rather than the reporting standard disclosures and indicators. We believe that this approach has resulted in a more relevant report, which meets the needs and expectations of our stakeholders, and also makes for a clearer account of areas where we still need to develop our reporting further.

ENVIRONMENTAL DATA REPORTING VERIFICATION STATEMENT



GUINNESS ANCHOR BERHAD
Company No. 5350-X

Rapid Genesis Sdn. Bhd. was engaged by GUINNESS ANCHOR BHD. ("GAB") to independently verify its environmental data as reported in GAB Corporate Responsibility Report 2011 (the "Report").

The following environmental data from the Report was verified under this scope of work:

- 1.) Reported water consumption data and reduction achievements
- 2.) Reported effluent discharge data
- 3.) Reported aluminum consumption data and reduction achievements
- 4.) Reported waste generation data
- 5.) Reported estimate of overall CO2 reduction
- 6.) Reported thermal energy consumption data
- 7.) Reported electricity consumption data

The source of data for independent verification was provided by GAB's Production Department as reported in GAB Annual Standard Environmental Reporting Score based on the Heineken Utilities Benchmark Model.

During the course of this verification work, we have also engaged the relevant personnels from GAB to explain the basis of their calculations as well as verify the raw data used in their calculations.

The outcome of this verification work is reported in our **Environmental Data Verification Report** and submitted to GAB for their perusal.

4th October 2011
RAPID GENESIS SDN BHD

TANG KOK MUN
Chief Consultant

RAPID GENESIS SDN BHD main focus is the provision of consultancy and research services in areas of environment and high technology; in the niche areas of green technology development, R&D commercialisation projects, techno-commercial studies, environmental study and analysis. Our collaboration with local academic institutions provides us with strong linkages with local academicians and researchers as well as their valuable research resources and experience.

Global Reporting Initiative G3.1 Index

Full Disclosure
 Partial Disclosure
 Not Applicable (N/A)

GRI Disclosure	Type of Disclosure	Location – section	Page
STRATEGY AND ANALYSIS			
1.1 CEO statement		Message from the Managing Director	2-3
1.2 Description of key impacts, risks, and opportunities		Message from the Managing Director Corporate responsibility and corporate strategy go hand in hand.	2-3 11-12
2.1 Name of the organisation		Front cover	
2.2 Primary brands, products, and services		Who we are – ‘Our world and our vision’	8
2.3 Operational structure		Who we are	9
2.4 Headquarters location		Who we are	8
2.5 Countries of operation		Who we are	8
2.6 Nature of ownership and legal form		Who we are	9
2.7 Markets served		Who we are	8
2.8 Scale of organisation		Who we are	8-9
2.9 Significant changes during the reporting period regarding size, structure, or ownership		N/A – no significant changes	N/A
2.10 Awards received during the reporting period		Encouraging personal development	29
3.1 Reporting period		About this year’s report	50
3.2 Date of most recent previous report		About this year’s report	50
3.3 Reporting cycle		About this year’s report	50
3.4 Contact		Contact and feedback	Back cover

GRI Disclosure	Type of Disclosure	Location – section	Page
3.5 Process for defining report content		About this year’s report	50
3.6 Boundary of the report		About this year’s report	50
3.7 Limitations of the scope or boundary of the report		About this year’s report	50
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that could affect comparability		About this year’s report	50
3.9 Data measurement techniques and assumptions		About this year’s report	50
3.10 Explanation of the effect of any restatements of information provided in earlier reports		About this year’s report	50
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		About this year’s report	50
3.12 GRI content index		Global Reporting Initiative G3.1 Index	52
3.13 Policy and current practice with regard to seeking external assurance for the report		About this year’s report	50
4.1 Governance structure		Corporate governance – governance and management structure	10
4.2 Indicate whether the Chair of the highest governance body is also an executive officer		Corporate governance	10
4.3 State the number of members of the highest governance body that are independent and/or non-executive members		Corporate governance	10
4.4 Mechanism for shareholders and employees to provide recommendations or direction to the board		Corporate governance	10
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization’s performance (including social and environmental performance)		Corporate governance	10

Global Reporting Initiative G3.1 Index

Full Disclosure
 Partial Disclosure
 Not Applicable (N/A)

GRI Disclosure	Type of Disclosure	Location – section	Page
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided		Corporate governance	10
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation’s strategy on economic, environmental, and social topics.		Corporate governance	10
4.8 Statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation		Message from the Managing Director	2-3
		Corporate responsibility and corporate strategy go hand in hand	11-12
4.9 Board procedures for overseeing the organisation’s identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles		Corporate governance	10
		Corporate responsibility and corporate strategy go hand in hand	12
4.10 Processes for evaluating the board’s own performance		Corporate governance	10
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation		Good environmental performance	34
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses		Message from the Managing Director	2-3
		Corporate responsibility and corporate strategy go hand in hand	11
		A structured approach to stakeholder engagement	16

GRI Disclosure	Type of Disclosure	Location – section	Page
4.13 Memberships in associations or advocacy organisations		Corporate responsibility and corporate strategy go hand in hand	15
4.14 List of stakeholder groups engaged by the organisation		Stakeholder panel opinion Stakeholder engagement A structured approach to stakeholder engagement	7 15 16-17
4.15 Basis for identification and selection of stakeholders with whom to engage		Stakeholder panel opinion Stakeholder engagement A structured approach to stakeholder engagement	7 15 16-17
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		Stakeholder panel opinion Stakeholder engagement A structured approach to stakeholder engagement	7 15 16-17
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.		Stakeholder panel opinion Stakeholder engagement A structured approach to stakeholder engagement	7 15 16-17

Global Reporting Initiative G3.1 Index

Full Disclosure
 Partial Disclosure
 Not Applicable (N/A)

GRI Disclosure	Type of Disclosure	Location – section	Page
ECONOMIC			
Disclosure on Management Approach	Core	Message from the Managing Director Corporate Governance Corporate Responsibility and corporate strategy go hand in hand	2-3 10-11 11
EC1. Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Core	Our achievements at a glance Who we are Economic distribution of income GAB Foundation	4-5 8 8 43
EC2. Financial implications and other risks and opportunities for the organisation's activities due to climate change	Core	Message from the Managing Director	2-3
EC3. Coverage of the organisation's defined benefit plan obligations	Core	Best practice in the workplace Securing human rights in the workplace	26 31
EC5. Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Additional	Securing human rights in the workplace	31
EC7. Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	Core	Securing human rights in the workplace	31
Not covered – EC4, EC6; EC8; EC9			

GRI Disclosure	Type of Disclosure	Location – section	Page
ENVIRONMENT			
Disclosure on Management Approach	Core	Message from the Managing Director Corporate Governance Corporate Responsibility and corporate strategy go hand in hand	2-3 10-11 11
EN2. Percentage of materials that are recycled input material	Core	Good environmental performance	34
EN3. Direct energy consumption by primary energy source	Core	Addressing climate change	41
EN5. Energy saved due to conservation and efficiency improvements	Additional	Addressing climate change	41
EN6. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Additional	Addressing climate change	41
EN8. Total water withdrawal by source Note: We do not disclose total resource volume for commercial reasons. We have chosen to report on water use relative to production	Core	Lowering our water consumption	35
EN9. Water sources significantly affected by withdrawal of water Note: All water is from municipal sources	Additional	N/A	N/A

Global Reporting Initiative G3.1 Index

Full Disclosure
 Partial Disclosure
 Not Applicable (N/A)

GRI Disclosure	Type of Disclosure	Location – section	Page
EN11. Location and size of land owned, leased and managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas Note: No land near high biodiversity areas	Core	N/A	N/A
EN12. Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas Note: No activities or other impacts near high biodiversity areas identified	Core	N/A	N/A
EN13. Habitats protected or restored	Additional	River rehabilitation	36-39
EN14. Strategies, current actions, and future plans for managing impacts on biodiversity	Additional	River rehabilitation	36-39
EN15. Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk Note: Operating in an urban environment, we have not identified species from the IUCN red list in or around our operations	Additional	N/A	N/A
EN16. Total direct and indirect greenhouse gas emissions by weight	Core	Addressing climate change	41
EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved	Core	Addressing climate change	41

GRI Disclosure	Type of Disclosure	Location – section	Page
EN21. Total water discharge by quality and destination	Core	Lowering our water consumption	35
EN22. Total weight of waste by type and disposal method Note: We do not disclose total production or resource volumes for commercial reasons. We have chosen to report on waste relative to production, and indicate an approximate level of main types of waste	Core	Recycling waste	40
EN23. Total number and volume of significant spills	Core	N/A – No significant spills	N/A
EN24. Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Additional	Recycling waste	40
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Core	Good environmental performance	34-41
EN27. Percentage of products sold and their packaging materials that are reclaimed by category	Core	Recycling waste	40
EN28. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Core	N/A – No significant fines	N/A
Not covered – EN1; EN4; EN7; EN10; EN17; EN19; EN20; EN25; EN29; EN30			

Global Reporting Initiative G3.1 Index

■ Full Disclosure ■ Partial Disclosure ■ Not Applicable (N/A)

GRI Disclosure	Type of Disclosure	Location – section	Page
LABOUR			
Disclosure on Management Approach	Core	Message from the Managing Director Corporate Governance Corporate Responsibility and corporate strategy go hand in hand Best practice in the workplace	2-3 10-11 11 26-33
LA1. Total workforce by employment type, employment contract, and region	Core	Who we are	8
LA2. Total number and rate of employee turnover by age group, gender and region	Core	Encouraging personal development	28
LA4. Percentage of employees covered by collective bargaining agreements	Core	Securing human rights at the workplace	31
LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Core	Making health and safety a priority	32-33
LA8. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Core	Making health and safety a priority	33
LA10. Average hours of training per year per employee per category	Core	Encouraging personal development	28
LA11. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Additional	Encouraging personal development	28
LA12. Percentage of employees receiving regular performance and career development reviews	Additional	Encouraging personal development	29
LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Core	Who we are Best practice in the workplace	8 26
LA15. Return to work and retention rates after parental leave, by gender	Core	Encouraging personal development	28
Not covered – LA3; LA5; LA6; LA9; LA14			

GRI Disclosure	Type of Disclosure	Location – section	Page
HUMAN RIGHTS			
Disclosure on Management Approach	Core	Message from the Managing Director Corporate Governance Corporate Responsibility and corporate strategy go hand in hand Best practice in the workplace	2-3 10 14 26-33
HR1. Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening Note: GAB does not have any significant investments outside of direct operations covered in this report	Core	N/A	N/A
HR2. Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Core	Engaging suppliers	23
HR4. Total number of incidents of discrimination and actions taken	Core	Securing human rights in the workplace	31
HR5. Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Core	Securing human rights in the workplace	31
HR6. Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	Core	Securing human rights in the workplace	31
HR7. Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	Core	Securing human rights in the workplace	31
HR11. Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Core	Securing human rights in the workplace	31
Not covered –HR3; HR8; HR9; HR10			

Global Reporting Initiative G3.1 Index

Full Disclosure
 Partial Disclosure
 Not Applicable (N/A)

GRI Disclosure	Type of Disclosure	Location – section	Page
SOCIETY			
Disclosure on Management Approach	Core	Message from the Managing Director Corporate Governance Corporate Responsibility and corporate strategy go hand in hand	2-3 10 11
S01. Percentage of operations with implemented local community engagement. Impact assessments, and development programs	Core	Enriching communities	42-49
S02. Percentage and total number of business units analysed for risks related to corruption	Core	No to bribery and corruption	25
S03. Percentage of employees trained in organisation's anti-corruption policies and procedures	Core	No to bribery and corruption	25
S04. Actions taken in response to incidents of corruption	Core	N/A – there were no instances	N/A
S05. Public policy positions and participation in public policy development and lobbying	Core	No to bribery and corruption	25
S06. Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	Additional	No to bribery and corruption	25
S07. Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Additional	N/A – no cases	N/A
S08. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Core	N/A – no cases	N/A
S09. Operations with significant potential or actual negative impacts on local communities	Core	River rehabilitation	36-39
S010. Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Core	River rehabilitation	36-39

GRI Disclosure	Type of Disclosure	Location – section	Page
PRODUCT RESPONSIBILITY			
Disclosure on Management Approach	Core	Message from the Managing Director Corporate Governance Corporate Responsibility and corporate strategy go hand in hand	2-3 10 11
PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Core	Product Responsibility	18-20
PR2. Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes	Additional	N/A – we did not record any non-compliance	N/A
PR4. Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Additional	N/A – No cases	N/A
PR6. Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Core	Responsible marketplace practices	18-25
PR7. Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Additional	N/A – No cases	N/A
PR8. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Additional	N/A – No cases	N/A
PR9. Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Core	N/A – No cases	N/A
Not covered – PR3; PR5			

Glossary

AA1000 – This is a principles-based standard that addresses issues affecting governance, business models and organisational strategy, as well as provide operational guidance on sustainability assurance and stakeholder engagement. (Source: www.accountability.org)

Anaerobic Treatment – Biological process utilising naturally-occurring bacteria to break down biodegradable material suited for the pre-treatment of high strength wastewaters.

Bursa Malaysia – The Stock Exchange in Malaysia

Carbon Emissions – The release of extra carbon dioxide (CO₂) into the atmosphere resulting to an increase of global temperature.

Chemical Oxygen Demand (COD) – A measure of the oxygen requirement of organic matter in water. It is used as an indicator of dissolved organic carbon. Unit used to measure COD i.e. parts per million (ppm).

ESG Index – A tradable investment index measuring companies' performance on of environmental, social and corporate governance.

GRI – Global Reporting Initiative. A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.

HACCP – Hazard Analysis & Critical Control Points. This is a management system in which food safety is addressed through the analysis and control of biological, chemical and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.

Independent Director – Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement. (Source: Bursa Malaysia Listing Requirements)

Induction Lamp – Uses less mercury per hour of operation than conventional lighting due to their long lifespan – environment friendly and uses less energy. In addition, mercury is in a solid form and can be easily recovered if the lamp is broken, or for recycling at end-of-life.

ISO 26000 – An ISO International Standard giving guidance on social responsibility. It is intended for use by organisations of all types, although it must be emphasised that this is only a voluntary guidance, and not a requirement.

LA21 – Local Agenda 21. Local action plan towards sustainable development in the 21st century.

Mercury Lamp – The first kind of metal vapour light source that was mass produced for general lighting applications and still used today although is relative inefficient by contrast with other light sources (see "induction lamp").

New Economic Policy (NEP) – National Malaysian policy which focuses on the importance of achieving socio-economic goals alongside pursuing economic growth objectives as a way of creating harmony and unity in a nation with many ethnic and religious groups.

Non-Executive Director – A Director who does not currently hold other employment in the company. Unlike an Independent Director, a Non-Executive Director can have significant financial interests or close personal ties to the company. (Source: Bursa Malaysia Listing Requirements)

NGO – Non-Governmental Organisation. An independent voluntary organisation working towards a common purpose; often for social or environment motives.

Rukun Tetangga – Neighbourhood Watch Programme administered and run by communities.

Socially Responsible Investment (SRI) – A sustainable investment strategy which seeks to maximise financial returns, environmental sustainability and social benefits.

Stakeholders – Individuals and groups who have an interest or stake in the organisation and are able to influence the organisation's ability to meet its goals. Some examples of groups with organisational interests are customers, employees, investors, suppliers, general society and the world ecological community.

Stakeholder Engagement – This is an ongoing process between a company and its stakeholders, encompassing a range of activities and approaches, from information sharing and consultation, to participation, negotiation and partnerships (Source: IFC)

Sustainability – A term expressing a long-term balance between social, economic and environmental objectives. Often linked to Sustainable Development which is defined as "Development that meets the needs of current generations without compromising the needs of future generations".

Thermal Energy – A process whereby energy in the form of heat is exchanged from one physical object to another.

Contact and Feedback

We are committed to an on-going dialogue with all of our stakeholders and welcome your comments or questions on this report and our corporate responsibility performance:

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